

PROSPER PORTLAND

Portland, Oregon

RESOLUTION NO. 7278

AUTHORIZING AN INTERGOVERNMENTAL AGREEMENT WITH THE PORTLAND HOUSING BUREAU FOR THE IMPLEMENTATION OF THE AFFORDABLE HOUSING SET-ASIDE POLICY AND FOR THE PURPOSE OF OPERATING AND ADMINISTERING THE ECONOMIC OPPORTUNITY INITIATIVE PROGRAM

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

WHEREAS, Prosper Portland is charged by the City of Portland Charter with implementing the vision and goals of the City of Portland (“City”) as adopted by the City Council relating to economic development;

WHEREAS, beginning in fiscal year (“FY”) 2009-10, Prosper Portland 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 individuals with barriers to economic opportunity and increase their incomes by providing workforce development services, micro and small business development services, and wrap-around support;

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

WHEREAS, Prosper Portland and PHB desire to continue such contractual arrangements in FY 2018-19 on substantially the same terms and conditions;

WHEREAS, the housing rehabilitation, finance, and development portion of this 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, PHB and Prosper Portland are increasingly advancing joint projects that involve both agencies, and this IGA establishes guiding principles for inter-agency coordination on such efforts.

NOW, THEREFORE, BE IT RESOLVED, that the Prosper Portland Board of Commissioners hereby authorizes the Executive Director to enter into an IGA with PHB in a form substantially in accord with the

terms and conditions in attached 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 Prosper Portland’s obligations or risks; and

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

TERM SHEET

Resolution

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

Summary of IGA

- Through coordination with PHB, the proposed IGA includes language that clarifies the respective roles and responsibilities of Prosper Portland 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)
 - Prosper Portland is charged with developing and implementing economic development and community development policies and programs that create economic growth and opportunity throughout Portland. Prosper Portland catalyzes urban development (i.e. appropriate mix of residential, commercial, industrial and office) by leveraging public and private resources in furtherance of City/Prosper Portland and community-defined objectives
- The IGA contains specific provisions that identify under what circumstances Prosper Portland or PHB is designated a lead agency for all mixed-use/mixed-income projects
 1. When a project is funded primarily by 45% TIF Set Aside (and neither located on Prosper Portland-owned property nor financed with 55% non-Set Aside resources) then PHB is the project lead; PHB shall consult with Prosper Portland to determine policy objectives with regard to commercial uses in the specific geography.
 2. When a project is funded primarily by 55% non-Set Aside (and neither located on PHB-owned property nor financed with 45% Set Aside resources) then Prosper Portland is the project lead; Prosper Portland shall consult with PHB to determine policy objectives with regard to residential uses in the specific geography.
 3. When a project is jointly funded with 45% Set Aside TIF and 55% non-Set Aside TIF and is a Mixed-Income Project or a Mixed-Use Project then:
 - a. Unless otherwise mutually agreed, the property owner is the lead agency; and,
 - b. If neither agency is the property owner, the level of financing, long-term ownership interest (beyond lien or deed restriction), and other factors such as significant public or community goals related to the project will determine the lead agency role.

4. USPS Site:
 - a. After the parcelization of the USPS Site, PHB will be the lead agency for those portions of the USPS Site transferred in fee simple to PHB for \$14,500,000 for Affordable Set Aside Housing Project(s); and
 - b. PHB will spend \$5,500,000 to invest in affordable housing through incentive programs such as density bonus, inclusionary housing, and development rights; the determination of lead agency will be made in accord with 1-3 above
- Headwater Bond Covenant: Prosper Portland will continue to monitor the debt service coverage ratio as established in the Master Bond Declaration and Commission Certificate
- EOI Funds: PHB will continue to reimburse Prosper Portland for CDBG funded contracts.
- HUD 108: PHB and Prosper Portland will clarify their continuing relationship in administering the HUD 108 loan program originally authorized by the City in January, 1999, to ensure that compliance documents are up to date.

Budget and Financial Information

- Affordable Housing Set Aside: Prosper Portland will reimburse PHB for Set-Aside projects in an amount not to exceed \$60,981,669 (includes \$2.2M in non-Set Aside Interstate URA funds for N/NE)
- Estimated EOI Budget: PHB will reimburse Prosper Portland for CDBG related activities in an amount not to exceed \$2,302,436.