

## **ORDINANCE No.**

\*Authorize new construction financing in an amount not to exceed \$17,454,910 for an affordable housing project to be developed by Cathedral Village Partners Limited Partnership or a Related Northwest, Inc. / Catholic Charities affiliate (Ordinance)

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 affordable housing programs using resources, including Portland Housing Bonds (Portland Bonds), 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 Related Northwest, Inc. (Related) and Catholic Charities indicating selection of their project to receive Portland Bond funds. This is the fourth BOS project to be presented to City Council for approval.
3. Related and Catholic Charities will form a limited partnership, Cathedral Village Partners Limited Partnership (Borrower), to develop a new 4-story multifamily rental project known as Cathedral Village (Project). The Project is located at 8614 N. Crawford Street in the St. Johns neighborhood and consists of 110 affordable rental units.
4. Eight (8) Permanent Supportive Housing (PSH) units in the Project will receive additional funding support provided through the BOS from 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 homelessness.
5. Seventy-three (73) units in the Project will be affordable to individuals and families earning up to 60% of area median income (AMI). The remaining 37 units will serve households earning up to 30% AMI. Eight (8) units will be PSH units affordable at the 30% AMI level and will house individuals and families exiting homelessness with services funded by JOHS. The Project does not include any manager's units.
6. The Project includes 17 studios, 37 one-bedroom units, 45 two-bedroom units, and 11 three-bedroom units. Family-sized units, consisting of two- and three-bedroom units, comprise more than half (56) of the total units.
7. The Borrower will enter into regulatory agreements with PHB to maintain the affordability requirements for 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 more than \$20 million of other public and private financing contributed by Related, Umpqua Bank, the Oregon Housing and Community Services Department and other funders, and City development incentives in the form of System Development Charge exemptions.

9. On December 3, 2020 the PHB Housing Investment Committee recommended approval of the use of Portland Bond funds for development of 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 provide an amount not to exceed \$17,454,910 to the Borrower or a Related Northwest, Inc. / Catholic Charities affiliate for the 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, 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.

Passed by the Council:

Commissioner Dan Ryan  
Prepared by: Lindsay Brown  
Date Prepared: 12/15/20

**Mary Hull Caballero**  
Auditor of the City of Portland  
By

Deputy

**28**  
 Agenda No.  
**ORDINANCE NO.**  
 Title

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<p style="text-align: center;"><b>INTRODUCED BY</b>                  Commissioner/Auditor:  <b>Commissioner Ryan</b></p>	<p>CLERK USE: DATE FILED <u>January 5, 2021</u></p>
<p style="text-align: center;"><b>COMMISSIONER APPROVAL</b></p> <p>Mayor—Finance &amp; Administration - Wheeler</p> <p>Position 1/Utilities - Rubio</p> <p>Position 2/Works - Ryan <i>Ryan</i></p> <p>Position 3/Affairs - Hardesty</p> <p>Position 4/Safety - Mapps</p>	<p style="text-align: center;"><b>Mary Hull Caballero</b>                  Auditor of the City of Portland</p> <p>By: <u><i>Keslan McClymont</i></u>                  Deputy</p> <p><b>ACTION TAKEN:</b></p>
<p style="text-align: center;"><b>BUREAU APPROVAL</b></p> <p>Bureau: Housing                  Bureau Head: <i>[Signature]</i>  <small>DocuSigned by: [Signature]</small>  <small>DAB8F65DDAFB4CD</small></p>	
<p>Prepared by: <b>Lindsay Brown</b>                  Date Prepared: 12/15/2020</p>	
<p><b>Impact Statement</b></p> <p>Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/></p>	
<p><b>Portland Policy Document</b>                  If "Yes" requires City Policy paragraph stated in document.                  Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>	
<p><b>City Auditor Office Approval:</b>                  required for Code Ordinances</p>	
<p><b>City Attorney Approval:</b>                  required for contract, code, easements, franchise, comp plan, charter  <small>Digitally signed by Adrienne DelCotto on 2020.12.15 13:50:41 PST</small></p>	
<p><b>Council Meeting Date</b>  <span style="background-color: black; color: black;">██████████</span> 1/13/2021</p>	

<b>AGENDA</b>
<p><b>TIME CERTAIN</b> <input type="checkbox"/></p> <p>Start time: _____</p> <p><b>Total amount of time needed: _____</b>                  (for presentation, testimony and discussion)</p>
<p><b>CONSENT</b> <input type="checkbox"/></p>
<p><b>REGULAR</b> <input checked="" type="checkbox"/> 30 mins</p> <p><b>Total amount of time needed: _____</b>                  (for presentation, testimony and discussion)</p>

