

PORTLAND DEVELOPMENT COMMISSION

Portland, Oregon

RESOLUTION NO. 7064

**AUTHORIZING INTERGOVERNMENTAL AGREEMENTS WITH THE
PORTLAND HOUSING BUREAU TO PROVIDE HOUSING PROGRAMS AND
SUPPORT SERVICES TO THE PORTLAND HOUSING BUREAU**

WHEREAS, on January 7, 2009, Portland City Council passed Ordinance No. 182465 which directed the Portland Development Commission (“PDC”) and the Bureau of Housing and Community Development to transition designated housing functions and staff to a new Portland Housing Bureau (“PHB”);

WHEREAS, beginning in fiscal year (“FY”) 2010-11, PDC and PHB have entered into annual intergovernmental agreements (“IGAs”) to provide for PHB’s implementation of urban renewal housing projects and certain other housing activities and to provide for PDC’s delivery of certain services to PHB to support PHB’s housing work;

WHEREAS, PDC and PHB desire to continue such contractual arrangements during FY 2014-15 on substantially the same terms and conditions;

WHEREAS, the Housing Rehabilitation, Finance, and Development IGA provides for PHB implementation of urban renewal activities involving housing rehabilitation, finance, and development funded through urban renewal resources to be paid to PHB on an expense reimbursement basis; and

WHEREAS, the Housing Support Services IGA provides for PDC’s delivery of services to PHB to support PHB’s urban renewal and non-urban renewal housing activities including certain property management services, information technology services, and construction and environmental services.

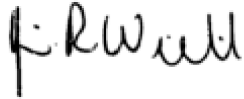
NOW, THEREFORE, BE IT RESOLVED, that the PDC Board of Commissioners (“Board”) hereby authorizes the Executive Director to enter into the Housing Rehabilitation, Finance, and Development Agreement in substantially the form attached hereto as Exhibit A;

BE IT FURTHER RESOLVED, that the Board hereby authorizes the Executive Director to enter into the Housing Support Services IGA in substantially the form attached hereto as Exhibit B;

BE IT FURTHER RESOLVED, that the Executive Director may approve changes to either or both IGAs prior to and subsequent to execution, if such changes, in the opinion of the Executive Director and General Counsel, do not materially increase PDC’s obligations or risks; and

BE IT FURTHER RESOLVED, that this resolution shall become effective immediately upon its adoption.

Adopted by Portland Development Commission on June 25, 2014

A handwritten signature in black ink, appearing to read "Gina Wiedrick". The signature is written in a cursive, somewhat stylized font.

Gina Wiedrick, Recording Secretary

PORTLAND DEVELOPMENT COMMISSION

Portland, Oregon

RESOLUTION NO. 7064

EXHIBIT A

**AUTHORIZING INTERGOVERNMENTAL AGREEMENTS WITH THE
PORTLAND HOUSING BUREAU TO PROVIDE HOUSING PROGRAMS AND
SUPPORT SERVICES TO THE PORTLAND HOUSING BUREAU**

Exhibit A includes this cover page and contains 17 pages:

- Fiscal Year 2014-2015 Housing Rehabilitation, Finance and Development Agreement between Portland Development Commission and Portland Housing Bureau, Intergovernmental Agreement No. 30003984
 - Exhibit A: Other Housing Activities
 - Exhibit B: Housing Forecast
 - Exhibit C: TIF Funded Portion Only
 - Exhibit D: Form of Certification

FISCAL YEAR 2014-2015
HOUSING REHABILITATION, FINANCE AND DEVELOPMENT AGREEMENT
Between
Portland Development Commission
And
Portland Housing Bureau
Intergovernmental Agreement No.: 30003984

This Housing Rehabilitation, Finance and Development Agreement (this “Agreement”), dated July 1, 2014 (the “Effective Date”), is made and entered into by and between the **City of Portland, acting by and through its Portland Housing Bureau** (“PHB” or “Bureau”) and the **Portland Development Commission** (“PDC” or “Commission”).

RECITALS

1. PDC, as the duly-designated urban renewal agency of the City of Portland (“City”), is granted broad powers under ORS 457 for the planning and implementation of urban renewal programs, projects and activities.
2. PDC’s urban renewal activities include housing rehabilitation, finance and development consistent with ORS Chapter 457.
3. The City Charter charges PDC with implementing the vision and goals of the City relating to affordable housing as adopted by the Portland City Council (“Council”). PDC may implement the vision and goals through agreement with PHB.
4. PHB is responsible for implementing the City’s housing policy. By combining the housing rehabilitation, finance and development urban renewal activities of PDC with the housing policy work of PHB, the City will enhance its ability to meet housing policy goals established by Council, including goals to address homelessness, to facilitate the preservation and development of affordable rental housing, to assure housing stability, and to promote homeownership while also working to reduce blight and blighting conditions in the City’s urban renewal areas.
5. In order to promote greater coordination between the housing rehabilitation, finance and development projects undertaken as urban renewal activities and the City’s housing policy implemented by PHB, and as authorized by ORS 457.210, PDC and PHB entered in that certain Fiscal Year 2012-13 Housing Rehabilitation, Finance and Development Agreement (Intergovernmental Agreement No. 30003395) dated July 1, 2013 (the “Prior IGA”) pursuant to which PDC contracted with PHB for implementation of that portion of PDC’s urban renewal activities involving housing rehabilitation, finance and development and under which PHB assumed responsibility for other housing activities historically performed by PDC.
6. The Prior IGA terminates on June 30, 2014.
7. PDC and PHB desire to enter into this Agreement to provide for PHB’s continuing implementation of that portion of PDC’s urban renewal activities involving housing

rehabilitation, finance and development and to provide for PHB's continuing responsibility for other housing activities historically performed by PDC as more specifically described herein.

Now therefore, the parties agree as follows:

AGREEMENT

I. DEFINITIONS

Unless otherwise defined herein, capitalized terms used in this Agreement have the meanings set forth in this Section I.

"Affordable Housing Set Aside Policy" means the policy adopted by Council on October 25, 2006 as Ordinance 180547 and amended on November 16, 2011 by Ordinance 185007, allocating 30% of urban renewal funds to affordable housing, as such policy may be further amended from time to time by Council.

"Former PDC TIF Projects" means housing rehabilitation, finance and development programs, projects, and activities undertaken by PDC prior to July 1, 2010 and financed with funding derived under ORS Chapter 457, including programs, projects and activities not yet completed on the Effective Date, other than loans that require no further loan servicing or compliance monitoring under the loan agreement or related documents.

"Funding" means the funding PDC is providing to PHB under the terms and conditions of this Agreement, as further described in Section VI of this Agreement.

"Housing Forecast" means the forecast for the succeeding four fiscal years that identifies the currently anticipated future urban renewal financing available for Urban Renewal Housing Projects. A copy of the Housing Forecast is attached hereto as Exhibit B and incorporated herein by this reference.

