Portland Housing Bureau
Requested Budget

FY 2014-15

CITY OF
PORTLAND, OREGON

Dan Saltzman, Commissioner
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January 31, 2014

To: Mayor Charlie Hales
Commissioner Nick Fish
Commissioner Amanda Fritz
Commissioner Steve Novick
Auditor Griffin-Valade

From: Commissioner Dan Saltzman and Director Traci Manning

Re: FY 2014-15 Portland Housing Bureau Requested Budget

We are pleased to submit the Requested Budget for the Portland Housing Bureau (PHB).

As the Portland economy is slowly rebounding. PHB is working to ensure that a recovering economy creates opportunities in complete neighborhoods for everyone, as well as investing in affordable housing in neighborhoods impacted by displacement of communities of color and other people traditionally left behind by the market. Unfortunately, the impacts of the recession are not over for families that have been living on the edge of stability. And the promise of health care reform has not yet been fully realized. Homelessness has increased by 5% in the past two years.

However, we are happy to report that based on recent Congressional action, the Bureau does not anticipate more than a small reduction, if any, in the federal resources we direct to housing and homeless programs. In a couple of months we will have the exact dollar amounts, and in the meantime we have directed some available federal dollars to a small contingency.

As a result, we are submitting a stabilization budget that includes a small realignment of funds to increase street outreach for homeless people living with mental illness. This change was made possible by working with our partners at Multnomah County, an effort we expect to continue. As in past years, PHB's General Fund allocation primarily funds programs that help people prevent homelessness or end their homelessness as quickly as possible.

In addition, we are requesting five add packages designed to build on City Council's allocation of $1.7 million in new funds to help more than 225 vulnerable adults and 100 families quickly regain homes and work with public safety to meet the needs of people homeless and in distress, increase capacity in shelter, make housing choice more equitably available, invest in homes in complete neighborhoods and those impacted by displacement, and support shelter for homeless youth.

We are grateful for Council's historic support of PHB's mission and look forward to continuing this work.

PORTLAND HOUSING ADVISORY COMMISSION

Jesse Beason
Andrew Colas
Rey España
Elisa Harrigan
Deborah Imse
Marc Jolin
Carter MacNichol
Colin Rowan
Carmen Rubio
Sarah Zahn

BAC Members:
Kim McCarty
Paul Stewart

Date: February 3, 2014

To: Mayor Charlie Hales
Commissioner Nick Fish
Commissioner Amanda Fritz
Commissioner Steve Novick
Commissioner Dan Saltzman

Re: PHB FY 2014-15 Requested Budget

The Portland Housing Advisory Commission's (PHAC) Budget Advisory Committee (BAC) appreciates the opportunity to comment on the Portland Housing Bureau's (PHB) FY 2014-2015 requested budget. We are committed to PHB's mission, vision and values and support the Bureau's revised Strategic Plan. We endorse the Bureau's Proposed Budget and want to highlight the following considerations.

At this time in Portland, home continues to be at the center of a person's success. Included in our vision of a complete neighborhood are affordable homes, where residents have a safe and stable place to raise a family, positively contribute to our community and face the challenges of daily life. Those without a home struggle to address the mental and physical health challenges that bar access to the opportunities this great city has to offer. With ever-rising rents and purchase prices, removing barriers to housing underscores our community's values in protecting our most vulnerable residents and addressing decades of gentrification and inequities in housing for communities of color.

As the housing market rebounds and our region continues to grow, we advise PHB to maintain investment in trusted community partners with proven strategies to tackle our community's toughest challenges to stable housing. To do so, PHB proposes a stabilization budget that continues strengthening neighborhoods by preventing eviction, transitioning people experiencing poverty off the street and into homes, preserving and creating more affordable places to live and creating more homeowners within communities of color.

We know that this year presents an opportunity for PHB to do more to build complete neighborhoods. We support funding for the following five add packages:

1) Equity, Fair Housing and Title VI Programs in the amount of $100,000 on-time-only funds to create a pool of funds for sub-contractors to translate material and institute a series of pilot Fair Housing Walk-In Clinics for renters around Fair Housing issues.
2) A Housing Investment Fund in the amount of $1,000,000 in one-time-only funds to build in high opportunity areas with access to jobs, transportation, high performing schools and other amenities that our city has to offer and to preserve affordability in areas at

risk of gentrifying to prevent displacement of communities of color.

3) Increase impact in reducing homelessness among families, disabled adults and communities of color in the amount of $1,000,000 in ongoing funds by expanding culturally-specific services, street outreach and leveraging public and private funds such as VA-funded services for veterans.
4) $500,000 in ongoing funds to for homelessness and emergency preparedness, allowing for a full-time operation of the community's coordination of services and transportation during severe weather shelter events, natural disasters and other emergencies. This will also support ongoing coordination with public safety in identified "hot spot" areas.

5) $500,000 in ongoing funds to reinstate funding for youth shelter and transitional housing programs.

PHB remains committed to addressing the barriers that cause housing disparities for communities of color. As an advisory body to PHB, we encourage Director Traci Manning and staff to adopt the locational policy to guide future investment in affordable housing that reduces gentrification and ensures equitable access to housing and prosperous neighborhoods.

We encourage the City Council to stand with PHB in its mission. PHB has revised its Strategic Plan to prioritize those most in need in our community. PHB invests in proven, cost-effective strategies implemented by high-performing community partners to combat issues of homelessness, the minority homeownership gap, foreclosure, housing discrimination, the lack of affordable housing and racial and ethnic inequity. Our challenge continues to be ~~–~~ not a lack of solutions ~~–~~ but in providing enough resources to combat barriers to stable and affordable housing.

Directed by the Mayor's priority to invest in place making, addressing housing and maintaining safety net services, we can move closer to ending homelessness and creating complete neighborhoods through partnerships and investments of private and public funds as well as a cross-jurisdictional governance structure.

Thank you for your commitment to addressing the unmet housing needs of the people of Portland and for your support of the PHAC and PHB. We strongly support fully funding the requested stabilization budget and ask that you support it as well.

Our city continues to struggle with too few resources and too many barriers to greatness. However, by placing complete neighborhoods with opportunities for affordable homes among our priorities, we are investing in a future where our residents can stabilize their health and their lives, raise families in homes that value service and education and create an equitable city that we are all proud to call home.

Sincerely,

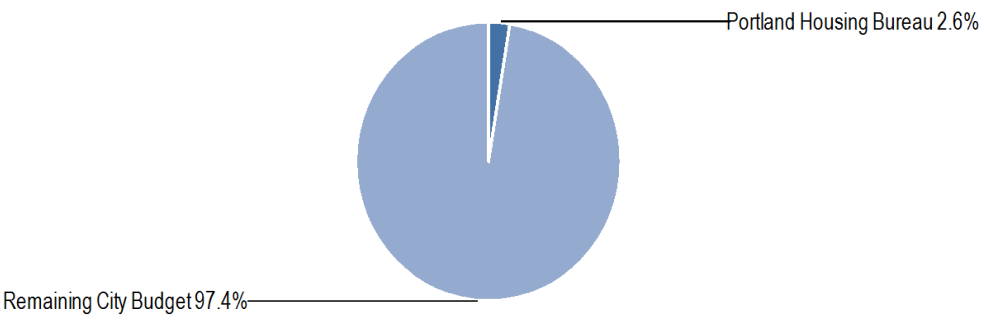
Jesse Beason
PHAC Chair

Portland Housing Bureau

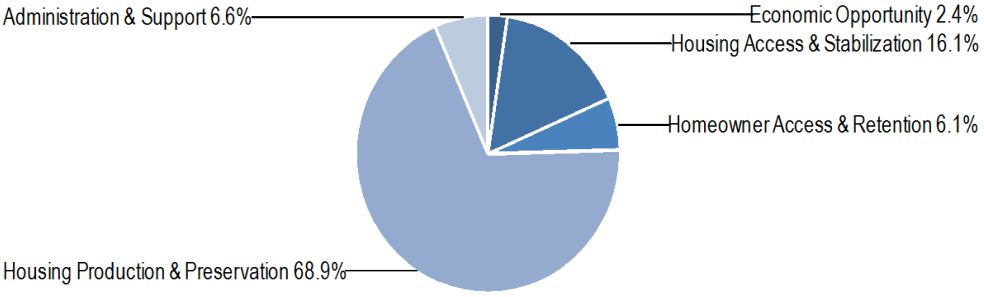
Community Development Service Area

Dan Saltzman, Commissioner-in-Charge
Traci Manning, Director

Percent of City Budget

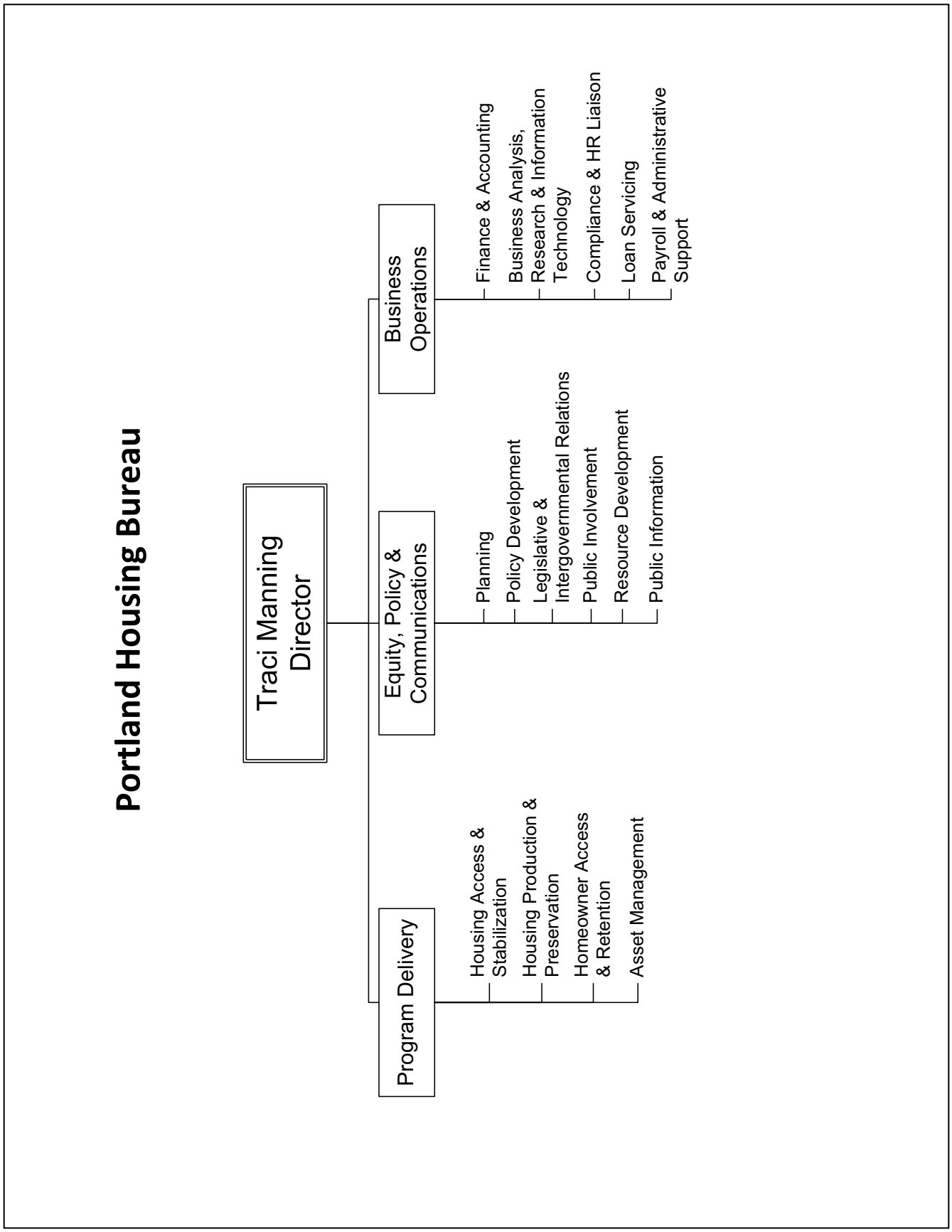


Bureau Programs



Bureau Overview

Expenditures	Revised FY 2013-14	Requested FY 2014-15	Change from Prior Year	Percent Change
Operating	97,862,082	92,686,794	(5,175,288)	(5.29)
Capital	0	0	0	0.00
Total Requirements	**97,862,082**	**92,686,794**	**(5,175,288)**	**(5.29)**
Authorized Positions	56.17	56.90	0.73	1.31


Portland Housing Bureau
Traci Manning
Director
Business Operations
Finance & Accounting
Business Analysis, Research & Information Technology
Compliance & HR Liaison
Loan Servicing
Payroll & Administrative Support
Equity, Policy & Communications
Planning
Policy Development
Legislative & Intergovernmental Relations
Public Involvement
Resource Development
Public Information
Program Delivery
Housing Access & Stabilization
Housing Production & Preservation
Homeowner Access & Retention
Asset Management

Bureau Summary

Bureau Mission

The mission of the Portland Housing Bureau (PHB) is to solve the unmet housing needs of the people of Portland. The bureau accomplishes its mission by building and preserving affordable housing; supporting programs that help low-income Portlanders find, rent, buy, retain and repair their homes; bringing together our partners and leading them to assess the city's housing needs, choose the best solutions to efficiently meet them, and identify how to pay for them; and reaching out to communities of color to ensure their participation in the economic opportunities our housing investments create.

