

**Agenda No. 419**

**ORDINANCE NO.**

\*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)

The City of Portland ordains:

**Introduced by**  
Commissioner Ryan

Section 1. The Council finds:

**Bureau**  
Housing

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. The developer, Northwest Housing Alternatives (NHA) applied for and received a funding award from the Spring 2019 Bond Opportunity Solicitation (BOS). This is the seventh BOS project to be presented to City Council for approval.
3. This BOS combined Portland Bond funds with additional funding support for forty-eight (48) Permanent Supportive Housing (PSH) units totaling of up to \$10,000 per year per unit from the Office of Joint Homeless Services (JOHS). All PSH units are intended to serve the homeless or those at risk of homelessness. In addition to the PSH units, the project will supply 30 unsubsidized units at 30% of median family income.
4. NHA will form a limited partnership, the Susan Emmons Limited Partnership (as Borrower), to adapt the existing historic Buck Prager building

**Prepared by**  
Siobain Beddow

**Date Prepared**  
May 10, 2021

**Requested Council Date**  
June 2, 2021

**Requested Agenda Type**  
Regular 30 minutes

**Date Filed with Clerk**  
May 25, 2021

from office to residential uses, and develop new construction three-story and six-story buildings for the multifamily rental project (Project), located at 1727 NW Hoyt Street and 624 NW 18<sup>th</sup> Street in the Northwest District Association neighborhood consisting of 144 affordable rental units plus two manager units.

5. The Project is in a high opportunity area and will serve seniors and adults with incomes at or below 60% of median family income (MFI). It is comprised of one hundred forty-four (144) studios and two (2) one-bedroom manager units.
6. Seventy-eight (78) studio units will be restricted at 30% MFI and thirty (30) of these are unsubsidized by any rental support or Section 8 vouchers. Forty-eight (48) units are subsidized by Section 8 vouchers. The remaining sixty-six (66) units will have rents at or below 60% MFI.
7. Forty-eight (48) studio units will be housing PSH households and receiving service subsidy from JOHS.
8. 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 City Policies.
9. The proposed City funding leverages more than \$28 million of other public and private financing contributed by KeyBank, KeyBank Real Estate Capital, Keybank Community Development, Metro (TOD) and the Oregon Housing and Community Services Department.
10. On March 6, 2021, the PHB Housing Investment Committee recommended approval of the use of Portland Bond funds and other City 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 \$19,786,343 to the Borrower or a NHA affiliate for the construction and operation of the Project.

B. The Director of PHB is hereby 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 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.

Passed by Council:

**MARY HULL CABALLERO**

Auditor of the City of Portland

Action Taken:

By

Deputy

Commissioners voted as follows (Yea or Nay)

Rubio -

Ryan -

Hardesty -

Mapps -

Wheeler -

## 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)

**Contact name:** Siobain Beddow, Housing Portfolio Finance Coordinator, PHB  
Jill Chen, Housing Investments & Portfolio Preservation Manager, PHB  
Molly Rogers, Deputy Director, PHB

**Contact phone:** 503-823-3273

**Presenters name:** Shannon Callahan, Director, PHB  
Trell Anderson, Executive Director, Northwest Housing Alternatives, Inc. [TAnderson@NWHousing.org](mailto:TAnderson@NWHousing.org)  
Susan Emmons, [susangemmons@gmail.com](mailto:susangemmons@gmail.com)

Also Present:

PHB Staff:

Molly Rogers, Deputy Director  
Jill Chen, Housing Investments and Portfolio Preservation Manager  
Siobain Beddow, Housing Portfolio Finance Coordinator

Northwest Housing Alternatives Staff:

Destin Ferdun, Housing Development Manager [ferdun@nwhousing.org](mailto:ferdun@nwhousing.org)

### 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