

PORTLAND DEVELOPMENT COMMISSION
Portland, Oregon

RESOLUTION NO. 6727

**AUTHORIZING INTERGOVERNMENTAL AGREEMENT
BETWEEN THE PORTLAND DEVELOPMENT COMMISSION
AND THE CITY OF PORTLAND FOR HOUSING
COORDINATION AND TRANSITION**

WHEREAS, on January 7, 2009, City Council passed Ordinance # 182465 which set out Council's intention to consolidate housing functions formerly conducted by the City's Bureau of Housing and Community Development (BHCD) and by the Portland Development Commission (PDC) into the newly-created Portland Housing Bureau (PHB);

WHEREAS, PDC and BHCD staff estimate that full consolidation of housing activities at the PHB may not be possible until July 1, 2010;

WHEREAS, PHB and PDC desire to begin implementing the intent of City Council even though full integration is not yet possible, including locating PDC Housing Department staff in the same facility as PHB staff and appointing the PHB Director, or designee, to certain PDC committees;

NOW, THEREFORE, BE IT RESOLVED that the PDC Board of Commissioners ("Board") hereby authorizes the Executive Director to enter into an Intergovernmental Agreement with the City of Portland substantially in the form attached hereto as Exhibit A for housing coordination and transition and to pay for co-location and transition costs in an amount not to exceed \$863,879 (the "IGA");

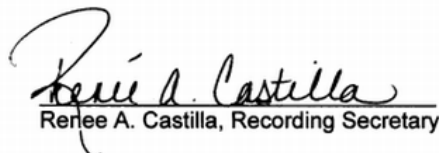
BE IT FURTHER RESOLVED that the Executive Director may approve changes to the IGA prior to and subsequent to execution, if such changes, in the opinion of the Executive Director and General Counsel, do not materially change PDC's obligations or risks;

BE IT FURTHER RESOLVED that consistent with Resolution 6441 adopted by the Board on February 28, 2007, the Board hereby authorizes the PDC Executive Director to appoint the Director of the PHB, or designee of the PHB Director, as a member of the PDC Loan Review Committee with authority to vote on housing matters; and

BE IT FURTHER RESOLVED that the term of the appointment of the PHB Director, or the designee of the PHB Director, to the PDC Loan Review Committee shall end no later than June 30, 2010; and

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

Adopted by the Portland Development Commission on August 12, 2009.


Rerlee A. Castilla, Recording Secretary

INTERGOVERNMENTAL AGREEMENT
Between
Portland Development Commission
And
Portland Housing Bureau
For
Housing Coordination and Transition

This Intergovernmental Agreement (“Agreement”), effective the 1st day of July, 2009, (“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, is granted broad powers under ORS 457.170 for the planning and implementation of urban renewal programs, projects and activities.
2. PDC’s urban renewal activities include housing rehabilitation and development consistent with ORS Chapter 457.
3. The City Charter requires PDC to implement the vision and goals of the City as adopted by the City Council relating to affordable housing. PDC may choose to implement the vision and goals through agreement with the newly created PHB.
4. PHB is responsible for the development and implementation of the City of Portland’s housing policy.
5. On January 7, 2009, City Council passed Ordinance # 182465 which set out Council’s intention to consolidate housing functions formerly conducted by the City’s Bureau of Housing and Community Development (BHCD) and by the PDC into a newly-created Portland Housing Bureau (PHB).
6. It is the intent of the City Council that Commissioner Fish, in consultation with the PDC Commission and Executive Director, guide the transition work to consolidate the BHCD and PDC housing functions in the new PHB.
7. PHB and PDC staff estimate that full consolidation of housing activities under the sole authority of the Portland Housing Bureau may not be possible until July 1, 2010.
8. PHB and PDC desire to begin implementing the intent of City Council and the PDC Commission to consolidate and coordinate the development of housing policy and the implementation of housing activities (including those activities conducted by PDC on behalf of PHB under the Subrecipient Contract, dated on or about the date hereof, between PDC and PHB for affordable rental housing development) in order to enhance the City’s ability to end chronic homelessness, protect its most vulnerable residents, preserve and expand its affordable housing supply, assure housing stability, promote homeownership, and connect its investments in housing to other strategies that support families and schools in vibrant, equitable neighborhoods, including the reduction of blight and blighting conditions in the City’s urban renewal areas.