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:		
		YEAS	NAYS
1. Rubio	1. Rubio		
2. Ryan	2. Ryan		
3. Hardesty	3. Hardesty		
4. Mapps	4. Mapps		
Wheeler	Wheeler		

## IMPACT STATEMENT

**Legislation title:** \*Authorize new construction financing in an amount not to exceed \$17,454,910 for an affordable housing project to be developed by Cathedral Village Partners Limited Partnership or a Related Northwest, Inc. / Catholic Charities affiliate (Ordinance)

**Contact name:** Lindsay Brown, Housing Portfolio Finance Coordinator, PHB  
Danell Norby, Housing Portfolio Finance Coordinator, PHB  
Jill Chen, Housing Investments & Portfolio Preservation Manager, PHB  
Molly Rogers, Deputy Director, PHB

**Contact phone:** 503-823-1354

**Presenter name:** Shannon Callahan, Director, PHB  
Stefanie Kondor, Vice President of Development for Related Northwest,  
[skondor@related.com](mailto:skondor@related.com)

**Also present:** Rose Bak, Chief Program Officer for Catholic Charities of Oregon,  
[RBak@CCOregon.org](mailto:RBak@CCOregon.org)  
Travis Phillips, Director of Community Development and Housing for  
Catholic Charities of Oregon, [TPhillips@CCOregon.org](mailto:TPhillips@CCOregon.org)

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

- This Ordinance requests City Council approval of financing in an amount up to \$17,454,910 using Portland Housing Bonds (“Portland Bonds”) from fiscal years 2020-23.
- The funds will allow Cathedral Village Partners Limited Partnership or a Related Northwest, Inc. (Related) / Catholic Charities affiliate to construct a new 110-unit affordable housing project at 8614 N. Crawford Street known as Cathedral Village (“Project”).
- Cathedral Village will provide 37 units at or below 30% of area median income (AMI), including eight (8) Permanent Supportive Housing units for people exiting homelessness. The PSH units will receive service subsidy from the Joint Office of Homeless Services (JOHS). The remaining 73 units will be restricted to households earning up to 60% AMI.

### **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 in this legislation is included in the PHB FY 2020-21 Adopted Budget and 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 anticipated and included in the PHB FY 20-21 Adopted Budget and covered in the Program Delivery Fee.

- 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 \$1,867,968 in foregone City revenue.

**Community impacts and community involvement:**

- 110 units of affordable housing in north Portland, in the St. Johns neighborhood.
- 37 (or 34%) of the affordable units will be restricted to households earning 30% AMI or less.
- 8 (or 7%) of the affordable units are targeted to serve homeless or at-risk households, including families.
- 56 (or 51%) of the affordable units will be family sized (two and three bedrooms).
- Catholic Charities will provide case management, peer support and additional services to PSH residents.
- The Project is on track to meet or exceed PHB’s required equity in contracting goals of 30% for DMWESB-SDV for construction costs and 20% for professional services.

Community involvement: Related Northwest (Related) and Catholic Charities attended three Cathedral Park Neighborhood Association (CPNA) meetings in spring of 2020 to begin conversations with neighbors about the Project. North Portland Neighborhood Services, St. Johns Business District and Portland Public Schools were also notified about the meetings, and the agendas were shared through the neighborhood association’s website and Facebook page. Related provided information about Cathedral Village through a permanent, project-specific website with the opportunity to submit comments via email. In June 2020, Related again engaged the CPNA to assist with informing area residents about minor design changes to the building. Sound mitigation, access to public transit and tenant parking were the primary topics that arose from community engagement. The developers have not received any opposition to the Project from the neighborhood.

**Unit Mix and Affordability**

Project Overview:                      New rental housing construction  
 Total Units:                                110  
 Permanently Affordable:                110 (37 at 30% AMI and 73 at 60% AMI)

Unit Mix:

Unit Size	Total No. Units	Total @ 30% AMI	Total @ 60% AMI	PSH Units
Studio	17	11	6	4
1 Bedroom	37	15	22	0
2 Bedroom	45	8	37	4
3 Bedroom	11	3	8	0
<b>Total</b>	<b>110</b>	<b>37</b>	<b>73</b>	<b>8</b>

**100% Renewable Goal:**

Cathedral Village is on track to meet Earth Advantage Multifamily Gold certification and will contribute to the City’s goals to reach 100% of 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