



U.S. Department of Housing and Urban Development

Portland Office, Region X
520 Southwest Sixth Avenue
Portland, Oregon 97204

EXHIBIT A

JAN 27 1987

JAN 29 1987

Samuel Galbreath, Director of Housing
Portland Development Commission
1120 S. W. Fifth Ave., Suite 1102
Portland, OR 97204-1968

Dear Mr. Galbreath:

We have received an allotment of funds for the Section 312 Rehabilitation Program. The City of Portland has been targeted to receive \$450,000.

It is possible that additional money will be made available, and your allocation can be increased. At the present time however, we request that you submit applications to reach the targeted funding amount as soon as they can be processed.

We will review program progress by May 1, 1987, to determine funds to be withdrawn from low use localities and reallocated to high use localities.

We have received Section 312 Loan Program Video Tapes which introduce the new Section 312 Handbook and the revised Cash Management Notice. With the use of the training tapes, we will conduct a one day workshop on Monday February 9, 1987, in this office, Third Floor, Conference Room C commencing at 8:30 a.m. There will be no cost to attendees. Please report the number of participants expected to attend from your office to Dick Krattiger at (503) 294-7017.

If you have previously received the revised Section 312 Handbook, please bring it to the workshop as we are presently in short supply. We are enclosing a small supply of forms so that your processing can commence without delay.

We look forward to seeing you on February 9.

Sincerely,

John Bonham
Director
Community Planning and Development

Enclosures

Copied for: RJK, BSW, EEH/TAB

AGREEMENT

THIS AGREEMENT entered into this ____ day of _____, 1987, by and between the CITY OF PORTLAND, a municipal corporation of the State of Oregon, hereinafter referred to as "City", and the PORTLAND DEVELOPMENT COMMISSION, hereinafter referred to as the "Commission".

WITNESSETH:

WHEREAS, the City, through the Commission, has participated in the U.S. Department of Housing and Urban Development Section 312 Rehabilitation Loan Program since 1969; and

WHEREAS, the City identified the Commission as the designated public agency to administer the program; and

WHEREAS, HUD has notified the Commission that due to regulation revisions, a new agreement will need to be executed; and

WHEREAS, the City through the Contract and Grants Compliance Division of the Office of Fiscal Administration, desires to contract with the Commission to carry out administrative, supervisory, coordinating and programmatic responsibilities for the grant program;

NOW, THEREFORE, THE PARTIES HERETO DO MUTUALLY AGREE AS FOLLOWS:

I. SCOPE OF SERVICES: The Commission shall perform, in a satisfactory and proper manner, activities in accordance with the Section 312 Rehabilitation Loan Program (under the Housing Act of 1964 as amended), and all rules and regulations pertaining thereto including the HUD Rehabilitation Financing Handbook 7375.1 Rev., and applicable Departmental Notices and Memoranda, including CPD Notice 84-11, and all amendments and supplements thereto during the term of this Agreement.

II. COMPENSATION & METHOD OF PAYMENT: The Commission will be compensated for the above services by the City. Payments to the Commission for eligible expenses will be made upon submission of a statement of actual expenditures. The City shall draw grant funds through Electronic Funds Transfer as described in CPD Notice 84-11.

All funds shall be used to make rehabilitation loans. No funds are available under this agreement for administrative expenses incurred as a result of operating the program, as specified in the Section 312 Rehabilitation Loan Program Handbook.

III. OTHER PROVISIONS:

1. The Commission shall expend the authorized funds in a manner which is consistent with the regulations of HUD regarding the Section 312 Rehabilitation Loan Program (Section 312 of the Housing Act of 1964 as

amended) and such other federal, state, and local regulations as may be applicable.

2. The Commission shall comply with the requirements of HUD for this program and shall provide all reports, statistics, and other documentation that may be required now or in the future for compliance with HUD or City requirements.

3. The Commission shall maintain adequate records to support all expenditures under the program, and shall make these records available for inspection and audit by HUD or the City, or their duly authorized representatives.

4. Allocations received from HUD and budget changes which by City Code require approval of Council shall first be authorized through the Office of Fiscal Administration's Contract and Grants Compliance Division, and the Commission. The federal government may require procedural changes throughout the term of this Agreement. Procedural changes which do not substantially alter this agreement and which do not require Council approval will be authorized by the Contract and Grants Compliance Division Manager.

5. The City may conduct routine monitoring and/or auditing of the program and will be responsible for the costs of such activities.

6. All payments made pursuant to this contract are subject to a post audit. Contract costs disallowed by the audit shall be the sole responsibility of the contractor. If a contract cost is disallowed as a result of a HUD or City requested audit after reimbursement has occurred, the Commission shall repay the City after pursuing all appropriate administrative and legal remedies.

7. No person shall on the grounds of race, color, national origin or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under this program, nor may any of the facilities under which this program operates be segregated.

8. The Commission shall insure that activities under this program are in compliance with applicable Federal Labor Standards and Equal Employment Opportunity regulations.

