

BEFORE THE METRO COUNCIL

AN ORDINANCE AMENDING THE FY	)	ORDINANCE NO. 94-561
1994-95 BUDGET AND	)	
APPROPRIATIONS SCHEDULE OF THE	)	Introduced by Rena Cusma,
REHABILITATION AND ENHANCEMENT	)	Executive Officer
FUND FOR THE PURPOSE OF	)	
FUNDING A RECOVERABLE GRANT TO	)	
THE PORTLAND HOUSING CENTER'S	)	
DOWN PAYMENT ASSISTANCE FUND	)	
AND DECLARING AN EMERGENCY	)	

WHEREAS, The Metro Council has reviewed and considered the need to transfer appropriations within the FY 1994-95 Budget; and

WHEREAS, The need for a transfer of appropriation has been justified; and

WHEREAS, Adequate funds exist for other identified needs;

WHEREAS, The ordinance was submitted to the Executive Officer for consideration and was forwarded to the Council for approval; now, therefore,

THE METRO COUNCIL HEREBY ORDAINS;

1. That the FY 1994-95 Budget and Schedule of Appropriations are hereby amended as shown in the column titled "Revision" of Exhibits A and B to this Ordinance for the purpose of transferring \$100,000 from the Rehabilitation & Enhancement Fund Contingency to Materials and Services to fund the second of two \$100,000 installments of Metro Contract No. 903822 with the Portland Housing Center for the Down Payment Assistance Fund.

2. This Ordinance being necessary for the immediate preservation of the public health, safety and welfare, in order to meet obligations and comply with Oregon Budget Law, an emergency is declared to exist, and this Ordinance takes effect upon passage.

ADOPTED by the Metro Council this 25th day of August, 1994.

ATTEST:

  
Clerk of Council

  
Ed Washington, Deputy Presiding Officer

Exhibit A  
Ordinance No. 94-561

# Rehabilitation & Enhancement Fund

FISCAL YEAR 1994-95		ADOPTED		REVISION		ORD. NO. 94-561	
ACCT #	DESCRIPTION	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
<u>Materials &amp; Services</u>							
<b>NORTH PORTLAND ENHANCEMENT ACCOUNT</b>							
524190	Misc. Professional Services		345,000		100,000		445,000
526200	Ads & Legal Notices		500				500
526310	Printing Services		700				700
526420	Postage		400				400
526800	Training, Tuition, and Conferences		500				500
529500	Meetings		360				360
<b>COMPOSTER ENHANCEMENT ACCOUNT</b>							
524190	Misc. Professional Services		2,335				2,335
<b>METRO CENTRAL ENHANCEMENT ACCOUNT</b>							
524190	Misc. Professional Services		387,750				387,750
526200	Ads & Legal Notices		500				500
526310	Printing Services		552				552
526420	Postage		500				500
529500	Meetings		500				500
<b>FOREST GROVE ACCOUNT</b>							
528100	License, Permits, Payments to Other Agencies		34,118				34,118
<b>OREGON CITY ACCOUNT</b>							
528100	License, Permits, Payments to Other Agencies		192,690				192,690
<b>Total Materials &amp; Services</b>			966,405		100,000		1,066,405
<b>Total Interfund Transfers</b>			42,254		0		42,254
<u>Contingency and Unappropriated Balance</u>							
599999	Contingency		350,000		(100,000)		250,000
599990	Unappropriated Balance		1,384,716				1,384,716
<b>Total Contingency and Unappropriated Balance</b>			1,734,716		(100,000)		1,634,716
<b>TOTAL EXPENDITURES</b>		0.00	2,743,375		0		2,743,375

