

Portland, Oregon

**FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT
For Council Action Items**

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

1. Name of Initiator John Marshall	2. Telephone No. 823-3232	3. Bureau/Office/Dept. Portland Housing Bureau
4a. To be filed date 7/23/2014	4b. Calendar (Check One) Regular <input checked="" type="checkbox"/> Consent <input type="checkbox"/> 4/5ths <input type="checkbox"/>	5. Date Submitted to Commissioner's office and FPD Budget Analyst: 7/9/2014
6a. Financial Impact Section: <input checked="" type="checkbox"/> Financial impact section completed		6b. Public Involvement Section: <input checked="" type="checkbox"/> Public involvement section completed

1) Legislation Title:

*Authorize a loan of up to \$6,339,093 of tax increment financing to be used with funding from other sources to develop a rental housing project with 52 affordable units and ten market rate units (Ordinance)

2) Purpose of the Proposed Legislation:

Approve funding for the construction of a new rental housing project with 52 affordable units and ten market rate 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)?

- City-wide/Regional Northeast Northwest North
 Central Northeast Southeast Southwest East
 Central City
 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.

Funds for this expenditure are available in the FY 2014-15 adopted budget. A promissory note, in a combined amount of \$6,339,093 will be issued, carrying a 0% interest rate for a 30 year term. Repayment requirements are cash flow dependent, and any repayment is program income to the River District URA. In addition, a \$444,391 PHB tax increment predevelopment loan will be repaid at construction loan closing from other funders.

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.)

The construction/permanent financing amount of \$6,339,063 is for rehabilitation /permanent financing) of the development. A guaranteed maximum price contract from the general contractor is a condition of closing. This in combination with PHB staff review and prior history with housing development projects, promotes a high level of confidence as the upper limit of funding required.

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.

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

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

The project will produce 52 new units of housing affordable to households earning 60% of median family income or less, 10 market rate housing units, and an estimated 270 construction jobs.

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?

Innovative Housing Inc. (IHI) has had extensive public participation including: 1. obtaining a letter of support from the Land Use and Design Review Committee of the Old Town Chinatown Community Association on February 18, 2014; 2. IHI's executive director is on the board on the neighborhood association and provides regular updates on the status of the development; 3. Last summer IHI did a series of four building tours for the public that were well attended; 4. IHI conducted a fundraising event at the project site and invited many local neighborhood businesses along with project descriptions of the development, 5. IHI has worked with neighboring businesses to work out time schedules that mesh with their businesses e.g. not drilling on the wall adjacent to the Alexis restaurant between 11 am – 2 pm daily. Also the project has had excellent coverage in the Daily Journal of Commerce, The Oregonian, and the Portland Tribune during the last year.

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

Public participation was part of the Fall 2012 NOFA selection process. A non PHB community representative member participates in PHB's Housing Investment Committee. As a result of the public financing, the affordable rental housing created will remain affordable for a period of 60 years. In addition, construction timing will be adapted to minimize impact upon neighboring businesses.

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

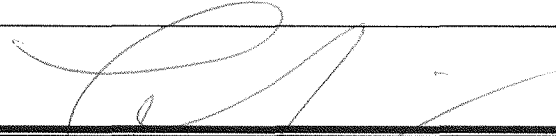
Public involvement is part of the PHB process.

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

for NOFA review details, contact
Karl Dinkelspiel
Interim Housing Manager
503-823-1354
Karl.Dinkelspiel@portlandoregon.gov

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

None is anticipated prior to Council hearing.



Traci Manning, Bureau Director

Date