"PHB TIF Projects" means new housing rehabilitation, finance and development programs, projects and activities undertaken by PHB after July 1, 2010 and financed with funding derived under ORS Chapter 457 (including Program Income), including programs, projects and activities not yet completed on the Effective Date.

"Other Housing Activities" means housing programs, projects and activities that PDC has historically undertaken or engaged in that are not financed with funding derived under ORS Chapter 457, other than loans that require no further loan servicing or compliance monitoring under the loan agreement or related documents. The housing programs, projects and activities that PDC has historically undertaken or engaged in that are not financed with funding derived under ORS Chapter 457 include, but are not limited to, those listed on Exhibit A, attached hereto and incorporated herein by this reference.

"Program Income" means revenue generated by assets created or acquired, or activities financed with, tax increment resources or Program Income of an urban renewal area.

Program Income includes, but is not limited to, loan repayments and the proceeds of the sale of real property or other assets, including assets PDC transferred to PHB.

“Urban Renewal Housing Projects” means all PHB TIF Projects and Former PDC TIF Projects.

II. PHB SCOPE OF WORK

Subject to the terms and conditions of this Agreement, PHB shall perform the following activities. To the extent authority has been conferred by law on PDC to perform these activities, PDC hereby delegates such authority to PHB as necessary to perform the activities.

A. Urban Renewal Housing Projects.

1. PHB shall select, plan and implement PHB TIF Projects in the City’s urban renewal areas consistent with the City’s housing policies and urban renewal objectives, as reflected in the relevant urban renewal plans and the City’s housing policy, subject to the requirements of applicable law, including ORS Chapter 457. PHB will be responsible for decision-making regarding PHB TIF Projects, including project priority, as well as determining and certifying which costs are tax increment eligible.
2. PHB shall continue to be responsible for completion and monitoring of all Former PDC TIF Projects, consistent with the City’s housing policies and urban renewal objectives, as reflected in the relevant urban renewal plans and the City’s housing policy, subject to the requirements of applicable law, including ORS Chapter 457.
3. For each Urban Renewal Housing Project, PHB shall be responsible for all work necessary to develop, complete and administer the program, project, or activity, including but not limited to, outreach, planning, acquisition, disposition, relocation, negotiation and underwriting, preparing and executing the necessary documentation, and administering all related contracts and agreements, including disbursements, construction coordination and monitoring, compliance monitoring, environmental inspections, asset management (including but not limited to loan servicing and property management), accounting, reporting, and enforcement. PHB and PDC contemplate that a portion of the foregoing work may be contracted back to PDC under the terms of a separate Support Services Agreement.
4. PHB shall be responsible for satisfying the requirements of the Affordable Housing Set Aside Policy.
5. In implementing Urban Renewal Housing Projects, including but not limited to Urban Renewal Housing Projects implemented through agreements with developers or other third parties who then enter into the construction and other contracts necessary for the project, PHB will

employ its best efforts to meet or exceed the City's MWESB goals and objectives for Emerging Small Businesses, Women and Minority owned-businesses and apprenticeships and other City policies pertaining to fair contracting.

B. Other Housing Activities.

1. PHB shall continue to be responsible for all Other Housing Activities.
2. For all Other Housing Activities, PHB shall be responsible for all work necessary to develop, complete and administer the program, project, or activity, including but not limited to, outreach, planning, acquisition, disposition, relocation, negotiation and underwriting, preparing and executing the necessary documentation, and administering all related contracts and agreements, including disbursements, construction coordination and monitoring, compliance monitoring, asset management (including but not limited to loan servicing and property management), environmental inspections, accounting, reporting, and enforcement. PHB and PDC contemplate that a portion of the foregoing work may be contracted back to PDC under the terms of a separate Support Services Agreement.
3. PHB agrees and acknowledges that its work under this Section II(B) is not financed and will not be reimbursed under this Agreement.

III [SECTION RESERVED]

IV. PHB and PDC JOINT OBLIGATIONS

- A. PHB and PDC will coordinate and cooperate regarding creation and amendment of urban renewal plans as they relate to housing rehabilitation, finance and development. PDC will include PHB in its planning efforts with respect to the housing rehabilitation, finance and development aspects of urban renewal plans.
- B. PHB and PDC will coordinate and cooperate regarding creation and amendment of annual budgets that specify the funding and housing forecasts for Urban Renewal Housing Projects covered by this Agreement in accordance with the Affordable Housing Set Aside Policy.
- C. PHB and PDC acknowledge that \$450,000 in urban renewal funds from the Lents Town Center Urban Renewal Area (the "LTC URA"), that would otherwise have

been included in the funding available to PHB under the Prior IGA, was, with PHB's consent, combined with other PDC funds to finance PDC's purchase of the real property located at 7238 SE Foster Road, Portland, Oregon, in the LTC URA (the "Mixed Use Site"). PHB and PDC currently anticipate that a portion of the Mixed Use Site will be redeveloped as housing. Accordingly, PDC and PHB agree to collaborate on the future redevelopment of the Mixed Use Site, including but not limited to, determining which party will control redevelopment of the Mixed Use Site.

V. CONTRACT MANAGEMENT

A. Commission.

1. PDC Contract Signatory. The Commission Contract Signatory shall be the Executive Director, or such other person as designated in writing by the PDC Executive Director ("PDC Contract Signatory"). The PDC Contract Signatory is authorized to give notices and to carry out other PDC actions referred to herein, including termination of this Agreement as provided in Section VIII.
2. PDC Contract Manager. The Commission Contract Manager shall be Tony Barnes ("PDC Contract Manager"). The PDC Contract Manager is responsible for the day-to-day management of the Agreement as provided herein and serves as the first level of conflict resolution.

B. Bureau.

1. PHB Contract Signatory. The PHB Contract Signatory shall be the Director of the Portland Housing Bureau, or such other person as designated in writing by the Director of the Portland Housing Bureau ("PHB Contract Signatory"). The PHB Contract Signatory is authorized to give notices and to carry out other PHB actions referred to herein, including termination of this Agreement as provided in Section VIII.
2. PHB Contract Manager. The PHB Contract Manager shall be Mike Johnson ("Bureau Contract Manager"). The PHB Contract Manager is responsible for the day-to-day management of the Agreement as provided herein and serves as the first level of conflict resolution.

VI. FUNDING / COMPENSATION / ALLOWABLE COSTS

- A. Subject to the terms and conditions of this Agreement, PDC agrees to transfer to PHB, on a reimbursement basis for work performed under Section II(A) of the PHB Scope of Work during fiscal year FY 2014-15, a sum not to exceed the amount set forth in Exhibit C (the "Budget") attached hereto and incorporated herein by this reference (the "Funding"). The PDC Contract Signatory and the PHB Contract Signatory are authorized to modify the Budget, through a duly

executed amendment to this Agreement, if sufficient funds have been appropriated for Housing in the PDC Budget to cover the maximum amounts payable by PDC under this Agreement from each urban renewal area and sufficient funds have been appropriated for PHB in the City of Portland's Budget to cover the costs of providing the services under this Agreement.