**Exhibit B  
Ordinance No. 94-561**

**FY 1994-95 SCHEDULE OF APPROPRIATIONS**

	<b>Adopted Appropriations Jun 30, 1994</b>	<b>Revision</b>	<b>ORD. No. 94-560 Proposed Appropriation</b>
<b>REHABILITATION &amp; ENHANCEMENT FUND</b>			
North Portland Enhancement Account			
Materials & Services	347,460	100,000	447,460
<b>Subtotal</b>	<b>347,460</b>	<b>100,000</b>	<b>447,460</b>
Composter Enhancement Account			
Materials & Services	2,335		2,335
<b>Subtotal</b>	<b>2,335</b>		<b>2,335</b>
Metro Central Enhancement Account			
Materials & Services	389,802		389,802
<b>Subtotal</b>	<b>389,802</b>		<b>389,802</b>
Forest Grove Account			
Materials & Services	34,118		34,118
<b>Subtotal</b>	<b>34,118</b>		<b>34,118</b>
Oregon City Account			
Materials & Services	192,690		192,690
<b>Subtotal</b>	<b>192,690</b>		<b>192,690</b>
General Expenses			
Interfund Transfers	42,254		42,254
Contingency	350,000	(100,000)	250,000
<b>Subtotal</b>	<b>392,254</b>	<b>(100,000)</b>	<b>292,254</b>
Unappropriated Balance	1,384,716		1,384,716
<b>Total Fund Requirements</b>	<b>2,743,375</b>	<b>0</b>	<b>2,743,375</b>

## FINANCE COMMITTEE REPORT

ORDINANCE NO. 94-561 AMENDING THE FY 1994-95 BUDGET AND APPROPRIATIONS SCHEDULE OF THE REHABILITATION AND ENHANCEMENT FUND FOR THE PURPOSE OF FUNDING A RECOVERABLE GRANT TO THE PORTLAND HOUSING CENTER'S DOWN PAYMENT ASSISTANCE FUND AND DECLARING AN EMERGENCY

Date: August 25, 1994

Presented By: Councilor Hansen

**COMMITTEE RECOMMENDATION:** At its August 24, 1994 meeting the Committee voted unanimously to recommend Council adoption of Ordinance No. 94-561. Committee members present and voting were Councilors Devlin, Gardner, Kvistad, McLain, Monroe, Van Bergen, and Washington. Councilor Buchanan was absent and Councilor Hansen (a non-Committee member) was also in attendance.

**COMMITTEE DISCUSSION/ISSUES:** Mr. Roosevelt Carter and Ms. Katie Dowdall, Solid Waste Department staff members, presented the Staff Report. Mr. Carter stated the ordinance transfers \$100,000 from the Rehab. and Enhancement Fund Contingency to the Materials and Services category to enable Metro to increase its participation on behalf of the North Portland Enhancement Committee in the Down Payment Assistance Program administered by the Portland Housing Center. Mr. Carter stated that the Council authorized an initial \$100,000 in the Adopted FY 94-95 Budget and funding partners in the program have requested the North Portland area commit an additional \$100,000 for a \$200,000 total. He stated this ordinance had been considered and received a favorable recommendation from the Solid Waste Committee.

Ms. Dowdall stated the North Portland Enhancement Committee reviewed and approved the request for additional funds. She pointed out the purpose of the program is to assist low-income persons to obtain funds for a down payment on the purchase of a home. The fund will provide loans up to \$4,000 per buyer with a 5 year payback loan schedule. All borrowers are required to participate in a Home Buyer education program administered by the Portland Housing Center that includes financial counseling and education.

Councilor Van Bergen asked what the extent of time and effort will be required of Metro to monitor this program since it deals with a significant amount of Metro funds. Ms. Dowdall indicated the contract with the Portland Housing Center requires semi-annual reports from the Housing Center to the North Portland Enhancement Committee on the status of the North Portland loans. She also pointed out that the contract provides for a five year repayment schedule for the entire \$200,000 grant. Councilor Hansen indicated in response to Councilor Van Bergen's question that part of the monitoring will be up to the North Portland Enhancement Committee as they will have a member of the Advisory Council created as a result of the contract. She also stated that Ms. Dowdall will assist the Enhancement Committee as its staff person.

Councilor Van Bergen stated he would support the ordinance but he was very concerned that Metro did not know and is not prepared to provide the necessary amount of monitoring for a program such as this.

Councilor Kvistad asked if this program included the entire region. Ms. Dowdall stated the overall loan program is for specific areas in the City of Portland and that the funds from the North Portland Enhancement Committee must be used in the Enhancement Committee area. Councilor McLain pointed out that there are enhancement programs throughout the region where Metro owned or franchised solid waste facilities are located. A common aspect of the various enhancement programs is that the funds be utilized to enhance the areas in and around those solid waste facilities. So by their very nature they are not region-wide.

