

**FINANCIAL IMPACT STATEMENT
For Council Action Items**

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

1. Name of Initiator Javier Mena	2. Telephone No. 3-3377	3. Bureau/Office/Dept. Housing Bureau
4a. To be filed (date) June 1, 2011	4b. Calendar (Check One) Regular Consent 4/5ths <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Date Submitted to FPD Budget Analyst: June 1, 2011

1) Legislation Title:

*Delegation of authority to charge-off housing loans originated through the Portland Development Commission and/or the Portland Housing Bureau (Ordinance)

2) Purpose of the Proposed Legislation:

The propose Ordinance will allow the Portland Housing Bureau to manage its loan portfolio in collaboration with the Office of Management and Finance.

3) Revenue:

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

The Ordinance will reduce/eliminate loan repayments. The specific impact amount is unknown as it will be done on an as need basis. Quarterly reports will be made available and provided to the Office of Management and Finance.

4) 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)

There are no additional costs to the City

Staffing Requirements:

5) 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 new positions will be created as a result

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

N/A

Complete the following section if you are accepting and appropriating a grant via ordinance. This section should only be completed if you are adjusting total appropriations, which currently only applies to grant ordinances.

7) Change in Appropriations

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


Margaret Van Vliet, Director

APPROPRIATION UNIT HEAD (Typed name and signature)



CITY OF
PORTLAND, OREGON

PORTLAND HOUSING BUREAU

Commissioner Nick Fish
Margaret Van Vliet, Director
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Portland OR 97204
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Fax (503) 823-2387
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**COVER SHEET for
ORDINANCE, RESOLUTION, REPORT TO COUNCIL**

Today's Date: June 1, 2011
Expected Date to Council: June 15, 2011
Title of Ordinance/Report: *Delegation of authority to charge-off housing loans originated through the Portland Development Commission and/or the Portland Housing Bureau (Ordinance)

Contract Manager's Name & Number: Javier Mena 503-823-3377

Preparer's Name & Number: Same as above

Manager's Name: Alissa Mahar

Manager Approval: Amahar

If this is an Agreement/ a Contract, has it been "Approved as to Form" by the City Attorney? Yes

Your Manager accepts this and signed here: Amahar

Will this be on **Regular** or **Consent** agenda? **Regular**

Budget Impact Statement Attached? **Attached**

Please complete the following information

- A. Provide information about the item (What is it about? Why is it important? Is there anything controversial? If so, why is it controversial and how is the controversy addressed? Any pertinent background information?)
As a normal course of business PHB needs to charge-off loans for a variety of reasons (bankruptcies, foreclosures, policy, etc.); this Ordinance will provide such ability.
- B. Provide three points of information that our Commissioner can use to introduce this item
- Good/continuous collaboration between PHB and OMF to ensure fiscal compliance and transparency
 - The Ordinance provides PHB with the ability to manage its loan portfolio
 - Large charge-off requests will be presented to the City Council for approval
- C. Will you, as the preparer of this item, be at Council when this is heard? If not, who will be there in your place?

PHB staff will be at Council.

D. If the item is on the regular agenda, describe who will make the presentation or testimony and how much time will be needed for presentation and for Council discussion and vote.

Margaret Van Vliet and Alissa Mahar will need 10 minutes to present.

E. Will members of the community be part of the presentation or be invited?

No.

EXHIBIT A

Portland Housing Bureau Charge-Off Approval Designation

PHB Director's Designee	PHB Director	PHB Director and City CFO	City Council
<ul style="list-style-type: none">• Accrued Interest Charge-offs• Charge-off of up to \$24,999<ul style="list-style-type: none">○ No Collection or Continue Collection	<ul style="list-style-type: none">• Charge-offs of up to \$99,999<ul style="list-style-type: none">○ No Collection or Continue Collection	<ul style="list-style-type: none">• Charge-offs from \$100,000 to \$499,999<ul style="list-style-type: none">○ No Collection or Continue Collection	<ul style="list-style-type: none">• Charge-offs greater than \$499,999• Charge-offs referred to Council by the PHB Director and/or City CFO

ORDINANCE No.

