

ORDINANCE No. 187576

*Approve financing not to exceed \$6,500,000 using tax increment financing from the Central Eastside URA and federal HOME funds for the St. Francis Park Apartments at 1136 SE Stark Street (Ordinance)

Section 1. The Council finds that:

1. On behalf of the City of Portland, the Portland Housing Bureau (“PHB”) administers affordable housing programs using resources, including tax increment proceeds and federal funds, to support the development of affordable housing.
2. As a result of the public solicitation “*Notice of Funding Availability Spring 2014*,” PHB is seeking to award financial resources in an amount up to \$6,500,000, including \$3,000,000 from the proceeds of tax increment financing in the Central Eastside Urban Renewal Area (the “URA”) and \$3,500,000 of federal HOME funds and (together the “City Funding”) for a development to be constructed at 1136 SE Stark Street known as the “St. Francis Park Apartments” (the “Project”).
3. The Project will be developed jointly by Home Forward, the Housing Authority of Portland, and by Caritas Housing Initiatives, the non-profit housing development arm of Catholic Charities. Home Forward will be the lead development entity and Caritas Housing Initiatives will operate the housing.
4. The Project will have 106 residential units, including 95 reserved for households earning up to 60% of the area median family income (“MFI”), 10 reserved for households earning up to 30% of the area MFI, and one manager’s unit.
5. The Project will target 25 units for at-risk households with Home Forward providing nine project-based rent assistance vouchers for nine of the ten units reserved for very low income households at risk of homelessness or escaping domestic violence
6. The location in inner Southeast Portland provides new affordable housing in a high opportunity neighborhood with easy access to employment, transportation and other Portland amenities.
7. The St. Francis of Assisi Parish of the Catholic Church was the former owner of the land on which the Project will be built and was instrumental in making the development possible through its decision to sell the land at very favorable terms for this purpose.
8. The St. Francis Park Apartments is a \$23,250,000 development using a 4% low income housing tax credit financing structure. The City Funding is necessary to leverage more than \$16,750,000 of other public and private financing needed to develop the Project from sources including JPMorgan Chase Bank, N.A, Key Bank CDC, Oregon Housing & Community Services, US Department of Housing and Urban Development, Home Forward, Catholic Charities, and the St. Francis of Assisi Parish of the Catholic Church.

1. The owner, St. Francis Park Limited Partnership, will enter into a regulatory agreement with PHB requiring 95 units to be affordable at incomes up to 60% MFI and 10 units to be affordable at incomes up to 30% MFI for sixty years.
2. On January 21, 2016, the PHB Housing Investment Committee recommended approval of the City Funding for the Project subject to Council authorization.

NOW, THEREFORE, the Council directs:

- a. The City Funding to the St. Francis Park Limited Partnership to implement the Project will consist of up to \$3,000,000 from the Central Eastside District URA budget and up to \$3,500,000 from PHB's budget for federal HOME funds.
- b. The Director of PHB is authorized to approve amendments or modifications to the financing and to execute regulatory agreements, loan documents, trust deeds, and such other documents in form and substance as required to complete the financing authorized by this Ordinance, within the maximum amounts approved under this Ordinance, and subject to the approval as to form of such documents by the City Attorney's Office.

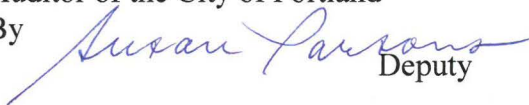
SECTION 2. The Council declares that an emergency exists because a delay in the City's approval would impair the ability of the Project to meet the timeline required by other financing sources for which prior Council approval is required, and would delay the Project and impact the budget: therefore, this Ordinance shall be in full force and effective from and after its passage.

Passed by the Council, FEB 10 2016

Commissioner Dan Saltzman
Prepared by: Barbara Shaw
Date Prepared: January 15, 2016

MARY HULL CABALLERO
Auditor of the City of Portland

By


Deputy

Urban Renewal Area

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<p>INTRODUCED BY Commissioner/Auditor: Dan Saltzman</p>	<p>CLERK USE: DATE FILED <u>FEB 02 2016</u></p>
<p>COMMISSIONER APPROVAL</p> <p>Mayor—Finance and Administration - Hales</p> <p>Position 1/Utilities - Fritz</p> <p>Position 2/Works - Fish</p> <p>Position 3/Affairs - Saltzman <i>[Signature]</i></p> <p>Position 4/Safety - Novick</p>	<p>Mary Hull Caballero Auditor of the City of Portland</p> <p>By: <u><i>Susan Parsons</i></u> Deputy</p> <p>ACTION TAKEN:</p>
<p>BUREAU APPROVAL</p> <p>Bureau: Portland Housing Bureau Bureau Head: Kurt Creager <i>[Signature]</i></p> <p>Prepared by: Barbara Shaw Date Prepared: January 15, 2016</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>City Auditor Office Approval: required for Code Ordinances</p> <p>City Attorney Approval: <i>ef</i></p>	
<p>Council Meeting Date February 10, 2016</p>	

AGENDA
<p>TIME CERTAIN <input checked="" type="checkbox"/> Start time: 9:45 AM Total amount of time needed: 20-25 minutes (for presentation, testimony and discussion)</p>
<p>CONSENT <input type="checkbox"/></p>
<p>REGULAR <input type="checkbox"/> Total amount of time needed: _____ (for presentation, testimony and discussion)</p>

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	_____	