## SOLID WASTE COMMITTEE REPORT

CONSIDERATION OF ORDINANCE NO. 94-561, AN ORDINANCE AMENDING THE FY 1994-95 BUDGET AND APPROPRIATIONS SCHEDULE OF THE REHABILITATION AND ENHANCEMENT FUND FOR THE PURPOSE OF FUNDING A RECOVERABLE GRANT TO THE PORTLAND HOUSING CENTER'S DOWN PAYMENT ASSISTANCE FUND AND DECLARING AN EMERGENCY

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Date: August 18, 1994

Presented by: Councilor Hansen

**Committee Recommendation:** At the August 16 meeting, the Committee voted 4-0 to recommend Council adoption of Ordinance No. 94-561. Voting in favor: Councilors Hansen, McFarland, McLain and Monroe. Councilors Buchanan and Wyers were absent.

**Committee Issues/Discussion:** Since the closure of the St. Johns Landfill, the Metro North Portland Enhancement Committee has generally used only the interest from its fund balance (about \$1.8 million) to fund enhancement projects. Occasionally, projects have been presented that the committee felt warranted the expenditure of a portion of the fund's principal.

During its current project funding cycle, the committee allocated \$100,000 to help fund a new community housing down payment assistance program. The intent of the program is to assist low income individuals who have the resources to make a house payment, but who have been unable to save enough to make a down payment. The program would provide such individuals with up to \$4,000 in down payment assistance.

Following the allocation of the initial funding, the other partners in the program asked if the committee would consider an additional \$100,000 contribution to allow the program to reach its goal of a \$1.2 million self-perpetuating fund (\$600,000 from participating banks, \$200,000 from the city of Portland, \$200,000 from the real estate industry, and \$200,000 from the enhancement committee). The committee agreed, with the additional funding to come from the enhancement fund's unappropriated balance. The committee's agreement to help fund the program provides that the enhancement fund's contribution will be reimbursed to the fund by the year 2000 (\$40,000/year beginning in 1996). In addition, enhancement funds will only be used to finance applicants within the enhancement area. It is estimated that 157 potential homeowners will be assisted in North Portland.

The Portland Housing Center will administer the program, providing application processing, counseling and other technical assistance to those participating in the program. The ordinance includes an emergency clause because the assistance program began on August 15 and the enhancement fund contribution is needed to fully fund the program.

STAFF REPORT

IN CONSIDERATION OF ORDINANCE NO. 94-561 AMENDING THE FY 94-95 BUDGET AND APPROPRIATIONS SCHEDULE OF THE REHABILITATION AND ENHANCEMENT FUND FOR THE PURPOSE OF FUNDING A RECOVERABLE GRANT TO THE PORTLAND HOUSING CENTER'S DOWN PAYMENT ASSISTANCE FUND AND DECLARING AN EMERGENCY.

Date: August 11, 1994

Presented by: Roosevelt Carter  
Katie Dowdall

FACTUAL BACKGROUND AND ANALYSIS

This action requests adjustments to the Rehabilitation and Enhancement fund, North Portland Enhancement Account, for the following purpose:

1. Transfer of \$100,000 within the contingency category of the North Portland Enhancement Account to the materials and services category of the North Portland Enhancement Account to provide a recoverable grant to the Portland Housing Center's Down Payment Assistance Fund.

RECOVERABLE GRANT TO THE PORTLAND HOUSING CENTER'S DOWN PAYMENT ASSISTANCE FUND

Metro North Portland Enhancement Committee has made a strong commitment to helping low-income families purchase homes within the North Portland enhancement area. In North Portland owner occupied home ownership declined from 71% in 1960 to 52% in 1990. This decline correlates with increased crime, blight, and housing deterioration, as well as increased transience in the schools. In addition, home ownership is the best way for modest-income working families to accumulate equity that could be used for education, health care and retirement. Rehabilitation and Enhancement Funds were established by Metro for the purpose of funding projects that will improve and enhance the designate enhancement area. This project has been determined to meet:

Criteria No. 2 Rehabilitate and upgrade residential housing.

Criteria No. 4 Improve public safety.

Criteria No. 5 Enhance neighborhood appearance and cleanliness.

Criteria No. 6 Improve viability of commercial area and enhance the small business environment.

By joining First Interstate Bank of Oregon, Bank of America, Oregon, Key Bank of Oregon, US Bank, and Norwest Mortgage Company; The City of Portland, Realtors; and other granting sources an even larger pool of down payment assistance will be available for low-income families to purchase homes in North Portland as well as Northeast and Southeast, Portland. The goal of this coalition is to create a minimum one million dollar permanent revolving down payment assistance fund.

