

ORDINANCE No. 188175

*Authorize the appropriation of \$51,000,000 for a Housing Property Fund (Ordinance; add Code Section 5.04.540)

The City of Portland ordains:

Section 1. The Council finds that:

1. On behalf of the City of Portland, the Portland Housing Bureau (“PHB”) administers programs to support the development and preservation of affordable housing.
2. On November 8, 2016 Portland voters passed measure 26-179 (the “Housing Bond”) which authorized the city to issue up to \$258,400,000 to acquire, rehabilitate and develop affordable housing. Due to timing concerns on the purchase of the Ellington Apartments, located at 1610 NE 66th Avenue (the “property”), management of the Office of Management and Finance (“OMF”) as well as the city’s Debt Manager have agreed to supply a \$51 million line of credit with the understanding that proceeds from the initial sale of Housing Bonds will be used to replace this facility. PHB is also exploring using conventional financing to replace a portion of the facility.
3. By separate ordinance heard in the Dec. 7, 2016 Council session, the Office of Management and Finance is requesting authorization to finance all or any portion of the capital costs of purchasing the Property with short, intermediate or long term general obligation bonds or with interim financing secured by the City’s full faith and credit pursuant. The authorization will be for an amount shall not exceed \$51 million.
4. By separate ordinance heard in the Dec. 7, 2016 Council session, Council approved PHB’s purchase of the Ellington Apartments, for up to \$47,000,000, for which closing is expected in February, 2017. The difference between the \$51 million interim financing and the purchase price covers closing costs and necessary immediate repairs to the property.

NOW, THEREFORE, the Council directs:

- a. PHB is hereby authorized to acquire, develop, and operate property using a newly created Housing Property Fund.
- b. City Code Chapter 5.04 is amended by adding a new section as follows:
 - a. **5.04.540 Housing Property Fund.**
 - b. The Housing Property Fund is hereby created in order to record the transactions of resources and requirements resulting from the acquisition, development, and operation of property by the Portland Housing Bureau. Except to further these established purposes, in no case shall any funds be transferred from the Housing

Property Fund to the City' s General Fund, or any other fund, for any other purpose

- c. The Fund Statement of Purpose be added as Exhibit A, and the action to adopt The Fund Statement of Purpose contained in this Ordinance is binding City Policy.
- d. That the Housing Property Fund be added to the City's financial system and PHB's Fiscal Year 2016/2017 budget is hereby amended as follows:

HOUSING PROPERTY FUND

Fund 226
 Business Area – HC
 Bureau Program Expenses - \$51,000,000

SECTION 2. The Council declares that an emergency exists because a delay in the City's approval would impair the ability of PHB to acquire, develop, and manage the property as contemplated; therefore, this Ordinance shall be in full force and effective from and after its passage.

Passed by the Council: **DEC 21 2016**

Commissioner: Dan Saltzman
 Prepared by: Mike K. Johnson
 Date Prepared: December 5, 2016

Mary Hull Caballero
 Auditor of the City of Portland

By



Deputy

Agenda No. **ORDINANCE NO. 188175**
Title

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<p>INTRODUCED BY Commissioner/Auditor: Dan Saltzman</p>	<p>CLERK USE: DATE FILED DEC 15 2016</p>
<p>COMMISSIONER APPROVAL</p> <p>Mayor—Finance and Administration - Hales</p> <p>Position 1/Utilities - Fritz <i>Amanda Fritz</i></p> <p>Position 2/Works - Fish</p> <p>Position 3/Affairs - Saltzman <i>Dan Saltzman</i></p> <p>Position 4/Safety - Novick</p>	<p>Mary Hull Caballero Auditor of the City of Portland</p> <p>By: <i>Mary Hull Caballero</i> Deputy</p> <p>ACTION TAKEN:</p>
<p>BUREAU APPROVAL</p> <p>Bureau: Portland Housing Bureau Bureau Head: Kurt Creager <i>Kurt Creager</i></p> <p>Prepared by: Mike K. Johnson Date Prepared: December 5, 2016 Financial Impact & Public Involvement Statement <i>Mike Johnson</i></p> <p>Completed <input checked="" type="checkbox"/> Amends Budget <input checked="" type="checkbox"/></p>	
<p>Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p>	
<p><input checked="" type="checkbox"/> City Auditor Office Approval: required for Code Ordinances <i>Toni</i></p>	
<p><input checked="" type="checkbox"/> City Attorney Approval: <i>at</i></p>	
<p>Council Meeting Date Dec. 21, 2016</p>	

AGENDA

TIME CERTAIN
Start time: _____

Total amount of time needed: _____
(for presentation, testimony and discussion)

CONSENT

REGULAR
Total amount of time needed: **15 minutes**
(for presentation, testimony and discussion)

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:	
	YEAS	NAYS
1. Fritz <i>Amanda Fritz</i>	1. Fritz <input checked="" type="checkbox"/>	
2. Fish <i>SM8 for Nick Fish</i>	2. Fish <input checked="" type="checkbox"/>	
3. Saltzman <i>Dan Saltzman</i>	3. Saltzman <input checked="" type="checkbox"/>	
4. Novick <i>Amanda Fritz</i>	4. Novick <input checked="" type="checkbox"/>	
Hales <i>Car Hales</i>	Hales <input checked="" type="checkbox"/>	