- B.** The full amount of the Funding is authorized in PDC's budget for FY 2014-15. In addition to the Funding, PDC has prepared the Housing Forecast for the succeeding four fiscal years that identifies the currently anticipated future urban renewal funding for Urban Renewal Housing Projects. All Funding not expended in FY 2014-15 and all funding in the Housing Forecast is subject to budget appropriation and, if appropriated, will be made available to PHB under the terms of a future intergovernmental agreement or an appropriate amendment of this Agreement. PDC staff will recommend that any Funding encumbered but not expended in FY 2014-15 as well as the urban renewal financing for Urban Renewal Housing Projects identified in the Housing Forecast be appropriated in subsequent PDC budgets, as reasonably necessary, to the extent funds are available, and to the extent consistent with the City Council's housing policy, including its Affordable Housing Set Aside Policy. Future funding from PDC for Urban Renewal Housing Projects is expected to comply with the City Council's Affordable Housing Set Aside Policy, though the actual amount appropriated from year to year may vary based on actual expenditures in prior years.
- C.** The Funding made available to PHB under this Agreement is comprised solely of urban renewal resources available to PDC under ORS Chapter 457, including Program Income. Accordingly, PHB's expenditure of the Funding is subject to the limitations of, and must be consistent with, ORS Chapter 457. PDC will make the Funding available from the urban renewal areas as set forth in the Budget. Funding made available from a particular urban renewal area, as well as Program Income generated by a particular urban renewal area, may be utilized solely on Urban Renewal Housing Projects in that urban renewal area. As further described in Section VII below, PHB may seek reimbursement from PDC under this Agreement for the following costs reasonably incurred in performing activities falling within Section II(A) of the PHB Scope of Work, within the line-item limits of the Budget and subject to the monetary and use limitations set forth above.
1. Direct Costs
 - a) Personnel Services. Reimbursement of direct salary and benefit costs paid to staff.
 - b) External Materials and Services. Reimbursement of actual costs for the purchase of materials, supplies and external services, including but not limited to, professional/technical/expert services, equipment, construction services, travel, training, and incidental expenses.

- c) Capital and Financial Assistance. Reimbursement for disbursements made under loan, grant, or other financial assistance agreements, for acquisition of real property by PHB, and for environmental remediation of real property owned PHB, made pursuant to PHB and City policies, procedures, and guidelines.
2. Indirect Costs
- a) Personnel Services. Reimbursement of PHB administrative, planning, and policy unit indirect staff costs (charged to a TIF indirect staffing cost center, which is then allocated based upon direct staffing charges to Urban Renewal Housing Projects).
 - b) Support Costs. Reimbursement of support costs including space rental, City of Portland Bureau of Internal Business Systems charges, and other generally accepted fixed costs of doing business. These costs will be reimbursed in FY 2014-15 via an indirect cost charge of 81.75% against billed direct personnel services costs of PHB staff in each URA. This rate is derived from PHB's OMB A87 Indirect Cost Plan as approved by the US Department of Housing and Urban Development.

VII. BILLING AND PAYMENT PROCEDURE

- A.** PHB shall submit to the PDC Contract Manager a monthly itemized billing for work performed as described in Section II(A) of the PHB Scope of Work. In order to receive timely payment, billings must be received no later than thirty (30) days following the close of a billing period. Interim billings may be submitted prior to the end of a billing period in order to manage cash flow at PHB
- B.** Each billing shall include a Billing Detail Report in a format created and/or approved by PDC. At a minimum, each billing shall include the following information, by urban renewal area, for work performed during the billing period:
 - 1. a description of the nature and cost of work accomplished;
 - 2. the names, rates and hours worked of personnel;
 - 3. disbursements to consultants, contractors and outside vendors for materials and services;
 - 4. disbursements under loan agreements, grant agreements and other financial assistance agreements and costs incurred for acquisition of real property or for environmental remediation of real property;
 - 5. certification, substantially in the form of Exhibit D attached hereto and incorporated herein by this reference, that the costs for which PHB is

seeking reimbursement are eligible urban renewal costs under ORS Chapter 457;

6. a budget versus actual for each PHB Urban Renewal Area Fund including Program Income and Urban Renewal Housing Project expenditures such other documents and information as PDC may reasonably request to meet its business needs, including but not limited to, the need to document the uses of the Funding for bond issuance purposes.
- C. Subject to the limitations of Section VI and with respect to each urban renewal area, PDC shall reimburse the portion of the costs incurred by PHB in performing work falling with Section II(A) of the PHB Scope of Work that exceeds the Program Income received by PHB in that urban renewal area PHB may retain any Program Income that PHB generates in an urban renewal area that exceeds the costs incurred by PHB in performing work in that urban renewal area falling within Section II(A) of the PHB Scope of Work. PHB's use of Program Income is subject to the restrictions set forth in Section VIII(F) hereof. If billings are received with incomplete information or disputed items, PDC will advise PHB in writing what specific information is missing or disputed. PDC will proceed to process payment for items not in dispute. PDC will pay billings not in dispute within 30 days of receipt of the billing from PHB.

VIII. GENERAL

A. Termination.

1. The Termination Date of this Agreement is June 30, 2015. The parties currently anticipate, however, that they will either enter into a new agreement on substantially similar terms and conditions or amend this Agreement to continue the services described in the Scope of Work during the next fiscal year.
2. Early Termination of Agreement. This Agreement may be terminated at any time by mutual written consent.
3. If the parties have entered into a subsequent agreement to continue the services described in the PHB Scope of Work, work shall continue under the subsequent agreement and PHB shall submit a final billing request for work performed under this Agreement within sixty (60) days of the date of termination and PHB will be reimbursed eligible costs incurred through the date of termination in accordance with Section VII.
4. If the parties have not entered into a subsequent agreement to continue the services described in the PHB Scope of Work, upon termination of this Agreement: (a) the work shall cease promptly and a final billing request

submitted within sixty (60) days of the effective date of termination, (b) eligible costs incurred through the date of Agreement termination will be reimbursed, and (c) after termination of this Agreement, PHB shall take such actions and execute and deliver such documents as PDC may reasonably request to provide for an orderly transfer of the urban renewal work conducted by PHB under this Agreement back to PDC or to a third party agreed to by PDC and PHB.

B. Conflict Resolution.

If a dispute arises regarding performance under this Agreement, both parties agree to exercise good faith in expeditiously resolving said conflict in the following manner.

1. All conflicts should first be discussed and resolved if at all possible by the Contract Managers specified in Section V.
2. Any conflicts not resolved by the Contract Managers shall be elevated to the Contract Signatories for discussion and resolution.