Metro North Portland Enhancement Committee (NPEC) agreed to enter into a \$200,000 recoverable grant with the Portland Housing Center, an established non-profit agency. This \$200,000 recoverable grant would complete the needed monies to establish a one million dollar permanent revolving down payment assistance fund. The down payment assistance fund will be managed by Portland Housing Center and Oregon Title, which will offer professional down payment loan collection services at a donated cost. An Advisory Council will be established and a member from the North Portland Enhancement Committee will serve as a permanent seat of the council. The down payment assistance fund will provide loans up to \$4,000 per buyer with a five-year payback loan schedule. All borrowers would participate in the Home Buyer education program that would include counseling, education, a preapproval and would be run by the Portland Housing Center. The borrower would continue to work with the Portland Housing Center throughout the term of the down payment assistance loan (5 years).

Originally Metro North Portland Enhancement Committee had budgeted a \$100,000 grant for FY 94-95 in the account category of materials and services. The banks required a minimum of \$200,000 community match by July 1, 1994, before they would commit their \$600,000 to the down payment assistance fund. Project Down Payment requested a \$200,000 recoverable grant from North Portland Enhancement Committee to meet this required match from community base support. The enhancement committee felt that it would not be fiducial to remove \$200,000 from the principal with no way to recover it. The committee negotiated a schedule to recover the \$200,000 by July 1, 2000. The repayment schedule would be five repayments of \$40,000 each starting July 1, 1996, with final payment on July 1, 2000.

This is a win-win situation for all parties. Currently, it would take approximately \$500,000 of NPEC capital to generate \$15,000 in interest for down payment grants and continue the program which NPEC has funded for the last two years. Instead, by directly investing \$200,000 in capital in the down payment assistance loans, interest on the remaining \$300,000 in capital can be used for other worth while community projects. The effective cost of investing \$200,000 in capital until the year 2000 is approximately \$34,000 in lost interest. This is almost the same amount budgeted for the past two years for down payment assistance that helped 61 home buyers. Based on draft program guidelines, the use of \$200,000 for the down payment assistance revolving fund would assist 67 home buyers in 1994 and about 20 home buyers in each subsequent year as the funds recycle. NPEC funds will solely be utilized in the targeted North Portland enhancement area. Additionally, to ensure North Portland enhancement area shares in the larger pool of revolving down payment assistance loans, a goal of an additional \$200,000 from the larger pool shall be targeted to the North Portland enhancement area within the first five years. The second win-win is that the \$200,000 recoverable grant will leverage the \$800,000 in match contribution thus producing deeper assistance for more home buyers. The third win-win for NPEC is that investing \$200,000 in the Portland Housing Center's down payment assistance fund will relieve NPEC of the responsibility of managing a down payment assistance program.

Metro has entered into a contract with Portland Housing Center, Contact # 903822 (attached) with the second \$100,000 installment to be awarded to Portland Housing Center upon Metro Council approval of this Ordinance No. 94-561. The North Portland Enhancement Committee recommends approval of a budget amendment to transfer \$100,000 from contingency to materials and services in the FY 1994-95 North Portland Enhancement Account of the Rehabilitation and Enhancement Fund, thereby reducing the contingency category to \$250,000 and increasing materials and services to \$445,000.

#### EXECUTIVE OFFICER RECOMMENDATION

The Executive Officer recommends approval of Ordinance No. 94-561 and declaring an emergency.



CONTRACT NO. 903822

ENHANCEMENT FUND GRANT CONTRACT  
**NORTH PORTLAND ENHANCEMENT FUND**

THIS Contract is entered into between Metro, a metropolitan service district organized under the laws of the State of Oregon and the 1992 Metro Charter, located at 600 Northeast Grand Avenue, Portland, Oregon 97232-2736, and PORTLAND HOUSING CENTER, whose address is 1605 N.E. 45th Avenue, Portland, Oregon 97213, hereinafter referred to as the "Contractor."

Metro has established this enhancement grant with the sole purpose of funding the proposed community project(s) or activity(ies). Therefore, notwithstanding any potential statements or inferences to the contrary, Metro neither intends nor accepts any direct involvement in these projects; any sponsorship benefits or supervisory responsibility(ies) with respect to the event(s) or service(s) funded; or any ownership or attendant responsibilities for care and custody of the tangible products which result.

