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190962

Emergency Ordinance

***Adopt and authorize the submission of the FY 2022-23 Action Plan application for the Community Development Block Grant, HOME Investment Partnership, Emergency Solutions Grant, and Housing Opportunities for Persons with AIDS Programs to the U.S. Department of Housing and Urban Development**

Passed

The City of Portland ordains:

Section 1. The Council finds:

1. The City of Portland, as a local government, is eligible to receive four federal housing and community development entitlement grants ("Formula Grants") from the U.S. Department of Housing and Urban Development (HUD):
 - A. Community Development Block Grant, pursuant to Title I of the Housing and Community Development Act of 1974, as amended;
 - B. HOME Investment Partnership grant, for the development of affordable housing for low and moderate-income households, as authorized by The HOME Investment Partnership Act, as amended;
 - C. Emergency Solutions Grants (ESG) program, as authorized by subtitle B of Title IV of the McKinney-Vento Homeless Assistance Act as amended by S.896 The Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009 (42 U.S.C. 11371-11378);
 - D. Housing Opportunities for Persons with AIDS (HOPWA) grant, pursuant to the AIDS Housing Opportunity Act [42 U.S.C. 12901], as amended;
2. Since 1995, the U.S. Department of Housing and Urban Development (HUD) has required a single consolidated submission for the planning and applications aspects of the Community Development Block Grant (CDBG), Emergency Solutions Grant (ESG), HOME Investment Partnerships, and Housing Opportunities for Persons with Aids (HOPWA) formula programs. The multi-year Consolidated Plan and

Introduced by

[Commissioner Dan Ryan](#)

Bureau

[Housing Bureau](#)

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Analyst II

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Requested Agenda Type

Four Fifths

Portland Policy Document

annual Action Plans have replaced the Comprehensive Housing Affordability Strategy (CHAS), the HOME program description, the Community Development plan and the CDBG final statement, and the ESG and HOPWA applications.

3. The CDBG program regulations provide that jurisdictions may create a consortium for the purpose of making application for formula grants through submission of a multi-year Consolidated Plan and annual Action Plans. The City of Portland has formed a Consolidated Plan Consortium with the City of Gresham and Multnomah County Oregon, for this purpose each year since 1991. The City of Portland is the lead jurisdiction in the Consolidated Plan Consortium. The most recent Consortium agreements are effective till June 30, 2025, and this aligns with the currently adopted Consolidated Plan period of 2021-2025.
4. The HOME program regulations provide that jurisdictions may create a consortium for the purpose of receiving and administering their HOME grants. The City of Portland has formed a HOME Consortium with the City of Gresham and Multnomah County, Oregon, for this purpose each year since 1991. The City of Portland is the lead jurisdiction in the HOME Consortium. The most recent HOME Consortium agreements are in place through FY 2023-2024 and new agreements will be executed for the period beginning July 2024.
5. The City of Portland has been designated by HUD as the lead applicant for the HOPWA grant on behalf of Clackamas, Clark, Columbia, Multnomah, Skamania, Washington, and Yamhill Counties. Staff from the Portland Housing Bureau (PHB) and the Joint Office of Homeless Services (JOHS) plan for the allocation of these funds with representatives from the seven counties.
6. Matching funds estimated to equal \$980,940.50 are required for the HOME program. The members of the HOME Consortium will each contribute their *pro rata* share of the match. Key sources of the match are expected to include local Tax Increment funds; local General Funds; grant funds from the State Housing Trust Fund, value of below market financing using the Oregon Affordable Housing Tax Credit; the value of the donated property and donated labor; the value of property tax exemptions for low- and moderate-income home ownership properties developed under the Homebuyer Limited Tax Exemption (HOLTE) program; the value of property tax exemptions for low- and moderate-income rental housing owned by charitable nonprofits and rented to income-qualified tenants; the value of property tax exemptions for low- and moderate-income housing developed under the Multiple-Unit Limited Tax Exemption (MULTE) program; the value of building permit fee waivers and system development charge waivers; and the value of contributions from charitable and corporate sources. Although a General Fund match may be available, federal regulations do not require a General Fund match for the HOME grant.