C. Compliance with Laws. In connection with its activities under this Agreement, the parties shall comply with all applicable federal, state and local laws and regulations.

D. Indemnification.

Subject to the limits of the Oregon Tort Claims Act and Oregon Constitution, PHB agrees to indemnify, hold harmless and defend, PDC, its directors, officers, employees and agents from and against all claims, suits, actions of whatsoever nature, damages or losses, and all expenses and costs incidental to the investigation and defense thereof, resulting from or arising out of the activities of PHB, its officers, employees or agents under this Agreement.

Subject to the limits of the Oregon Tort Claims Act and Oregon Constitution, PDC agrees to indemnify, hold harmless and defend, City, its officers, employees and agents from and against all claims, suits, actions of whatsoever nature, damages or losses, and all expenses and costs incidental to the investigation and defense thereof, resulting from or arising out of the activities of PDC, its directors, employees or agents under this Agreement.

E. Subcontracting. PHB may engage subcontractors but shall remain obligated for full performance hereunder, and PDC shall incur no obligation to the subcontractor hereunder. PHB shall have the sole authority to direct the work of any authorized and approved subcontractors. Subject to the limitations of Section VI, the costs of services provided by subcontractors are eligible for reimbursement under Section VI as external materials and services costs.

F. Asset Acquisition and Management. PHB shall manage and dispose of all personal and real property acquired directly by PHB with the Funding, and all

Program Income, in a manner consistent with the requirements of ORS Chapter 457.

- G. Status Reports.** PHB shall submit data and information to PDC on its activities under this Agreement, as PDC may reasonably request from time to time in order to prepare reports on the City's urban renewal activities.
- H. Delivery / Maintenance of Records.** PHB shall maintain records on a current basis to support its billings to PDC for work performed under this Agreement. PHB shall retain such billing records as well as all other records related to performance of its work under this Agreement (including but not limited to records whose custody PDC transferred to PHB pursuant to this Agreement) as long as necessary to satisfy IRS records retention requirements and, in any event, until the later of (a) 3 years after termination of this Agreement, (b) the date that any dispute arising under this Agreement is resolved or (c) the date that such records may be destroyed under applicable records retention laws. PDC or its authorized representative shall have the authority to inspect, audit and copy, on reasonable notice and from time to time, all such records to comply with audit requirements or meet other business needs.
- I. Amendments.** This Agreement may be amended only in writing signed by the Contract Signatories.
- J. Effect of Termination.** Sections VIII(A)(3), VIII(A)(4), VIII(D), VIII(F), VIII(G), VIII(H) and VIII(J) shall survive termination of this Agreement.

[Signature page to follow]

IN WITNESS WHEREOF, PHB and PDC have executed this Agreement as of the Effective Date.

CITY OF PORTLAND HOUSING BUREAU

PORTLAND DEVELOPMENT COMMISSION

Traci Manning, Director

Patrick Quinton, Executive Director

Date

Date

APPROVED AS TO FORM:

APPROVED AS TO FORM:

Tracy Reeve, City Attorney

Legal Counsel

LaVonne Griffin-Valade, City Auditor

Date

EXHIBIT A

OTHER HOUSING ACTIVITIES

1. Neighborhood housing programs paid fully or in part with funding from the U.S. Department of Housing and Urban Development and the City.
2. Limited tax abatement approval and compliance monitoring and reporting.
3. Systems Development Charge waiver approval.
4. Housing Investment Fund activities.
5. City Lights Program.
6. Mortgage Credit Certificate Administration.

HOUSING FORECAST

| Exhibit B | | | | | |
|--|---------------------|--------------------|--------------------|--------------------|--------------------|
| TIF funded portion only | | | | | |
| | FY 2014-15 | FY 2015-16 | FY 2016-17 | FY 2017-18 | FY 2018-19 |
| | Adopted | Forecast | Forecast | Forecast | Forecast |
| Central Eastside URA | | | | | |
| H89030 Affordable Rental Housing | | 800,000 | 1,550,000 | | 2,700,000 |
| <i>Central Eastside URA Total</i> | <i>\$0</i> | <i>\$800,000</i> | <i>\$1,550,000</i> | <i>\$0</i> | <i>\$2,700,000</i> |
| Convention Center URA | | | | | |
| H30056 Miracles Club Central | 7,000,000 | | | | |
| H89030 Affordable Rental Housing | 5,200,000 | | | | |
| <i>Convention Center URA Total</i> | <i>\$12,200,000</i> | <i>\$0</i> | <i>\$0</i> | <i>\$0</i> | <i>\$0</i> |
| Downtown Waterfront URA | | | | | |
| H89030 Affordable Rental Housing | 1,717,345 | 254,565 | | | |
| <i>Downtown Waterfront URA Total</i> | <i>\$1,717,345</i> | <i>\$254,565</i> | <i>\$0</i> | <i>\$0</i> | <i>\$0</i> |
| Gateway Regional Center URA | | | | | |
| H89020 Home Buyer Assistance | 500,000 | 500,000 | 400,000 | 200,000 | 75,000 |
| H89034 Gateway/Glisan | 2,976,417 | | | | |
| H20035 Property Management | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| <i>Gateway Regional Center URA Total</i> | <i>\$3,477,417</i> | <i>\$501,000</i> | <i>\$401,000</i> | <i>\$201,000</i> | <i>\$76,000</i> |
| Interstate URA | | | | | |
| H34606 Killingsworth Block | | | | | |
| H19032 King/Parks Affordable Housing | 880,000 | | | | |
| H89030 Affordable Rental Housing | 1,300,000 | 400,000 | 500,000 | 2,400,000 | 2,500,000 |
| N/NE Projects | 1,400,000 | 4,500,000 | 5,500,000 | 4,200,000 | 4,400,000 |
| Beech Street Apts | 182,312 | | | | |
| H89010 Home Repair Projects | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 |
| H89020 Home Buyer Assistance | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 |
| <i>Interstate URA Total</i> | <i>\$4,762,312</i> | <i>\$5,900,000</i> | <i>\$7,000,000</i> | <i>\$7,600,000</i> | <i>\$7,900,000</i> |
| Lents Town Center URA | | | | | |
| H89030 Affordable Rental Housing | | | 350,000 | 400,000 | 600,000 |
| H89010 Home Repair Projects | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 |
| H89020 Home Buyer Assistance | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 |
| <i>Lents Town Center URA Total</i> | <i>\$1,000,000</i> | <i>\$1,000,000</i> | <i>\$1,350,000</i> | <i>\$1,400,000</i> | <i>\$1,600,000</i> |