THE PARTIES AGREE AS FOLLOWS:

ARTICLE I

SCOPE OF WORK

Contractor shall undertake the program and perform all activities described in the Scope of Work attached hereto as Attachment "A."

ARTICLE II

TERM OF CONTRACT

The term of this Contract shall be for a period commencing July 1, 1994 through and including July, 2000.

ARTICLE III  
CONTRACT SUM AND TERMS OF PAYMENT

Metro shall compensate the Contractor for performance as described in Attachment "A." Metro shall not be responsible for payment of any materials, expenses or costs other than those which are specifically included in Attachment "A."

ARTICLE IV  
LIABILITY AND INDEMNITY

Contractor is an independent contractor and assumes full responsibility for the performance of the program and the content of its work and performance of Contractor's labor, and assumes full responsibility for all liability for bodily injury or physical damage to person or property arising out of or related to this Contract, and shall indemnify and hold harmless Metro, its agents and employees, from any and all claims, demands, damages, actions, losses, and expenses, including attorney's fees, arising out of or in any way connected with its performance of this Contract. Contractor is solely responsible for paying Contractor's subcontractors. Nothing in this Contract shall create any contractual relationship between any subcontractor and Metro.

ARTICLE V  
TERMINATION

Metro may terminate this Contract upon giving Contractor seven (7) days written notice. In the event of termination, Contractor shall be entitled to payment for work performed to the date of termination. Metro shall not be liable for indirect or consequential damages. Termination by Metro will not waive any claim or remedies it may have against the Contractor.

ARTICLE VI  
INSURANCE

If Contractor is a unit of federal, state or local government, or if such a government unit will be providing insurance coverage to Contractor, then Contractor shall comply with the provisions of section VI.A. In all other cases Contractor shall comply with the provisions of section VI.B.

A. Contractor shall maintain such insurance as will protect Contractor from claims under Workers' Compensation Acts and other employee benefits acts covering all of Contractor's employees engaged in performing the work under this Contract; and from claims for damages because of bodily injury, including death and damages to property, all with coverage limits satisfactory to Metro. Liability insurance shall have minimum coverage limits of at least the dollar amounts listed in ORS 30.270. Additional coverage may be required in the Scope of Work attached hereto. This insurance must cover Contractor's operations under this Contract, whether such operations be by Contractor or by any subcontractor or anyone directly or indirectly employed by either of them. Contractor shall immediately increase the amounts of liability insurance required to reflect any changes in Oregon Law so that the insurance provided shall cover, at a minimum, the maximum liability limits under the Oregon Tort Claims Act.

If required in the Scope of Work Attached hereto, Contractor shall provide Metro with a certificate of insurance complying with this section and naming Metro as an insured within fifteen (15) days of execution of this Contract or twenty-four (24) hours before services under this Contract commence, whichever date is earlier.

Contractor shall not be required to provide the liability insurance described in this section if an express exclusion relieving Contractor of this requirement is contained in the Scope of Work.

B. Contractor shall purchase and maintain at the Contractor's expense, the following types of insurance, covering the Contractor, its employees, and agents:

- (1) Broad form comprehensive general liability insurance covering bodily injury and property damage, with automatic coverage for premises, operations, and product liability. The policy must be endorsed with contractual liability coverage; and
- (2) Automobile bodily injury and property damage liability insurance.

Insurance coverage shall be a minimum of \$500,000 per occurrence. If coverage is written with an annual aggregate limit, the aggregate limit shall not be less than \$1,000,000. Metro, its elected officials, departments, employees, and agents shall be named as ADDITIONAL INSUREDS. Notice of any material change or policy cancellation shall be provided to Metro 30 days prior to the change or cancellation. Contractor, its subcontractors, if any, and all employers working under this Agreement that are subject employers under the Oregon Workers' Compensation Law shall comply with ORS 656.017, which requires them to provide Workers' Compensation coverage for all their subject workers. Contractor shall provide Metro with certification of Workers' Compensation insurance including employer's liability. If Contractor has no employees and will perform the work without the assistance of others, a certificate to that effect may be attached, as Exhibit B, in lieu of the certificate showing current Workers' Compensation.

