

IMPACT STATEMENT

Legislation title: Authorize a temporary interfund loan of \$48,000,000 between the Development Services Fund and the Housing Capital Fund

Contact name: Jennifer Cooperman

Contact phone: 823-6851

Presenter name: Jennifer Cooperman

Purpose of proposed legislation and background information:

This legislation authorizes an interfund loan in the amount of \$48.0 million to provide interim financing for multiple anticipated affordable housing property purchases over the next year. This includes a 52-unit apartment building currently under construction at 10506 E Burnside, which has been submitted for Council authorization under a separate ordinance. Portland voters approved issuance of \$258.4 million in general obligation bonds in November 2016. However, given the timing of the anticipated purchases, it is unlikely that bond sale proceeds or other City financing will be available prior to closing dates. The use of a temporary interfund loan has been determined to be the most administratively efficient and cost-effective funding mechanism to provide interim financing.

Financial and budgetary impacts:

This action does not change budgeted appropriations, but authorizes an interfund loan between the Development Services Fund and Housing Capital Fund up to \$48.0 million.

For the purchase of the property at 10506 E Burnside, the Bureau of Development Services and Portland Housing Bureau are requesting adjustments in the Over-Expenditure Ordinance reflecting \$14.3 million in interfund loan resources being transferred from the Development Services Fund to the Housing Capital Fund. In addition to the direct acquisition costs, there are \$100,000 in pre-acquisition costs associated with this property, and up to \$700,000 in other pre-acquisition costs associated with other potential properties. For future purchases, the Portland Housing Bureau will submit separate ordinances for Council authorization of individual property purchase agreements, which will identify the total loan amount (including pre-acquisition costs) from the Development Services Fund to the Housing Capital Fund.

The Development Services Fund currently has a budgeted combined contingency and unappropriated fund balance of \$86,467,123, and continued strong revenue projections make it unlikely that the bureau will need these funds prior to the proposed 12/31/2019 loan repayment date. The Portland Housing Bureau will repay the loan with accrued interest at the rate of return on moneys invested in the City's investment pool through issuance of general obligation bonds or other City financing.

Community impacts and community involvement:

Due to the sensitive nature of purchase negotiations, PHB has not engaged the community regarding the properties discussed in this resolution. Post property purchase, PHB will inform relevant community members and stakeholder groups about the project and solicit

tenant referrals as outlined in the Bond's Community Engagement Plan. PHB anticipates generally positive impacts to the community. Successful implementation of Portland's Housing Bond will help address severe unmet housing needs among the people of Portland.

100% Renewable Goal:

This Ordinance has no impact on the City's goal to meet 100 percent of community-wide energy needs with renewable energy by 2050.

Budgetary Impact Worksheet

Does this action change appropriations?

YES: Please complete the information below.

NO: Skip this section

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount