

ORDINANCE No. 185906

Authorize Third Amendment to the Agreement for Disposition and Development of the Jefferson West Apartments (Ordinance)

The City of Portland ordains:

SECTION 1. The Council finds that:

1. On February 28, 2007, the Portland Development Commission ("PDC") adopted Resolution No. 6440 authorizing an Agreement for Disposition and Development, as amended, (the "Agreement") with E&F Properties, LLC ("E&F"), for PDC-owned property located at 1101-1139 SW Jefferson Street, Block 263, Lots 3-6; known as the Jefferson West Apartments (the "Property");
2. The Portland City Council Ordinance No. 183903 passed on June 16, 2010, authorizing four intergovernmental agreements ("IGA") between the City of Portland ("City") and PDC in support of the transition of housing functions to the Portland Housing Bureau ("PHB"). One of the IGA, the Assignment and Assumption Agreement (IGA # 30001468 executed on or about July 1, 2010, and as amended), transfers the responsibility for certain identified agreements and real property, including the Agreement and the Property, to PHB;
3. PHB and E&F are parties to the Agreement, dated April 30, 2007, pursuant to which PHB agrees to convey and E&F agrees to acquire the Property for redevelopment as a high quality, residential, mixed-use project upon the terms and conditions set forth in the Agreement;
4. The Agreement required E&F to provide permanent affordable housing for the residential tenants of the Property prior to acquiring the Property, and this condition was satisfied by the construction of the Jeffrey Apartments at 1201 SW 11th Avenue in Portland and the relocation of former tenants of the Property to the Jeffrey Apartments, now owned by an affiliate of Home Forward, in 2009;
5. E&F requests modifications to the Agreement that will not materially increase any risk to the City and will extend the schedule of performance with a closing date on or before March 1, 2014;
6. PHB agreed to these modifications and, as a condition of acceptance, the price of the Property will increase to the current appraised market value (\$2,040,000), as established through an appraisal by Colliers International in July 2012, and will continue to increase monthly in an amount equal to a 3.5% annual increase for a conveyance before the end of February 2014. The Agreement terminates if the property is not conveyed by the end of February 2014;

7. The proceeds from the sale of the Property will assist the City in furthering affordable housing goals in the South Park Blocks Urban Renewal Area including preserving existing affordable housing;
8. PHB and E&F have negotiated a Third Amendment of Agreement for Disposition and Development of Property Jefferson West ("Third Amendment") incorporating these changes.

NOW, THEREFORE, the Council directs:

- a. Subject to approval as to form by the City Attorney, the PHB Director is hereby authorized to execute the Third Amendment to the Development and Disposition Agreement between E & F Properties LLC and PHB, substantially in the form attached hereto as Exhibit A, and related documents as required for the disposition of the Jefferson West.

Passed by the Council: FEB 27 2013

Mayor: Charlie Hales

Prepared by: Barbara Shaw

Date Prepared: February 8, 2013

LaVonne Griffin-Valade
Auditor of the City of Portland

By


Deputy

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<p>INTRODUCED BY Commissioner/Auditor: Mayor Hales</p> <p>COMMISSIONER APPROVAL</p> <p>Mayor /Finance and Administration - Hales <i>[Signature]</i></p> <p>Position 1/Utilities - Fritz</p> <p>Position 2/Works - Fish</p> <p>Position 3/Affairs - Saltzman</p> <p>Position 4/Safety - Novick</p> <p>BUREAU APPROVAL</p> <p>Bureau: Portland Housing Bureau Bureau Head: Traci Manning <i>[Signature]</i></p> <p>Prepared by: Barbara Shaw Date Prepared: February 8, 2013</p> <p>Financial Impact & 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 February 20, 2013</p> <p>City Attorney Approval <i>[Signature]</i> APPROVED AS TO FORM JAMES H. VAN DYKE CITY ATTORNEY</p>	<p>CLERK USE: DATE FILED _____</p> <p style="text-align: right;">LaVonne Griffin-Valade Auditor of the City of Portland</p> <p>By: <i>[Signature]</i> Deputy</p> <p>ACTION TAKEN: FEB 20 2013 PASSED TO SECOND READING FEB 27 2013 9:30 A.M.</p>
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AGENDA
<p>TIME CERTAIN <input type="checkbox"/></p> <p>Start time: _____</p> <p>Total amount of time needed: _____ (for presentation, testimony and discussion)</p> <p>CONSENT <input checked="" type="checkbox"/></p> <p>REGULAR <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 <input checked="" type="checkbox"/>	
2. Fish	2. Fish <input checked="" type="checkbox"/>	
3. Saltzman	3. Saltzman <input checked="" type="checkbox"/>	
4. Novick	4. Novick <input checked="" type="checkbox"/>	
Hales	Hales <input checked="" type="checkbox"/>	