If required by the Scope of Work, Contractor shall maintain for the duration of this Agreement professional liability insurance covering personal injury and property damage arising from errors, omissions, or malpractice. Coverage shall be in the minimum amount of \$500,000. Contractor shall provide to Metro a certificate of this insurance, and 30 days' advance notice of material change or cancellation.

ARTICLE VII  
PUBLIC CONTRACTS

Contractor shall comply with all applicable provisions of ORS Chapters 187 and 279 and all other conditions and terms necessary to be inserted into public contracts in the state of Oregon, as if such provisions were a part of ORS 187.010-.020 and 279.31-.430.

ARTICLE VIII  
ATTORNEY'S FEES

In the event of any litigation concerning this Contract, the prevailing party shall be entitled to reasonable attorney's fees and court costs, including fees and costs on appeal to any appellate courts.

ARTICLE IX  
SUBCONTRACTORS

Contractor shall contact Metro prior to negotiating any subcontracts and Contractor shall obtain approval from Metro before entering into any subcontracts for the performance of any of the services and/or supply of any of the goods covered by this Contract. Metro reserves the right to reasonably reject any subcontractor or supplier and to no increase in the Contractor's compensation shall result thereby. All subcontracts related to this Contract shall include the terms and conditions of this agreement. Contractor shall be fully responsible for all of its subcontractors as provided in Article IV.

ARTICLE X  
RIGHT TO WITHHOLD PAYMENTS

Metro shall have the right to withhold from payments due Contractor such sums as necessary, in Metro's sole opinion, to protect Metro against any loss, damage or claim which may result from Contractor's performance or failure to perform under this agreement or the failure of Contractor to make proper payment to any suppliers or

subcontractors. If a liquidated damages provision is contained in the Scope of Work and if Contractor has, in Metro's opinion, violated that provision, Metro shall have the right to withhold from payments due Contractor such sums as shall satisfy that provision. All sums withheld by Metro under this Article shall become the property of Metro and Contractor shall have no right to such sums to the extent that Contractor has breached this Contract.

## ARTICLE XI

### SAFETY

If services of any nature are to be performed pursuant to this agreement, Contractor shall take all necessary precautions for the safety of employees and others in the vicinity of the services being performed and shall comply with all applicable provision of federal, state and local safety laws and building codes, including the acquisition of any required permits:

## ARTICLE XII

### INTEGRATION OF CONTRACT DOCUMENTS

All of the provisions of any proposal documents including, but not limited to, Requests for Proposals, Proposals and Scopes of Work that were utilized in conjunction with the award of this Contract are hereby expressly incorporated by reference. Otherwise, this Contract represents the entire and integrated agreement between Metro and Contractor and superseded all prior negotiations, representations or agreements, either written or oral. This Contract may be amended only by written instrument signed by both Metro and Contractor. The law of the state of Oregon shall govern the construction and interpretation of this Contract.

ARTICLE XIII  
ASSIGNMENT

Contractor shall not assign any rights or obligations under or arising from  
this Contract without prior written consent from Metro.

PORTLAND HOUSING CENTER

METRO

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name and Title

\_\_\_\_\_  
Print Name and Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

Metro Contract No 903822

ATTACHMENT A  
NORTH PORTLAND ENHANCEMENT COMMITTEE GRANT

PROJECT TITLE: DOWN PAYMENT ASSISTANCE FUND

CONTRACTOR PORTLAND HOUSING CENTER  
1605 NE 45th AVENUE  
PORTLAND, OR 97213

PROJECT COORDINATOR: PEG MALLOY, EXECUTIVE DIRECTOR

CONTRACT TERM: JULY 1, 1994 THROUGH JULY 31, 2000

AMOUNT: \$200,000

SCOPE OF WORK

This contract is between Portland Housing Center, Contractor, and Metro for a \$200,000 recoverable grant from the Metro North Portland Enhancement Committee. Metro North Portland Enhancement Committee has made a strong commitment to helping low-income families purchase homes in the North Portland enhancement boundary by joining with the banks, Realtors, the City of Portland, and other granting sources to provide even deeper assistance with a one million dollar revolving down payment assistance fund.

Metro is prepared to award monies to the Portland Housing Center's down payment assistance fund upon entering into this contract. The down payment assistance fund will be managed by Portland Housing Center, an established non-profit agency, and Oregon Title, which will offer professional down payment loan collection services at a donated cost. The down payment assistance fund will provide loans up to \$4000 per buyer with a five year payback loan schedule. All borrowers would participate in the Home Buyer education program that would include counseling, education, loan preapproval and would be run by the Portland Housing center. The borrower would continue to work with the Portland Housing Center throughout the term of the down payment assistance loan (5 years).