| | FY 2014-15 | FY 2015-16 | FY 2016-17 | FY 2017-18 | FY 2018-19 |
|------------------------------------|---------------------|--------------------|--------------------|--------------------|--------------------|
| | <u>Adopted</u> | <u>Forecast</u> | <u>Forecast</u> | <u>Forecast</u> | <u>Forecast</u> |
| North Macadam URA | | | | | |
| H89030 Affordable Rental Housing | - | - | 800,000 | 1,000,000 | 1,400,000 |
| <i>North Macadam URA Total</i> | <i>\$0</i> | <i>\$0</i> | <i>\$800,000</i> | <i>\$1,000,000</i> | <i>\$1,400,000</i> |
| River District URA | | | | | |
| H12030 Fairfield Apartments | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| H89030 Affordable Rental Housing | | 6,500,000 | 7,200,000 | 2,500,000 | 1,600,000 |
| H20039 Medford | 1,476,000 | | | | |
| H20050 Ericcion-Fritz | 6,339,093 | | | | |
| H20049 The Abigail | 9,900,000 | 1,950,000 | | | |
| <i>River District URA Total</i> | <i>\$17,765,093</i> | <i>\$8,500,000</i> | <i>\$7,250,000</i> | <i>\$2,550,000</i> | <i>\$1,650,000</i> |
| South Park Blocks URA | | | | | |
| H34510 SPB Section 8 Preservation | 860,486 | | | - | - |
| <i>South Park Blocks URA Total</i> | <i>\$860,486</i> | <i>\$0</i> | <i>\$0</i> | <i>\$0</i> | <i>\$0</i> |
| Education URA | | | | | |
| H89030 Affordable Rental Housing | 417,828 | 498,371 | 626,648 | 715,451 | 1,539,177 |
| <i>South Park Blocks URA Total</i> | <i>\$417,828</i> | <i>\$498,371</i> | <i>\$626,648</i> | <i>\$715,451</i> | <i>\$1,539,177</i> |

Exhibit C

TIF Funded Portion Only

| URA | Capital and Financial Assistance Total | Personnel Services and Indirect Total | Total Approved |
|---------------------|--|--|----------------------|
| Central Eastside | \$ 796,800 | \$ 118,541 | \$ 915,341 |
| Convention Center | \$ 11,912,500 | \$ 542,540 | \$ 12,455,040 |
| Downtown Waterfront | \$ 1,429,779 | \$ 287,566 | \$ 1,717,345 |
| Gateway | \$ 3,477,418 | \$ 250,283 | \$ 3,727,701 |
| Interstate | \$ 4,754,012 | \$ 770,437 | \$ 5,524,449 |
| Lents | \$ 986,900 | \$ 573,104 | \$ 1,560,004 |
| North Macadam | \$ - | \$ 2,652 | \$ 2,652 |
| River District | \$ 17,206,793 | \$ 818,911 | \$ 18,025,704 |
| South Park Blocks | \$ 582,068 | \$ 278,418 | \$ 860,486 |
| Education | \$ 412,828 | \$ 5,000 | \$ 417,828 |
| Total | \$ 41,146,270 | \$ 3,647,452 | \$ 44,788,723 |

EXHIBIT D
FORM OF CERTIFICATION
Sample Invoice (on PHB Letterhead) – Page 1

Contract #: _____ **Invoice Period:** _____ **Invoice #:** _____

| | |
|---------------------------------------|-----------------|
| Organization: Portland Housing Bureau | Total contract: |
| Mailing Address: | |
| Contact Name/Title: Mike Johnson | |
| Phone/Fax: | |

| Activity | Budget | Expense This Period | Expenses YTD Including This Invoice | Balance From Budget |
|---|--------|---------------------|-------------------------------------|---------------------|
| Personnel Services and Indirect | | | | |
| External Materials and Services, Capital and Financial Assistance | | | | |
| Total | | | | |

Total Amount Requested: _____ Total Balance: _____

Certification: I certify to the best of my knowledge and belief that the invoice is correct and complete and that all the expenses are for the purpose set forth in the IGA and are tax increment eligible, and I understand that these expenses are subject to future audit.

PHB Director: Typed or Printed Name: _____

PHB Director Signature: _____ Date Submitted: _____

City of Portland Legal Typed or Printed Name: _____

City of Portland Legal Signature: _____ Date Submitted: _____

FOR OFFICE USE ONLY

I have received this information and have forwarded the invoice for processing

 Contract Manager

 Date Sent to Accounting

PORTLAND DEVELOPMENT COMMISSION

Portland, Oregon

RESOLUTION NO. 7064

EXHIBIT B

**AUTHORIZING INTERGOVERNMENTAL AGREEMENTS WITH THE
PORTLAND HOUSING BUREAU TO PROVIDE HOUSING PROGRAMS AND
SUPPORT SERVICES TO THE PORTLAND HOUSING BUREAU**

Exhibit B includes this cover page and contains 13 pages:

- Fiscal Year 2014-15 Housing Support Services Agreement between Portland Development Commission and Portland Housing Bureau, Intergovernmental Agreement No. 30003983
 - Exhibit A: Property Managed for PHB
 - Exhibit A-1: Additional Property Management Services Headwaters Apartments Only
 - Exhibit B: Budget

**FISCAL YEAR 2014-15
HOUSING SUPPORT SERVICES AGREEMENT
Between
Portland Development Commission
And
Portland Housing Bureau
Intergovernmental Agreement No.: 30003983**

This Housing Support Services Agreement (this “Agreement”), dated this 1st day of July, 2014 (“Effective Date”), is made and entered into by and between the **City of Portland, acting by and through its Portland Housing Bureau** (“PHB” or “Bureau”) and the **Portland Development Commission** (“PDC” or “Commission”).

RECITALS

1. PDC and PHB have entered into that certain Housing Rehabilitation, Finance and Development Agreement of even date herewith (the “HRFD Agreement”), under which PHB will perform certain urban renewal activities involving housing rehabilitation, finance and development (referred to herein and in the HRFD Agreement as the “Urban Renewal Housing Projects”) as well as the non-urban renewal housing activities historically conducted by PDC (referred to herein and in the HRFD Agreement as the “Other Housing Activities”), as and to the extent described in the HRFD Agreement. Capitalized terms used herein without definition have the meaning ascribed to such term in the HRFD Agreement.
2. In order to implement the Urban Renewal Housing Projects and the Other Housing Activities in the most effective and efficient manner, PHB has requested, and PDC has agreed to provide, on the terms and conditions of this Agreement, certain services to support PHB’s delivery of the Urban Renewal Housing Projects and Other Housing Activities.

AGREEMENT

Now, therefore, the parties agree as follows:

I. SCOPE OF WORK

Subject to the terms and conditions of this Agreement, PDC shall provide the following services in support of PHB’s implementation of Urban Renewal Housing Projects and Other Housing Activities. The schedule for delivery of requested services will be consistent with PDC’s current practice for internal delivery of such service. PHB hereby delegates to PDC all authority necessary or desirable to perform such services.