Bureau Overview

The Portland Housing Bureau is responsible for several sources of public funds for investments in affordable housing. Program investments cross a continuum, from preventing and ending homelessness, to rental housing development for low-income individuals and families, to targeted homeownership and home retention programs. Funds come from three major sources: tax increment financing that directs 30% of all tax increment financing expenditures to affordable housing under City policy; City General Fund; and federal funds.

The federal funding comes from the U.S. Department of Housing and Urban Development (HUD) in the form of both entitlement grants (mostly Community Development Block Grant and HOME) and competitive grant funds. The bureau deploys these resources in alignment with its Strategic Plan for loans and grants for capital construction of new or rehabilitated housing and for the delivery of homeless services that support the needs of Portland's most vulnerable residents.

The Portland Housing Advisory Commission (PHAC) advises both the bureau and City Council on strategic priorities, alignment opportunities and trade-offs inherent in the expenditure of public funds. Although the commission does not have an explicit decision-making role, PHAC helped shape the bureau's Strategic Plan and also serves as the bureau's budget advisory committee. This citizen committee reviewed the bureau's financial, programmatic, and Strategic Plan details, took public testimony, and provided recommendations concerning direction and priorities.

In addition to making programmatic investments, the bureau leads local policy and planning efforts that seek to improve alignment with state and local government partners working to prevent homelessness and support economic stability. The Portland Housing Bureau has proactively engaged with partners to critically review data, streamline its systems and find efficiencies. As part of federal planning and reporting requirements, the Portland Housing Bureau works closely with its jurisdictional partners to perform joint federal funding oversight, fair housing analysis and policy recommendations, and community needs and priorities hearings. As part of the work with Multnomah County, the bureau seeks to align its priorities and maximize funding leverage. The City and County took joint leadership responsibility for our community's plan to address homelessness and have spent the last year actively engaged in updating the plan to reflect shared priorities.

The bureau aspires to deliver cost effective strategies to meet the housing needs of vulnerable and low-income Portlanders. In modeling good government practices, the bureau engages the communities it serves and makes data driven decisions that result in cost effective investments with maximum public benefits. Some examples of these processes include *A Home for Everyone*, the community's plan to end homelessness; the Portfolio Optimization Project; the Limited Tax Exemption Big Look Policy Review; Streamlining Compliance; the Portland Housing Growth and Opportunity Analysis (PHGOA); and the bureau's Equity Agenda. Each of these efforts included intergovernmental cooperation and collaboration, as well as community engagement.

For nine years, the bureau has contracted with Multnomah County to provide emergency shelter and transitional housing for homeless youth. For 12 years, the bureau has leveraged County investment in supportive housing for people with mental illnesses who have experienced homelessness. For six years, this has been partially achieved through the County, which directly funds the program operator. In FY 2013-14 Adopted Budget, PHB funded emergency shelter at $214,000, youth transitional housing at $653,000, and adult mental health supportive housing at $227,000.

Equity is woven throughout bureau policy and operations. The bureau's equity agenda recognizes and responds to the historic and institutional barriers to accessible housing, homeownership, and economic stability experienced by communities of color. The Portland Housing Bureau seeks to place a greater reliance on community-validated data to understand unmet needs, and to intentionally hold itself and partners accountable for removing barriers and serving members of minority communities equitably. For example, PHB's Fall 2012 Notice Of Funding Availability implemented a new scoring methodology, incentivizing applicants to meet equity goals in all aspects of rental developments. PHB's subrecipient contracts now all contain equity performance reporting to assist the bureau in understanding and closing gaps in services delivered to minority communities. And the bureau has also utilized an equity lens during its last two budget cycles, in order to better align resources with opportunities to improve equity outcomes.

Strategic Direction

The Portland Housing Bureau adopted a three-year Strategic Plan. The Strategic Plan establishes four core goals to focus on over three years:

1. Meet Portland's need for quality, affordable homes for its residents.
2. Ensure equitable access to housing.
3. Develop, leverage, and allocate housing funds to meet needs, sustain assets, and strengthen the housing industry.
4. Build a strong, dynamic Housing Bureau that provides the highest level of leadership and service to customers, stakeholders, employees, and the community.

The Strategic Plan can be found on the bureaus website. Through its strategic planning work, the bureau has adopted four priorities for investments. The bureau's budget is aligned with these priorities:

- Priority One: Provide more rental housing for the most vulnerable families.
- Priority Two: Move people quickly from homelessness to permanent housing while preventing families on the brink from losing their homes.
- Priority Three: Help Portlanders from communities of color buy a home or keep the home they already own.
- Priority Four: Maintain a community safety net that provides short-term shelter, information and referral services that help low-income Portlanders facing homelessness or housing crisis.

Vision

The bureau's vision is as follows:

- All Portlanders can find affordable homes in healthy neighborhoods with strong schools, good parks and recreation, healthy natural areas, safe streets, and quality food stores.
- All Portlanders have equitable access to housing and to the opportunities that safe, stable housing can deliver, free from discrimination.

Values

The bureau upholds the following values:

- Equity: The Portland Housing Bureau is committed to social justice in the delivery of housing to all residents of Portland's diverse communities. The bureau embraces diversity in its workforce and culture.
- Stewardship: The bureau invests, leverages, and prioritizes spending in ways that provide the highest public value and have the greatest influence on critical housing needs.
- Transparency: The bureau builds long-term trust by operating with integrity, inviting broad public involvement, and following processes that are clear, open, and without bias.
- Innovation: The bureau believes new thinking, partners, and ideas will help build an effective organization and resolve long-standing problems.

Summary of Budget Decisions

PHB is submitting the following decision packages for Council consideration.

Homelessness: Permanent Housing and Access for Vulnerable Populations

City of Portland, Multnomah County, and Home Forward convened a stakeholder group to advise on funding priorities to address current homelessness. This package supports those recommendations and is also aligned with the community plan *A Home For Everyone*. The funds would support programs for vulnerable families, adults with disabilities, women, domestic violence survivors and veterans through proven interventions, including:

- Services such as housing placement and rent assistance to move people from the street and shelters into housing with retention support. This package continues the collaboration with public safety partners to identify and serve vulnerable individuals who have frequent adverse police contacts related to their homelessness. At least 50 households/individuals will be referred by public safety, including the Behavioral Health Unit of PPB and the Service Coordination Team (SCT). Evaluation of impact will compare adverse police contacts in 1 year prior and 1 year post housing placement.
- Street outreach to the most vulnerable homeless people, including the mentally ill. Multnomah County's Mental Health and Addictions has agreed to partner with PHB, public safety, and community providers to pursue the stakeholder groups recommendation to identify the unmet needs of the homeless population living with mental health and or addiction challenges.
- Leveraging other private and public funds, such as Veterans Affairs-funded services, benefits acquisitions services, and health care services.
- Expansion of culturally specific services to address overrepresentation of communities of color experiencing homelessness and high risk housing instability.

Outcomes: 250 individuals will receive services, with 50 referrals from public safety

Funding Requested: $1,000,000 General Fund Ongoing

Homelessness and Emergency Preparedness: Shelter and 211

Increase capacity at homeless shelters, particularly those that have had declining winter shelter bed and day service capacity. At least 135 individuals will receive services. ($275,000)

The 211Info system provides the primary central support to access homeless services in the City of Portland. They coordinate the emergency response during severe weather, and would play the same role in case of natural disaster or other emergencies. With a relatively small additional investment, we can leverage County and other funds to achieve 24/7 operation year-round. Services would include operating the call center remotely, support for a new coordinated intake for homeless services, and 24/7 support for public safety referrals for homeless families and individuals. ($75,000)

Funding Requested: $350,000 General Fund Ongoing

Equity: Fair Housing and Title VI Programs

The Fair Housing Program would focus on improved housing acquisition and retention outcomes. Currently, resources allow for Community Alliance of Tenants (CAT) to provide a Renter Hotline that reaches many people with a more shallow level of support and strategy planning, while Legal Aid Services of Oregon (LASO) and Fair Housing Council provide legal support. However, there is a gap in services to renters with special needs or from vulnerable populations, experiencing issues that may disparately impact their housing but do not need the intervention

of an attorney. CAT will assist tenants through clinics focused in inner N/NE Portland and East Portland. Renters will receive counseling, letter writing support, documentation review and follow up from staff to prevent homelessness and ensure housing stability for participants. Funding will also support CAT Hotline follow up with tenants to ensure successful outcomes with landlords if they have additional needs such as one-on-one support and legal referrals. Evictions Court Counseling will assist low-income tenants without legal representation during court to negotiate alternative solutions to eviction or tenancy extensions. Minimum 70% positive outcomes customers served through Clinics (216-300 people) and Hotline (600) and 60% of those seen at Eviction Court (400-600). ($75,000)

Provide a pool of $25,000 made available to community-based homeless, homeownership, and other PHB sub-contractors to translate customer service materials in accordance with Title VI. Many service providers have requested assistance with translation of outreach materials to more effectively serve their client base that does not speak English. PHB contracts with over 35 different service organizations. The Title VI budget will allow PHB to offer extensive translation at five large public meetings and translate approximate 350 pages of housing related education materials.

Funding Requested: $100,000 General Fund One-Time

Complete Neighborhoods: Housing Investment Fund

Invest in keeping Portland affordable. Current market conditions are spurring significant high-end multi-family rental development. Rents, especially in close-in neighborhoods, have risen as much as 29%. Year-over-year rent rates throughout Portland have increased by 6.8%. One time funds are an effective way to make a capital investment that provides a minimum of 60 years of housing affordable to low-income working families in areas with access to great schools, transportation and fresh food and countering displacement in gentrifying neighborhoods.

As General Fund can be used citywide, this investment would provide the flexibility to go where both the need and opportunity are greatest, developing Complete Neighborhoods affordable to those the market can't reach and preventing displacement.

PHB will use cost containment strategies to invest in projects with that keep development costs low including prioritizing acquiring and rehabilitating existing housing stock which is typically much less expensive than new developments. The investment size is scalable. Each $1,000,000 investment would leverage $4,000,000 in other public and private funds. Units of additional affordable housing produced will depend upon the nature of the project(s) funded.

Background: In FY 1994-95 Council allocated an initial $4 million of General Fund discretionary resources over two years to establish the Housing Investment Fund. In subsequent budgets, further General Fund discretionary resources were added. These allocations totaled $34.6 million over a five-year period. The funds were almost exclusively used for housing development and retention programs.

Funding Requested: $3,000,000 General Fund One-Time

Homelessness: Prevent and end homelessness for youth ($500,000 ongoing)

Reinstate funding for homeless youth transitional housing programs. Funding is administered by Multnomah County, Department of Human Services. Funds are directed to Outside In and New Avenues for Youth for transitional housing and support to homeless youth (ages 16-25) through the operation of 28 transitional housing beds. 70 youth will be served per year and provided case management and support. 80% will move to permanent housing. (Total FY 2013-14 amount funded by PHB was $653,000.)

Funding Requested: $500,000 General Fund Ongoing

Administration & Support

Description

The Administration & Support program is comprised of the Director's Office, Business Operations division, and Equity, Policy, and Communications division.

Director's Office

The Director's Office includes executive level support and the bureau director. The director has three direct reports: the Assistant Housing Director responsible for Housing Programs; the Business Operations Manager, and the Housing Policy Manager responsible for Equity, Policy & Communications.

Business Operations Division

The Business Operations division includes Finance, Accounting, Human Resources, Information Technology, Data Analysis & Research, Compliance, Loan Servicing, Audits, and Administrative Support. These functions ensure that the service delivery teams have adequate information and support to carry out their functions in the most efficient and effective means possible.

Equity, Policy, and Communications

The Equity, Policy, and Communications division includes: strategic planning, public involvement, media relations, internal and external communications, housing policy development and management, resource development and legislative and intergovernmental affairs. The role of this division is to ensure that future policy and implementation decisions of the bureau improve housing access and economic opportunities for traditionally under-served populations. It will also ensure that the bureau makes its development and programmatic investments within a sound Strategic Plan and framework that addresses the most critical housing needs.

This team strives to connect the bureau's work with the work of other City bureaus and regional governments and to ensure that the Portland Housing Bureau is well-informed by housing needs data and public input. Within the Equity, Policy, and Communications division, there are four direct reports to the Equity, Policy and Communications Manager, including: a Senior Management Analyst responsible for housing policy development, legislative affairs, and public involvement, two Program Coordinators responsible for planning and public involvement, and a Public Information Officer responsible for communications and media relations.

Goals

The goals of the Director's Office include:

- Providing long-range vision and overall direction for Portland's affordable housing investments.
- Ensuring the bureau advances goals, strategies, and investment priorities from the Strategic Plan, with a focus on advancing the bureaus's Equity Agenda.
- Working collaboratively with a wide range of partners to solve the unmet housing needs of the people of Portland.

The goals of the Business Operations division include:

- Ensuring that administrative functions are delivered consistently, reliably, and effectively.
- Providing strong financial and accounting services.

- Delivering excellence in compliance.
- Supporting the bureau's equity goals through internal business. practices, quality data, contract goals, and publications on the website.
- Strengthening data collection, data analysis, and data reporting through maximizing the use of all information technology systems.
- Ensuring timely, confidential, and supportive human resource services.

The goals of the Equity, Policy and Communications division include:

- Providing an equity lens to all bureau business, policies, and decision-making.
- Ensuring that future policy and implementation decisions of the bureau improve housing access and economic opportunities for traditionally under-served populations.
- Guiding investments within a sound Strategic Plan to positively impact the most critical housing needs.
- Connecting bureau work with the work of other City bureaus and regional governments.
- Informing the bureau on current housing needs data and public input to direct policies and practices.
- Providing effective internal and external communications.

