

City of Portland, Oregon

FINANCIAL IMPACT STATEMENT For Council Action Items

(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator Phil Willis-Conger		2. Telephone No. 3-3486	3. Bureau/Office/Dept. PHB 157/500
4a. To be filed (date) May 1, 2013	4b. Calendar (Check One) Regular <input type="checkbox"/> Consent <input checked="" type="checkbox"/> 4/5ths <input type="checkbox"/>	5. Date Submitted to Mayor's office and FPD Budget Analyst: April 17, 2013	

1) Legislation Title:

* Amend the subrecipient contract with Proud Ground to add an amount up to \$554,665 for acquisition and rehab of affordable housing. (Ordinance)

2) Purpose of the Proposed Legislation:

The Portland Housing Bureau (PHB) is seeking authority for the PHB Director to amend contract #32000848 with Proud Ground to add more Neighborhood Stabilization Program 3 (NSP3) grant funds in an amount up to \$554,665 to increase permanently affordable housing options for low-income households in the city of Portland. The new NSP3 funding is offered by the Oregon Housing and Community Services (OHCS) to NSP3 sub-grantees, who have spent and/or obligated all their original awarded funds. Proud Ground will purchase, rehab, and sell additional vacant foreclosed (or short sale) homes in the state-designated NSP3 target area (within Lents URA). The number of extra homes purchased and rehabbed will depend on the amount of funds OHCS awards PHB.

3) Which area(s) of the city are affected by this Council item? (Check all that apply—areas are based on formal neighborhood coalition boundaries)? NSP3 Target Area:

- | | | | |
|--|---|------------------------------------|--------------------------------|
| <input type="checkbox"/> City-wide/Regional | <input type="checkbox"/> Northeast | <input type="checkbox"/> Northwest | <input type="checkbox"/> North |
| <input type="checkbox"/> Central Northeast | <input checked="" type="checkbox"/> Southeast | <input type="checkbox"/> Southwest | <input type="checkbox"/> East |
| <input type="checkbox"/> Central City | | | |
| <input type="checkbox"/> Internal City Government Services | | | |

FINANCIAL IMPACT**4) Revenue:**

Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If so, please identify the source.

No

5) Expense: What are the costs to the City as a result of this legislation? What is the source of funding for the expense? (Please include costs in the current fiscal year as well as costs in future years. If the action is related to a grant or contract please include the local contribution or match required. If there is a project estimate, please identify the **level of confidence**.)

Proud Ground's original contract funding of \$881,600 is fully appropriated in the FY 2012-13 budget, and consists of: \$586,000 in NSP3 funds, \$168,000 in CDBG (Community Development Block Grant), \$52,600 in TIF (Lents Tax Increment Financing), and up to \$75,000 in Lead

Hazard funds. Additional funds awarded by OHCS will be appropriated through the June Over-Expenditure Budget ordinance, and/or will be appropriated for the beginning of the new contract year, July 1, 2013.

6) Staffing Requirements:

- **Will any positions be created, eliminated or re-classified in the current year as a result of this legislation?** *(If new positions are created please include whether they will be part-time, full-time, limited term, or permanent positions. If the position is limited term please indicate the end of the term.*

No

- **Will positions be created or eliminated in future years as a result of this legislation?**

No

7) Change in Appropriations *(If the accompanying ordinance amends the budget, please reflect the dollar amount to be appropriated by this legislation. If the appropriation includes an interagency agreement with another bureau, please include the partner bureau budget adjustments in the table as well. Include the appropriate cost elements that are to be loaded by the Grants Office and/or Financial Planning. Use additional space if needed.)*

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount

PUBLIC INVOLVEMENT

8) Was public involvement included in the development of this Council item (e.g. ordinance, resolution, or report)? Please check the appropriate box below:

☒ **YES:** Please proceed to Question #9.

☐ **NO:** Please, explain why below; and proceed to Question #10.

9) If "YES," please answer the following questions:

a) What impacts are anticipated in the community from this proposed Council item?

Increased property values in the immediate vicinity of the homes, reduced opportunity for vandalism and crime, and a strengthening of the community as vacant foreclosed homes are sold and occupied by new homeowners.

b) Which community and business groups, under-represented groups, organizations, external government entities, and other interested parties were involved in this effort, and when and how were they involved?

Beginning shortly after the federal funding award to the state was announced in the fall of 2008, PHB's predecessor BHCD (Bureau of Housing and Community Development)

began working with a variety of community partner organizations to plan the implementation of the NSP program. These organizations included:

- Oregon Opportunity Network
- African American Alliance for Homeownership
- Habitat for Humanity
- Hacienda Community Development Corporation
- HOST
- NAYA Family Center (Native American Youth And Family Center)
- Portland Community Reinvestment Initiative
- Portland Housing Center
- Proud Ground
- ROSE Community Development Corporation

Various meetings with individual organizations as well as groups of our community partners continued throughout 2009.

In 2010, at a meeting with a wide array of community partners, PHB invited input on a proposed RFP (Request For Proposals) for the first round of NSP funding. After a 3 month process PHB awarded funds for an acquisition and rehab project to a coalition of Proud Ground and NAYA Family Center, (as well as monies for a redevelopment project to Habitat for Humanity).

In September 2011 the Portland City Council accepted and appropriated a grant for another round of NSP funding (NSP3). Based upon PHB's priority of creating permanently affordable housing, a priority set in response to extensive community feedback, PHB solicited proposals from its stakeholders to provide permanently affordable homeownership. PHB awarded the funds to the only organizations that submitted a proposal, a coalition of Proud Ground and NAYA Family Center (Native American Youth And Family Center). (This coalition had already successfully completed on time the majority of their NSP1 project.) As before, these partner organizations will target outreach to historically underserved populations to help PHB meet its equity goals.

In addition to the steps mentioned above, PHB has sought extensive public involvement in the development of its Five Year Consolidated Plan and its Annual Action Plan that includes homebuyer services.

c) How did public involvement shape the outcome of this Council item?

Public involvement helped shape PHB's strategic plan which created the PHB priority of permanently affordable housing, and shaped program guidelines, specifically the emphasis on low-income households and targeting outreach to historically underserved populations.

d) Who designed and implemented the public involvement related to this Council item?

BHCD, the Neighborhood Housing Program of Portland Development Commission, and then PHB housing team designed and implemented the specific public involvement on NSP. PHB's Equity, Policy, and Communications team was responsible for the extensive public input around the Consolidated Plan and the Action plan.

e) Primary contact for more information on this public involvement process (name, title, phone, email):

Daniel Ledezma
Senior Program Manager,
Equity, Policy, and Communications Team
(503) 823-3607 Daniel.Ledezma@PortlandOregon.gov

Phil Willis-Conger
Housing Program Coordinator
Neighborhood Housing Program
(503) 823-3486 Phil.Willis-Conger@PortlandOregon.gov

10) Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not.

No, other than the involvement of PHB's community partners. The partners are confident that the program is beneficial for the neighborhood.

Traci Manning, Director

BUREAU DIRECTOR (Typed name and signature)