9. In order to promote greater coordination between PDC's housing rehabilitation and development projects undertaken as urban renewal activities and the City of Portland's housing policy implemented by PHB, and as authorized by ORS 457.210, PDC and PHB desire to enter into this Agreement (a) to formalize PHB's role in the review, assessment, and recommendation on the selection of housing rehabilitation and development projects to be implemented by PDC as urban renewal activities, (b) to provide for the physical co-location, in PHB office space, of the PHB staff and certain PDC staff who implement PDC's housing rehabilitation and development projects, and (c) to assist PDC in planning for, designing and creating the systems and space necessary to enable and support, as currently contemplated by the parties, PHB's assumption, through a subsequent intergovernmental agreement, of full responsibility for the selection, planning and implementation of all housing rehabilitation and development projects undertaken as urban renewal activities in City's urban renewal areas.
10. The increased coordination implemented through this Agreement will produce greater alignment and public benefit.

Now therefore, the parties agree as follows:

AGREEMENT

I. DEFINITIONS

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

Affordable Housing Set Aside Policy means the policy adopted by the City Council on October 25, 2006 as Ordinance No. 180547 allocating 30% of urban renewal funds to affordable housing; as such policy may be amended from time to time by the City Council.

Existing TIF Housing Projects means housing rehabilitation and development programs, projects, and activities approved by PDC prior to the Effective Date and financed with funding derived under ORS Chapter 457, including programs, projects and activities not yet completed on the Effective Date.

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

New TIF Housing Projects means new housing rehabilitation and development programs, projects and activities approved by PDC after the Effective Date and financed with funding derived under ORS Chapter 457.

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. These programs, projects and activities include, but are not limited to, the following:

1. Housing programs paid fully or in part with funding from federal, state or local resources other than funding derived under ORS Chapter 457.
2. Tax abatement approval and compliance monitoring and reporting.
3. SDC waiver approval.

4. First mortgage loan programs. These loans are originated by PDC and then sold to investors on the secondary market (e.g., Fannie Mae, State of Oregon Residential Loan Program).
5. Housing Investment Fund activities.
6. City Lights Program.

Urban Renewal Housing Projects means all New TIF Housing Projects and Existing TIF Housing Projects.

II. SCOPE OF WORK

Subject to the terms and conditions of this Agreement, PHB and PDC shall perform the activities described in Sections II (A) and (B) below.

A. PDC Responsibilities

1. PDC shall complete and monitor all Existing TIF Housing Projects and shall select, plan and implement New TIF Housing Projects in the City of Portland's urban renewal areas consistent with the City's urban renewal objectives, as reflected in the relevant urban renewal plans, and the City's housing policies, subject to the requirements of applicable law, including ORS Chapter 457.
2. PDC shall designate appropriate staff to participate in periodic meetings with PHB staff, including Commissioner Fish or his designee(s), to review and coordinate work on Existing TIF Housing Projects and identify, plan and coordinate work on New TIF Housing Projects.
3. As soon as reasonably practical after the Effective Date, PDC shall appoint the PHB Director (or the PHB Director's designee) as a member of PDC's Loan Review Committee to serve during the term of this Agreement. PHB's representative may attend all meetings of PDC's Loan Review Committee but shall be eligible to vote only on matters involving Urban Renewal Housing Projects or Other Housing Activities. PDC's Loan Review Committee makes recommendations to PDC's Executive Director on the financing of Urban Renewal Housing Projects and Other Housing Activities, consistent with guidelines approved by PDC's Board of Directors. Final decisions on the financing of Urban Renewal Housing Projects and Other Housing Activities remain with the PDC Executive Director or Board of Commissioners, subject to the requirements of applicable law and PDC's relevant contractual obligations. Promptly after the appointment, PDC will modify its Loan Review Committee membership documents to identify the PHB representative as a member, consistent with this Section II(A)(3). PDC shall forward copies of all Loan Review Committee project summaries, on Urban Renewal Housing Projects or Other Housing Activities, to the PHB Director (or the PHB Director's designee) for review before consideration by the PDC Loan Review Committee.
4. As soon as reasonably practical after the Effective Date, PDC shall appoint PHB's representative on PDC's Loan Review Committee as a member of PDC's Investment Committee to serve during the term of this Agreement. PHB's representative may attend all meetings of PDC's Investment Committee but shall be eligible to vote only on matters involving Urban Renewal Housing Projects or Other Housing Activities. PDC's Investment Committee makes recommendations to PDC's Executive Director

