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# 191881

Emergency Ordinance

## \*Authorize new construction financing for an affordable housing project located at 4160 NE Halsey St to be developed by BRIDGE Housing Corporation or an affiliate for amount not to exceed \$33 million

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 HOME Investment Partnerships American Rescue Plan Program (HOME-ARP funds), to support the development of affordable housing.
2. In April 2021, PHB published a Notice of Funding Availability (NOFA) to invite developers to submit proposals for affordable new construction projects that included Family-Focused Housing. PHB issued an award letter to BRIDGE Housing (BRIDGE) indicating selection of their project to receive Metro Housing Bond funds. The award was later revised with the inclusion of Portland Bonds and HOME-ARP funds.
3. BRIDGE and equity investor Key Bank have together formed the Hollywood Hub Limited Partnership (Borrower) to enter into a ground lease with TriMet for the site and construct a multifamily affordable rental project with 222 rent-regulated units known as HollywoodHUB (Project). The Project is located at 4160 NE Halsey Street in the Hollywood neighborhood.
4. The Project is comprised of 43 studios, 53 one-bedroom units, 95 two-bedroom units, and 33 three-bedroom units. Seventy-one (71) units in the Project will be affordable to individuals and families earning up to 30% of area median income; fifty-five (55) of these units are supported by Project-Based Section 8 vouchers. One hundred and fifty-one units (151) units will be affordable to individuals and families earning up to 60% of AMI. The Project includes two (2) managers units.

Introduced by

[Mayor Ted Wheeler](#)

City department

[Housing Bureau](#)

Contact

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Analyst II

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**Requested Agenda Type**

Time Certain

**Date and Time Information**

**Requested Council Date**

September 4, 2024

**Requested Start Time**

10:05 am

**Time Requested**

30 minutes

5. 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 Housing Bond requirements and for up to 99 years to comply with additional City requirements.
6. The proposed City funding leverages over \$111 million of other public and private financing contributed by KeyBank, Metro, the Oregon Housing and Community Services Department, and City development incentives in the form of System Development Charge exemptions.
7. On August 15, 2024, the PHB Housing Investment Committee recommended approval of the use of Portland Housing Bonds and HOME-ARP Funds and 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 \$33,000,000 to the Borrower or BRIDGE affiliate for the acquisition, 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 effective from and after its passage.

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  
September 4, 2024

Auditor of the City of Portland  
Simone Rede

## Impact Statement

### Purpose of Proposed Legislation and Background Information

- This Ordinance requests City Council approval of financing in an amount up to \$33,000,000. PHB has allocated \$9,629,972 in HOME-ARP and \$22,525,560 in Portland Housing Bond funds to the Project and may allocate additional Portland Housing Bond funds, depending on the availability of funds that were not used by other projects.
- In addition to these funds, the Project will receive Metro Bond funds via the City. The purpose of the funding is to enable BRIDGE Housing to construct 224 new units of affordable housing at 4160 NE Halsey Street in the Hollywood neighborhood (the Project). This is the last Portland Bond project to proceed to construction.
- Approval of the Ordinance will authorize the Director of the Portland Housing Bureau to execute all funding and related documents needed to advance the Project including construction and operation of the development as affordable housing. Given inflation and cost increases, closing expeditiously and adherence to construction timelines are critical; however, the City's funding will not be increased.

### Financial and Budgetary Impacts

- The financing amount requested in this legislation is included in the PHB FY 2024-2025 Adopted Budget and the bureau five-year forecast.
- PHB will regulate and monitor the project for a term of 99 years, charging a fee over the life of the project to cover compliance monitoring costs. TriMet is also a partner and landlord owner for this site. A Program Delivery Fee pays for the costs of awarding and underwriting the Housing Bond funds. 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 anticipated and included in the PHB FY 2024-2025 Adopted Budget and covered in the Program Delivery Fee.
- The Project has been approved for System Development Charge (SDC) waivers, which collectively total an estimated \$4,254,640 in foregone City revenue.

### Community Impacts and Community Involvement

#### Community impacts:

- 100% affordable, transit-oriented development that rehabs the Hollywood Transit Center site, providing 222 units of affordable housing (plus 2 manager's units) in the Hollywood neighborhood, targeting to serve families from a broad range of races and ethnicities, particularly Black, Indigenous and people of color (BIPOC).

- This project will be the first Federal Transit Administration (FTA) Joint Development Agreement (JDA) undertaken in the City of Portland repurposing the aging transit center.
- Seventy-one (or 32%) of the units will be restricted to households earning 30% of the area median income (AMI) or less.
- 126 (or 56%) of the units will be family-sized (two or three bedrooms).
- Hacienda CDC will serve as the leasing partner and resident services provider. In addition, the project will also partner with the Northeast Community Center, Hollywood Senior Center, and Portland Opportunities Industrialization Center for resident services.
- The Project includes a 1,200-sf retail space, which will be leased directly to TriMet. TriMet anticipates filling the space with a community-serving retailer. In addition to the commercial space, there is a TriMet office and Bike Parking available to the residents and public, anticipated to be used primarily by transit riders.
- The Project is tracking to exceed PHB’s equity in contracting goals for certified DMWESB-SDV firms for construction costs and for professional services.

**Community involvement:**

- Since 2020, BRIDGE Housing has met with over 25 BIPOC communities, culturally specific organizations, neighborhood groups, public agency stakeholders and the general public. As a result of this ongoing outreach, the team has doubled the number of units in the project and increased the percentage of two- and three-bedroom units. The community’s strong desire for outdoor space led to the addition of a family friendly rooftop outdoor space and second floor meeting room providing more flexibility in programming for staff and residents. In response to concerns about safety and access to jobs where public transportation or bikes are inaccessible, limited parking was added as well.

**Unit Mix and Affordability**

Project Overview: New multifamily rental housing construction

Total Units: 224

Total Manager’s Units: 2

Permanently Affordable: 222 (71 units at 30% AMI and 151 units at 60% AMI)

Unit Size	Total No. Units	Total @ 30% AMI	Total @ 60% AMI	PSH Units	Project-Based Vouchers	Funded by Portland Bond	Funded by Metro Bond
•							

Studio	43	4	39	-	0	14	29
1 BR	53	20	33	-	8	33	20
2 BR	95	33	61	-	33	80	14
3 BR	33	14	18	-	14	22	10
<b>Total</b>	<b>224</b>	<b>71</b>	<b>151</b>	<b>-</b>	<b>55</b>	<b>149</b>	<b>73</b>

**149 units** funded by Portland Bond funds and the remaining **73 units** funded by the Metro Bond funds.

### 100% Renewable Goal

Hollywood HUB is on track to earn the Earth Advantage Multifamily Gold certification. Additionally, the project will meet Energy Star’s DOE Zero Energy Ready Home requirements, including EPA’s Indoor airPLUS requirements. The project includes a broad range of sustainability features including direct access to major transit systems, all-electric building systems, high efficiency envelope, high efficiency central and in-unit mechanical systems, high efficiency heat pump hot water system, high efficiency plumbing fixtures, Energy Star appliances, EV-charging for 100% of on-site parking, and LED lighting throughout.

### Document History

Item 763 Time Certain in [September 4-5, 2024 Council Agenda](https://www.portland.gov/council/agenda/2024/9/4) (<https://www.portland.gov/council/agenda/2024/9/4>)

City Council

Passed

Commissioner Rene Gonzalez Yea

Commissioner Mingus Mapps Yea

Commissioner Carmen Rubio Yea

Commissioner Dan Ryan Yea

Mayor Ted Wheeler Yea