

# PDC

## PORTLAND DEVELOPMENT COMMISSION

**DATE:** March 23, 2011

**TO:** Board of Commissioners

**FROM:** Patrick Quinton, Executive Director

**SUBJECT:** Report Number 11-20  
Amendment to Housing Rehabilitation, Finance and Development Agreement with the Portland Housing Bureau

### EXECUTIVE SUMMARY

#### BOARD ACTION REQUESTED

Adopt Resolution No. 6858

#### ACTION SUMMARY

This action will authorize the Executive Director to execute an amendment (the "Amendment") to the FY 2010-11 Housing Rehabilitation, Finance and Development Agreement with the Portland Housing Bureau (the "IGA"), to modify the budget (the "Budget"). In total, the Budget is decreasing from \$67 million to \$53.8 million due in large part to the removal of the Killingsworth Station project from the agreement and changes in project timing. The Killingsworth Station project is being implemented directly by PDC and the changes in project timing result primarily from prior year carryover for specific projects that remain underway in the South Park Blocks URA, that were originally included in PDC's prior year budget.

#### PUBLIC BENEFIT

**This action will support the following PDC goals:**

- Sustainability and Social Equity
- Healthy Neighborhoods
- A Vibrant Central City
- Strong Economic Growth and Competitive Region
- Effective Stewardship over our Resources and Operations, and Employee Investment

#### PUBLIC PARTICIPATION AND FEEDBACK

The opportunity for the public to comment on this transition was made during hearings on the City budget. No significant opposition to the anticipated arrangement for housing implementation was registered during the hearings or written testimony.

#### COMPLIANCE WITH ADOPTED PLANS AND POLICIES

The Amendment does not alter PHB's obligations to comply with the City of Portland's and PDC's adopted plans and policies as set forth in the IGA.

### **FINANCIAL IMPACT**

The modified budget is set forth in Exhibit C to the Amendment and shows the total modified budget amount by Urban Renewal Area. Most of the changes being requested in the Amendment were already incorporated into PDC's second budget revision (approved on December 8, 2010) and the City of Portland's Winter Budget Amendment. Additional, minor changes will be made in PDC's third budget revision, currently scheduled for April 13, 2011, to match IGA totals. In several URA's, changes due to project timing will be recommended for inclusion in the FY 2011-12 Budget as well as the 2011-12 Housing Rehabilitation, Finance and Development IGA with PHB.

### **RISK ASSESSMENT**

The Amendment does not materially change PDC's risks under the IGA.

### **WORK LOAD IMPACT**

The requested amendment does not have any workload impact. PDC's Financial Planning and Accounting sections currently process monthly invoices provided by PHB per the existing IGA.

### **ALTERNATIVE ACTIONS**

The Board may choose not to authorize the Amendment, in which case PHB could not be reimbursed for certain expenditures that exceed the limits in the budget contained in the existing IGA.

### **CONCURRENCE**

This action supports City Council and PDC actions on the current year budget, and decisions leading towards adoption of the PDC and City of Portland FY 2011-12 Budget based on projects underway and estimated timing of completion.

## **BACKGROUND**

The City Council unanimously adopted City Ordinance #182465 on January 7, 2009 authorizing the creation of the Portland Housing Bureau and the transfer of all PDC housing functions and Bureau of Housing and Community Development housing and operational functions to the Portland Housing Bureau. The Ordinance stated that the creation of this new Bureau will strengthen Portland's capacity to meet the housing needs of the current and future residents of our City. It further stated that by transitioning appropriate functions and staff from BHCD and PDC, Portland will enhance its ability to end chronic homelessness, protect our most vulnerable residents, preserve and expand our affordable

housing supply, assure housing stability, promote homeownership and connect our investments in housing to other strategies that support families and schools in vibrant, equitable neighborhoods.

In June, 2011, the Portland Development Commission and the City of Portland entered into the 2010-2011 Housing Rehabilitation, Finance and Development Agreement (Inter Government Agreement No. 30001463) that established the scope of work, budget and process for administering URA funded housing projects in FY 2010-11. The respective budgets of PDC and the City of Portland have been previously amend to recognize prior year project carryover and changes to specific line items that will not be included in PHB's scope of work. Further changes will be recommended in PDC and City of Portland Budget amendments to match recommended changes to the contract budget and in certain cases move appropriations to FY 2011-12 based on project timing.