- on the acquisition and disposition of real property. Final decisions on the acquisition and disposition of real property remain with the PDC Executive Director or Board of Commissioners, subject to the requirements of applicable law and PDC's relevant contractual obligations. As soon as reasonably practical after the Effective Date, PDC will modify its Investment Committee membership documents to identify the PHB representative as a member, consistent with this Section II(A)(4). PDC shall forward copies of all Investment Committee project summaries, on Urban Renewal Housing Projects or Other Housing Activities, to the PHB Director (or the PHB Director's designee) for review before consideration by the PDC Investment Committee.
5. If the recommendation of the Loan Review Committee or Investment Committee is contrary to the recommendation of PHB's representative on the Committee, PDC's Executive Director shall confer with the Commissioner in Charge of PHB before a final decision is made. Nevertheless, PHB agrees and acknowledges that it is PDC's desire to resolve any disagreements between PHB and PDC on an Urban Renewal Housing Project or Other Housing Activity before the matter reaches the Loan Review Committee and that if disagreement still exists when the Committee considers the matter, the Loan Review Committee will likely defer action and refer the matter back to PDC and PHB staff to resolve the disagreement.
 6. If at any time during the term of this Agreement, the PHB representative on PDC's Loan Review Committee and Investment Committee is unable to continue serving, then, at PHB's request, PDC shall appoint a successor PHB representative, designated by the PHB Director, to those committees to serve as described in Sections II(A)(3) and (4). The same individual must serve as the PHB representative on both the Loan Review Committee and the Investment Committee.
 7. PDC shall consult with PHB as part of any discussions and internal processes involving proposed material changes to PDC practices regarding Urban Renewal Housing Projects or Other Housing Activities, including but not limited to, the Affordable Housing Set-Aside Policy, the creation of new urban renewal areas and amendments to existing urban renewal plans.
 8. As soon as reasonably possible after PHB makes the necessary space available in its offices, PDC shall relocate to the PHB office space certain PDC staff who implement PDC's Urban Renewal Housing Projects and Other Housing Activities. PDC and PHB currently anticipate that approximately 37 PDC staff members will relocate to the PHB offices. Notwithstanding the physical relocation, all PDC staff relocated to PHB's offices shall remain PDC employees and shall report to PDC management and PDC shall continue to be responsible for the salary and benefits of those employees, for the information technology and other systems support for those employees and for the management of those employees, consistent with PDC's policies and PDC's Collective Bargaining Agreement with AFSCME Local 3769.
 9. PDC shall cooperate fully with PHB in planning and preparing for PHB's assumption no later than July 1, 2010, of full responsibility for the selection, planning and implementation of all Urban Renewal Housing Projects and Other Housing Activities, including providing the technical information needed to assist the City in obtaining

and implementing the technology required to accommodate the TIF Housing Projects and Other Housing Activities.

10. PDC shall cooperate fully with PHB in planning and preparing for the transfer to PHB no later than July 1, 2010 of all loans, assets and real property relating to TIF Housing Projects and Other Housing Activities.

