

## ORDINANCE No. 187967

\*Authorize contingent loan agreement with Home Forward for Lovejoy Station Apartments (Ordinance)

The City of Portland ordains:

Section 1. The Council finds:

1. On June 21, 2016, Home Forward adopted a resolution authorizing the issuance of the Home Forward's Multifamily Housing Refunding Revenue Bonds for Lovejoy Station Apartments Resolution 16-06-02 (the "2016 Bonds"), in an amount not to exceed \$10,500,000. Proceeds of the 2016 Bonds will be used to refinance all or of part of Home Forward's (previously known as the Housing Authority of Portland) Multifamily Housing Revenue Bonds, Series 2000 (Lovejoy Station Apartments Project) (the "2000 Bonds"), which were used to finance the construction of the Lovejoy Station Apartments to provide housing for persons or families of lower income; (2) to pay costs associated with acquisition of interests in the Project; and (3) to pay costs related to the 2016 Bonds. Home Forward is refinancing the 2000 Bonds in order to take advantage of lower interest rates and reduce debt service costs.
2. Lovejoy Station Apartments is a 181-unit affordable housing project located at 1040 NW 10th Avenue in Portland, Oregon, with studio, one and two-bedroom units built in 2001 by Home Forward (the "Project"). All units of the Project are reserved for low income households, with 76 studios targeted to households at 40-60% of the area's median family income ("MFI"), 66 one bedroom units at 60-80% of MFI, and 39 two bedroom units at 60-80% of MFI.
3. The City and Home Forward have previously entered into a contingent loan agreement to provide credit enhancement for 2000 Bonds. The contingent loan agreement authorized by this Ordinance (the "Contingent Loan Agreement") will provide credit enhancement for the 2016 Bonds and will replace the existing contingent loan agreement for the 2000 Bonds.
4. The credit enhancement that the Contingent Loan Agreement provides for the 2016 Bonds will allow Home Forward to refinance the 2000 Bonds to achieve debt service savings.
5. The City currently has five 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 \$25,420,000. The City's obligation to loan funds under the contingent loan agreements is subject to annual appropriation by the City Council.

NOW, THEREFORE, the Council directs:

- a. The Council hereby approves and the Mayor and Auditor are hereby 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 Chief Financial Officer and Director of the Bureau of Revenue and Financial Services, 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 that is desirable to carry out this ordinance or 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.

Passed by the Council: **AUG 31 2016**

Mayor Charlie Hales

Prepared by: Bond Counsel: Eric Johansen

Date Prepared: August 17, 2016

**Mary Hull Caballero**  
Auditor of the City of Portland

By

  
Deputy

Agenda No. **187967**  
**ORDINANCE NO.**  
 Title

\* Authorize contingent loan agreement with Home Forward for Lovejoy Station Apartments  
 (Ordinance)

<p><b>INTRODUCED BY</b>          Commissioner/Auditor:  <b>Mayor Charlie Hales</b></p> <p><b>COMMISSIONER APPROVAL</b></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</p> <p>Position 4/Safety - Novick</p> <p><b>BUREAU APPROVAL</b></p> <p>Bureau: Revenue &amp; Financial Services          Bureau Head: Ken Rust </p> <p>Prepared by: Bond Counsel: Eric Johansen           Date Prepared: 8/17/2016</p> <p>Financial Impact &amp; 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><b>City Auditor Office Approval:</b>          required for Code Ordinances</p> <p><b>City Attorney Approval:</b>          required for contract, code, easement, franchise, comp plan, charter </p> <p>Council Meeting Date: 8/31/2016</p>	<p>CLERK USE: DATE FILED <u><b>AUG 23 2016</b></u></p> <p>Mary Hull Caballero          Auditor of the City of Portland</p> <p>By:           Deputy</p> <p><b>ACTION TAKEN:</b></p>
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<b>AGENDA</b>
<p><b>TIME CERTAIN</b> <input type="checkbox"/></p> <p>Start time: _____</p> <p>Total amount of time needed: _____          (for presentation, testimony and discussion)</p>
<p><b>CONSENT</b> <input type="checkbox"/></p>
<p><b>REGULAR</b> <input checked="" type="checkbox"/></p> <p>Total amount of time needed: <u>5 minutes</u>          (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 type="checkbox"/>	