

ORDINANCE No. 187099

*Approve the purchase of 10,000 square feet of land at NW Raleigh St and NW 14th Ave for approximately \$1,300,000 using proceeds of River District Urban Renewal Area Tax Increment Financing and approve the First Amendment to the Amended and Restated Agreement for Development between Hoyt Street Properties, LLC and the City (Ordinance)

The City of Portland ordains:

Section 1. The Council finds that:

1. On March 12, 1999, the City of Portland (the “City”) and Hoyt Street Properties, LLC (“HSP”) entered into that certain Amended and Restated Agreement for Development (the “DA”) related to thirty-four (34) acres of HSP-owned land (the “DA Property”) in the River District Urban Renewal Area.
2. The primary purpose of the DA was to describe (i) the general framework for development of the DA Property by HSP, (ii) the general framework for the construction of infrastructure improvements by the City, and (iii) to define when the commitments of the respective parties were to be implemented.
3. Among the goals and commitments, the DA established minimum targets for the development of affordable housing (the “Affordability Commitments”). The Affordability Commitments contemplated that 35% of all housing units constructed on the DA Property within certain time periods would be affordable to households earning at or below 80% of the area’s median family income (“MFI”).
4. The City delegated most of its rights and responsibilities to manage, administer and enforce the Affordability Commitments to the Portland Development Commission (“PDC”). In 2010, PDC assigned its rights and responsibilities related to the Affordability Commitments to the Portland Housing Bureau (“PHB”) under that certain Inter Government Agreement No. 30001468, dated July 1, 2010, as amended.
5. The DA provides that, in the event that the Affordability Commitments are not met, the City, as its remedy, has a right to purchase land of HSP’s choice (“Affordable Housing Parcel”) for the purpose of developing affordable housing at a purchase price determined in accordance with the process set forth in the DA.
6. The process for determining the purchase price as stipulated in the DA relies on an iterative appraisal process that also factors in the respective investments of the parties. The final determination of the purchase price is made by an independent third appraiser (the “Appraiser”) considering all of the information provided by the parties as well as the prior appraisals and is not considered negotiable.
7. As the final assessment date of September 2012 approached for determining whether the Affordability Commitments were met, PHB determined that 30% of all units constructed were affordable to households earning from 0 -80% MFI.

8. On December 1, 2011, PDC adopted Resolution No 6909 which, among other things, approved that certain Amendment Number 3 to Disposition and Development Agreement for Station Place Redevelopment that provided an extension of the time under which the City could exercise its remedy of purchasing the Affordable Housing Parcel until September 14, 2014.
9. In September 2014, timely notified HSP of its intent to exercise its remedy to purchase the Affordable Housing Parcel.
10. HSP identified the Affordable Housing Parcel as a portion of the DA Property located at the northeast corner of NW Raleigh Street and NW 14th Avenue identified by the Multnomah County Assessor with the identification number "R180220354e".
11. On March 23, 2015, the final appraisal concluded that the purchase price for the Affordable Housing Parcel should be \$1,350,000 (10% below market value).
12. On April 16, 2015, HSP agreed to reduce the purchase price by \$50,000 and agreed to amend the DA provision that requires that PHB commence construction within two years of the acquisition of the Affordable Housing Parcel, potentially allowing PHB up to three years from acquisition to commence construction as further described in the First Amendment to the Amended and Restated Development Agreement attached hereto as Exhibit A (the "First Amendment").
13. PHB will use its proceeds of River District Tax Increment Financing ("TIF") to purchase the Affordable Housing Parcel in order to further the affordable housing goals of the River District Development Plan as endorsed by City Council on May 11, 1994 and in furtherance of the strategies of Portland's Comprehensive Plan Housing Policy regarding neighborhood stabilization and the mitigation of gentrification.
14. On April 16, 2015, PHB's Housing Investment Committee approved the transaction and recommended that PHB seek City Council authorization for the purchase of the Affordable Housing Parcel.

NOW, THEREFORE, the Council directs:

- a. The Director of PHB is authorized to accept the Deed and to execute other documents as may be required to acquire the Affordable Housing Parcel as authorized by this Ordinance, including the First Amendment, subject to the approval as to form of such documents by the City Attorney's Office.
- b. The Mayor and Auditor are hereby authorized to draw and deliver checks chargeable to the PHB budget when demand is presented and approved by the proper authority.

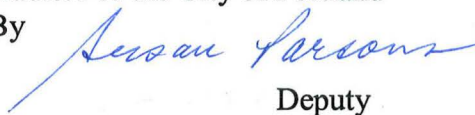
SECTION 2. The Council declares that an emergency exists because the time allowed for the City to acquire the Affordable Housing Parcel is only thirty days from the date the purchase price was determined by the Appraiser. A delay would cause the City to be in default under the DA: therefore, this Ordinance shall be in full force and effective from and after its passage.

Passed by the Council: APR 22 2015

Commissioner Dan Saltzman
Prepared by: Barbara Shaw
Date Prepared: April 16, 2015

Mary Hull Caballero
Auditor of the City of Portland

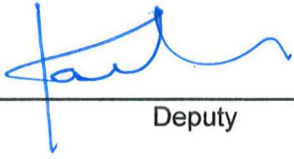
By



Deputy

Agenda No.
ORDINANCE NO. 187099
 Title

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INTRODUCED BY Commissioner/Auditor: Dan Saltzman	CLERK USE: DATE FILED <u>APR 17 2015</u>
COMMISSIONER APPROVAL Mayor—Finance and Administration - Hales Position 1/Utilities - Fritz Position 2/Works - Fish Position 3/Affairs - Saltzman <i>DS/sc</i> Position 4/Safety - Novick	Mary Hull Caballero Auditor of the City of Portland By:  Deputy ACTION TAKEN:
BUREAU APPROVAL Bureau: Portland Housing Bureau Bureau Head: Traci Manning <i>[Signature]</i> Prepared by: Barbara Shaw Date Prepared: April 16, 2015 Impact Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/> Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> City Auditor Office Approval: required for Code Ordinances City Attorney Approval: <i>[Signature]</i> Council Meeting Date: April 22, 2015	

AGENDA
TIME CERTAIN <input type="checkbox"/> Start time: Total amount of time needed: (for presentation, testimony and discussion)
CONSENT <input type="checkbox"/> REGULAR <input checked="" type="checkbox"/> Total amount of time needed: 10 min (for presentation, testimony and discussion)

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"/>	