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190525

Emergency Ordinance

***Amend the FY 2021-22 adopted budget, accept award of \$207,895,373, appropriate \$63,591,652 in American Rescue Plan Act Local Fiscal Recovery Funds, and delegate authority to the Program Bureau Directors to execute contracts and agreements funded under the program**

Passed

The City of Portland ordains:

Section 1. The Council finds:

1. On March 8, 2020, Governor Kate Brown issued Executive Order 2020-03, Declaration of Emergency, establishing the Coronavirus (COVID-19) pandemic as a threat to public health and safety.
2. On March 12, 2020 the Mayor declared a local State of Emergency for the City of Portland in response to COVID-19 virus and intends to renew the declaration every two weeks for the foreseeable future.
3. On March 13, 2020, President Donald Trump declared a nationwide emergency in response to the COVID-19 virus pursuant to Sec. 501(b) of the Stafford Act.
4. On May 12, 2020, City Council passed Resolution 37487 which declared the City's intent to centralize, guide and coordinate its COVID-19 efforts, and its commitment to align its COVID-19 response with the City's climate and equity goals.
5. On March 12, 2021, President Joseph Biden signed H.R. 1319 American Rescue Plan Act (ARPA) into law, providing \$1.9 trillion in spending and programs to mitigate the public health and economic impacts of the pandemic. ARPA Local Fiscal Recovery Funds (LFRF) were allocated to State, Tribal, and Local jurisdictions to support public health expenditures, address negative economic impacts caused by the public health emergency, replace lost public sector revenue, provide premium pay for essential workers and invest in water, sewer and broadband infrastructure.
6. On May 10, 2021, the City of Portland submitted certification documents for the City's total allocation of \$207,895,373 million in ARPA LFRF from the United States Department of the Treasury. The

Introduced by

[Mayor Ted Wheeler](#)

Bureau

[Management and Finance](#)

Prepared by

Ruth Levine

Date Prepared

July 13, 2021

Requested Agenda Type

Time Certain

City received the first disbursement of \$103,947,687 on May 19, 2021 and is expected to receive a second, equal disbursement in 2022.

7. In March, 2021, Mayor Wheeler directed the City's Chief Administrative Officer and the Executive Director of Prosper Portland to co-convene the Economic Relief and Stimulus Coordinating Council (ERSCC), composed of Council office and bureau leadership, to develop a recommended allocation package, consistent with Council's shared priorities, for Council consideration.
8. On June 9, 2021, City Council adopted the City Budget for Fiscal Year 2021-22, which appropriated \$40,356,035 in funding from the first disbursement of ARPA LFRF.
9. The ERSCC, with input from City Council, adopted guiding principles for the allocation of the first disbursement of ARPA funds, including grounding the process and priorities in the City's core values of anti-racism, equity, in-language access, and transparency to ensure benefits for BIPOC communities and the most vulnerable Portlanders.
10. The guiding principles make clear that the first round of funds will be used to provide immediate relief and stabilization for Portland communities, businesses, and individuals. Additionally, the guiding principles state that as effective financial stewards, the City will aim to align investments with other public and private investments and collaboration for long-term recovery.
11. The ERSCC received input and feedback on relief and stabilization investment priorities from diverse groups engaged on topics related to economic recovery, houselessness, and housing stability. The key investment priorities, as reflected in the investment package, are household stabilization, business and commercial district stabilization, community health and safety, and community-based partner organization stabilization.
12. All ARPA LFRF funding is one-time. Additional funding beyond what is allocated in Exhibit A may be needed for the Alternative Houseless Interventions program and for revenue backfill. For those programs, it is anticipated that funding for subsequent years may be allocated from the second disbursement of ARPA funds.

NOW, THEREFORE, the Council directs:

- A. The Office of Management and Finance is authorized to develop administrative policies related to the administration, compliance, and risk management of the ARPA Local Fiscal Relief Funds.
- B. The Bureau of Revenue and Financial Services Grants Management Division is authorized to perform all administrative matters in relation to the grant agreements or amendments, request for reimbursement from the grantor, and to submit required online grant documents on the Mayor's behalf.
- C. The Bureau Directors identified in Exhibit A are authorized to execute contracts and grant agreements directly related to the programs and funding levels listed in Exhibit A.
- D. The Mayor is hereby authorized to accept \$207,895,373 and allocate the first disbursement of ARPA LFRF on behalf of the City of Portland.