7. Dollar-for-dollar matching funds are required for the ESG program. The source of the City's matching funds in the amount of \$729,011 is expected to be General Fund dollars allocated in the Portland Housing Bureau (PHB) FY 2021-22 budget for Housing Access & Stabilization programs benefitting people experiencing homelessness.
8. Federal regulations do not require a local match for the CDBG, and HOPWA grants.
9. HUD has notified the City of Portland that, with its partners in the Consolidated Plan Consortium, the HOME Consortium, and the HOPWA EMSA, it is entitled to funding for the Fiscal Year 2022-23 in the following amounts:

Grant	Amount	Entitlement Area
Community Development Block Grant (CDBG)	\$8,284,513	City of Portland
HOME Investment Partnership Program (HOME)	\$3,923,762	Portland HOME Consortium
Emergency Solutions Grant (ESG)	\$ 729,011	City of Portland
Housing Opportunities for Persons with AIDS (HOPWA)	\$1,891,284	City of Portland for EMSA (Clackamas, Clark, Columbia, Multnomah, Skamania, Washington, and Yamhill Counties)

10. The City of Portland, as the lead jurisdiction in the Consolidated Plan Consortium, has complied with public notice and hearing requirements set forth in the Consolidated Plan regulations and the Consortium's duly adopted Citizen Participation Plan.
11. Council has been fully apprised of the Portland Housing Bureau budget, and the federal funding projected for the PHB program and projects.
12. The annual Action Plan for FY 2022-2023 (See Exhibit A), and the applications and certifications for the aforementioned plan are due to be submitted to HUD on or before August 16, 2022.
13. It is appropriate and in the public interest that the Mayor be authorized to apply for and receive these formula grant funds from

HUD for the City of Portland and its inter-jurisdictional partners.

14. HUD requires each local government to submit a certification with its annual Action Plan that it is Affirmatively Furthering Fair Housing (AFFH) (24 CFR 91).
15. The City of Portland has complied with public notice and hearing requirements set forth in the Consolidated Plan regulations, the Consortium's duly adopted Citizen Participation Plan (CPP). Signed certifications that the City of Portland, City of Gresham, and Multnomah County are Affirmatively Furthering Fair Housing and other certifications are submitted with the annual one-year Action Plan 2022-23 grant application.

NOW, THEREFORE, the Council directs:

- A. That the City adopt the Portland Action Plan FY 2022-23 substantially in accordance with the document attached as Exhibit A.
- B. The Mayor is authorized to apply to the U.S. Department of Housing and Urban Development for the following grants in the amounts specified and on behalf of the City of Portland and all other jurisdictions identified:

Grant	Amount	Entitlement Area
Community Development Block Grant (CDBG)	\$8,284,513	City of Portland
HOME Investment Partnership Program (HOME)	\$3,923,762	Portland HOME Consortium
Emergency Solutions Grant (ESG)	\$ 729,011	City of Portland
Housing Opportunities for Persons with AIDS (HOPWA)	\$1,891,284	City of Portland for EMSA (Clackamas, Clark, Columbia, Multnomah, Skamania, Washington, and Yamhill Counties)

- C. The Mayor is authorized to provide such assurances and information to the Department of Housing and Urban Development as may be required for the application and orderly management of

the grants.

D. This ordinance is binding City policy.

Section 2. The Council declares that an emergency exists because the program funds must be obligated within the required timeframes; therefore, this Ordinance shall be in full force and effect from and after its passage by Council.

Documents and Exhibits

 [Exhibit A - Action Plan for FY22-23](#) (741.85 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
August 3, 2022

Auditor of the City of Portland
Mary Hull Caballero

Impact Statement

Purpose of Proposed Legislation and Background Information

Since 1995, the U.S. Department of Housing and Urban Development (HUD) has required a single consolidated submission for the planning and applications aspects of the Community Development Block Grant (CDBG), Emergency Solutions Grant (ESG), HOME Investment Partnerships, and Housing Opportunities for Persons with Aids (HOPWA) formula programs. The multi-year Consolidated Plan and annual Action Plans have replaced the Comprehensive Housing Affordability Strategy (CHAS), the HOME program description, the Community Development plan and the CDBG final statement, and the ESG and HOPWA applications.

The City of Portland is the lead agent for the Consolidated Plan Consortium, which also includes the City of Gresham and Multnomah County. In accordance with HUD regulations, the Consolidated Plan Consortium is required to submit a Consolidated Plan every five years as a condition of receiving four Federal formula grants: Community Development Block Grant, HOME Investment Partnership Grant, Emergency Solution Grant and Housing Opportunities for Persons with AIDS. The Consolidated Plan contains a snapshot of the community's housing and community development needs, identifies local priorities, and establishes the strategies each jurisdiction will use to address those priority needs. The Consolidated Plan also includes five-year numeric goals; each jurisdiction will be expected to measure its progress against those goals in the Consolidated Annual Performance Report (CAPER) filed in the fall. The 2021-2025 Consolidated Plan is the sixth five-year plan that was adopted in fall 2021. Consortium members also submit an

annual Action Plan; Action plan 2022-2023 is the second annual plan tied to the recently adopted Consolidated Plan and will be submitted this year as an application to the HUD entitlement programs.

