

**PORTLAND DEVELOPMENT COMMISSION**

Portland, Oregon

**RESOLUTION NO. 7202**

**AUTHORIZING AN INTERGOVERNMENTAL AGREEMENT WITH THE PORTLAND HOUSING BUREAU TO PROVIDE HOUSING PROGRAMS AND SUPPORT SERVICES TO THE PORTLAND HOUSING BUREAU AND FOR THE PURPOSE OF OPERATING AND ADMINISTERING THE ECONOMIC OPPORTUNITY INITIATIVE PROGRAM**

**WHEREAS**, on January 7, 2009, Portland City Council (“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**, PDC is charged by the City of Portland (“City”) Charter with implementing the vision and goals of the City as adopted by the City Council relating to economic development;

**WHEREAS**, beginning in fiscal year (“FY”) 2009-10, PDC has received annual federal Community Development Block Grant funding from the City to operate the Economic Opportunity Initiative (“EOI”), an economic development program that is designed to assist low-income, multi-barriered individuals to increase their incomes by providing workforce development and micro and small business development services combined with wrap-around supports;

**WHEREAS**, beginning in 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 2016-17 on substantially the same terms and conditions;

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

**WHEREAS**, the housing support services portion of the 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 and construction and environmental services. Housing support services are scheduled to be discontinued on December 31, 2016; and

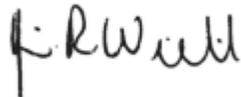
**WHEREAS**, PHB and PDC are increasingly advancing joint projects that involve both agencies. This IGA establishes guiding principles for inter-agency coordination on such efforts.

**NOW, THEREFORE, BE IT RESOLVED** that the PDC Board of Commissioners hereby authorizes the Executive Director to enter into an IGA with PHB in a form substantially in accord with the Term Sheet attached herein as Exhibit A, to provide housing programs, support services, and EOI funding;

**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 increase PDC's obligations or risks; and

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

Adopted by the Portland Development Commission on July 21, 2016



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Gina Wiedrick, Recording Secretary

## TERM SHEET

### Resolution

Authorizing an Intergovernmental Agreement with the Portland Housing Bureau to Provide Housing Programs and Support Services to the Portland Housing Bureau and for the Purpose of Operating and Administering the Economic Opportunity Initiative Program

### Summary of Prior PHB and PDC IGAs

- In the past, PDC has entered into three annual IGAs with PHB:
  - **Housing Rehabilitation, Finance, and Development IGA:** Affordable Housing Set Aside funded projects, for which PDC reimburses PHB. These are tax increment financing-related projects.
  - **Support Services IGA:** Property management, construction and environmental services, and loan servicing technology services, for which PHB reimburses PDC.
  - **Economic Opportunity Initiative IGA:** PHB receives Community Development Block Grants (CDBG), which it then passes through to PDC for economic development work, specifically, small business assistance, and workforce development. PDC has several subrecipients who receive these funds.

### Summary of Proposed FY 2016-17 PHB and PDC IGAs

- This authorization marks the first year that all three previously separate IGAs are incorporated into a single IGA with separate provisions.
- Through coordination with PHB, the proposed IGA includes new language that clarifies the respective roles and responsibilities of PDC and PHB:
  - PHB is charged with developing citywide housing policy and delivering programs that increase the supply of affordable housing, preventing and ending homelessness, and increasing homeownership for households of color (City Ordinance number 184329)
  - PDC is charged with developing and implementing economic development and community development policies and programs that create economic growth and opportunity throughout Portland. PDC catalyzes urban development (i.e. appropriate mix of residential, commercial, industrial and office) by leveraging public and private resources in furtherance of City/PDC and community-defined objectives
- The IGA furthermore contains specific provisions that identify under what circumstances PDC or PHB is designated a lead agency for all mixed-use/mixed-income projects
  - When a project is funded primarily by 45 percent Set Aside (and neither located on PDC-owned property nor financed with 55 percent non-Set Aside resources) then PHB is the project lead; PHB consults with PDC to determine policy objectives with regard to commercial uses in specific geography
  - When a project is funded primarily by 55 percent non-Set Aside (and neither located on PHB-owned property nor financed with 45 percent Set Aside resources) then PDC is the

project lead; PDC consults with PHB to determine policy objectives with regard to residential uses in specific geography

- When a project is jointly funded by 45 percent Set Aside and 55 percent non-Set Aside and are mixed-income or mixed-use projects then:
  - Unless otherwise mutually agreed, property owner is the lead negotiator
  - If neither agency is the property owner, the level of financing, long-term ownership interest (beyond lien or deed restrictions), and other factors such as significant public or community goals related to the project will determine the lead agency role
- PDC support services will significantly decrease. The intent is to discontinue all services as of January 1, 2017. PHB will implement a transition plan and timeline accordingly.
- Headwater Bond Covenant: PHB is currently moving to defease outstanding bonds through a HUD refinancing in FY 2016-17. The refinance will terminate the master bond declaration and commission certificate, thus no assignment to PDC would be necessary.
- EOI Funds: PHB will continue to reimburse PDC for CDBG funded contracts.

**Budget and Financial Information**

- Affordable Housing Set Aside: PDC will reimburse PHB for set aside projects in an amount not to exceed \$73,853,568
- Housing Support Services: PHB will reimburse PDC for support services in an amount estimated at \$127,000
- Estimated EOI Budget: PHB will reimburse PDC for CDBG related activities in an amount not to exceed \$2,130,224. These funds will be allocated as shown below with estimated leverage.

	<b>General Fund</b>	<b>CDBG</b>	<b>Enterprise Zone</b>	<b>Multnomah County</b>	<b>Total</b>
<b>Total Resources</b>	<b>\$2,181,466</b>	<b>\$2,130,224</b>	<b>\$225,000</b>	<b>\$59,117</b>	<b>\$4,595,807</b>
Program Delivery					
Micro & Small Business Development Program	\$853,451	\$502,667	\$100,000		\$1,456,118
Adult Workforce Development	\$309,767	\$786,349	\$125,000		\$1,221,116
Youth Workforce Development	\$257,170	\$841,208		\$59,117	\$1,157,495
Personnel Services	\$360,939				\$360,939
Materials and Services	\$23,100				\$23,100
Indirect	\$377,039				\$377,039

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**RESOLUTION TITLE:**

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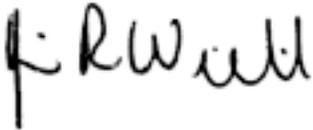
Adopted by the Portland Development Commission on July 21, 2016

PRESENT FOR VOTE	COMMISSIONERS	VOTE		
		Yea	Nay	Abstain
<input checked="" type="checkbox"/>	Chair Tom Kelly	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Gustavo Cruz, Jr.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Mark Edlen	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Commissioner Alisha Moreland-Capuia	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	Commissioner William Myers	<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.*

	<b>Date:</b>  July 21, 2016
<b>Gina Wiedrick, Recording Secretary</b>	