B. PHB Responsibilities

1. As soon as reasonably practical after the Effective Date and during the term of this Agreement, PHB shall make space available in its offices for certain PDC staff who implement PDC's Urban Renewal Housing Projects and Other Housing Activities. PDC and PHB currently anticipate that approximately 37 PDC staff members will relocate to the PHB offices.
2. During the term of this Agreement, PHB shall assist PDC in planning for, designing and creating the systems and space necessary to enable and support, as currently contemplated by the parties, PHB's assumption of full responsibility for the selection, planning and implementation of all Urban Renewal Housing Projects. PHB and PDC currently anticipate that PHB will assume full responsibility for all Urban Renewal Housing Projects no later than July 1, 2010 under the terms of a subsequent intergovernmental agreement to be negotiated by the parties.
3. PHB shall cooperate fully with PDC in planning and preparing for PHB's assumption no later than July 1, 2010, of full responsibility for the selection, planning and implementation of all Urban Renewal Housing Projects and Other Housing Activities.
4. PHB shall cooperate fully with PDC in planning and preparing for the transfer to PHB no later than July 1, 2010 of all loans, assets and real property relating to Urban Renewal Housing Projects and Other Housing Activities.

III. CONTRACT MANAGEMENT

A. PDC.

1. PDC Contract Signatory. The PDC 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 IV.
2. PDC Contract Manager. The PDC 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 IV.

2. PHB Contract Manager. The PHB Contract Manager shall be Alissa Brumfield (“PHB 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.

IV. FUNDING / COMPENSATION / ALLOWABLE COSTS

A. In order to cover the cost for the PHB office space occupied by the PDC employees under Section II(B)(1) and in consideration of the services performed by PHB under Section II(B)(2) and the services performed by PHB under Sections II(B)(3)-(4) that are related to Urban Renewal Housing Projects (collectively, the “PHB Services”), PDC agrees to pay to PHB up to **EIGHT HUNDRED SIXTY THREE THOUSAND EIGHT HUNDRED EIGHTY DOLLARS (\$ 863,880)** (the “Funding”). Up to the limits of the Funding and subject to the billing and payment procedures and use limitations set forth below, PDC shall pay PHB \$17,236 per month for use of the PHB office space (commencing on PDC’s occupancy of the space, with the payment for any partial month prorated) and shall reimburse PHB for eligible expenses incurred in providing the PHB Services. Subject to the limitation for Lease Payments set forth in the Budget, the monthly payment for the use of PHB office space shall be adjusted, if necessary, to reflect the proportional amount of space occupied by PDC and PHB employees performing TIF eligible urban renewal work and further adjusted, if necessary, to reflect the proportional amount of time those employees spend performing TIF-eligible urban renewal work, as evidenced by the percentage of direct wages of a PHB employee reimbursed under this Agreement and the percentage of direct wages of a PDC employee allocated to TIF resources on PDC’s books.

B. The full amount of the Funding is authorized in PDC’s budget for Fiscal Year 09/10.

C. The Funding made available to PHB under this Agreement is comprised solely of urban renewal resources available to PDC under ORS Chapter 457. Accordingly, PHB’s expenditure of the Funding is subject to the limitations of, and must be consistent with, ORS Chapter 457. Other than payment for use of office space which shall be invoiced at the fixed rate per month determined above, PHB may seek reimbursement from PDC under this Agreement for the following costs reasonably incurred in providing the PHB Services, within the line-item limits of the Budget, attached hereto as Exhibit A and incorporated herein by this reference (the “Budget”), and subject to the monetary and use limitations set forth above.

1. Personal Services. Reimbursement for direct wages paid to PHB personnel. Such reimbursement shall be calculated at the base hourly for the employee performing as established by PHB and specified in the billings to PDC.
2. Benefit Costs. Reimbursement for the fully loaded benefit costs associated with direct wages, which represents the actual benefit load attributable to the respective PHB employees. PHB shall specify the benefit costs in the billings to PDC.
3. Materials & Services. Actual costs for the purchase of materials, supplies, and services, or reimbursement of incidental expenses. Costs, including personal services, incurred for out of town travel, training, education or equipment purchase are reimbursable under this Agreement
4. Contracted Services. Reimbursement for contracted professional services.

V. BILLING AND PAYMENT PROCEDURE

A. PHB shall submit to the PDC Contract Manager a monthly itemized billing for use of the office space and for work performed in providing the PHB Services.

1. In order to receive timely payment, interim billings must be received no later than forty (40) days following the end of a billing period.