A. Property Management.

PDC will provide the following property management services for the PHB real properties listed on Exhibit A (each, a “Managed Property” and collectively, the “Managed Properties”):

1. PDC will provide property maintenance, landscaping and security services. The Managed Properties will be maintained in a clean and orderly condition in accordance with the standards set forth in the City of Portland Property Maintenance Code (PCC 29.20.010, Outdoor Maintenance Requirements). In addition, PDC will provide leasing/rental/permitting management services as appropriate for each Managed Property.
2. PDC will maintain insurance coverage on the Managed Properties to include general liability (to the applicable limits of the Oregon Tort Claims Act) and, for the Managed Properties with improvements owned by PHB, property damage and professional liability (to the applicable limits of the Oregon Tort Claims Act); provided, however, that insurance on the Managed Properties identified on Exhibit A as “Single Family Home” will be limited to general liability. All claims presented by third parties must be processed and adjusted by PDC. If PHB overrides decisions made by PDC as to the acceptable use of a Managed Property that results in damage to the Managed Property or in a third party liability claim, PHB will defend PDC consistent with the indemnity set forth herein. The list of Managed Properties may be revised only by amendment to this Agreement, which amendment may be approved by the PHB Contract Signatory and the PDC Contract Signatory.
3. PDC will apply revenues generated from a Managed Property first to cover third party costs reasonably incurred in managing the Managed Property, such as contracted services, real property taxes, if any, and assessments imposed on the Managed Property. If those third party costs exceed the revenue generated by the Managed Property, PDC will invoice them to PHB as incidental expenses. PDC will periodically confer with PHB on the revenues generated by a Managed Property and, if those revenues exceed third party costs, PDC will, at PHB’s request, distribute to PHB the portion of the net proceeds that exceed reasonable reserve amounts. If a Managed Property was acquired with urban renewal resources, any net proceeds from that Managed Property distributed to PHB will be considered Program Income (as defined in the HRFD Agreement) subject to the restrictions of the HRFD Agreement. PDC will not apply revenues generated from a Managed Property to cover PDC charges for personnel services and associated benefit and indirect costs.
4. In addition to the provisions of this Section I(A), PDC shall provide the services set forth in Exhibit A-1 as part of its management of the Headwaters Apartments. For purposes of management of the Headwaters Apartments, in the event of a conflict between Exhibit A-1 and the language of this Section I(A), Exhibit A-1 shall control.

B. Information Technology Services.

Until PDC receives written notice from the PHB Contract Manager to discontinue such services, PDC will provide the following information technology services to PHB:

1. PDC will host and provide electronic access to a PHB instance of the MITAS loan originating and servicing software system through September 30, 2014.
2. PDC will support PHB requests for changes to the MITAS or PHB's loan data warehouse systems via the established IT service request process, which requires a two week period for PDC to evaluate and prioritize the change request; provided, however, that PHB acknowledges that the MITAS Maintenance Contract held by PDC terminated on September 30, 2011 and, accordingly, any requests for changes to the MITAS or the loan data warehouse systems that require the expertise of MITAS personnel will no longer be available.

C. Construction and Environmental Services.

As reasonably requested by PHB from time to time and subject to PHB direction and oversight, and PDC available staff resources, PDC will provide the following construction and environmental services to PHB related to Urban Renewal Housing Projects and Other Housing Activities:

1. PDC will perform environmental due diligence prior to acquisition, which may include Phase 1, Phase 2, and Phase 3 Environmental Site Assessments and Hazardous Building Surveys, on real property PHB proposes to acquire.
2. PDC will perform construction due diligence prior to acquisition, which may include Building Condition Investigation, Structural/Seismic Investigations and ALTA/Topo Surveys, on real property PHB proposes to acquire.
3. PDC will perform environmental site characterization for PHB real property as may be necessary under the DEQ Voluntary Cleanup Program. This work may include enrolling the site into the VCP program, performing remedial investigation/feasibility studies, preparing remedial action plans and contaminated media management plans, performing environmental cleanup oversight, preparing closure reports and Easement and Equitable Servitudes, and performing other coordination actions necessary to obtain a DEQ NFA letter.
4. PDC will provide site preparation and site cleanup work as may be necessary to facilitate future redevelopment of PHB real property, which may include preparing drawings and technical specifications, obtaining

necessary permits, bid advertisement and award of construction contracts, and construction project management on resulting work. Final decisions regarding bids and construction contracts reside with PHB. PDC will provide specialized construction and environmental technical assistance related to PHB real property, which may include responding to Superfund questions, obtaining project permits, coordinating environmental cost recovery obligations, and assistance in responding to public records requests involving environmental and construction documents.

5. PDC will provide information necessary to update the Government Accounting Standards Board Statement 49, Accounting and Financial Reporting for Pollution Remediation Obligations (GASB 49) on the Managed Properties.

D. [Section Intentionally Blank]

E. Relocation Services.

As reasonably requested by PHB from time to time, PDC will provide commercial and residential relocation services to PHB in connection with Urban Renewal Housing Projects and Other Housing Activities. These services include payment of the actual relocation benefit, if any, arising from a relocation. The cost of such relocation benefit payments shall be invoiced to PHB as Materials and Services costs.

II. CONTRACT MANAGEMENT

A. Commission.

1. PDC Contract Signatory. The Commission Contract Signatory shall be the Executive Director, or such other person as designated in writing by the PDC Executive Director (“PDC Contract Signatory”). The PDC Contract Signatory is authorized to give notices and to carry out other PDC actions referred to herein, including termination of this Agreement as provided in Section V.
2. PDC Contract Manager. The Commission Contract Manager shall be Tony Barnes (“PDC Contract Manager”). The PDC Contract Manager is responsible for the day-to-day management of the Agreement as provided herein and serves as the first level of conflict resolution.
3. The PDC Contract Manager shall be included in all correspondence regarding amendments to this Agreement.

B. Bureau.

1. PHB Contract Signatory. The PHB Contract Signatory shall be the Director of the Portland Housing Bureau, or such other person as designated in writing by the Director of the Portland Housing Bureau (“PHB Contract Signatory”). The PHB Contract Signatory is authorized

to give notices and to carry out other PHB actions referred to herein, including termination of this Agreement as provided in Section V.

2. PHB Contract Manager. The PHB Contract Manager shall be Paul Stewart (“Bureau Contract Manager”). The PHB Contract Manager is responsible for the day-to-day management of the Agreement as provided herein and serves as the first level of conflict resolution.
3. The Bureau Contract Manager shall be included in all correspondence regarding amendments to this Agreement.