Performance

Performance measures for the Administration & Support program are focused on improving customer service relationships and using a data driven approach to bureau policy and decision making. The Admin and Support performance metrics indicate that the bureau continues to find efficiencies in its contracting process, reducing the overall number of sub-recipient contracts processed each year from 92 to 63. With broad and growing participation, PHB data systems help to provide a consistent and accurate snapshot of the populations that PHB serves, as well as information on service use and measurement of program performances. The number of users trained and supported in PHB data systems has grown each year, reaching a current high of 1,100 individuals.

Changes to Services and Activities

Personnel changes include the reclassification of a Principal Management Analyst to Senior Management Analyst on the Equity, Policy and Communications Team and the addition of a Management Analyst to the Data Team for the Continuum of Care grant.

FTE & Financials	Actual FY 2011-12	Actual FY 2012-13	Revised FY 2013-14	Requested No DP FY 2014-15	Requested FY 2014-15
FTE	35.00	35.53	30.11	30.69	30.69
Expenditures					
Administration & Support	779,504	1,131,723	606,669	659,157	659,157
Asset Management	0	426,678	0	0	0
Business Services	4,706,257	3,604,053	3,972,602	3,858,078	3,858,078
Director's Office	396,754	227,488	348,429	319,343	319,343

FTE & Financials	Actual FY 2011-12	Actual FY 2012-13	Revised FY 2013-14	Requested No DP FY 2014-15	Requested FY 2014-15
Planning & Policy	507,035	738,464	853,797	938,842	1,038,842
Total Expenditures	**6,389,550**	**6,128,406**	**5,781,497**	**5,775,420**	**5,875,420**

Performance	Actual FY 2011-12	Actual FY 2012-13	Yr End Est. FY 2013-14	Base FY 2014-15	Target FY 2014-15
Effectiveness					
Percentage of Portland Housing Bureau data users providing accurate and timely data entry	91%	85%	85%	85%	85%
Efficiency					
Administrative costs as a percentage of bureau level budget	8%	9%	6%	7%	7%
Workload					
Number of sub-recipient contracts processed	92	63	50	50	50
Number of users trained and supported in Portland Housing Bureau data systems	900	1,050	1,100	1,100	1,100

Economic Opportunity

Description

City Council transferred the Economic Opportunity initiative to the Portland Development Commission (PDC) effective July 1, 2009. PHB passes CDBG funds to PDC to support these programs and services. General Fund resources are budgeted directly in the PDC allocation.

Goals

The City of Portland has invested in youth and adult workforce development since 2004 through the Economic Opportunity Initiative (EOI) Workforce Development Program. The goal of this program is to raise the incomes of low-income Portland residents through workforce development. All participants have incomes at 50 percent or less of the Portland area median family income and often face barriers to employment such as limited English proficiency, criminal histories, homelessness, drug and alcohol addictions, and lack of educational credentials and basic skills.

Performance

Refer to PDC's FY 2014-15 budget for narrative describing program performance.

Changes to Activities and Services

While the CDBG allocation for FY 2014-15 reflects a 26% reduction over the FY 2013-14 allocation due to prior year carryover of unspent funds and other one-time funding in FY 2013-14, it is comparable to the FY 2012-13 allocation.

FTE & Financials	Actual FY 2011-12	Actual FY 2012-13	Revised FY 2013-14	Requested No DP FY 2014-15	Requested FY 2014-15
FTE	0.00	0.05	0.06	0.06	0.06
Expenditures					
Economic Opportunity	38	635,406	437,300	7,896	7,896
Microenterprise Growth	1,025,457	301,918	514,494	0	0
Workforce Development	1,389,567	749,612	1,927,096	2,114,900	2,114,900
Total Expenditures	**2,415,062**	**1,686,936**	**2,878,890**	**2,122,796**	**2,122,796**

Housing Access & Stabilization

Description

The bureau's Housing Access & Stabilization team (HAS) creates housing stability for thousands of households per year by investing in programs and coordinating community initiatives. Last year, with City and other leveraged funds, the programs we support helped more than 11,000 families and individuals by preventing and ending their homelessness, supporting their transition to greater housing stability and enabling them to secure permanent homes. This included children and their parents, unaccompanied youth, veterans, and disabled men and women.

Housing Access annual budget is comprised of City general funds, as well as federal grants (HUD COC, CDBG, ESG, HOME, HOPWA). HART funds are contracted to 15 nonprofit and public agencies to provide a comprehensive range of services that meet the needs of people experiencing homelessness, from street outreach to permanent housing placement. Services primarily fall into four categories:

- Access and stabilization services
- Prevention and rapid re-housing
- Supportive housing
- Shelter and emergency services

Programs funded by the bureau are effective in ending homelessness. Supportive housing, housing placement and street outreach, short-term rent assistance, benefits acquisitions and retention services are examples of strategies proven to help people experiencing homelessness achieve housing stability and self sufficiency. Bureau partners are experts at serving people with barriers to housing such as mental health issues, criminal convictions, health challenges, and multiple episodes of homelessness.

National studies have shown the long-term cost savings of funding these strategies because they alleviate financial strains on emergency health care, law enforcement, and other public systems. The bureau has prioritized collaboration with public safety in homelessness programs. The Portland Housing Bureau convenes an outreach and engagement working group which has broad membership including members from the Portland Police Bureau, Portland Patrol, and Park Rangers. The Portland Housing Bureau is increasing collaboration with the health care system to leverage changes brought by the Affordable Care Act.

Staff facilitates and influences the broader community-wide process that implements and evaluates progress on ending homelessness. The team also works within PHB to align broader bureau resources with community-wide goals and strategies to reduce and end homelessness, including the Consolidated Plan.

Goals

The Housing Access & Stabilization team is fully aligned with the priorities and goals of *A Home for Everyone*, the community's plan to end homelessness for Portland/Multnomah County, adopted by City Council and the Multnomah County Commission in March 2013.

This plan recommends a new governing body that will respond to current challenges, take advantage of new opportunities, and incorporate what has been learned from past efforts. That governing body and leadership from local jurisdictions will continue engaging with community stakeholder groups to develop a comprehensive Action Plan in FY 2014-15. The Action Plan will identify the most effective strategies to end homelessness.

Performance

HAS performance measures and other metrics such as the 2013 Point-in-Time Count indicate a high level of demand for homeless services. Program efficiencies were gained in the past year with the average length of stay in emergency shelter decreasing from 59 days to 55 days. This was coupled with a slight increase in the percent of clients exiting from shelter into stable housing. All programs continue to demonstrate effectiveness with 87% of households receiving short-term rent assistance retaining their housing at six months and 80% at 12 months.

The HAS team increases influence in our broader community through:

- Innovative planning and partnership building with stakeholders to respond to changing community needs and trends.
- Coordination with jurisdictional partners to promote systems change and improve policies and practices to quickly end people's homelessness.
- Data review, program evaluation, grant reporting, and analysis.

In addition to managing more than $14 million in contracts with 16 organizations, the team oversaw the following responsibilities last year:

- Coordinated Portland/Multnomah County's annual Continuum of Care application to HUD, which secured more than $12 million in renewable federal funds to help end homelessness in the community.
- Coordinated a $1.4 million HUD HOPWA grant, in partnership with Multnomah County Health Department and Cascade AIDS Project.
- Staffed the Coordinating Committee to End Homelessness (CCEH), community stakeholders who meet monthly to implement policies and programs that advance the goals of *A Home for Everyone*.
- Opened Winter Shelter for homeless adults and led the community's Severe Weather Emergency Shelter Response through the winter, including a multi-jurisdictional incident command structure and daily on-call duties. Through a contract with Red Cross, severe weather shelter is open 10-20 nights each winter.
- Represented PHB/HAS priorities and perspectives on multiple community collaboratives related to housing and homelessness including Commissioner Saltzman's request for an additional $2 million and the Homeless Youth Oversight Committee.
- Led the bi-annual one-night homeless count.

Changes to Activities and Services

The bureau received a mid-year funding increase in FY 2013-14 for programs to move vulnerable adults and families from the streets (particularly from hot spot areas) to stable housing. Commissioner Saltzman championed the addition of $300,000 for homeless women, beginning in October 2013. An additional $1.7 million was directed to three contractors, for services beginning in January 2014 and continuing through the end of December.

Due to anticipated federal funding reductions, small reductions were made to contracts that are less aligned with the core bureau mission and values. HAS continues to measure the performance of its contracts with an equity lens and works to improve services to populations overrepresented in homeless statistics. There is increased jurisdictional coordination, including the implementation of the community plan to end homelessness, as well as shelter and rent assistance refinements that will equate to shorter shelter stays. The team will work towards stronger connections between HAS efforts and the City-supported affordable housing portfolio and also make progress towards bureau Strategic Plan goals.

FTE & Financials	Actual FY 2011-12	Actual FY 2012-13	Revised FY 2013-14	Requested No DP FY 2014-15	Requested FY 2014-15
FTE	3.65	3.12	3.79	4.03	4.03
Expenditures					
Access and Stabilization	1,559,774	1,005,775	719,672	602,655	677,655
Housing Access & Stabilization	12,718	256	36	0	0
Prevention & Rapid Rehousing	3,335,152	2,576,359	3,258,406	2,788,361	3,288,361
Shelter & Emergency Services	6,740,950	5,120,716	3,985,945	3,913,452	4,188,452
Supportive Housing	2,721,502	5,252,996	5,759,789	5,242,524	6,242,524
Transitional Housing	(37,167)	0	0	0	0
Total Expenditures	**14,332,929**	**13,956,102**	**13,723,848**	**12,546,992**	**14,396,992**

Performance	Actual FY 2011-12	Actual FY 2012-13	Yr End Est. FY 2013-14	Base FY 2014-15	Target FY 2014-15
Effectiveness					
Percentage of exits from shelter into stable housing	38%	40%	40%	40%	40%
Percentage of households receiving placement assistance and retaining long-term assisted housing with supportive services at six months	96%	87%	87%	87%	87%
Percentage of households receiving placement assistance and retaining long-term assisted housing with supportive services at 12 months	93%	80%	80%	80%	80%
Efficiency					
Average length of stay in interim housing (in days)	265	221	221	221	221
Average length of rent assistance and eviction prevention in days	181	225	225	225	225
Average length of stay in days in emergency shelter	59	55	55	55	55

Performance	Actual FY 2011-12	Actual FY 2012-13	Yr End Est. FY 2013-14	Base FY 2014-15	Target FY 2014-15
Workload					
Number of households served in emergency shelters	2,294	2,038	2,040	2,040	2,175
Number of households served in interim housing	369	330	330	330	400
Number of households receiving rent assistance and eviction prevention	2,130	1,928	1,930	1,930	2,180
Number of households receiving placement rent assistance	1,938	2,231	2,230	2,230	2,230
Number of households residing in long-term assisted housing with supportive services	383	290	300	300	300

Housing Investment and Portfolio Preservation

Description

The Housing Investment and Portfolio Preservation (HIPP) team is responsible for financial investments in affordable housing development and asset management of these investments over time. Funding sources for investment activities include TIF, HIF, CDBG, and HOME.

The bureau invests in building and preserving affordable housing through a competitive allocation processes. In addition to providing long-term affordability for low-income Portlanders, those funds advance economic development goals of increasing living wage jobs and economic opportunity for local workers and minority owned businesses. This program focuses on the acquisition, development, and preservation of new and existing affordable housing assets. In FY 2012-13, the bureau invested $24.8 million which leveraged another $145.7 million in private financing and resulted in 665 affordable homes in Portland.

Housing developers are required to develop, implement, and report on their efforts to provide minority, women, and emerging small business (MWESB) contracting opportunities and must comply with federal and local low-income workforce utilization goals. In FY 2012-13, bureau partners achieved 35% MWESB participation on preservation projects, 29% MWESB participation on rehabilitation projects and 27% MWESB participation on new construction projects. This is an overall increase in MWESB participation from the prior year by 4% and with new construction projects increasing by 2%. The FY 2012-13 results break out as follows across the three categories:

- **Preservation Projects**: 35% MWESB participation (16% minority, 7% women, 12% emerging small business)
- **Rehabilitation Projects**: 29% MWESB participation (11% minority, 1% women, 17% emerging small business)
- **New Construction Projects**: 27% MWESB participation (9% minority, 4% women, 14% emerging small business)

HIPP also monitors the City's investments in an affordable housing portfolio of more than 10,000 units. The goal of Asset Management includes basic compliance monitoring as well as risk analysis to ensure the availability of housing for Portland's residents for up to 60 years. As needed, HIPP restructures ongoing investment agreements with partners to ensure the long-term financial sustainability and capital improvements of properties in the affordable housing portfolio. In FY 2012-13 the bureau performed 13 of these restructures.

Goals

This team has four major goals:

1. Strategically investing public resources to create and maintain a portfolio of affordable housing equitably throughout the community.
2. Structuring investments through the negotiation of investment terms and underwriting and closing these investments in partnership with the City Attorney's office and, as necessary, the Office of Management and Finance.
3. Providing oversight and disbursements of Portland Housing Bureau funds to projects while in construction.

4. Proactively managing bureau investments and using analysis and trends to guide informed lending decisions, including early assessment of risk and opportunity in the public investment.

