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# 191538

Emergency Ordinance

## \*Authorize Subrecipient Contract with Network for Oregon Affordable Housing 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:

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

Introduced by

[Commissioner Carmen Rubio](#)

Bureau

[Housing Bureau](#)

Contact

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Construction Services Manager

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Requested Agenda Type

Regular

Date and Time Information

**Requested Council Date**

December 6, 2023

**Time Requested**

15 minutes

developers to acquire land leverages their ability to keep overall 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 funds to NOAH through a sub-recipient contract to deliver services as outlined in Exhibit A.
9. During the 2023 Fall Budget Monitoring process, PHB was asked to exchange SLFR funds for General Funds as the sole source of budgeted funds to administer the Land Acquisition Program.
10. Funding is included in the Housing Bureau's FY 2023-24 Adopted and Adjusted Budget in the amount of \$5,153,525.
11. 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 June 30, 2025. Grant application preferences will be given to applicants providing housing outreach to underserved communities, which may include, but are not limited to culturally specific organizations, BIPOC-owned businesses and organizations serving communities of color, within the confines of applicable law. 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 an amended 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 execute amendments up to 25% of the original budget amount of this contract for the purpose of providing land acquisition grants.

C. The Commissioner and 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 \(https://www.portland.gov/sites/default/files/council-documents/2023/exhibit-a\\_noah-phb-subrecipient-contract.pdf\)](https://www.portland.gov/sites/default/files/council-documents/2023/exhibit-a_noah-phb-subrecipient-contract.pdf) 497.71 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  
December 6, 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 new subrecipient contract with Network for Oregon Affordable Housing for \$5,153,525 to change the funding source from Rescue Plan Local Fiscal Recovery (SLFR) funds to General Funds approved in the 2023 Fall Budget Monitoring adjustment. PHB entered into a contract with the Network for Oregon Affordable Housing (NOAH) to administer a Land Acquisition Program in September 2023 to pass through funds to developers as grants. This organization was selected based on its capacity and qualifications to develop and administer this Program. The scope of work was previously authorized by Ordinance 191352, but the funding source has changed

### Financial and Budgetary Impacts

The contract in this ordinance will be comprised solely of General Funds that were exchanged with Rescue Plan Local Fiscal Recovery (SLFR) funds in the 2023 Fall Budget Monitoring adjustment. The SLFR funding source and allocation was authorized in the FY 22-23 Adopted Budget. The General Funds funding source is authorized in the FY 23-24 Adopted and Adjusted Budget and will be disbursed over the contract period ending June 30, 2025.

### 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. The amended contract using General Funds would continue to meet City guidelines and SLFRF requirements.

- 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.

### 100% Renewable Goal

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

### Budget Office Financial Impact Analysis

PHB requests City Council's approval to authorize a new subrecipient contract with the Network for Oregon Affordable Housing for \$5,153,525 to administer a Land Acquisition Program, passing through funds to developers as grants. The new contract changes the funding source from ARPA funds to General Fund resources as approved in the 2023 Fall BMP. Funding for the amount is included in PHB's FY 2023-24 Adopted and Revised budgets.

### Agenda Items

1010 Regular Agenda in [December 6, 2023 Council Agenda](https://www.portland.gov/council/agenda/2023/12/6)  
(<https://www.portland.gov/council/agenda/2023/12/6>)

Rescheduled

Rescheduled to December 6, 2023 at 2:00 p.m.

1016 Regular Agenda in [December 6, 2023 Council Agenda](https://www.portland.gov/council/agenda/2023/12/6)  
(<https://www.portland.gov/council/agenda/2023/12/6>)

Passed

Commissioner Mingus Mapps Yea

Commissioner Carmen Rubio Yea

Commissioner Dan Ryan Yea

Commissioner Rene Gonzalez Yea

Mayor Ted Wheeler Yea