B. Each billing shall include a Billing Detail Report in a format attached hereto as Exhibit B and incorporated herein by reference. At a minimum, each billing shall include the monthly payment for the use of the office space and, for purposes of reimbursement of costs reasonably incurred in performing the PHB Services:

1. a description of the nature and cost of work accomplished;
2. the names, rates and hours worked of personnel; and
3. disbursements to consultants, contractors and outside vendors for materials and services;

C. 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.

VI. GENERAL

A. Termination.

1. The Termination Date of this Agreement is June 30, 2010.
2. Early Termination of Agreement. This Agreement may be terminated at any time by mutual written consent.
3. 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. 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.

1. 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.
 - a) All conflicts should first be discussed and resolved if at all possible by the Contract Managers specified in Section III.
 - b) Any conflicts not resolved by the Contract Managers shall be elevated to the Contract Signatories for discussion and resolution.
2. The parties acknowledge that the completion of the transition of housing functions to PHB no later than July 1, 2010 is a high priority. If either party believes planning and preparation for the transfer is not proceeding on a timeline that will result in a timely completion of the transfer, that party shall so notify the other party. Upon such

notification, the parties will convene a joint work group within 7 working days to evaluate the work plan for the transition and determine what actions are necessary to achieve the transfer no later than July 1, 2010. The report of the work group will be provided to the Commissioner in Charge of PHB and the Executive Director of PDC.

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 including reasonable attorneys fees, 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 including reasonable attorneys fees, resulting from or arising out of the activities of PDC, its directors, employees or agents under this Agreement.

E. Delivery / Maintenance of Records. PHB shall maintain records on a current basis to support its billings to PDC 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. PDC or its authorized representative shall have the authority to inspect, audit and copy, on reasonable notice and from time to time, any records of the PHB regarding its billings or its work hereunder, for a period of 3 years after termination of this Agreement.

F. No Third-Party Beneficiary Rights. No person or entity not a party to this Agreement is an intended beneficiary of this Agreement, and no person or entity not a party to this Agreement shall have any right to enforce any term of this Agreement.

VII. AMENDMENTS

This Agreement may be amended only in writing signed by the Contract Signatories.

VIII. EFFECT OF TERMINATION

Sections VI(D), VI(E), and VIII shall survive termination of this Agreement.

[Signature page to follow]

IN WITNESS WHEREOF, the City of Portland, through the Portland Housing Bureau and the Portland Development Commission have executed this Agreement as of the Effective Date.

**CITY OF PORTLAND, ACTING BY
AND THROUGH THE PORTLAND
HOUSING BUREAU**

PORTLAND DEVELOPMENT COMMISSION

Margaret Van Vliet, Director

Bruce A. Warner, Executive Director

Date

Date

APPROVED AS TO FORM:

APPROVED AS TO FORM:

Linda Meng, City Attorney

David Elott, Legal Counsel

**EXHIBIT A
BUDGET**

Budget

Personnel Costs (including benefits)	\$ 180,637
City Interagency Costs	\$ 86,462
Transition Costs, including Materials & Services, Contract Services	\$ 369,940
Lease Costs	\$ 226,840
Total	\$ 863,879

**EXHIBIT B
FORM OF INVOICE**

PDC

PORTLAND DEVELOPMENT COMMISSION

Resolution Number 6727

Title:

**AUTHORIZING INTERGOVERNMENTAL AGREEMENT
BETWEEN THE PORTLAND DEVELOPMENT COMMISSION
AND THE CITY OF PORTLAND FOR HOUSING
COORDINATION AND TRANSITION**

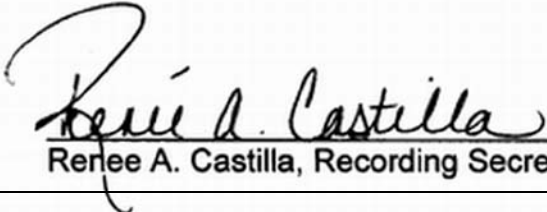
Adopted by the Portland Development Commission on August 12, 2009.

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 Bertha Ferrán	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	Commissioner John Mohlis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Steven Straus	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Charles Wilhoite	<input checked="" 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 duly recorded in the official minutes of the meeting.


Renee A. Castilla, Recording Secretary

Date: August 20, 2009