Performance

Current market conditions are spurring significant high-end rental development throughout Portland and year-over-year rent rates have increased by 6.8%. HIPP performance metrics show funding of 359 newly constructed or rehabilitated affordable units. An additional 306 units were preserved and rehabilitated as part of the final phases of the 11X13 Housing Preservation campaign. PHB investment per unit continues to vary depending on the type of affordable housing being developed and project location.

PHB's Adjustments to Market Changes and Portfolio Preservation

Under the leadership of the Assistant Director, HIPP completed a review of its investment guidelines and loan products, which will be applied to new proposals. Staff is also developing strategies that maintain the long-term financial viability of the portfolio. The HIPP team is collaborating with partners in the affordable housing industry to develop innovative strategies to redefine affordable housing production and financial repositioning to ensure long-term financial sustainability while maintaining affordability.

Current local market conditions are putting substantial upward pressure on rents, making rental housing in Portland more expensive and harder to access for anyone with barriers. Also, the affordable housing portfolio the City has invested in the past is aging and will need assistance to ensure sustainability. In response, the HIPP team will conduct a review of its investment and monitoring processes to focus on improving investment efficiency; making sure limited resources are deployed most effectively to leverage other community amenities (employment, education, transportation, healthcare, etc.) and financial resources; ensuring that resources are deployed equitably, and monitoring the public investment in the City's affordable housing infrastructure in such a way as to proactively take advantage of opportunities to increase the public benefit and control risk. During FY 2012-13, Asset Management functions were moved to Housing Production and Preservation to better align with the bureau's housing rehabilitation and preservation activities.

FTE & Financials	Actual FY 2011-12	Actual FY 2012-13	Revised FY 2013-14	Requested No DP FY 2014-15	Requested FY 2014-15
FTE	10.10	7.41	13.41	13.49	13.49
Expenditures					
Housing Development Support	266,871	735,173	1,575,643	930,300	930,300
Housing Production & Preservation	124,272	945	0	0	0
New Construction	36,637,396	23,352,750	29,566,278	35,313,835	35,313,835
Preservation	606,363	7,763,477	3,593,127	16,355,087	16,355,087
Rehabilitation	10,651,468	6,664,567	27,590,781	6,086,450	9,086,450
Rental Housing Access & Stabilization	102,807	(160)	0	0	0
Total Expenditures	**48,389,177**	**38,516,752**	**62,325,829**	**58,685,672**	**61,685,672**

Performance	Actual FY 2011-12	Actual FY 2012-13	Yr End Est. FY 2013-14	Base FY 2014-15	Target FY 2014-15
Effectiveness					
Vacancy rate of units built 0 to 60% median family income	5%	5%	5%	5%	5%
Number of expiring Section 8 rental units preserved affordable for 0 to 60% median family income	144	306		51	51
Percentage of Minority, Women, and Emerging Small Business contracts in housing rehabs (contract $ awarded)	37%	35%	35%	35%	35%
Efficiency					
Investment dollars per affordable housing unit	$41,000	$79,682	$74,073	$74,000	$74,000
Investment dollars per expiring Section 8 housing unit preserved	$19,926	$31,131		$31,000	$31,000
Investment dollars per affordable unit rehabilitated	$20,000	$36,822	$37,000	$37,000	$37,000
Number of lead and mold hazards removed from housing units with children	145	241	250	250	250
Workload					
Number of rental units built affordable for 0 to 60% median family income	125	301	181	47	47
Number of rental units built affordable for 61 to 100% median family income	0	1	45		
Number of rental units rehabilitated affordable for 0 to 60% median family income	236	57	118	127	127
Number of housing assets monitored	315	133	135	135	135

Homeowner Access & Retention

Description

Homeowner Access & Retention (HAR) invests in services to help families from communities of color access homeownership opportunities. The program also serves to prevent displacement of long-time community residents by helping current homeowners retain their homes. Support for low-income, first-time homebuyers includes education and counseling, and assistance provided for down payments and closing costs. HAR helps current homeowners retain their homes by funding foreclosure prevention education and counseling.

Funding for home repair grants and loans also helps current low-income homeowners maintain their homes. Programs to improve the condition of existing housing addresses the impact that housing condition can have on health. These healthy homes programs include administration of federal funds to reduce lead-based paint hazards in homes with young children. HAR administers programs that provide incentives for the development of new homeownership opportunities for low- and moderate-income households, including Property Tax and System Development Charge Exemptions.

Goals

The goals of the Homeowner Access & Retention section include:

- Increasing the number of new homebuyers from communities of color.
- Enabling homeownership by providing down payment assistance and closing costs, education, and counseling.
- Stabilizing vulnerable homeowners by providing foreclosure prevention services.
- Providing home repair services to current homeowners so they can retain their homes.

Performance

HAR performance measures show an increased demand for services with the number of households receiving homebuyer education or counseling growing for 1,919 households to 2,194 households. Of households receiving services, 432 or 20% purchased homes during the year. The program's other workload measures have remained constant or shown slight increases.

Changes to Services and Activities

In alignment with the bureau's Strategic Plan, Homeownership Access and Retention will focus on successfully achieving PHB equity goals through continued partnerships with culturally specific organizations, but also by developing minority contracting goals for all construction-related funding. HAR will work to implement recommendations included in the Portland Housing Opportunity & Growth Analysis (PHGOA) by targeting flexible resources for homeownership and home repair, geographically, to maximize the opportunities of homeownership as well as prevent displacement in communities at risk of displacement. HAR will continue to align all available homeownership and home repair resources to fully maximize the effectiveness of limited public resources, anticipating that every dollar invested in homeownership will leverage $5 in private lending activity.

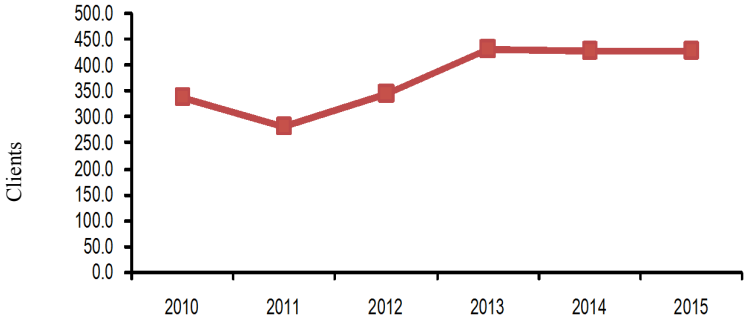
FTE & Financials	Actual FY 2011-12	Actual FY 2012-13	Revised FY 2013-14	Requested No DP FY 2014-15	Requested FY 2014-15
FTE	8.25	8.79	8.79	8.63	8.63
Expenditures					
Healthy Homes	987,421	1,684,658	1,730,819	937,700	937,700
Home Repair	1,901,428	2,073,887	2,434,232	2,029,904	2,029,904
Homebuyer & Foreclosure Education/Counseling	890,425	720,440	776,576	701,462	701,462
Homebuyer Financial Assistance	1,196,103	1,498,889	2,729,934	1,381,968	1,381,968
Homeowner Access & Retention	0	(108)	0	0	0
Homeownership Development	103,903	289,023	0	0	0
Tax Exemption & Fee Waiver	154,181	222,943	377,639	410,570	410,570
Total Expenditures	**5,233,461**	**6,489,732**	**8,049,200**	**5,461,604**	**5,461,604**

Performance	Actual FY 2011-12	Actual FY 2012-13	Yr End Est. FY 2013-14	Base FY 2014-15	Target FY 2014-15
Effectiveness					
Number of households receiving homebuyer education or counseling and purchasing homes	345	432	430	430	430
Number of households receiving foreclosure prevention services	893	315	315	315	315
Percentage utilization of Minority, Women, and Emerging Small Business contracts in new housing construction (contract $ awarded)	25%	27%	27%	27%	27%
Efficiency					
Average dollar investment per household for elderly and disabled receiving small home repairs	$1,130	$1,140	$1,140	$1,140	$1,140
Investment dollars per household for owner occupied home repairs	$13,466	$11,724	$12,000	$12,000	$12,000
Average dollar value of system development charges exemption for homeownership development	$14,048	$13,363	$13,300	$13,300	$13,300
Workload					
Number of households receiving homebuyer education or counseling	1,919	2,194	2,200	2,200	2,200
Number of owner occupied home repair loans	37	21	20	20	20
Number of homeownership units assisted by limited tax exemptions	107	138	140	140	140
Number of units assisted by system development charge waivers	104	142	140	140	140
Number of households attending homebuyer fairs	964	965	965		
Number of elderly and disabled households receiving small scale home repairs	1,269	1,273	1,300	1,300	1,300

Performance Measures

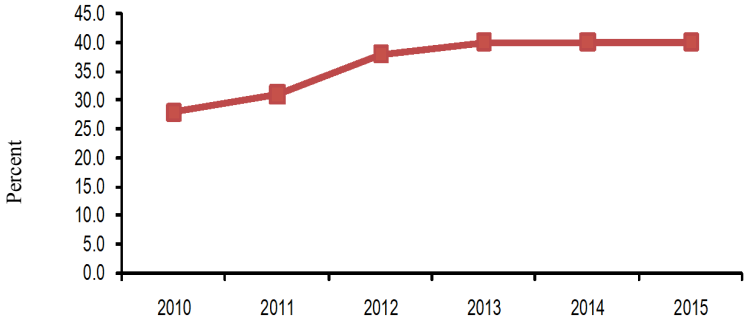
Number of Clients Purchasing Homes

The downturn in the housing market has negatively impacted potential clients' ability to purchase homes. Additionally, the bureau is generally shifting the way resources are used; the bureau is currently putting funds into more robust homebuyer counseling to ensure that those buying homes are able to stay in their homes and therefore serving fewer clients.



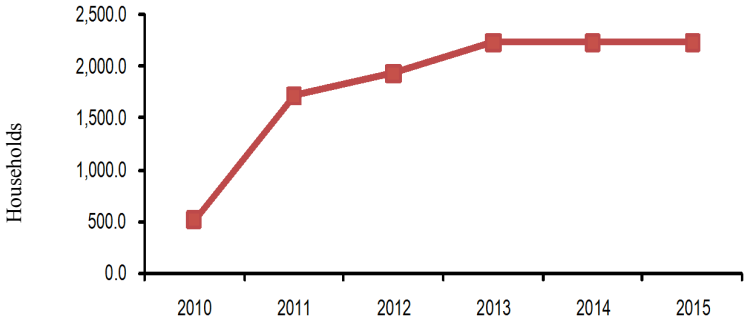
Percent of Exits from Shelter into Stable Housing

The percent of participants in the Ending Homelessness Initiative Shelter programs exiting into stable housing has remained consistent over the past two years while the number of people being served in shelter has increased.



Households Receiving Placement Rent Assistance

The bureau has been able to effectively use stimulus funds through Home Forward to increase the number of households receiving rent assistance.



	Actual FY 2011-12	Actual FY 2012-13	Revised FY 2013-14	Requested No DP FY 2014-15	Requested FY 2014-15
Resources					
External Revenues					
Charges for Services	402,343	679,509	345,780	463,000	463,000
Intergovernmental	52,804,085	47,956,109	67,408,734	58,716,845	58,716,845
Bond & Note	2,046,000	150,000	7,956,557	7,424,000	7,424,000
Miscellaneous	12,773,337	8,599,014	7,479,397	3,768,111	3,768,111
Total External Revenues	**68,025,765**	**57,384,632**	**83,190,468**	**70,371,956**	**70,371,956**
Internal Revenues					
General Fund Discretionary	11,003,124	10,954,303	12,031,115	10,387,115	12,337,115
Fund Transfers - Revenue	258,190	532,214	7,012	0	3,000,000
Interagency Revenue	14,313	68,771	73,332	77,162	77,162
Total Internal Revenues	**11,275,627**	**11,555,288**	**12,111,459**	**10,464,277**	**15,414,277**
Beginning Fund Balance	6,118,030	6,865,216	2,260,155	6,900,561	6,900,561
Total Resources	**$85,419,422**	**$75,805,136**	**$97,562,082**	**$87,736,794**	**$92,686,794**
Requirements					
Bureau Expenditures					
Personnel Services	5,358,242	5,457,679	6,253,064	6,089,207	6,089,207
External Materials and Services	70,189,171	60,146,222	85,423,187	77,417,273	82,367,273
Internal Materials and Services	1,212,766	1,174,027	1,083,013	1,086,004	1,086,004
Total Bureau Expenditures	**76,760,179**	**66,777,928**	**92,759,264**	**84,592,484**	**89,542,484**
Fund Expenditures					
Debt Service	1,398,282	2,948,642	1,441,293	1,294,861	1,294,861
Contingency	0	0	2,454,044	1,261,827	1,261,827
Fund Transfers - Expense	395,745	1,388,223	1,087,481	587,622	587,622
Total Fund Expenditures	**1,794,027**	**4,336,865**	**4,982,818**	**3,144,310**	**3,144,310**
Ending Fund Balance	6,865,216	4,690,343	120,000	0	0
Total Requirements	**$85,419,422**	**$75,805,136**	**$97,862,082**	**$87,736,794**	**$92,686,794**
Programs					
Administration & Support	6,389,550	6,128,406	5,781,497	5,775,420	5,875,420
Economic Opportunity	2,415,062	1,686,936	2,878,890	2,122,796	2,122,796
Homeowner Access & Retention	5,233,461	6,489,732	8,049,200	5,461,604	5,461,604
Housing Access & Stabilization	14,332,929	13,956,102	13,723,848	12,546,992	14,396,992
Housing Production & Preservation	48,389,177	38,516,752	62,325,829	58,685,672	61,685,672
Total Programs	**76,760,179**	**$66,777,928**	**$92,759,264**	**$84,592,484**	**$89,542,484**