HUD regulations also require each Consortium receiving federal housing and community development funds to certify that it is affirmatively furthering fair housing. This requirement is guided by the Affirmatively Furthering Fair Housing (AFFH) rule. In 2020, HUD reduced the AFFH to simply an ongoing commitment toward fair housing for entitlement jurisdictions. Reverting that in April 2021, HUD has released two interim rules: (1) restoration of AFFH and (2) reinstatement of the disparate impact rule. These rules will determine the nature of the required update to Fair Housing Assessment and/or Analysis of Impediment (AI). For the Con Plan 2021-25, as per requirement, the Portland Consortium certified a commitment to furthering fair housing. Till the time the fair housing assessment is updated, the 2011 AI that describes the barriers to fair housing choice, which remain today, and includes recommendations for actions to address and eliminate them continues to remain the guiding document for affirmatively furthering fair housing. Most of these recommendations are addressed by programs funded in the FY 2022-2023 Action Plan.

The Consolidated Plan establishes local priorities, consistent with national objectives and priorities established by the US Department of Housing and Urban Development (HUD), to utilize funds allocated by CDBG, HOME, HOPWA and ESG programs. Over the five-year period covered by the 2021-2025 Consolidated Plan over \$75 million is expected to be available through these programs, including allocations and program income. Each of the federal funding sources has specific program requirements that restrict eligible actions and projects. The Consolidated Plan and the annual Action Plans are required to be formatted to answer specific questions by HUD about how these federal funds will be spent. The federal program objectives and local housing goals to meet those objectives are listed below.

- **CDBG Program Objectives:** Provide decent housing; Create suitable living environments; Expand economic opportunity
- **HOME Program Objectives:** Expand the supply of decent, safe, sanitary, and affordable housing.
- **ESG Program Objective:** Reduce and prevent homelessness.
- **HOPWA Program Objective:** Provide housing for persons with HIV/AIDS.

Summary of the objectives and outcomes identified in the Consolidated Plan

As determined in the Needs Assessment and Market Analysis included in this plan, the three broad needs and goals identified are described below:

CONSORTIUM NEEDS

ASSOCIATED GOALS

1. Affordable housing choice:

The community needs safe housing, in good condition for all residents. Projects accomplishing this goal include home repair, down payment assistance, new housing development support, affordable housing development, rental housing rehabilitation and permanent supportive housing.

1. Increase and preserve affordable housing choice in ways that promote racial equity

2. Basic services & homeless prevention/intervention:

There is a pressing need in the community to prevent and reduce homelessness and increasing stability for all residents. Projects accomplishing this goal include interventions across a broad spectrum, such as: supportive and emergency services, transitional housing, shelters, homelessness prevention through service interventions, Housing First models, Fair Housing enforcement and education, cultural and population appropriate program delivery and activities to increase self-sufficiency, e.g., job training, employment readiness and education.

2. Reduce and prevent homelessness in ways that can mitigate overrepresentation of BIPOC communities

3. Community and economic development:

The community needs improvements to area infrastructure, facilities, economic opportunities, and economic development. Programs to improve employment outcomes and household economic stability include employment training, referral, and self-sufficiency, and economic enhancement programs. Projects will also support micro-enterprises and business development, as well as, public facilities, parks, and transportation improvements.

3. Improve livability through Infrastructure, employment, and anti-poverty strategies

Financial and Budgetary Impacts

This annual Action Plan FY 2022-2023 will bring approximately \$15 million in federal grant resources for the referenced fiscal year for housing, homelessness prevention, and community economic development. The Consolidated Plan identifies three investment goals for federal funds. These three goals are:

1. Affordable housing choice (Need); Increase and preserve affordable housing choice (Goal)
2. Basic services & homeless prevention/intervention (Need); Reduce and prevent homelessness, including mitigating the overrepresentation of

Black, Indigenous, and People of Color experiencing housing instability (Goal)

3. Community and economic development (Need); Improve livability and promote economic development in low and moderate-income areas by investing in community infrastructure, employment training, and anti-poverty strategies for area residents (Goal)

Grant	Amount	Entitlement Area
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Matching funds estimated to equal \$980,940.50 are required for the HOME program. The members of the HOME Consortium each contribute their *pro rata* share of the match. Key sources of the match include local Tax Incremental funds; local General Funds; grant funds from the State Housing Trust Fund, the value of below market financing using the Oregon Affordable Housing Tax Credit; the value of the donated property and donated labor; the value of property tax exemptions for low- and moderate-income home ownership properties developed in distressed neighborhoods; the value of property tax exemptions for low- and moderate-income rental housing owned by charitable nonprofits and rented to income-qualified tenants; the value of property tax exemptions for low- and moderate-income housing developed under the New Multi-Unit Housing program; the value of building permit fee waivers and system development charge waivers; and the value of contributions from charitable and corporate sources. Federal regulations do not require a General Fund match for the HOME grant. Notably, an excess match of \$26,732,381.16 was carried over for FY 2021-2022 and so the City of Portland stands to have a surplus match available for the upcoming fiscal year.