*Delegate authority to charge-off housing loans originated through the Portland Development Commission and/or the Portland Housing Bureau. (Ordinance)

The City of Portland ordains:

Section 1. The Council finds:

1. The City consolidated the housing functions that existed at the City and the Portland Development Commission (PDC) through Ordinance No. 182465 on January 7, 2009, and established the Portland Housing Bureau (PHB).
2. It is important to establish clear delegations of authority and regular reporting requirements so Council and the community are aware of the financial assistance PHB provides.
3. The City, through Resolution No. 36787 on May 19, 2010 and Resolution No. 36796 on June 23, 2010 established financial assistance guidelines for PHB.
4. The City, through Ordinance No. 183836 on May 26, 2010 and Ordinance No. 183932 on June 23, 2010, delegated authority to review and approve financial assistance under Council-adopted guidelines to PHB and established the Housing Investment Committee (HIC) to review and recommend approval or rejections to the PHB Director of loans and grants for any of the financial assistance guidelines adopted.
5. The PHB Director and Commissioner in Charge are authorized to approve or reject financing under the guidelines of up to \$2 million and \$3 million, respectively. The PHB Director is authorized to approve or reject, subject to HIC's review and recommendation, a loan or grant up to \$100,000.
6. Loans previously approved by PDC under the PDC loan guidelines, and during more robust economic times, transferred to PHB.
7. PHB wants to reconcile the expectations for repayment of these loans with the city's need for sound financial reporting.
8. In order to ensure the long term health and viability of affordable housing projects and the loan portfolio itself, PHB requires the authority to charge-off loans where repayment is determined to be unlikely.

NOW, THEREFORE, the Council directs:

- a. The Housing Investment Committee (HIC) is hereby authorized to review charge-offs for any of the financial assistance guidelines adopted via Resolution No. 36787 and No. 36796 and recommend approval or rejection to the PHB Director.

- b. PHB will work in consultation with the City Chief Financial Officer in making loan charge-off decisions.
- c. The PHB Director can execute loan charge-offs following the thresholds designated on Exhibit A- Portland Housing Bureau Charge-off Approval Designation.
- d. PHB will provide a quarterly summary of charge offs to the City Chief Financial Officer.

Section 2. The Council declares that an emergency exists because delay in delegation of authority to charge off housing loans would interfere with the long term health and viability of affordable housing projects; therefore, this ordinance shall be in full force and effect from and after its passage.

Passed by the Council:

Commissioner: Nick Fish
Prepared by: Javier Mena
Date Prepared: June 1, 2011

LaVonne Griffin-Valade
Auditor of the City of Portland
By

Deputy

*Delegation of authority to charge-off housing loans originated through the Portland Development Commission and/or the Portland Housing Bureau (Ordinance)

INTRODUCED BY Commissioner/Auditor: Nick Fish
COMMISSIONER APPROVAL
Mayor /Finance and Administration - Adams
Position 1/Utilities - Fritz
Position 2/Works - Fish <i>Nick Fish by EA</i>
Position 3/Affairs - Saltzman
Position 4/Safety - Leonard
BUREAU APPROVAL
Bureau: Portland Housing Bureau Bureau Head: Margaret Van Vliet <i>M. Van Vliet</i>
Prepared by: Javier Mena Date Prepared: June 1, 2011
Financial Impact Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/> Not Required <input type="checkbox"/>
Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
Council Meeting Date June 15, 2011
City Attorney Approval <i>Kam</i>

CLERK USE: DATE FILED <u>JUN 10 2011</u>
LaVonne Griffin-Valade Auditor of the City of Portland
By: <u><i>Nick Fish</i></u> Deputy
ACTION TAKEN: JUN 15 2011 CONTINUED TO JUN 29 2011 9:30 A.M. JUN 29 2011 CONTINUED TO Date to be determined

AGENDA
TIME CERTAIN <input type="checkbox"/>
Start time: _____
Total amount of time needed: _____ (for presentation, testimony and discussion)
CONSENT <input type="checkbox"/>
REGULAR <input checked="" type="checkbox"/>
Total amount of time needed: _____ (for presentation, testimony and discussion)

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:	
	YEAS	NAYS
1. Fritz	1. Fritz	
2. Fish	2. Fish	
3. Saltzman	3. Saltzman	
4. Leonard	4. Leonard	
Adams	Adams	