Class	Title	Salary Range Minimum	Salary Range Maximum	Revised FY 2013-14 No.	Revised FY 2013-14 Amount	Requested No DP FY 2014-15 No.	Requested No DP FY 2014-15 Amount	Requested FY 2014-15 No.	Requested FY 2014-15 Amount
30000062	Accountant I	39,312	56,514	1.00	39,312	1.00	39,312	1.00	39,312
30000064	Accountant III	56,597	71,178	1.00	69,792	1.00	71,184	1.00	71,184
30000441	Business Operations Manager	77,584	103,355	1.00	87,816	1.00	90,816	1.00	90,816
30000569	Financial Analyst, Principal	77,584	103,355	1.00	103,020	1.00	103,300	1.00	103,300
30000568	Financial Analyst, Sr	65,478	87,422	1.00	83,336	1.00	86,640	1.00	86,640
30001592	Housing Administrative Specialist, Sr	51,314	67,974	3.00	156,289	3.00	164,156	3.00	164,156
30001591	Housing Business Systems Analyst, Asst	55,120	73,029	1.00	61,512	1.00	65,192	1.00	65,192
30001361	Housing Construction Coordinator	57,866	76,690	2.00	136,968	2.00	141,588	2.00	141,588
30001362	Housing Construction Coordinator, Sr	63,856	84,635	3.00	249,408	3.00	253,908	3.00	253,908
30001363	Housing Development Finance Coordinator	67,184	89,003	2.00	174,840	2.00	178,008	2.00	178,008
30000417	Housing Director	106,038	151,798	1.00	129,132	1.00	133,101	1.00	133,101
30001260	Housing Director, Assistant	89,710	121,576	1.00	86,844	1.00	89,712	1.00	89,712
30001587	Housing Financial Analyst	60,798	80,538	2.00	155,916	2.00	161,088	2.00	161,088
30001588	Housing Financial Analyst, Assistant	55,120	73,029	1.00	58,680	1.00	61,786	1.00	61,786
30001367	Housing Lead Grant Program Coordinator	63,856	84,635	1.00	83,136	1.00	84,636	1.00	84,636
30001369	Housing Loan Compliance Analyst II	51,314	67,974	1.00	66,768	1.00	67,980	1.00	67,980
30001364	Housing Loan Coordinator	55,120	73,029	1.00	56,364	1.00	59,736	1.00	59,736
30001365	Housing Loan Coordinator, Sr	60,798	80,538	2.00	138,840	2.00	143,614	2.00	143,614
30001596	Housing Management Assistant	55,120	73,029	1.00	59,685	1.00	63,261	1.00	63,261
30001608	Housing Policy Manager	77,584	103,355	1.00	90,912	1.00	94,333	1.00	94,333
30001595	Housing Program Coordinator	63,856	84,635	10.00	802,622	9.90	821,978	9.90	821,978
30001593	Housing Program Specialist	57,866	76,690	4.00	257,374	4.00	267,248	4.00	267,248
30001594	Housing Program Specialist, Assistant	55,120	73,029	3.00	194,130	3.00	202,117	3.00	202,117
30000453	Management Analyst, Principal	77,584	103,355	0.50	37,554	0.00	0	0.00	0
30000452	Management Analyst, Sr	65,478	87,422	1.50	120,450	2.00	153,480	2.00	153,480
30000012	Office Support Specialist II	32,552	46,758	1.00	46,764	1.00	46,764	1.00	46,764
30000464	Program Coordinator	62,338	83,138	2.00	160,380	2.00	165,987	2.00	165,987
30000465	Program Manager	65,478	87,422	3.00	229,488	3.00	234,268	3.00	234,268
30000466	Program Manager, Sr	77,584	103,355	1.00	78,936	1.00	82,170	1.00	82,170
30000495	Public Information Officer	65,478	87,422	1.00	73,380	1.00	75,890	1.00	75,890
TOTAL FULL-TIME POSITIONS				55.00	4,089,648	54.90	4,203,253	54.90	4,203,253
TOTAL PART-TIME POSITIONS				0.00	0	0.00	0	0.00	0
30000451	Management Analyst	59,342	79,123	0.58	33,516	1.00	59,340	1.00	59,340
30000464	Program Coordinator	62,338	83,138	0.58	35,196	1.00	62,340	1.00	62,340
TOTAL LIMITED TERM POSITIONS				1.17	68,712	2.00	121,680	2.00	121,680
GRAND TOTAL				56.17	4,158,360	56.90	4,324,933	56.90	4,324,933

	Actual FY 2011-12	Actual FY 2012-13	Revised FY 2013-14	Requested No DP FY 2014-15	Requested FY 2014-15	Proposed FY 2014-15
Resources						
Charges for Services	383,746	365,379	345,780	463,000	463,000	
Intergovernmental	214,914	158,878	161,689	161,700	161,700	
Bond & Note	400,000	0	0	0	0	
Miscellaneous	1,947,509	682,708	608,600	579,650	579,650	
Total External Revenues	**2,946,169**	**1,206,965**	**1,116,069**	**1,204,350**	**1,204,350**	
Fund Transfers - Revenue	3,855	0	0	0	3,000,000	
Total Internal Revenues	**3,855**	**0**	**0**	**0**	**3,000,000**	
Beginning Fund Balance	2,932,326	3,285,791	877,851	234,718	234,718	
Total Resources	**5,882,350**	**4,492,756**	**1,993,920**	**1,439,068**	**4,439,068**	
Requirements						
Personnel Services	668,830	975,514	993,154	826,100	826,100	
External Materials and Services	1,605,728	814,206	523,229	371,525	3,371,525	
Total Bureau Expenditures	**2,274,558**	**1,789,720**	**1,516,383**	**1,197,625**	**4,197,625**	
Contingency	0	0	139,795	117,234	117,234	
Fund Transfers - Expense	322,001	792,988	217,742	124,209	124,209	
Total Fund Expenditures	**322,001**	**792,988**	**357,537**	**241,443**	**241,443**	
Ending Fund Balance	3,285,791	1,910,048	120,000	0	0	
Total Requirements	**5,882,350**	**4,492,756**	**1,993,920**	**1,439,068**	**4,439,068**	

Fund Overview

The Housing Investment Fund supports the City's housing initiatives, all of which serve to develop or preserve affordable housing in Portland or help low- and moderate-income individuals to access affordable housing. These programs include the Risk Mitigation Pool, fee-supported activities (e.g., administration of City limited tax abatements and system development charge waivers), and other Portland Housing Bureau programs and activities. The bureau processes fund loan activity directly. This includes processing loan disbursements, recording loan receivables, and receipting program income associated with loan repayments.

Loan Activity

Effective with the July 1, 2010 transition of affordable housing operations from the Portland Development Commission to the City, the Portland Housing Bureau began processing loan activity directly. This includes processing loan disbursements, recording loan receivables, and receipting program income associated with loan repayments.

Indirect Programs

In addition to subfunds for the Homeless Management Information System match and Risk Mitigation Pool, the bureau also established subfunds in the fund to track the bureau's "indirect programs" as follows:

- Limited tax abatement program fees
- System development charge program fees
- Mortgage Credit Certificate program

Carryover Appropriations remaining at the end of the fiscal year are carried over in the fall supplemental budget process of the following fiscal year. The supplemental budget includes obligated carryover, appropriation for projects that have been authorized and budgeted in the prior year, and carryover appropriation for expanded projects or new requests.

Managing Agency Portland Housing Bureau

Significant Changes from Prior Year

The Housing Investment Fund budget is lower in FY 2014-15 primarily due to reductions in recent and projected housing portfolio loan income

Community Development Block Grant Fund

	Actual FY 2011-12	Actual FY 2012-13	Revised FY 2013-14	Requested No DP FY 2014-15	Requested FY 2014-15	Proposed FY 2014-15
Resources						
Charges for Services	200	5,164	0	0	0	
Intergovernmental	5,733,959	11,795,243	14,136,446	13,911,063	13,911,063	
Bond & Note	1,400,000	150,000	7,424,000	7,424,000	7,424,000	
Miscellaneous	1,058,897	1,519,265	2,169,060	718,700	718,700	
Total External Revenues	**8,193,056**	**13,469,672**	**23,729,506**	**22,053,763**	**22,053,763**	
Fund Transfers - Revenue	0	495,214	0	0	0	
Total Internal Revenues	**0**	**495,214**	**0**	**0**	**0**	
Beginning Fund Balance	1,143,733	47,191	0	0	0	
Total Resources	**9,336,789**	**14,012,077**	**23,729,506**	**22,053,763**	**22,053,763**	
Requirements						
Personnel Services	1,481,959	1,509,056	1,294,994	1,321,630	1,321,630	
External Materials and Services	7,306,133	10,555,759	20,430,300	18,963,200	18,963,200	
Internal Materials and Services	95,959	30,000	350,345	410,162	410,162	
Total Bureau Expenditures	**8,884,051**	**12,094,815**	**22,075,639**	**20,694,992**	**20,694,992**	
Debt Service	405,547	1,874,712	645,000	495,000	495,000	
Contingency	0	0	1,308,867	863,771	863,771	
Total Fund Expenditures	**405,547**	**1,874,712**	**1,953,867**	**1,358,771**	**1,358,771**	
Ending Fund Balance	47,191	42,550	0	0	0	
Total Requirements	**9,336,789**	**14,012,077**	**24,029,506**	**22,053,763**	**22,053,763**	

Fund Overview

Revenues

The Community Development Block Grant (CDBG) Fund accounts for the City's CDBG entitlement from the United States Department of Housing and Urban Development, loan repayments, lien payments, revenue generated from CDBG-funded activities, carryover funds from prior years, private leveraged resources, and interest and repayments for float activities.

Structure

This fund is an annual entitlement grant fund that is reimbursed by the federal government for actual expenditures less any program income received. Because requests for reimbursement cannot exceed expenditures less program income, the fund will not have an ending balance. Effective with the affordable housing transition from the Portland Development Commission to the Portland Housing Bureau, the bureau began processing CDBG loan activity directly. This includes processing loan disbursements, recording loan receivables, and receipting loan repayment program income.

Carryover

Entitlement appropriations remaining at the end of the fiscal year are carried over in the fall supplemental budget process of the following fiscal year. The supplemental budget includes obligated carryover, appropriation for projects that have been authorized and budgeted in the prior year, and carryover appropriation for expanded projects or new requests.

Managing Agency

Portland Housing Bureau

Significant Changes from Prior Year

	Actual FY 2011-12	Actual FY 2012-13	Revised FY 2013-14	Requested No DP FY 2014-15	Requested FY 2014-15	Proposed FY 2014-15
Resources						
Charges for Services	1,401	292	0	0	0	
Intergovernmental	2,432,762	4,305,522	8,371,359	5,456,449	5,456,449	
Bond & Note	246,000	0	0	0	0	
Miscellaneous	266,676	860,723	237,241	202,900	202,900	
Total External Revenues	**2,946,839**	**5,166,537**	**8,608,600**	**5,659,349**	**5,659,349**	
Total Internal Revenues	**0**	**0**	**0**	**0**	**0**	
Beginning Fund Balance	998,925	291	0	0	0	
Total Resources	**3,945,764**	**5,166,828**	**8,608,600**	**5,659,349**	**5,659,349**	
Requirements						
Personnel Services	367,338	288,434	362,951	342,627	342,627	
External Materials and Services	3,578,135	4,343,397	8,073,475	5,035,900	5,035,900	
Total Bureau Expenditures	**3,945,473**	**4,631,831**	**8,436,426**	**5,378,527**	**5,378,527**	
Debt Service	0	246,000	0	0	0	
Contingency	0	0	172,174	280,822	280,822	
Total Fund Expenditures	**0**	**246,000**	**172,174**	**280,822**	**280,822**	
Ending Fund Balance	291	288,997	0	0	0	
Total Requirements	**3,945,764**	**5,166,828**	**8,608,600**	**5,659,349**	**5,659,349**	

Fund Overview

The HOME program is a federal entitlement program of the United States Department of Housing and Urban Development. The purpose of the grant is to assist local governments with the development of affordable housing.

Portland HOME Consortium

The Portland HOME Consortium consists of the City of Portland, the City of Gresham, and Multnomah County. Portland is the lead partner of the consortium and is responsible for receiving and administering the HOME grant.

Structure

The HOME Grant Fund is reimbursed by the federal government for actual expenditures less program income. Since requests for reimbursement cannot exceed expenditures less program income, the fund will not have an ending balance. The bureau processes HOME loan activity directly. This includes processing loan disbursements, recording loan receivables, and receipting program income associated with loan repayments.

Carryover

Entitlement appropriations remaining at the end of the fiscal year are carried over in the fall supplemental budget process of the following fiscal year. The supplemental budget includes obligated carryover, appropriation for projects that have been authorized and budgeted in the prior year, and carryover appropriation for expanded projects or new requests.

Managing Agency

Portland Housing Bureau

Significant Changes From Prior Year

The HOME fund appropriation is significant less in FY 2014-15 is due to the $3.93M in active HOME-funded projects in the FY 2013-14 Revised.

