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# 191352

Emergency Ordinance

## \*Authorize subrecipient contract for \$5,153,525 for the provision of grants in support of land acquisitions for affordable housing development

Passed

The City of Portland ordains:

Section 1. The Council finds that:

1. In Emergency Ordinance #190443 adopted by the City Council on June 9, 2021, and in Emergency Ordinance #190525 adopted by the City Council on July 28, 2021, the Portland City Council appropriated the first tranche of the City's Rescue Plan Local Fiscal Recovery Funds award. Their programmatic investments prioritized household stability and support for our houseless residents; business and commercial district stabilization; and community health and safety. The Council made clear that these funds should prioritize immediate relief and stabilization for Portland communities, residents, and businesses; and that our processes, program design, and reporting should center equity, transparency, and accountability.
2. On March 11, 2021, the American Rescue Plan Act was signed into law, and established the Coronavirus State Fiscal Recovery Fund and Coronavirus Local Fiscal Recovery Funds, which together make up the Coronavirus State and Local Fiscal Recovery Funds ("SLFRF") program.
3. The City of Portland is a recipient under the SLFRF program as an eligible entity as identified in sections 602(b) and 603(c) of the Social Security Act as added by section 9901 of the American Rescue Plan Act of 2021 (the "SLFRF statute"). The Subrecipient under the SLFRF program is an entity that receives a subaward from a recipient to carry out the purposes (program or project) of the SLFRF award on behalf of the recipient.
4. Recipients may use SLFRF to help fund pre-project development activities that precede housing development or rehabilitation of affordable housing, including site work and land acquisition.
5. The Portland Housing Bureau (PHB) recognizes the negative economic impacts that resulted from the Coronavirus pandemic, including the increased cost of housing and land for development. The ability of developers to acquire land has a significant impact on the overall development budgets for affordable housing. Providing resources to developers to acquire land leverages their ability to keep overall

Introduced by

[Commissioner Carmen Rubio](#)

Bureau

[Housing Bureau](#)

Contact

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Housing Development &  
Construction Services Manager

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Requested Agenda Type

Consent

Date and Time Information

Requested Council Date  
June 28, 2023

development costs low and create housing for low and extremely low-income residents.


6. The Network for Oregon Affordable Housing (NOAH) is an Oregon nonprofit corporation that provides permanent financing to affordable housing developments. PHB currently supports NOAH's Oregon Housing Acquisition Fund through a Funding Agreement to provide short-term loans for the purchase of land or the acquisition of market rate projects that will be used for affordable housing. PHB selected NOAH as a sub-recipient of the SLFRF due to its experience and ability to administer a land acquisition program.
7. The goal of the SLFRF Land Acquisition Program is to support developers of affordable housing secure land for future homeownership development, addressing the negative economic impacts of the Coronavirus pandemic by decreasing development costs and increasing access to homeownership opportunities for lower-income communities. The program will provide grants for acquisitions costs and predevelopment site activities for future development of for-sale homes to households with income at 80% AMI or below located in the City of Portland. As of 2022, 80% Area Median Income is roughly \$85,020 for a family of four.
8. PHB will pass through SLFR funds to NOAH through a sub-recipient contract to deliver services as outlined in Exhibit A.
9. Funding is included in the Housing Bureau's FY 2022-23 and FY 2023-24 adopted budget in the amount of \$5,153,525.
10. Through this contract, NOAH will conduct outreach to inform development partners about the Land Acquisition Program and provide grants on a rolling basis until all funds have been expended, no later than December 31, 2026. Within the confines of the law, preference will be given to grant applications by culturally specific organizations and BIPOC-owned businesses. Demographic data of Program grantees will be tracked to assess the Program's effectiveness in advancing the City's Racial Equity Goals & Strategies and the Portland Housing Bureau's Racial Equity Plan.

NOW, THEREFORE, the Council directs:

- A. The PHB Interim Director or designee is authorized to execute a contract with Network for Oregon Affordable Housing in the amount of \$5,153,525 in a form substantially similar to Exhibit A.
- B. The PHB Interim Director is authorized to approve funding amendments up to 25% of the original budget amount of this contract for the purpose of utilizing SLFRF funding.
- C. The Mayor and City Auditor are hereby authorized to make payments on this contract from the PHB operating fund budget.

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

## Documents and Exhibits

 [Exhibit A \(https://www.portland.gov/sites/default/files/council-documents/2023/phb-noah-subrecipient-ordinance-exhibit-a\\_0.docx\)](https://www.portland.gov/sites/default/files/council-documents/2023/phb-noah-subrecipient-ordinance-exhibit-a_0.docx) 1.3 MB

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

June 28, 2023

Auditor of the City of Portland

Simone Rede

## Impact Statement

### Purpose of Proposed Legislation and Background Information

The Portland Housing Bureau requests City Council's approval to authorize a subrecipient contract for \$5,153,525 in Rescue Plan Local Fiscal Recovery funds to lessen the negative economic impacts of the Coronavirus pandemic on the cost of housing and development through a Land Acquisition Program. PHB has identified an organization for sub-recipient funding that provides land acquisition loans, funded in part from pass-through funds from PHB. The sub-recipient organization will pass through SLFR funds to developers as grants. This organization has the capacity and qualifications to develop and administer this Program.

### Financial and Budgetary Impacts

The contract in this ordinance is comprised solely of Rescue Plan Local Fiscal Recovery funds. The funding source and allocation is authorized in the FY 22-23 Adopted Budget and will be disbursed over the contract period ending December 31, 2024.

### Community Impacts and Community Involvement

- During the development of the Land Acquisition Program, financing and affordability constraints were identified to meet the Final Rule for Affordable Housing programs using State and Local Fiscal Recovery funds.
- Advocacy from the Partners for Affordable Homeownership group informed the terms of the program, including the application process, grant award amounts, affordability restrictions for future development and other preferences.
- Funding will support housing developers acquire land for the future development of for-sale affordable housing for households earning 80% AMI. Preferences will be given to grantees that are culturally specific and/or BIPOC owned.

## 100% Renewable Goal

Approval of this subrecipient contract does not impact the City's total or renewable energy use.

## Budget Office Financial Impact Analysis

The disbursement of \$5,153,525 in ARPA Coronavirus State and Local Fiscal Recovery Funds (SLFRF) to the subrecipient is included in the Portland Housing Bureau's FY 2022-23 and FY 2023-24 Adopted budgets.

## Agenda Items

550 Consent Agenda in [June 28, 2023 Council Agenda](https://www.portland.gov/council/agenda/2023/6/28)  
(<https://www.portland.gov/council/agenda/2023/6/28>)

Passed

Commissioner Dan Ryan Yea

Commissioner Rene Gonzalez Yea

Commissioner Mingus Mapps Yea

Commissioner Carmen Rubio Yea

Mayor Ted Wheeler Yea