Dollar-for-dollar matching funds are required for the ESG program. The source of the \$729,011 match is expected to be General Fund allocated in the Portland Housing Bureau budget to Housing Access & Stabilization programs benefitting people experiencing homelessness.

Community Impacts and Community Involvement

This annual Action Plan for the fiscal year 2022-2023 was prepared in the midst of an ongoing Pandemic. Consequently, the City of Portland has relayed on virtual hearings, routine advisory committee meetings, and online surveys for soliciting public comments. Additionally, the Consortium makes available around the year 'Comment Card' to submit comments. Further, the comment card was translated into four different safe harbor languages: Spanish, Simplified Chinese, Russian and Vietnamese based on the Consortium language access guidance.

Similarly, the City of Portland has relayed on over-the-phone consultations, inputs from multiple task forces convened to address the needs created by the public health emergencies, and a tailored "Consultant Survey".

In addition to the survey opportunities, the city of Portland held a virtual Zoom Hearing in Summer 2022 to share the highlights from the Consolidated Plan and Action Plan. Community residents also get an opportunity to offer comments at the respective City Council Hearings for Gresham and Portland and at the Oversight Board for Multnomah County.

The meetings were advertised in widely circulating dailies and through the emma email blast. Draft plans were made available online and along with the option to avail paper version upon request.

Calendar of events for the annual Action Plan FY 2022-2023

Activity	Date
Fall Community Needs Hearing (Gresham & Multnomah County)	Nov 3, 2021
Multnomah County Hearing (CDBG Policy Advisory Board)	May 19, 2022
City of Gresham Hearing (Community Development & Housing Subcommittee)	May 25, 2022
City of Gresham Council	July 5, 2022
City of Portland Action Plan FY 2022-2023 Community Hearing	July 21, 2022
City of Portland Council	August 10, 2022

This Action Plan responds to testimony regarding the need to protect the interests of renters, especially low-income renters, renters of color, and all other protected class groups. The majority of public comments have been

about hardships imposed by the public health emergency, the ongoing economic turmoil including but not limited to decades high inflation, the plight of the population experiencing homelessness, continued lack of affordable housing options of all types and in all locations throughout Multnomah County. As an expression of the focus on racial disparities across the nation and in the Portland Metro area, residents have brought up exacerbated inequities experienced by the BIPOC population.

A summary of comments received thus far includes eviction risk, economic instability, decreasing supply of homes for sale, increasing rents, housing discrimination, scarcity of living wage jobs, and lack of financial support for small businesses. Displacement risk for low-income residents to area with fewer amenities continues to be a problem. As another impact of the COVID 19 Pandemic, area residents also noted a spike in mental health services needed, as the pandemic has negatively impacted community members' mental health, especially children and teens struggling with distance learning. Strategies suggested included culturally specific housing services tailored to the needs of these populations, reducing screening barriers, and increasing household incomes.

The public involvement process is contained in the Citizen Participation Plan (CPP) and is a part of the 2021-2025 Consolidated Plan. The community participation process for this annual Action Plan follows the CPP guidelines and the HUD entitlement program waivers regarding public participation.

Other Government Participation

Government partners and stakeholders solicited in the creation of this plan emphasized the need for housing and services that will serve the low-income households in the jurisdiction and also emphasized the need to serve the needs of the population experiencing homelessness. Serving the needs of populations with added vulnerabilities such as physical or mental health problems, age, children, race, sex, gender, domestic violence, ethnicity, and immigration status was also brought up. Partner agencies also noted how health, housing, and household prosperity and stability are interrelated.

100% Renewable Goal

This action does not directly contribute to the City's Goal of meeting 100 percent of the community-wide energy needs with renewable energy by 2050. But the action does support the established city goal in the following ways:

- This action should contribute to decreases in community energy use due to our investments in energy efficiency services for low-income households.
- PHB has a green building policy that requires PHB-owned properties or developments with over 10% of PHB financing to meet net zero energy goals by 2050. These policies apply to all sources of funding including federal funds.

Agenda Items

701 Four-Fifths Agenda in [August 3, 2022 Council Agenda](#)

Passed

Commissioner Jo Ann Hardesty Absent

Commissioner Mingus Mapps Yea

Commissioner Carmen Rubio Yea

Commissioner Dan Ryan Yea

Mayor Ted Wheeler Yea