Tax Increment Financing Reimbursement Fund

Community Development Service Area

	Actual FY 2011-12	Actual FY 2012-13	Revised FY 2013-14	Requested No DP FY 2014-15	Requested FY 2014-15	Proposed FY 2014-15
Resources						
Charges for Services	15,623	308,439	0	0	0	
Intergovernmental	40,117,097	23,478,962	38,371,906	34,851,083	34,851,083	
Bond & Note	0	0	532,557	0	0	
Miscellaneous	9,174,758	5,482,533	3,987,166	2,266,000	2,266,000	
Total External Revenues	**49,307,478**	**29,269,934**	**42,891,629**	**37,117,083**	**37,117,083**	
Fund Transfers - Revenue	0	0	7,012	0	0	
Total Internal Revenues	**0**	**0**	**7,012**	**0**	**0**	
Beginning Fund Balance	2,290,667	5,400,630	1,382,304	6,665,843	6,665,843	
Total Resources	**51,598,145**	**34,670,564**	**44,280,945**	**43,782,926**	**43,782,926**	
Requirements						
Personnel Services	1,822,427	1,789,106	2,382,762	2,360,754	2,360,754	
External Materials and Services	43,251,449	28,632,691	39,294,058	40,116,750	40,116,750	
Internal Materials and Services	1,034,895	652,587	903,062	842,009	842,009	
Total Bureau Expenditures	**46,108,771**	**31,074,384**	**42,579,882**	**43,319,513**	**43,319,513**	
Debt Service	15,000	0	0	0	0	
Contingency	0	0	831,324	0	0	
Fund Transfers - Expense	73,744	584,235	869,739	463,413	463,413	
Total Fund Expenditures	**88,744**	**584,235**	**1,701,063**	**463,413**	**463,413**	
Ending Fund Balance	5,400,630	3,011,945	0	0	0	
Total Requirements	**51,598,145**	**34,670,564**	**44,280,945**	**43,782,926**	**43,782,926**	

Fund Overview

The Tax Increment Financing (TIF) Reimbursement Fund accounts for the reimbursement of housing-related costs that are funded from tax increment proceeds in the various Portland Development Commission (PDC) urban renewal areas. Eligible costs will be incurred by the Portland Housing Bureau for each individual urban renewal area and then reimbursed by PDC. The bureau processes loan activity directly. This includes processing loan disbursements, recording loan receivables, and receipting program income associated with loan repayments. TIF affordable housing program income is netted from TIF reimbursements from PDC.

Carryover Appropriations remaining at the end of the fiscal year are carried over in the fall supplemental budget process of the following fiscal year. The supplemental budget includes obligated carryover, appropriation for projects that have been authorized and budgeted in the prior year, and carryover appropriation for expanded projects or new requests.

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Headwaters Apartment Complex Fund

	Actual FY 2011-12	Actual FY 2012-13	Revised FY 2013-14	Requested No DP FY 2014-15	Requested FY 2014-15	Proposed FY 2014-15
Resources						
Intergovernmental	1,015,468	970,625	875,324	880,000	880,000	
Miscellaneous	1,938	2,812	1,293	861	861	
Total External Revenues	**1,017,406**	**973,437**	**876,617**	**880,861**	**880,861**	
Fund Transfers - Revenue	254,335	0	0	0	0	
Total Internal Revenues	**254,335**	**0**	**0**	**0**	**0**	
Beginning Fund Balance	284,260	578,090	0	0	0	
Total Resources	**1,556,001**	**1,551,527**	**876,617**	**880,861**	**880,861**	
Requirements						
External Materials and Services	176	349	80,324	81,000	81,000	
Total Bureau Expenditures	**176**	**349**	**80,324**	**81,000**	**81,000**	
Debt Service	977,735	827,930	796,293	799,861	799,861	
Total Fund Expenditures	**977,735**	**827,930**	**796,293**	**799,861**	**799,861**	
Ending Fund Balance	578,090	723,248	0	0	0	
Total Requirements	**1,556,001**	**1,551,527**	**876,617**	**880,861**	**880,861**	

Fund Overview

This fund reflects expenses and revenues for the City-owned Headwaters Apartment complex. The property is managed by the Portland Development Commission (PDC) through a property management firm. Tenant revenue is collected by PDC (per bond covenants) and the net income after property management and insurance costs is sent to the Portland Housing Bureau monthly. The bureau is responsible for making the semi-annual debt service payments on the bonds sold for the construction of the property with this revenue.

Managing Agency Portland Housing Bureau

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Decision Package Summary

Bureau: Portland Housing Bureau **Priority:** 01 **Type:** Key Priorities

Decision Package: HC_01 - Permanent Hsg & Access for Vulnerable Population **Program:** Prevention & Rapid Rehousing

	FY 2014-15 Requested 1 Time DP	FY 2014-15 Requested Ongoing DP	FY 2014-15 Requested Budget	FY 2015-16 Estimated Budget	FY 2016-17 Estimated Budget	FY 2017-18 Estimated Budget	FY 2018-19 Estimated Budget	
EXPENDITURES								
External Materials and Services	0	1,000,000	1,000,000	0	0	0	0	0
TOTAL EXPENDITURES	**0**	**1,000,000**	**1,000,000**	**0**	**0**	**0**	**0**	**0**
REVENUES								
General Fund Discretionary	0	1,000,000	1,000,000	0	0	0	0	0
TOTAL REVENUES	**0**	**1,000,000**	**1,000,000**	**0**	**0**	**0**	**0**	**0**

Description:

Homelessness: Permanent Housing and Access for Vulnerable PopulationsCity of Portland, Multnomah County, and Home Forward convened a stakeholder group to advise on funding priorities to address current homelessness. This package supports those recommendations and is also aligned with the community plan A Home For Everyone. The funds would support programs for vulnerable families, adults with disabilities, women, and veterans through proven interventions, including:

• Services such as housing placement and rent assistance to move people from the street and shelters into housing with retention support. This package continues the collaboration with public safety partners to identify and serve vulnerable individuals who have frequent adverse police contacts related to their homelessness. At least 50 households/individuals will be referred by public safety, including the Behavioral Health Unit of PPB and the Service Coordination Team (SCT). Evaluation of impact will compare adverse police contacts in 1 year prior and 1 year post housing placement.

• Street outreach to the most vulnerable homeless people, including the mentally ill. Multnomah County's Mental Health and Addictions has agreed to partner with PHB, public safety, and community providers to pursue the stakeholder group's recommendation to identify the unmet needs of the homeless population living with mental health and or addiction challenges.

• Leveraging other private and public funds, such as Veterans Affairs-funded services, benefits acquisitions services, and health care services

• Expansion of culturally specific services to address overrepresentation of communities of color experiencing homelessness and high risk housing instability

Expected Results:

250 individuals will receive services, with 50 referrals from public safety

Decision Package Summary

Bureau: Portland Housing Bureau **Priority:** 02 **Type:** Key Priorities

Decision Package: HC_02 - Homelessness & Emergency Prep: Shelter & 211 Inf **Program:** Shelter & Emercency Services

	FY 2014-15 Requested 1 Time DP	FY 2014-15 Requested Ongoing DP	FY 2014-15 Requested Budget	FY 2015-16 Estimated Budget	FY 2016-17 Estimated Budget	FY 2017-18 Estimated Budget	FY 2018-19 Estimated Budget	
EXPENDITURES								
External Materials and Services	0	350,000	350,000	0	0	0	0	0
TOTAL EXPENDITURES	**0**	**350,000**	**350,000**	**0**	**0**	**0**	**0**	**0**
REVENUES								
General Fund Discretionary	0	350,000	350,000	0	0	0	0	0
TOTAL REVENUES	**0**	**350,000**	**350,000**	**0**	**0**	**0**	**0**	**0**

Description:

Increase capacity at homeless shelters, particularly those that have had declining winter shelter bed and day service capacity. ($275,000)

The 211info system provides the primary central support to access homeless services in the City of Portland. They coordinate the emergency response during severe weather, and would play the same role in case of natural disaster or other emergencies. With a relatively small additional investment, we can leverage County and other funds to achieve 24/7 operation year-round. Services would include operating the call center remotely, support for a new coordinated intake for homeless services, and 24/7 support for public safety referrals for homeless families and individuals. ($75,000)

Expected Results:

At least 135 individuals will receive services with increased shelter capacity.

Referral services available in the evening, when other services are closed

Decision Package Summary

Bureau: Portland Housing Bureau **Priority:** 03 **Type:** Key Priorities

Decision Package: HC_03 - Prevent & end homelessness for youth **Program:** Supportive Housing

	FY 2014-15 Requested 1 Time DP	FY 2014-15 Requested Ongoing DP	FY 2014-15 Requested Budget	FY 2015-16 Estimated Budget	FY 2016-17 Estimated Budget	FY 2017-18 Estimated Budget	FY 2018-19 Estimated Budget	
EXPENDITURES								
External Materials and Services	0	500,000	500,000	0	0	0	0	0
TOTAL EXPENDITURES	**0**	**500,000**	**500,000**	**0**	**0**	**0**	**0**	**0**
REVENUES								
General Fund Discretionary	0	500,000	500,000	0	0	0	0	0
TOTAL REVENUES	**0**	**500,000**	**500,000**	**0**	**0**	**0**	**0**	**0**

Description:

Reinstate funding for homeless youth transitional housing programs. Funding is administered by Multnomah County, Department of Human Services. Funds are directed to Outside In and New Avenues for Youth for transitional housing and support to homeless youth (ages 16-25) through the operation of 28 transitional housing beds. (Total FY 13-14 amount funded by PHB was $653,000).

Expected Results:

70 youth will be served per year and provided case management and support. 80% will move to permanent housing.

Decision Package Summary

Bureau: Portland Housing Bureau **Priority:** 04 **Type:** Critical Needs

Decision Package: HC_04 - Equity: Fair Housing and Title VI Programs **Program:** Equity, Policy & Communications

	FY 2014-15 Requested 1 Time DP	FY 2014-15 Requested Ongoing DP	FY 2014-15 Requested Budget	FY 2015-16 Estimated Budget	FY 2016-17 Estimated Budget	FY 2017-18 Estimated Budget	FY 2018-19 Estimated Budget	
EXPENDITURES								
External Materials and Services	100,000	0	100,000	0	0	0	0	0
Fund Transfers - Expense	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES	**100,000**	**0**	**100,000**	**0**	**0**	**0**	**0**	**0**
REVENUES								
Fund Transfers - Revenue	0	0	0	0	0	0	0	0
General Fund Discretionary	100,000	0	100,000	0	0	0	0	0
TOTAL REVENUES	**100,000**	**0**	**100,000**	**0**	**0**	**0**	**0**	**0**

Description:

The Fair Housing Program would focus on improved housing acquisition and retention outcomes. Currently, resources allow for Community Alliance of Tenants (CAT) to provide a Renter Hotline that reaches many people with a more shallow level of support and strategy planning, while Legal Aid and Fair Housing Council to provide legal support. However, there is a gap in services to renters with special needs or from vulnerable populations, experiencing issues that may disparately impact their housing but do not need the intervention of an attorney. CAT will assist tenants through clinics focused in inner N/NE Portland and East Portland. Renters will receive counseling, letter writing support, documentation review and follow up from staff to prevent homelessness and ensure housing stability for participants. Funding will also support CAT Hotline follow up with tenants to ensure successful outcomes with landlords if they have additional needs such as one-on-one support and legal referrals. Evictions Court Counseling will assist low income tenants without legal representation during court to negotiate alternative solutions to eviction or tenancy extensions. ($75,000)

Provide a pool of $25,000 made available to community-based homeless, homeownership, and other PHB sub-contractors to translate customer service materials in accordance with Title VI. Many service providers have requested assistance with translation of outreach materials to more effectively serve their client base that does not speak English. PHB contracts with over 35 different service organizations.

Expected Results:

Minimum 70% positive outcomes customers served through Clinics (216-300 people) and Hotline (600) and 60% of those seen at Eviction Court (400-600).

Offer translation at five large public meetings and translate approximate 350 pages of housing related education materials.

Decision Package Summary

Bureau: Portland Housing Bureau **Priority:** 05 **Type:** Key Priorities

Decision Package: HC_05 - Complete Neighborhoods: Housing Investment Fund **Program:** Rehabilitation

	FY 2014-15 Requested 1 Time DP	FY 2014-15 Requested Ongoing DP	FY 2014-15 Requested Budget	FY 2015-16 Estimated Budget	FY 2016-17 Estimated Budget	FY 2017-18 Estimated Budget	FY 2018-19 Estimated Budget	
EXPENDITURES								
External Materials and Services	3,000,000	0	3,000,000	0	0	0	0	0
TOTAL EXPENDITURES	**3,000,000**	**0**	**3,000,000**	**0**	**0**	**0**	**0**	**0**
REVENUES								
Fund Transfers - Revenue	3,000,000	0	3,000,000	0	0	0	0	0
General Fund Discretionary	0	0	0	0	0	0	0	0
TOTAL REVENUES	**3,000,000**	**0**	**3,000,000**	**0**	**0**	**0**	**0**	**0**

Description:

Invest in keeping Portland affordable. Current market conditions are spurring significant high-end multi-family rental development and rents, especially in close-in neighborhoods, have risen as much as 29%. Year-over-year rent rates throughout Portland have increased by 6.8%. One time funds are an effective way to make a capital investment that provides a minimum of 60 years of housing affordable to low income working families in areas with access to great schools, transportation and fresh food and countering displacement in gentrifying neighborhoods. As General Fund can be used City-wide, this investment would provide the flexibility to go where both the need and opportunity are greatest, developing Complete Neighborhoods affordable to those the market can't reach and preventing displacement.

