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## 190593

Emergency Ordinance

### **\*Authorize new construction financing for an affordable housing project to be developed by an Innovative Housing Incorporated affiliate not to exceed \$20,544,000**

Passed

The City of Portland ordains:

Section 1. The Council finds:

1. On behalf of the City of Portland, the Portland Housing Bureau (PHB) administers affordable housing programs using resources, including Portland Housing Bonds (Portland Bonds) and Community Development Block Grant (CDBG) funds, to support the development of affordable housing.
2. In the spring of 2019, PHB published a Bond Opportunity Solicitation (BOS) to invite developers to submit proposals for affordable rental housing projects. On October 7, 2019 PHB issued an Award Letter to Innovative Housing Inc. (IHI) indicating selection of their project to receive Portland Bond funds.
3. IHI has formed a limited partnership, the Anna Mann Limited Partnership (Borrower), to acquire and renovate the existing historic building and develop it, and two newly constructed buildings into a multifamily affordable rental project with 128 rent regulated units, known as the Anna Mann (Project), located at 1021 NE 33<sup>rd</sup> Avenue in the Laurelhurst Historical District.
4. The Project is approximately three miles east of downtown and is close to transit, a large array of retail services, multiple parks, and within walking distance of some of the city's highest ranked public schools. The Project is comprised of 66 one-bedroom units, 48 two-bedroom units (plus 1 two-bedroom unit for a manager), 13 three-bedroom units and 1 four-bedroom unit.
5. Twelve (12) Permanent Supportive Housing (PSH) units in the Project will receive additional funding support provided by the Joint Office of Homeless Services (JOHS) totaling up to \$10,000 per year per unit. PSH units are intended to serve the homeless or those at risk of

Introduced by

[Commissioner Dan Ryan](#)

Bureau

[Housing Bureau](#)

Prepared by

John Marshall

Date Prepared

October 4, 2021

Requested Agenda Type

Regular

homelessness. All twelve (12) of the PSH units will have rental support from Project-Based Section 8 vouchers.

6. Forty-two (42) units in the Project will be affordable to individuals earning up to 30% of area median income (AMI). The remaining eight (86) units will be affordable to individuals earning up to 60% of area median income (AMI).
7. The Borrower will enter into regulatory agreements with PHB in accordance with City policies to maintain the affordability of the Project for 20 years to comply with the Portland Bond requirements and for up to 99 years to comply with additional City requirements.
8. The proposed City funding leverages nearly \$37.4 million of other public and private financing contributed by KeyBank, Fannie Mae and the Oregon Housing and Community Services Department.
9. On October 7, 2021, the PHB Housing Investment Committee recommended approval of the use of Portland Bond funds and other City funds for the Project.

NOW, THEREFORE, the Council directs:

- A. The Director of PHB is hereby authorized to execute any and all financing and related documents necessary to advance the project and provide an amount not to exceed \$20,544,000 to the Borrower or an Innovative Housing Inc. affiliate for the acquisition, renovation, construction and operation of the Project.
- B. The Director of PHB is authorized to approve amendments or modifications to any and all financing and related documents, within the maximum amounts approved under this Ordinance, consistent with City housing policies, 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 and would delay the Project and could affect the budget; therefore, this Ordinance shall be in full force and effect from and after its passage by the Council.

An ordinance when passed by the Council shall be signed by the Auditor. It shall be carefully filed and preserved in the custody of the Auditor (City Charter Chapter 2 Article 1 Section 2-122)

Passed by Council  
November 3, 2021

Auditor of the City of Portland  
Mary Hull Caballero

## Impact Statement

 [Impact Statement](#) (40.87 Kb)

## Budget Office Financial Impact Analysis

The funding for this project and associated compliance monitoring costs are included in the bureau's current year budget and five-year forecast. The project is also applying and qualifies for System Development Charge and Construction Excise Tax exemption and permit waivers, anticipated to result in approximately \$1.9 million in foregone City revenue. The Joint Office of Homeless Services will provide up to \$10,000 per unit for supportive housing services.

## Agenda Items

790 Regular Agenda in [November 3, 2021 Council Agenda](#)

Passed

Commissioner Mingus Mapps Yea

Commissioner Carmen Rubio Yea

Commissioner Dan Ryan Yea

Commissioner Jo Ann Hardesty Yea