



PROSPER
PORTLAND
Building an Equitable Economy

DATE: June 13, 2018

TO: Board of Commissioners

FROM: Kimberly Branam, Executive Director

SUBJECT: Report Number 18-21

Approving and Ratifying a Regional Infrastructure Fund Application to Support Hacienda Community Development Corporation's Proposed Las Adelitas Project

BOARD ACTION REQUESTED AND BRIEF DESCRIPTION

Adopt Resolution No 7275

This action by the Prosper Portland Board of Commissioners (Board) will approve and ratify an application for \$1,000,000 in Regional Infrastructure Fund (RIF) Program funding submitted to Business Oregon by Prosper Portland on behalf of Hacienda CDC (Hacienda) as its local government sponsor. If awarded, the funds will be used by Hacienda as part of a financing package for the redevelopment of a property located at 6723-6921 NE Killingsworth into a mixed-use affordable housing project known as Las Adelitas (see a Site Map in Attachment A).

Prosper Portland Board approval of the application is required by Business Oregon application rules, but approval of the application does not create any legal or financial obligations. If the application is approved by Business Oregon in the future, and the proposed financing requires that any legal or financial obligations be undertaken by Prosper Portland, no financing agreement will be signed without subsequent Prosper Portland Board approval.

STRATEGIC PLAN ALIGNMENT AND OUTCOMES

The RIF Program funding application for Las Adelitas advances Prosper Portland's 2015-2020 Strategic Plan by furthering the objectives of creating healthy, complete neighborhoods throughout Portland.

BACKGROUND AND CONTEXT

In 2015 Prosper Portland provided a loan of \$250,000 to Living Cully, LLC, a partnership between Hacienda, Verde, and Habitat for Humanity, for the purchase of the blighted former Sugar Shack strip club property located at 6723-6921 NE Killingsworth Street. Living Cully, LLC sold the property to Hacienda in September 2017 and Hacienda is now attempting to finance the Las Adelitas project on the site, which will be comprised of a mix of 130 studio, one, two and three bedroom apartments primarily for workforce households earning no more than 60 percent of median family income. Las Adelitas will also include a community facility space, food cart vendors participating in Hacienda's micro-enterprise program, and an urban plaza/green space. The RIF proceeds, if awarded, will be used to cover some of the estimated project construction costs.

In 2013 the Oregon Legislature created the RIF Program to provide loans and grants to implement community and economic development programs. All applications for funding are required to have a

local government sponsor and the sponsor's governing board must provide formal authorization of the application.

Key details of the RIF Program financing are still being worked out by Business Oregon and its staff has not finalized the final obligations and structure of the ultimate funding. If an award is made for this project, and if the final obligations and structure of the financing require any material financial or legal obligations by Prosper Portland, staff will bring the final financing terms back to the Prosper Portland Board for approval.

EQUITY IMPACT

Hacienda is a Latino Community Development Corporation that strengthens families by providing affordable housing, homeownership support, economic advancement, and educational opportunities. Hacienda's goal for Las Adelitas is to develop a mixed-use affordable housing project that transforms the site into a community asset that not only provides affordable housing but also includes community facility space and small business development services that support economic opportunities for working families and people of color in the Cully neighborhood.

COMMUNITY PARTICIPATION AND FEEDBACK

Staff did not conduct any public participation related to this item.

BUDGET AND FINANCIAL INFORMATION

The funding related to this action is from the State of Oregon so there are no impacts to Prosper Portland's budget. Any costs associated with project oversight will be disclosed when the funding agreement is presented to the Prosper Portland Board at a later date.

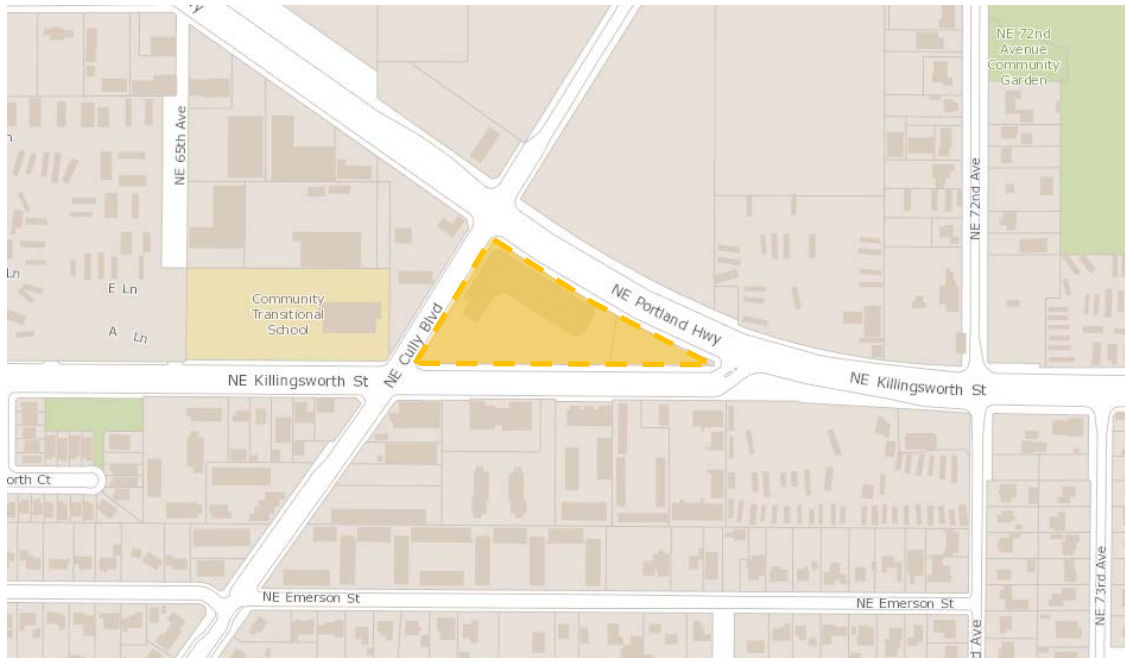
RISK ASSESSMENT

There are no risks to approving and ratifying the RIF application. Any risks that the agency may face as a result of executing the funding agreement will be presented to the Prosper Portland Board at a later date.

ATTACHMENTS

- A. Site Map

Site Map



6723-6921 NE Killingsworth Street