PHB will use cost containment strategies to invest in projects with that keep development costs low including prioritizing acquiring and rehabilitating existing housing stock which is typically much less expensive than new developments. The investment size is scalable. Each $1,000,000 investment would leverage $4,000,000 in other public and private funds.

Background: In FY 1994-95 Council allocated an initial $4 million of General Fund discretionary resources over two years to establish the Housing Investment Fund. In subsequent budgets, further General Fund discretionary resources were added. These allocations totaled $34.6 million over a five year period. The funds were almost exclusively used for housing development and retention programs.

Expected Results:

Units of additional affordable housing produced will depend upon the nature of the project(s) funded.

Portland Housing Bureau

FY 2014-2019 Five-Year Financial Forecast

Overview

The Portland Housing Bureau (PHB) has a variety of funding sources for the provision of affordable housing in the City of Portland and throughout the region. In general, the challenge for PHB over the five-year forecast period is maintaining affordable housing delivery levels in the face of diminishing resources. At this moment in time PHB funding can be characterized as stable, though that stability may last only a couple of years.

Tax increment financing (TIF) availability drops from a bubble of spending from 2009 through 2015 at level of $40-54 million to a new normal in the $16-20 million range. This reflects a stable available TIF funding over the forecast period in most urban renewal areas (URA). As noted in previous forecasts, the TIF spending bubble tends to stretch out due to project timing, as well as loan payoff income. Loan income for both the HIF and the major entitlement grant funds continues to decline over the period as well due to loans paying off or restructures.

U.S. Department of Housing and Urban Development (HUD) entitlement grant amounts reflect the recent federal budget agreement. The forecast assumes no growth in entitlement grants from FY 2014-15 through the rest of the forecast. Sequestration has been tempered in the federal budget through 2015. It is unknown if Congress will continue to address sequestration on a year by year basis, or allow some or all of the automatic cuts to take effect. If sequestration reductions begin again after 2015, 6-7% annual reductions in entitlement grants could occur through the remainder of the forecast.

The forecast accounts for the conversion of bureau serial one-time funding ($4.6 million) to ongoing funding starting in FY 2013-14; however the $4.6 million does not receive an annual COLA.

All Funds	**FY 2012-13**	**FY 2013-14**	**FY 2014-15**	**FY 2015-16**	**FY 2016-17**	**FY 2017-18**	**FY 2018-19**
Resources	**Actual**	**Revised**	**Request**	**Forecast**	**Forecast**	**Forecast**	**Forecast**
General Fund	12,232,459	13,608,213	13,698,748	13,947,874	14,203,512	14,501,973	14,756,365
Housing Investment Fund	2,597,426	2,513,540	5,154,243	2,100,920	2,095,583	2,066,366	2,063,708
CDBG	13,201,860	16,455,521	14,629,763	8,776,848	8,599,574	8,527,264	8,456,032
HOME	5,169,622	8,608,600	5,659,349	3,296,428	3,151,747	3,152,395	3,147,742
Federal Grants	5,670,738	5,737,955	3,441,634	3,229,973	2,229,974	2,229,973	2,229,973
Section 108	494,094		7,424,000	-	-	-	
Tax Increment Financing	32,452,383	49,024,524	44,276,686	20,566,711	18,574,735	16,918,296	17,098,772
Headwaters	1,252,225	1,300,562	1,313,399	1,223,351	1,256,764	1,304,552	1,305,918
Total	**$ 73,070,807**	**$97,248,915**	**$95,597,822**	**$53,142,105**	**$50,111,890**	**$48,700,818**	**$49,058,509**
Requirements							
General Fund	12,232,459	13,608,213	13,698,748	13,947,874	14,203,514	14,501,972	14,756,365
Housing Investment Fund	2,597,426	2,513,540	5,154,243	2,100,920	2,095,583	2,066,366	2,063,708
CDBG	13,201,860	16,455,521	14,629,763	8,776,848	8,599,574	8,527,264	8,456,032
HOME	5,169,622	8,608,600	5,659,349	3,296,428	3,151,747	3,152,395	3,147,742
Federal Grants	5,670,738	5,737,955	3,441,634	3,229,973	2,229,974	2,229,973	2,229,973
Section 108	494,094	-	7,424,000	-	-	-	-
Tax Increment Financing	32,452,383	49,024,524	44,276,686	20,566,711	18,574,735	16,918,296	17,098,772
Headwaters	1,252,225	1,300,562	1,313,399	1,223,351	1,256,764	1,304,552	1,305,918
Total	**$ 73,070,807**	**$97,248,915**	**$95,597,822**	**$53,142,105**	**$50,111,890**	**$48,700,818**	**$49,058,509**

The reductions in TIF and federal funds have driven the right-sizing of both the delivery and administrative structure of the bureau; 8 positions eliminated in FY 2010-11, 10 in FY 2011-12, two in FY 2012-13. However, staffing costs have also stabilized; no staffing reductions were made FY 2013-14 (in fact two limited term positions have been added with the award of a new federal grant), and none are planned for FY 2014-15. Dependent upon the continued funding of several categorical grants, the bureau may need to look at staffing reductions of approximately 5% (2-3 positions) by the end of the forecast period.

The following is a brief discussion of the outlook for these and other funding sources. It contains forward-looking statements that are subject to change by future policy direction of the City Council and/or bureau management. Below is a table that shows the major funding resources and requirements for PHB. The forecast shows bureau funding stabilizing at approximately $50 million starting in FY 2015-16 (FY 2014-15 if prior year carry forward funds are not counted). Details by funding source follow, as does the bureau's cost of service study.

Note that some fund summaries reflect unbudgeted working capital in order to show the movement of unused funds from one fiscal year to the next where it may be utilized. Therefore, some totals in the forecast won't match the budget load appropriations.

General Fund

	FY 2012-13	FY 2013-14	FY 2014-15	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Resources	**Actual**	**Revised**	**Base**	**Request**	**Forecast**	**Forecast**	**Forecast**	**Forecast**
Intergovernmental	86,875							
Grant & TIF Indirect Charges	1,081,427	1,358,266	1,284,471	1,284,471	1,276,156	1,249,683	1,338,886	1,336,387
General Fund Discretionary								
One-Time	4,795,386			100,000				
Ongoing	5,861,971	10,124,808	10,387,115	12,237,115	12,592,241	12,871,969	13,078,769	13,333,132
Encunbrance c/o	296,329	2,044,307						
Space Rental/Services	68,771	73,332	77,162	77,162	79,477	81,861	84,317	86,847
Miscellaneous	41,700	7,500						
Total	**12,232,459**	**13,608,213**	**11,748,748**	**13,698,748**	**13,947,874**	**14,203,513**	**14,501,972**	**14,756,365**
Requirements								
Personnel Services	350,545	495,382	594,671	594,671	644,053	695,459	723,972	753,655
External/Internal M&S	1,749,004	1,795,124	1,775,577	1,775,577	1,918,122	2,008,499	2,105,950	2,213,940
Contracts								
Planning, Policy & Communications			35,000	135,000	35,490	35,845	36,383	36,746
One-Time	93,900							
Housing Access & Stabilization	4,947,395	8,808,356	8,873,500	10,723,500	10,873,629	10,982,365	11,147,101	11,258,572
One-Time	4,615,116	2,038,750						
Homeowner Access & Retention		466,601	470,000	470,000	476,580	481,346	488,566	493,452
One-Time	476,499	4,000						
Capital								
Total	**$12,232,459**	**$13,608,213**	**$11,748,748**	**$13,698,748**	**$13,947,874**	**$14,203,514**	**$14,501,972**	**$14,756,365**

Historical Look

PHB has been identified as a General Fund bureau for a number of years, despite the majority of its' funding coming from entitlement grants, and later TIF. This funding mix began to change in FY 2006-07 when over $6 million in one-time General Fund discretionary resources were allocated to the bureau in the fall supplemental budget adjustment (BuMP).

Most of these one-time resources were targeted to ongoing core program commitments (primarily in the area of Homeless Services). Funding ongoing needs with one-time funds created a structural imbalance, or gap, in the bureau's General Fund budget. Many of these services are funded with other sources, but PHB is leverages these sources to the maximum, as there are grant restrictions on these types of services. For example, Community Development Block Grant

(CDBG) and HOME grant funds may be used for rent assistance and shelter, but only within specified limits – both of these entitlements grants are more of a "bricks and sticks" resource.

General Fund Discretionary

As a result of the structural imbalance created in FY 2006-07, each subsequent annual budget submission included a substantial request for General Fund discretionary resources (sometimes ongoing, sometimes one-time) to fill the gap. Unfortunately, the gap has been filled primarily with additional one-time funds. In FY 2012-13, the City Council directed that $4.6 million of this serial one-time funding be converted to ongoing for the future.

In terms of the bureau's original FY 2014-15 ongoing General Fund discretionary allocation of $10.4 million, approximately $9.4 million is targeted to program delivery (again primarily Homeless Services) in the form of pass-through contracts with sub-recipient agencies. The remaining funds cover Homeless Services program delivery staff, and bureau indirect staffing and costs. Indirect staffing include portions of those positions in the Director's Office and Policy and Planning involved with homeless policy setting and planning, as well as Business Operations where the processing of the sub-recipient contracts occurs. Indirect costs include building rent, Office of Management and Finance (OMF) interagency service agreements, and other miscellaneous costs.

Internal Resources

Bureau internal resources consist primarily of indirect cost recovery charges to the CDBG, Lead, and TIF Reimbursement Funds. The bureau levies an 81.75% indirect charge (as outlined in the City's A-87 cost allocation plan, approved by HUD) against the program staff costs in each of these funds. This rate may change during the budget process when OMF and HUD complete their reviews of bureau indirect rates. These charges offset the indirect costs (not staffing costs, which are charged directly) not attributable to the General Fund, while keeping those costs in one accounting area for ease of tracking and administration. Please note that the table above shows indirect charges as a Resource, as opposed to a contra-expense in External/Internal M&S. An additional resource is revenue from the Office of Equity for subletting space and some administrative services on PHB's floor in the Commonwealth Building.

Future Look

For FY 2014-15, PHB is submitting several decision packages. Two of these request one-time General Fund resources - $3,000,000 for affordable rental housing acquisition and rehabilitation (this is reflected in the Housing Investment Fund), and $100,000 to pilot fair housing and federal Title VI programs. Three packages request ongoing General Fund resources -- $1,000,000 for housing placement and rent assistance, $350,000 for additional shelter capacity and 24 hour referral services, and $500,000 to cover Multnomah County youth transitional housing funding that was converted to one-time funding in the FY 2013-14 budget balancing process.

The bureau funds a number of homeownership and rental access and stabilization programs with tax increment financing resources. While an excellent tool within urban renewal areas, limiting these programs to those areas does not match with the bureaus' equity agenda. Outside of urban renewal areas, General Fund dollars are a potential tool to provide these non-"bricks and sticks" services Citywide. But the larger issue is that resources are declining, and the City needs to consider the development of other affordable housing resources – as addressed in the $3,000,000 decision package. It should be noted that PHB expects to significantly improve alignment with Multnomah County and Home Forward over the next few years in the area of homeless services as part of the 10 Year Reset. These three jurisdictions invest considerable local, state and federal resources in programs designed to end people's homelessness. With ongoing collaboration and shared analysis, PHB and its partner jurisdictions hope to both improve outcomes for people and ensure the best possible use of public funds.

Housing Investment Fund

Resources	FY 2012-13 Actual	FY 2013-14 Revised	FY 2014-15 Request	FY 2015-16 Forecast	FY 2016-17 Forecast	FY 2017-18 Forecast	FY 2018-19 Forecast
Fund Balance	-	590,515	200,000	200,000	200,000	200,000	200,000
Charges for Services	859,264	387,780	463,000	473,520	481,680	492,624	501,114
Intergovernmental Revenues	156,628	161,689	161,700	166,650	168,175	169,731	171,317
Interest	12,234	5,892	8,250	5,750	5,390	5,402	5,576
Transfer from General Fund			3,000,000				
Local Shared Revenue	2,250	-	-	-	-	-	-
Working Capital	931,069	761,664	745,893	734,200	719,538	696,609	683,701
Program Income	635,981	606,000	575,400	520,800	520,800	502,000	502,000
Total	2,597,426	2,513,540	5,154,243	2,100,920	2,095,583	2,066,366	2,063,708
Requirements							
Personnel Services	975,514	993,154	826,100	833,970	840,163	823,610	845,338
External M&S	256,995	519,224	3,352,500	340,500	343,500	353,800	354,845
Transfers (GF Overhead)	297,774	217,742	124,209	90,000	104,000	106,000	109,768
Working Capital	1,067,143	639,610	734,200	719,538	696,609	683,701	673,757
Contingency	-	143,810	117,234	116,912	111,311	99,255	80,000
Total	2,597,426	2,513,540	5,154,243	2,100,920	2,095,583	2,066,366	2,063,708

Historical Look

The Housing Investment Fund (HIF) was formally created in 1995 as a means to achieve the City's housing goals as established in Metro 2040 plan and provide gap financing for housing projects that fulfilled the goals of the Livable City Housing Initiatives and the strategies developed by the Livable City Housing Council. The City Council allocated a total of $34.6 million over the five year period. The funds were almost exclusively transferred to PDC for housing development and retention programs. These funds were tracked in a PDC Housing Investment Fund that is now merged with the City HIF. A significant portion of the funds were packaged into loans. Included in the PHB FY 2014-15 Request Budget is a return to this concept in the form of a request of $3,000,000 in one-time General Fund resources for affordable rental housing acquisition and rehabilitation.