E. The actions amending the FY 2021-22 budget contained in this ordinance are binding City policy.

F. The FY 2021-2022 budget is hereby amended as follows:

Grants Fund

Fund – 217

Business Area - CB00

Bureau Program Expenses - \$3,500,000

Business Area – ES00

Bureau Program Expenses - \$780,000

Business Area – HC00

Bureau Program Expenses - \$13,800,000

Business Area – MF00

Bureau Program Expenses - \$36,361,652

Business Area – NI00

Bureau Program Expenses - \$250,000

Business Area – PK00

Bureau Program Expenses - \$425,000

Business Area – PL00

Bureau Program Expenses - \$75,000

Business Area - PN00

Bureau Program Expenses - \$765,000

Business Area - TR00

Bureau Program Expenses - \$5,035,000

Business Area - WA00

Bureau Program Expenses - \$2,600,000

Section 2. The Council declares that an emergency exists due to the urgent and immediate need to begin disbursing relief funds; therefore, this Ordinance shall be in full force and effect from and after its passage by the Council.

Documents and Exhibits

 [Exhibit A](#) (125.35 Kb)

An ordinance when passed by the Council shall be signed by the Auditor. It shall be carefully filed and preserved in the custody of the Auditor (City Charter Chapter 2 Article 1 Section 2-122)

Passed by Council
July 28, 2021

Auditor of the City of Portland
Mary Hull Caballero

Impact Statement

 [Impact Statement](#) (148.73 Kb)

Budget Office Financial Impact Analysis

This ordinance allocates \$63.6 million in federal funding for new or expanded programming at the City, to the Joint Office of Homeless Services, and through community organizations. Due to the timing of the ordinance and desire to allocate resources as quickly as possible as part of the City's relief efforts, no details have been included about the individual budget appropriations in the ordinance. CBO has reviewed the original proposals submitted to the Economic Relief and Stabilization Coordinating Council (ERSCC), but recognizes that program scope and details may have changed since that time. CBO is not providing analysis or making recommendations on the individual proposals, but wants to highlight that although these resources are one-time in nature, **several of the allocations are likely to create ongoing liabilities or expectations for future support after the ARP Local Fiscal Recovery Fund (LFRF) resources expire.** It is also anticipated that new term-limited positions will be created to help implement these programs, although the number of FTE has not been determined at the time of this ordinance. The timeline for spending these resources varies, and some programs will need to request carryover of unspent funds to continue in future years.

Over half of the resources being allocated are going toward housing stabilization or services for people experiencing houselessness. The largest allocation is first year funding of \$16.8 million for Alternative Houseless Interventions, with an estimated \$31 million in future federal funding to be allocated over the next two fiscal years. **It is important to note that this program sets up ongoing services that are currently unfunded.** The FY 2021-22 Adopted Budget also includes \$6.3 million in LFRF resources going to the Joint Office of Homeless Services due to revenue loss to backfill General Fund dollars that have been allocated on a one-time basis but support potentially ongoing services and service expectations, as well as \$3.0 million in LFRF resources for the C3PO village which similarly is likely to need longer term funding if operations are needed beyond 2024.

The FY 2021-22 Adopted Budget contains approximately \$600 million in discretionary General Fund. As such, these allocations are substantial in comparison with the City's overall General Fund availability and CBO

recommends that program managers and the Council clearly articulate and plan for the sunseting of programs and expenses following the expiration of ARP resources.

Agenda Items

617 Time Certain in [July 28-29, 2021 Council Agenda](#)

Passed

Motion to accept the ordinance: Moved by Hardesty and seconded by Mapps.

Commissioner Jo Ann Hardesty Yea

Commissioner Mingus Mapps Yea

Commissioner Carmen Rubio Yea

Commissioner Dan Ryan Yea

Mayor Ted Wheeler Yea

General information

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🗉 [711](#) Oregon Relay Service

City of Portland, Oregon



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