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# 191567

Emergency Ordinance

## **\*Accept and appropriate \$9,750,000 from Multnomah County and authorize Intergovernmental Agreement for affordable housing development and acquisition**

Passed

The City of Portland ordains:

Section 1. The Council finds:

1. The Portland Housing Bureau ("PHB") is charged with implementing the housing policies of the City of Portland ("City") under City Council Ordinance No. 182465 including the Local Implementation Strategy for the Metro Bond approved by City Council Ordinance No. 190095 on August 12, 2020.
2. On behalf of the City of Portland, the Portland Housing Bureau ("PHB") administers affordable housing programs using various local funding sources, including City, County, Metro, state and federal funds to support the development and acquisition of affordable housing.
3. PHB announced the 2023 Metro Bond Opportunity solicitation to help close funding gaps for projects with affordable housing, dedicating \$10,000,000 in Metro Bonds plus an additional \$9,088,000 in Metro interest earnings for permanent support housing.
4. To increase the scale and speed of PHB's housing development and acquisition, Multnomah County proposes to allocate \$9,750,000 of general fund dollars from its fiscal year (FY) 2024 budget to PHB under an intergovernmental agreement in form and substance of attached Exhibit A.
5. This Multnomah County funding source should be appropriated into the Grants fund as a nonfederal grant.

NOW, THEREFORE, The Council directs:

**Introduced by**

[Commissioner Carmen Rubio](#)

**Bureau**

[Housing Bureau](#)

**Contact**

**Jill Chen**

Housing Investments and  
Portfolio Preservation Manager

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For email inquiries, please include the name of the project in the subject line to promote an efficient response.

**Requested Agenda Type**

Regular

**Date and Time Information**

**Requested Council Date**

December 20, 2023


**Time Requested**

20 minutes

- A. The Commissioner-in-Charge is hereby authorized to accept and appropriate \$9,750,000 from Multnomah County General Funds for the purpose of funding the development and acquisition of affordable housing.
- B. The Commissioner-in-Charge or the Portland Housing Bureau Interim Director is hereby authorized to enter into an intergovernmental agreement with the County, substantially in accordance with the agreement attached as Exhibit A. The Portland Housing Bureau Interim Director is also hereby delegated the authority to modify, by amendment, provided such modifications do not increase the City of Portland's financial obligation or risk.
- C. The City is hereby authorized to receive payments in the amount of \$9,750,000 from the County.
- D. The FY2023/2024 budget is hereby amended as follows:
  - GENERAL FUNDS
  - Fund 217
  - Business area HC00
  - Bureau Program Expenses \$9,750,00

Section 2. The Council declares that an emergency exists in order to avoid delays in the provision of affordable housing during an ongoing housing crisis in the State of Oregon and the City of Portland; therefore, this Ordinance shall be in full force and effect from and after its passage by Council.

## Documents and Exhibits

 [Exhibit A \(https://www.portland.gov/sites/default/files/council-documents/2023/exhibit-a-iga-9.75mm-.docx\)](https://www.portland.gov/sites/default/files/council-documents/2023/exhibit-a-iga-9.75mm-.docx) 57.54 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 20, 2023

Auditor of the City of Portland  
Simone Rede

## Impact Statement

### Purpose of Proposed Legislation and Background Information

- Many multifamily residential projects, including some affordable housing projects, have been stalled due to cost increases and/or interest rate increases and are now facing funding gaps.
- In order to assist these projects to financial close, PHB announced the 2023 Metro Bond Opportunity solicitation to help close funding gaps for projects with affordable housing, dedicating \$10,000,000 in Metro Bonds plus an additional \$9,088,000 in Metro interest earnings for permanent supportive housing.
- To increase the scale and speed of PHB's housing development and acquisition, Multnomah County proposes to allocate \$9,750,000 of general fund dollars from its fiscal year (FY) 2024 budget to PHB under an intergovernmental agreement in form and substance of attached Exhibit A.
- The purpose of this ordinance is to accept the \$9,750,00 in Multnomah County funds to the Portland Housing Bureau through December 31, 2024 for affordable housing and acquisitions.

### Financial and Budgetary Impacts

- The Ordinance
  - Accepts \$9,750,000 Multnomah County general funds.
  - Appropriates this funding into the PHB FY23-24 budget.
- The legislation does not –
  - Authorize additional staffing levels
  - Change specific City policies

### Community Impacts and Community Involvement

Throughout 2023, the Housing Bureau has heard from developers for both affordable housing and market rate housing that many multifamily residential projects have been stalled due to cost increases and/or interest rate increases such that their projects are now facing funding gaps. This market feedback has been further demonstrated by the drop in building permit submittals to Bureau of Development Services. In addition, the Housing Bureau has been approached by owners intent on selling their multifamily projects that are reaching completion or of recent construction at a substantially lower price than all-in costs of building new. Many of these existing buildings have construction loans that are maturing and refinancing are difficult under current market conditions.

In order to assist projects in the pipeline reach financial close, PHB announced the 2023 Metro Bond Opportunity solicitation to help close funding gaps for projects with affordable housing. With Multnomah County funds, there is the additional possibility of increasing the scale and speed of PHB's affordable housing stock especially through acquisition.

## 100% Renewable Goal

Portland Clean Energy Fund (PCEF) funds for clean energy improvements are being offered for projects which can benefit from these County funds under the 2023 Metro Bond Opportunity Solicitation for last gap.

## Budgetary Impact Worksheet

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount
217007	HCPG000004	529003	CDHCRH00000000GC	H89030	HC000185	HC01850001	9750000
217007	HCPG000004	441100	CDHCRH00000000GC	H89030	HC000185	HC01850001	9750000

## Budget Office Financial Impact Analysis

To increase the scale and speed of the Portland Housing Bureau's housing development and acquisition, Multnomah County proposes to allocate \$9,750,000 of funds from its FY 2024 general fund budget to PHB under an intergovernmental agreement. The purpose of this ordinance is to accept the \$9,750,00 for affordable housing and acquisitions through December 31, 2024, and appropriate this funding into the PHB FY 2023-24 budget.

## Agenda Items

1081 Regular Agenda in [December 20, 2023 Council Agenda](https://www.portland.gov/council/agenda/2023/12/20)  
(<https://www.portland.gov/council/agenda/2023/12/20>)

Passed

Commissioner Mingus Mapps Yea

Commissioner Dan Ryan Yea

Commissioner Rene Gonzalez Yea

Commissioner Carmen Rubio Yea

Mayor Ted Wheeler Absent