III. FUNDING / COMPENSATION / ALLOWABLE COSTS

- A. Except as otherwise described below, PHB shall pay PDC, on a reimbursement basis for work performed under the Scope of Work, a sum not to exceed that amount set forth in Exhibit B (the “Budget”) attached hereto and incorporated herein by this reference. The PDC Contract Signatory and the PHB Contract Signatory are authorized to modify the Budget, through a duly executed amendment to this Agreement, if sufficient funds have been appropriated in the city of Portland’s Budget and sufficient funds have been appropriated in the PDC Budget to cover the cost of delivering the services under this Agreement.
- B. The full amount of the funds is authorized in PHB’s budget for Fiscal Year 2014-15.
- C. In addition to (and not in lieu of) reimbursement of the costs described in Section III(E) below, PHB shall pay PDC \$1,000 per month (pro-rated for any partial month of service) for hosting MITAS data on PDC servers under Section I(B)(1) of the Scope of Work.
- D. [Section Intentionally Blank]
- E. In addition to the fees set forth above and up to the total amount set forth in the Budget, PDC may seek reimbursement from PHB under this Agreement for the costs set forth below, reasonably incurred by PDC in performing services falling within the Scope of Work. The line items in the Budget are included for illustrative purposes only and are not intended as a limitation on costs reimbursable under this Agreement.
 1. Direct Costs
 - a) Personnel Services. Reimbursement for direct wages paid to personnel. Such reimbursement shall be calculated at the base hourly rate for the employee performing as established by PDC and specified in the billings to PHB.
 - b) Benefit Costs. Reimbursement for the fully loaded, actual benefit costs associated with direct wages, which represents the actual benefit load attributable to the respective employees. The budgeted benefit reimbursement is FORTY THREE AND NINETY THREE

TENTHS PERCENT (40.7%) of direct wages, which represents the average full benefit load attributable to PDC employees.

- c) Materials & Services. Actual costs for the purchase of materials, supplies, and services, or reimbursement of incidental expenses. Costs, including personnel services, incurred for out of town travel, training, education or equipment purchase are reimbursable under this Agreement.
 - d) Contracted Services. Reimbursement for contracted professional, construction or other services.
2. Indirect Costs. Reimbursement for overhead costs at the rate established annually by the PDC. For Fiscal Year 2014-15 of this Agreement the rate will be no more than \$17.00 per hour of personnel services time billed to PHB under this Agreement, with the final rate determined based on PDC's Fiscal Year 2014-15 Adopted Budget for facilities and information technology support services. Indirect costs pay for generally fixed costs related to administration and operation, as well as program management costs including Board of Commissioner charges, executive management staff, rent, telephone, power, insurance, office supplies, and equipment.
- F. PDC shall not incur costs under this contract for activities in support of the Education urban renewal plan without advance approval of the PHB contract manager.

IV. BILLING AND PAYMENT PROCEDURE

- A. PDC shall submit to the PHB Contract Manager a monthly itemized billing for work performed under the Scope of Work. In order to receive timely payment, interim billings must be received no later than thirty (30) days following the close of a billing period. Interim billings may be submitted prior to the end of a billing period in order to manage cash flow at PDC.
- B. Each billing shall include a Billing Detail Report in a format created and/or approved by PHB. At a minimum, each billing shall include the information set forth below. PDC and PHB financial staff shall meet in June 2015 to confer on the status of progress billings and on steps necessary to minimize billings, for work performed under this Agreement, after June 30, 2015.
 - 1. A description of the nature and cost of work accomplished;
 - 2. The names, rates and hours worked of personnel;
 - 3. Disbursements to consultants, contractors and outside vendors for materials and services;
 - 4. Descriptions of other costs charged as provided for in this Agreement.

- C. If billings are received with incomplete information or disputed items, PHB will advise PDC in writing what specific information is missing or disputed. PHB will proceed to process payment for items not in dispute. PHB will pay billings not in dispute within 30 days of receipt of the billing from PDC.

V. GENERAL

- A. **Termination.** The Termination Date of this Agreement is June 30, 2015. This Agreement may also be terminated at any time by mutual written consent.
- B. Provided the parties have not entered into a subsequent agreement to continue the services described in the Scope of Work, upon termination of this Agreement, the work shall cease promptly and a final billing request submitted within sixty (60) days of the effective date of termination. Eligible costs incurred through the date of Agreement termination will be reimbursed.
- C. **Conflict Resolution.** If a dispute arises regarding performance under this Agreement, both parties agree to exercise good faith in expeditiously resolving said conflict in the following manner.
 - 1. All conflicts should first be discussed and resolved if at all possible by the Contract Managers specified in Section II.
 - 2. Any conflicts not resolved by the Contract Managers shall be elevated to the Contract Signatories for discussion and resolution.
- D. **Compliance with Laws.** In connection with its activities under this Agreement, the parties shall comply with all applicable federal, state and local laws and regulations.
- E. **Indemnification.**
 - 1. Subject to the limits of the Oregon Tort Claims Act and Oregon Constitution, PHB agrees to indemnify, hold harmless and defend, PDC, its directors, officers, employees and agents from and against all claims, suits, actions of whatsoever nature, damages or losses, and all expenses and costs incidental to the investigation and defense thereof, resulting from or arising out of the activities of PHB, its officers, employees or agents under this Agreement. If PHB overrides decisions made by PDC as to the acceptable use of a Managed Property that results in damage to the Managed Property or third party liability claims, PHB will defend PDC from any resulting claims.
 - 2. Subject to the limits of the Oregon Tort Claims Act and Oregon Constitution, PDC agrees to indemnify, hold harmless and defend, City, its officers, employees and agents from and against all claims, suits, actions of whatsoever nature, damages or losses, and all expenses and costs incidental to the investigation and defense thereof, resulting from or

arising out of the activities of PDC, its directors, employees or agents under this Agreement.

- F. Subcontracting.** PDC may engage subcontractors but shall remain obligated for full performance hereunder, and PHB shall incur no obligation to any such subcontractor. PDC shall have the sole authority to direct the work of any authorized and approved subcontractors. The costs of services provided by subcontractors are eligible for reimbursement under Section III(E) as materials and services or contracted services costs.
 - G. Status Reports.** PDC shall submit data and information to PHB on its activities under this Agreement, as PHB may reasonably request from time to time in order to monitor the delivery of services and the expenditure of funds budgeted for the services.
 - H. Delivery / Maintenance of Records.** PDC shall maintain records on a current basis to support its billings to PHB for work performed under this Agreement and shall retain those records until the earlier of 3 years after termination of this Agreement or the date that any dispute arising under this Agreement is resolved. PHB or its authorized representative shall have the authority to inspect, audit and copy, on reasonable notice and from time to time, any records of PDC regarding its billings or its work hereunder, for a period of 3 years after termination of this Agreement.
- VI. Amendments.** This Agreement may be amended only in writing signed by the Contract Signatories; provided, however, that amendments that modify the Scope of Work but do not increase the Budget, may be signed by the parties respective Contract Managers .
- VII. Effect of Termination.** Sections V(E), V(H) and VII shall survive termination of this Agreement.

[Signature page to follow]

IN WITNESS WHEREOF, PHB and PDC have executed this Agreement as of the Effective Date.

