

## IMPACT STATEMENT

**Legislation title:** \*Authorize new construction financing for an affordable housing project to be developed by a Northwest Housing Alternatives affiliate in amount not to exceed \$19,786,343 (Ordinance)

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Also Present:

PHB Staff:

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**Purpose of proposed legislation and background information:**

- This Ordinance requests City Council approval of financing in an amount up to \$19,786,343 using Portland Housing Bonds from fiscal years 2020-23.
- The funds will allow Northwest Housing Alternatives Inc. (“NHA”) to adapt the historic Buck Prager Building and develop a new 3-story and 6-story building project comprising of 144 new affordable housing units at 1727 NW Hoyt Street and 624 NW 18<sup>th</sup> Street (“Project”).
- The Project will provide 78 units affordable to households earning 30% MFI. Of them, 30 will be unsubsidized. An additional 66 units will be restricted at units affordable to households earning 60% MFI or below, and there will be two unregulated managers’ units. Forty-eight units are for Permanent Supportive Housing (PSH) and will have JOHS service subsidy.
- This project will target seniors and adults.

The Affordability mix is indicated below:

Unit Size	Total No. Units	Total @ 30% MFI	Total @ 60% MFI	MGR Unit	PSH units	PBS8 Vouchers
<b>Studios</b>	144	78	66	0	48	48
<b>1 Bedroom</b>	2	0	0	2	0	0
<b>Total</b>	146	78	66	2	48	48

**Financial and budgetary impacts:**

- PHB is required to regulate and monitor all affordable rental projects that contain City allocated funding for a minimum of sixty years and PHB funded projects are regulated for a term of 99 years.
- The financing amount requested is included in the PHB FY 2020-23 Adopted Budget and is also included in the bureau five-year forecast.
- The cost of PHB delivery of the units including community outreach, establishment and coordination of a Bond Oversight Committee, Project due diligence, construction monitoring, negotiations, and documentation related to the development of the Project are included in the PHB FY 20-21 Revised Budget and covered in the Program Delivery Fee of \$1,294,434 Of which half is anticipated at closing and the remainder due at the conversion to permanent financing of the project (36 months from financial closing).
- PHB will charge a fee over the life of the project to cover compliance monitoring costs.
- The Project is applying and qualifies for System Development Charge (“SDC”) waivers, which collectively total an estimated \$2,105,712 in foregone City revenue.

**Community impacts and community involvement:****Impact:**

- 144 units of affordable housing in northeast Portland, excluding two managers’ units.
- 48 (or 33%) of the affordable units are targeted to serve homeless households especially seniors.
- 78 (or 54%) of the affordable units will be restricted to households earning 30% AMI or less.
- The Project is required to target an equity in contracting goal of 30% for DMWESB-SDV for construction costs and a 20% for professional services. Current estimate is at least 30% of construction cost to certified firms and upwards of 80% of professional services.

**Community Involvement:**

According to Trell Anderson, NHA’s Executive Director, the neighborhood strongly advocated with the City for affordable housing at this location. There were some neighborhood concerns surrounding building height, massing and finishes and lack of parking, which were resolved through an appeal to the Land Use Board of Appeals. This project fulfills city and neighborhood goals via the historic preservation of the Buck-Prager building as well as seismically retrofitting an unreinforced masonry building.

**Unit Mix and Affordability**

Total Units	144 affordable plus 2 managers’ units unrestricted
No. at or below 30% MFI	78 units: 30 unsubsidized and 48 subsidized
No. at or below 60% MFI	144
Population Specific Units	48 PSH
PHB Funds	\$19,786,343 in Portland Housing Bond funds

**100% Renewable Goal:**

Project will be certified Earth Advantage Platinum and will contribute to the City’s goals to reach 100% 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