9. The Commission shall be responsible for meeting all requirements of the Federal Government and the Housing and Community Development Act of 1974 including, but not limited to, Equal Opportunity, Civil Rights, Affirmative Action and Maintenance of Effort, in connection with this Agreement.

IV. TERMINATION: The causes for termination are:

1. Inadequate performance as measured in accordance with the Scope of Services.

2. Failure to comply with any provision of this contract. Upon termination of this agreement by any means other than expiration, the Contract and Grants Compliance Division Manager shall explain to the Commission, in writing, the reasons for termination. In the event of early

termination, the City shall compensate the Commission on a prorated basis for work satisfactorily completed and documented. In no case shall compensation exceed an amount equal to the total allocation received from HUD, as evidenced by City Ordinance.

V. PERIOD OF AGREEMENT: This agreement shall be in effect from the date of execution referenced above and continue until all funds, allocated by HUD and accepted by the City, are committed in accordance with HUD regulations and have been expended.

APPROVED AS TO FORM:

PORTLAND DEVELOPMENT COMMISSION

Jeannette M. Launer
Counsel

Patrick L. LaCrosse,
Executive Director

CITY OF PORTLAND

City Attorney

J. E. Bud Clark
Mayor

Jewel Lansing
Auditor

ORDINANCE NO. 159454

An Ordinance accepting an allocation of Section 312 funds from the U.S. Department of Housing and Urban Development, increasing resources and requirements in the federal grants fund, for a sum not to exceed \$450,000, and authorizing an Agreement between the City of Portland and the Portland Development Commission to undertake activities under the Section 312 Rehabilitation Loan Program (Section 312 of the Housing Act of 1964 as amended), authorizing the transfer of funds to the Portland Development Commission, and declaring an emergency.

The City of Portland ordains:

Section 1: The Council finds that:

1. The City of Portland, through the Portland Development Commission as the designated public agency, has participated in the U.S. Department of Housing and Urban Development (HUD) Section 312 Rehabilitation Loan Program since 1969.

2. The City, through the Portland Development Commission, has been notified of an additional funding allocation of \$450,000 for Federal Fiscal Year 1987. See Exhibit A. The City wishes to accept this funding allocation.

3. The City, through the Portland Development Commission, has been notified by HUD that a new Agreement needs to be executed to administer the Program. See Exhibit B.

NOW, THEREFORE, the Council directs:

a. That the City accept this additional Section 312 funding allocation in the amount of \$450,000 and that the FY 86-87 budget be amended as follows:

Federal Grants Fund:

Resources: Revenues - Federal Grants \$450,000

Requirements: Expenditures -260 \$450,000

b. The Mayor and Auditor are hereby authorized to enter into an Agreement with the Portland Development Commission to administer the Section 312 Rehabilitation Loan Program which is in accordance with the Agreement.

ORDINANCE No.

c. The Contract and Grants Compliance Division of the Office of Fiscal Administration is hereby authorized to transfer funds to the Portland Development Commission pursuant to said Agreement.

Section 2: So that the program described in Section 1 and Exhibits A and B hereof may be initiated immediately to avoid delays which may result in the recapture by HUD of these funds, an emergency is declared to exist and this Ordinance shall be in force and effect from and after its passage by the Council.

Passed by the Council, **FEB 25 1987**

Mayor J. E. Bud Clark
Patrick L. LaCrosse:SCG
2/11/87

BARBARA CLARK

Auditor of the City of Portland

By

Edna Cervero Deputy

Calendar No. **292**

ORDINANCE No. 159454

Title

An Ordinance accepting allocation, Sec. 312 funds from Dept. Housing & Urban Development, increasing resources and requirements in the federal grants fund, for a sum not to exceed \$450,000, and authorizing an Agreement between the City of Portland and the Portland Development Commission to undertake activities under the Section 312 Rehabilitation Loan Program (Section 312 of the Housing Act of 1964 as amended), authorizing the transfer of funds to the Portland Development Commission, and declaring an emergency.

THE COMMISSIONERS VOTED AS FOLLOWS:		
	Yeas	Nays
BLUMENAUER	✓	
BOGLE	✓	
KOCH	✓	
LINDBERG	✓	
CLARK	✓	

FOUR-FIFTHS CALENDAR	
BLUMENAUER	
BOGLE	
KOCH	
LINDBERG	
CLARK	

Filed **FEB 19 1987**

BARBARA CLARK
Auditor of the CITY OF PORTLAND

By Nancy Dunford
Deputy

INTRODUCED BY	
Mayor Clark	
NOTED BY THE COMMISSIONER	
Affairs	
Finance and Administration <i>SRB</i>	
Safety	
Utilities	
Works	
BUREAU APPROVAL	
Bureau: Portland Development Commission	
Prepared By: Trish Brown	Date: 2/11/87
Budget Impact Review: <input checked="" type="checkbox"/> Completed <input type="checkbox"/> Not required	
Bureau Head: <i>Patrick L. LaCrosse</i> Patrick L. LaCrosse	
CALENDAR	
Consent <i>AD</i> <input checked="" type="checkbox"/>	Regular <input checked="" type="checkbox"/>
NOTED BY	
City Attorney	
City Auditor	
City Engineer	