**Payment:**

Metro North Portland Enhancement Committee shall award grant monies to Contractor in two installments. The first installment of \$100,000 will be awarded as soon as this contract has been signed by both Metro and the Portland Housing Center and upon proper documentation that the monies will be deposited in the down payment assistance fund account. The second installment of \$100,000 will be awarded upon Metro Council approval of Ordinance No. 94-561 for revising the FY 1994-95 budget for the purpose of funding a request from the North Portland Enhancement Committee to provide grants from the Rehabilitation and Enhancement contingency fund for the down payment assistance fund.

The conditions for funding are as follows:

1. **Portland Housing Center:** The project will be administered by Portland Housing Center, an existing non-profit organization. The Portland Housing Center will submit semi-annual reports to Metro North Portland Enhancement Committee on the status of their \$200,000 grant and an semi-annual report on the status of the larger assistance fund pool. All copies of audits and or other annual financial reports must also be submitted to Metro North Portland Enhancement Committee.
2. **Advisory Council:** A representative from Metro North Portland Enhancement Committee will have a seat on the Advisory Council. It is the understanding that any programmatic changes that are made, must be made with the approval of the Advisory Council and all major contributors. *i.e.*, Metro North Portland Enhancement Committee.
3. **Disbursement of the Pool Funds:** All \$200,000 granted by Metro North Portland Enhancement Committee is allocated for loans to fund down payments and closing costs within the North Portland Enhancement Committee boundary. The boundary of the North Portland enhancement area is the area between the Willamette River and the Columbia Channel and west of I-5 to the Fremont Bridge. The neighborhoods included in this area are Arbor Lodge, Cathedral Park, Kenton, Overlook, Portsmouth, St. Johns and University Park.

To ensure North Portland enhancement area shares in the larger pool of revolving down payment assistance loans, a goal of \$200,000 from the larger pool shall be targeted to the North Portland enhancement area within the first five years.

4. **Recoverable grant pay back schedule:** As this is a recoverable grant, grant dollars will be repaid to Metro in five installments with the first installment due July, 1996. The repayment schedule is as follows:

\$40,000 repayment due July, 1996  
\$40,000 repayment due July, 1997  
\$40,000 repayment due July, 1998  
\$40,000 repayment due July, 1999  
\$40,000 repayment due July, 2000

5. **Loan Loss:** Any loan loss occurring with the North Portland Enhancement Committee's \$200,000 designated fund will be charged off to that grant and not refunded in the repayment to Metro in the year in which it occurred. However, Portland Housing Center must notify Metro's Community Enhancement Coordinator prior to foreclosure. Any loan loss which may occur using the general pool's money will be charged off to the general pool.

#### **PROGRAM EVALUATION:**

1. The Portland Housing Center shall submit semi-annual reports to the Metro North Portland Enhancement Committee listing dollar amounts and addresses of down payment assistance loans awarded within the North Portland enhancement boundary.
2. The Portland Housing Center shall submit semi-annual reports to the Metro North Portland Enhancement Committee on the status of the entire down payment assistance fund.
3. At year three, 1997, Portland Housing Center shall schedule a meeting with the Metro North Portland Enhancement Committee to evaluate the status of their \$200,000 recoverable grant.
4. At year 2000, Portland Housing Center shall submit to Metro North Portland Enhancement Committee a final report on the completion of this grant.



**METRO**

DATE: August 26, 1994  
TO: Rena Cusma, Executive Officer  
FROM: Paulette Allen, Clerk of the Council *PA*  
RE: TRANSMITTAL OF ORDINANCE NOS. 94-560 AND 94-561

Attached for your consideration are true copies of the ordinances referenced above adopted by the Council on August 25, 1994.

If you wish to veto any of the ordinances referenced above, I must receive a signed and dated written veto message from you no later than 5:00 p.m., Thursday, September 1, 1994. The veto message, if submitted, will become part of the permanent record. If no veto message is received by the time and date stated above, these ordinances will be considered finally adopted.

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I *Truette Worley* received this memo and true copies of Ordinance Nos. 94-560 and 94-561 from the Clerk of the Council on *Aug 29, 1994*