CITY OF PORTLAND HOUSING BUREAU

PORTLAND DEVELOPMENT COMMISSION

Traci Manning, Director

Patrick Quinton, Executive Director

Date

Date

APPROVED AS TO FORM:

APPROVED AS TO FORM:

City Attorney

Legal Counsel

City Auditor

Date

**EXHIBIT A
PROPERTY MANAGED FOR PHB**

| URA | PROPERTY NAME/ADDRESS | TAX ID |
|----------------|---|--|
| Gateway | Children's Receiving Center, parking lot portion | R319949 |
| Interstate | QUAD Society Housing Project 2600 N. Williams Avenue Portland, OR 97227 | R102436 |
| OCC-Lloyd | King Crusher Site 1306 NE 2nd Avenue Portland, OR 97232 | R182174 R182175 |
| OCC-Lloyd | Cosmopolitan Housing Tower Site 1034 NE Grand Avenue Portland, OR 97232 | R182141 R182140 R182139 |
| Interstate | King-Parks Housing Project – North Lot 6445 NE MLK Jr. Blvd Portland, OR 97211 | R243868 |
| Interstate | King-Parks Housing Project – South Lots 6445 NE MLK Jr. Blvd Portland, OR 97211 | R243866 R243867 |
| Interstate | Former Grant Warehouse Lot 3368 NE MLK Jr. Blvd Portland, OR 97212 | R102083 |
| Interstate | Former McCann Lots 427 NE Cook Street Portland, OR 97212 | R102082 R520694 |
| Interstate | Former Lenske Lot NEC/NE Cook Street & NE MLK Jr. Blvd | R102081 |
| River District | Fairfield Hotel 1101-1121 SW Stark Street Portland, OR 97205 | R246179 |
| River District | Resource Access Center Remnant Lots NW Hoyt/Irving/Broadway/6th Avenue Portland, OR 97209 | R141465 R626272 R627121 R627253 |
| River District | Union Station Lot 6 (Land Only) NW Naito Pkwy | R291744 R518301 |
| No URA | Headwaters Apartments* 8833 SW 30th Avenue Portland, OR 97210 | R570282 |

*PDC will manage the Headwaters Apartments in accordance with Section I(A) and Exhibit A-1

EXHIBIT A-1

ADDITIONAL PROPERTY MANAGEMENT SERVICES

HEADWATERS APARTMENTS ONLY

1. As used in this Exhibit A-1, the following words and phrases have the indicated meanings:

“Bonds” means bonds issued by the city of Portland to finance or refinance the construction of the Headwaters Apartments.

“Coverage Ratio” means the ratio of the Net Revenues to required debt service on the Bonds.

“Net Revenues” means Revenues from the Headwaters Apartments (excluding insurance proceeds and condemnation proceeds other than the proceeds of business interruption and/or rent loss insurance, if available, and proceeds of liability insurance) less Operation and Maintenance Costs, and less required deposits into the project reserve fund for the Headwaters Apartments.

“Operations and Maintenance Costs” means all necessary costs to operate and maintain the Headwaters Apartments, including but not limited to administrative and general expenses, costs of insurance (including reasonable contributions for self-insurance reserves, if any), consulting and technical services and repairs and replacements (to the extent not property classifiable as capital costs), but excluding depreciation (or reserves therefor), amortization of intangibles or other bookkeeping entries of a similar nature, interest on a deferred developer note, if any, and debt services on the Bonds.

“Revenues” means all amounts due to or received by PDC or PHB with respect to the Headwaters Apartments (other than refundable tenant deposits), including, without limitation, all rent and lease payments, laundry and miscellaneous income.

2. Unless otherwise directed by PHB, until all Bonds have been retired or defeased, PDC shall use commercially reasonable efforts to establish and collect rents and other Revenues from the Headwaters Apartments at a level sufficient to meet a 1.20 Coverage Ratio for the Fiscal Year commencing July 1, 2014. PDC shall furnish PHB with information on the Headwaters Apartments as reasonably requested by PHB to prepare necessary certifications on the Coverage Ratio.

3. PDC shall use its best efforts to cause the Headwaters Apartments to comply with all orders of any governmental authorities having jurisdiction under any environmental laws and shall use its best efforts to obtain, keep in effect and comply with all governmental permits and authorizations required by environmental laws with respect to the Headwaters Apartments or any operations at the Headwaters Apartments.

EXHIBIT B

BUDGET

| Support Services | Personal Services/Overhead | Materials and Services | Total |
|--|---------------------------------------|-----------------------------------|------------------|
| Construction & Environmental Services(1) | \$ 10,000 | \$ 10,000 | \$ 20,000 |
| Mitas Hosting (2) | \$ 1,000 | \$ 3,000 | \$ 4,000 |
| Property Management/Insurance (3) | \$ 10,000 | \$ 35,000 | \$ 45,000 |
| Other (4) | \$ 5,000 | \$ 5,000 | \$ 10,000 |
| Total | \$ 26,000 | \$ 53,000 | \$ 79,000 |

(1) Materials and services for construction is not related to a specific project, only provide contract authority if needed.

(2) Mitas Hosting 3 months at \$1,000 per month

(3) Does not include gross operating revenues associated with Headwaters. Assumes revenues will be in excess of operations. All insurance and other PDC expenses for other properties are billed via this contract. (Fairfield insurance estimated at \$11,930)

(4) Other expenses includes contingency for any of the above items or services.

RESOLUTION NO. 7064

RESOLUTION TITLE:

AUTHORIZING INTERGOVERNMENTAL AGREEMENTS WITH THE PORTLAND HOUSING BUREAU TO PROVIDE HOUSING PROGRAMS AND SUPPORT SERVICES TO THE PORTLAND HOUSING BUREAU


Adopted by the Portland Development Commission on June 25, 2014

| PRESENT FOR VOTE | COMMISSIONERS | VOTE | | |
|---|-------------------------------|--|--------------------------|--------------------------|
| | | Yea | Nay | Abstain |
| <input checked="" type="checkbox"/> | Chair Scott Andrews | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <input checked="" type="checkbox"/> | Commissioner Aneshka Dickson | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <input checked="" type="checkbox"/> | Commissioner Tom Kelly | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <input checked="" type="checkbox"/> | Commissioner John Mohlis | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> | Commissioner Charles Wilhoite | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <input type="checkbox"/> Consent Agenda | | <input checked="" type="checkbox"/> Regular Agenda | | |

CERTIFICATION

The undersigned hereby certifies that:

The attached resolution is a true and correct copy of the resolution as finally adopted at a Board Meeting of the Portland Development Commission and as duly recorded in the official minutes of the meeting.

| | |
|---|---|
|  | <p>Date:</p> <p style="text-align: center;">July 9, 2014</p> |
| <p>Gina Wiedrick, Recording Secretary</p> | |