

ORDINANCE No. 186514

*Authorize contingent loan agreement with Home Forward for Kafoury Commons (Ordinance)

The City of Portland ordains:


Section 1. The Council finds:

1. On March 18, 2014, Home Forward adopted a resolution authorizing the issuance of the Home Forward's Multifamily Housing Revenue Refunding Bonds for Columbia Street Apartments Resolution 14-03-02 (the "2014 Bonds"), in an amount not to exceed \$4,100,000. Proceeds of the 2014 Bonds will be used to: (1) refinance all or part of Home Forward's Multifamily Housing Revenue Bonds, Series 1998 (Columbia Street Apartments Project) (the "1998 Bonds"), which were used to finance the construction of the Columbia Street Apartment (now known as Gretchen Kafoury Commons) to provide housing for persons or families of lower income; and (2) to pay certain costs of issuance of the 2014 Bonds. Home Forward is refinancing the 1998 Bonds in order to take advantage of lower interest rates and to reduce debt service costs.
2. Gretchen Kafoury Commons is a nine-story, 65,000 square-foot apartment building located at 1240 SW Columbia Street with 129 studio, one and two-bedroom units. Built in 2000 by Home Forward (the "Project"). All units of the Project are reserved for low income households with 29 studios targeted to households at 40% of the area's median family income (MFI), 63 units at 60% MFI, and 37 units at 80% MFI.
3. The City and Home Forward have previously entered into a contingent loan agreement with respect to the Project. The Contingent Loan Agreement authorized by this Ordinance (the "Contingent Loan Agreement") relates to the 2014 Bonds that will refinance that portion of the 1998 Bonds used to finance the Project and will replace any prior contingent loan agreement for the Project upon the successful sale and closing of the 2014 Bonds.
4. Credit enhancement for the 2014 Bonds in the form of the Contingent Loan Agreement will allow Home Forward to refinance the portion of the 1998 Bonds used to finance the Project for debt service savings that will make funds available for capital improvements at the Project.
5. The City currently has four contingent loan agreements with Home Forward, including the outstanding contingent loan agreement for the Project, that provide credit enhancement for various Home Forward bonds. The total outstanding principal amount of Home Forward bonds carrying a contingent loan agreement with the City is \$25.1 million.

NOW, THEREFORE, the Council directs:

- a. The Council hereby approves and the Mayor and Auditor are authorized to execute a Contingent Loan Agreement with Home Forward to refinance the Project, in substantially the form attached as Exhibit A with such changes as are permitted by the next sentence. The City's Debt Manager, the City Treasurer, the Chief Administrative Officer or their designee, with the concurrence of the City Attorney's Office, is authorized to negotiate modifications to the Contingent Loan Agreement, and to take any action, enter into any agreement or execute any document, as reasonable or necessary to carry out the purposes of the Contingent Loan Agreement and facilitate the refinancing of the Project.

Section 2. The Council declares that an emergency exists because the Contingent Loan Agreement is necessary to take advantage of current favorable interest rates that will reduce debt service costs to the Project; therefore, this ordinance shall be in full force and effect from and after its passage by Council.

APPROVED AS TO FORM

CITY ATTORNEY

Passed by the Council: APR 02 2014

Mayor Charlie Hales

Prepared by: Bond Counsel: Jonas Biery

Date Prepared: March 18, 2014

LaVonne Griffin-Valade

Auditor of the City of Portland

By


Deputy

Agenda No.
ORDINANCE NO.
Title

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<p>INTRODUCED BY Commissioner/Auditor: Hales</p>	<p>CLERK USE: DATE FILED MAR 28 2014</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>LaVonne Griffin-Valade Auditor of the City of Portland</p> <p>By: <i>[Signature]</i> Deputy</p>
<p>BUREAU APPROVAL</p> <p>Bureau: Office of Management & Finance Bureau Head: Fred Miller <i>[Signature]</i></p> <p>Prepared by: Bond Counsel: Jonas Biery <i>JB</i> Date Prepared: 3/19/2014</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>ACTION TAKEN:</p>
<p>City Auditor Office Approval required for Code Ordinances</p> <p>City Attorney Approval: required for contract, code, easement, franchise, comp plan, charter <i>[Signature]</i></p> <p>Council Meeting Date 4/2/2014</p>	<p>APPROVED AS TO FORM</p> <p>CITY ATTORNEY</p>

<p>AGENDA</p> <p>TIME CERTAIN <input type="checkbox"/> 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"/> Total amount of time needed: _____ (for presentation, testimony and discussion)</p>
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FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:		
		YEAS	NAYS
1. Fritz	1. Fritz	✓	
2. Fish	2. Fish	✓	
3. Saltzman	3. Saltzman	✓	
4. Novick	4. Novick	✓	
Hales	Hales	✓	