Loan Portfolio

The portfolio of loans in the HIF has a current gross book value of approximately $33 million. The discounted value is estimated to be about $6 million. The following discussion gives insight not only into the HIF loan portfolio, but also the bureaus entire portfolio in general. Loans have been made from the CDBG, HOME, and URA funds. The PHB portfolio is made up of several different types of loans: cash flow loans, equity gap loans, amortized loans, and deferred payment loans.

Loans that do not make regular loans payments make up the bulk of the HIF portfolio. Deferred loans are $2.4 of the gross book value of the portfolio. Cash flow loans are almost $6.7 million of the gross book value. Equity gap loans are about $14 million of the gross book value.

Deferred loans, are just that – a loan on which payments are being deferred, often until they are restructured into Equity Gap or Cash Flow loans. An Equity gap loan is a "last resort" financing product, used only when other financing has been maximized and the housing project does not generate sufficient cash flow (after operating expenses and required senior debt service) to allow loan payments back to PHB until the project is refinanced, or the end of the loan period is reached. Equity Gap loans differ from grants in that grants cannot be used in projects that also use tax credits. Cash Flow loans make payments to PHB only when there are net revenues after paying all expenses and other debt service. These

two types of loans contribute to the highly discounted value of the portfolio. They also limit the program income that accrues back to PHB.

As the bureau looks to more aggressively restructure loans to ensure the long term viability of the City's affordable housing infrastructure, there is additional downward pressure on loan income.

Indirect Programs

The bureau has a number of programs that subsidize affordable housing and homeownership in an indirect way. One of these programs is the System Development Charge (SDC) Waiver program for affordable housing. The program is intended to assist developers by reducing their costs when building affordable housing, exempting them from paying SDC's levied by the City when they build residential housing units meeting program requirements.

PHB also manages Limited Tax Exemption programs for single (HOLTE) and for multi-family properties (MULTE), taking the duties over from PDC and the Bureau of Planning and Sustainability in FY 2010-11. These programs offer eligible homebuyers who purchase newly-constructed homes in certain parts of Portland a ten-year limited property tax exemption. In addition, similar exemptions are offered on multi-family properties, both for-profit and not-for-profit.

Another indirect program that is managed by bureau staff and that also indirectly makes housing more affordable is the Mortgage Credit Certificate Program (MCC). MCC is an IRS-approved tax credit, which reduces homeowners' federal income taxes as long as they keep the loan and continuously occupy the home as their principal residence. The maximum amount of the MCC tax credit equals 20 percent of the annual mortgage interest paid on the homebuyer's first mortgage loan. In calendar year 2013 the bureau processed 136 certificates valued at approximately $5.3 million over the life of the loans.

Fees are paid by applicants for the LTE, SDC, and MCC programs to cover some of the cost of administration. Sub-funds within the HIF track the income that pays County recording fees and staffing costs for programs. Adjustments to SDC fees were made July 1, 2010, and PHB will be looking at changes to those fees as well as those for the HOLTE and MULTE programs in time for July 1, 2014. The forecast assumes those fee changes. Fee structures are discussed in the Cost of Service section later in this document.

Limited Tax Exemption Administration – Single Family (HOLTE)

	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Resources	**Actual**	**Revised**	**Request**	**Forecast**	**Forecast**	**Forecast**	**Forecast**
Beginning Balance	15,472						
Charges for Services	157,552	172,925	167,000	170,340	173,747	177,222	180,766
Interest	433		500				
Working Capital			-	11,043	21,914	23,057	14,001
Total	173,457	172,925	167,500	181,383	195,661	200,279	194,767
Requirements							
Personnel Services	56,914	43,425	73,457	76,469	89,604	103,278	107,512
External M&S							
Homeowner Access & Retention	116,543	129,500	83,000	83,000	83,000	83,000	83,000
Working Capital			11,043	21,914	23,057	14,001	4,255
Total	173,457	172,925	167,500	181,383	195,661	200,279	194,767

Limited Tax Exemption Administration – Multi-Family (MULTE)

Resources	FY 2012-13 Actual	FY 2013-14 Revised	FY 2014-15 Request	FY 2015-16 Forecast	FY 2016-17 Forecast	FY 2017-18 Forecast	FY 2018-19 Forecast
Beginning Balance		7,961					
Charges for Services	40,950	58,250	83,000	84,660	86,353	88,080	89,842
Interest	235						
Working Capital		2,000	-	1,759	3,077	3,901	4,176
Total	41,185	68,211	83,000	86,419	89,430	91,981	94,018
Requirements							
Personnel Services	14,942	36,211	51,241	53,342	55,529	57,806	60,136
External M&S							
Homeowner Access & Retention	20,184	32,000	30,000	30,000	30,000	30,000	30,000
Working Capital	6,059		1,759	3,077	3,901	4,176	3,882
Total	41,185	68,211	83,000	86,419	89,430	91,982	94,018

System Development Charge Administration

Resources	FY 2012-13 Actual	FY 2013-14 Revised	FY 2014-15 Request	FY 2015-16 Forecast	FY 2016-17 Forecast	FY 2017-18 Forecast	FY 2018-19 Forecast
Charges for Services	102,218	93,305	150,000	153,000	156,060	159,181	162,365
Working Capital			-	2,659	3,759	5,173	4,899
Interest	192	100	250	250	250	300	500
Total	102,410	93,405	150,250	155,909	160,069	164,654	167,764
Requirements							
Personnel Services	86,402	83,405	135,591	140,150	142,896	147,755	151,813
External M&S							
Homeowner Access & Retention	9,224	10,000	12,000	12,000	12,000	12,000	12,000
Working Capital	6,784		2,659	3,759	5,173	4,899	3,951
Total	102,410	93,405	150,250	155,909	160,069	164,654	167,764

Mortgage Credit Certificate Program Administration

Resources	FY 2012-13 Actual	FY 2013-14 Revised	FY 2014-15 Request	FY 2015-16 Forecast	FY 2016-17 Forecast	FY 2017-18 Forecast	FY 2018-19 Forecast
Charges for Services	64,450	63,300	63,000	65,520	65,520	68,141	68,141
Local Shared Revenue							
Working Capital	5,963	13,346	106,283	71,565	35,484	5,000	-
Interest	618	500	500	500	140	102	76
Total	71,031	77,146	169,783	137,585	101,144	73,243	68,217
Requirements							
Personnel Services	68,806	71,646	94,718	98,601	92,644	71,443	64,372
External M&S							
Homeowner Access & Retention	2,225	5,500	3,500	3,500	3,500	1,800	1,845
Working Capital			71,565	35,484	5,000		2,000
Total	71,031	77,146	169,783	137,585	101,144	73,243	68,217

Primary HIF

In FY 2000-01, the City Council made the last major decision involving HIF funding by including $500,000 in ongoing and $3.85 million in one-time General Fund discretionary resources. These resources were not transferred to PDC and eventually went to fund ongoing core programming in the bureau (BHCD at the time), in the areas of Homeless Services

and Housing Access and Stabilization Services. The ongoing General Fund discretionary funding was eventually increased to $958,000 in FY 2007-08 and moved out of the HIF to be part of the BHCD allocation.

While the initial HIF funding was from General Fund resources, over the years new funding sources (primarily debt based) and new programs have been added to the HIF. Some have come and gone (Smart Growth, Preservation Line of Credit, Housing Opportunity Bonds, City Lights, Housing Revolving Loan – all PDC managed), but one project born of these programs remains – Headwaters, which has been moved to its own fund and is discussed later.

Primary HIF

	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Resources	**Actual**	**Revised**	**Request**	**Forecast**	**Forecast**	**Forecast**	**Forecast**
Beginning Balance	1,004,332	382,554		-			
Interest	5,755	1,000	3,000	1,000	1,000	1,000	1,000
Transfer from General Fund			3,000,000				
Local Shared Revenue	2,250						
Other	209						
Program Income	635,981	606,000	575,400	520,800	520,800	502,000	502,000
Working Capital	94,376			-	-	-	-
Total	1,742,903	989,554	3,578,400	521,800	521,800	503,000	503,000
Requirements							
Personnel Services	611,631	647,573	412,957	404,888	396,489	377,745	393,232
External M&S	3,130		14,000				
Next Generation Loan Serv. & Asset Mgt. Sys	32,676	35,474					
Equity, Policy, & Communications		64,750					
Housing Production & Preservation							
Projects			3,000,000				
PCRI	435,627						
Jubilee	121,583						
General Fund Overhead	288,774	217,742	124,209	90,000	104,000	106,000	109,768
TIF Working Capital Transfer	9,000						
Working Capital	240,482						
Contingency		24,015	27,234	26,912	21,311	19,255	
Total	1,742,903	989,554	3,578,400	521,800	521,800	503,000	503,000

Internal Resources

Internal resources in the HIF consist of a couple of reserves which are earmarked for a specific purpose.

Of the designated reserves, the largest is for the Risk Mitigation Pool. Currently standing at approximately $700,000, these funds are used to pay damage claims by subscribed landlords for excess wear and tear on housing units used for supportive housing. A risk factor for this pool is that it is over subscribed. The bureau has worked with OMF Risk Management to mitigate potential issues, but annual claims will need to be monitored closely for any trends that would indicate higher usage than the pool can withstand.

Another reserve is the Fresh Start Guarantee, which is used in conjunction with a state grant to provide landlord education. This pool of funds started at $150,000 a few years ago, but has only been expended from recently. It is anticipated that funds will continue to be drawn down until fully expended.

PHB combined and no longer fully appropriates these two reserves. The cash is tracked separately in a sub fund. As both are a risk mitigation pool, and have the same original funding source, there is not a need to track in separate funds. In

addition, past usage has shown that a $110,000 appropriation and a $90,000 contingency should be sufficient annually. The remaining $639,000 reserve remains in fund balance.

Risk Mitigation/Fresh Start Guarantee Pool

Resources	FY 2012-13 Actual	FY 2013-14 Revised	FY 2014-15 Request	FY 2015-16 Forecast	FY 2016-17 Forecast	FY 2017-18 Forecast	FY 2018-19 Forecast
Beginning Balance	22,500	200,000	200,000	200,000	200,000	200,000	200,000
Interest	4,018	3,292	4,000	4,000	4,000	4,000	4,000
Working Capital	813,818	636,318	639,610	643,610	647,610	651,610	655,610
Total	840,336	839,610	843,610	847,610	851,610	855,610	859,610
Requirements							
External M&S							
Housing Acess & Stabilization		102,000	110,000	110,000	110,000	120,000	120,000
Housing Development Finance	26,518						
Working Capital	813,818	639,610	643,610	647,610	651,610	655,610	659,610
Contingency		98,000	90,000	90,000	90,000	80,000	80,000
Total	840,336	839,610	843,610	847,610	851,610	855,610	859,610

PHB has developed a growing local match for the McKinney HMIS grant, which is providing additional resources for the staffing of the program. The program provides homeless data collection services statewide, the bureau collects user fees from participating jurisdictions. The fee structure is discussed in the Cost of Service section later in this document.

HMIS Local Match

Resources	FY 2012-13 Actual	FY 2013-14 Revised	FY 2014-15 Request	FY 2015-16 Forecast	FY 2016-17 Forecast	FY 2017-18 Forecast	FY 2018-19 Forecast
Intergovernmental Revenues	156,628	161,689	161,700	166,650	168,175	169,731	171,317
Working Capital	25,912	110,000	-	3,564	7,694	7,868	5,015
Interest	774	1,000					
Total	183,314	272,689	161,700	170,214	175,869	177,599	176,332
Requirements							
Personnel Services	136,819	110,894	58,136	60,520	63,001	65,584	68,273
External M&S	46,495	140,000	100,000	102,000	105,000	107,000	108,000
Working Capital			3,564	7,694	7,868	5,015	59
Contingency		21,795					
Total	183,314	272,689	161,700	170,214	175,869	177,599	176,332

Program Income

Beginning in FY 2010-11, additional income streams came into the fund from the PDC HIF. These included loan fees, abatement fees, and loan income from the original HIF loans discussed earlier. HIF program income is used primarily to cover staff costs and special projects. The largest source of income, from the original HIF loans, is used as a source for general staff costs that are difficult to attribute to other funding sources.

The major issue with loan income is that it is forecast to decline over time, due to restructures and loan payoffs. To that end, the bureau is planning to be more conservative in how much ongoing staff cost to plan against this income stream and the forecast reflects declining Personnel Services usage of HIF resources in FY 2013-14 and beyond. This downward trend is tempered somewhat by the potential of original HIF loans being paid off, and the City being repaid a portion of principal. This is an unpredictable occurrence, more prevalent recently with the sale of properties due to attractive interest rates. The forecast does not rely on any such payoffs.

Future Look

A number of future trends for portions of the HIF have been noted in previous sections.

Headwaters

One City Lights project, the Headwaters – a multi-income property –, was completed. The project was executed by PDC. Rental income is collected by a property management firm, income net of property management costs is collected by PDC and transferred to PHB and held in reserve. This reserve covers the annual debt repayment, interest on the deferred developer fee, the debt service reserve, and the excess revenue reserve. The table below shows the resources and requirements of this reserve.

At this date it is unclear whether City Lights will generate significant excess revenue from the Headwaters project. The bureau is conservatively estimating positive excess revenue generation at this point in the forecast. This scenario also assumes the calling of Series B bonds and the payoff of the deferred developer fee at some point in the future (outside of the forecast period) as sufficient reserves are available. Staff continues to analyze options.

Resources	FY 2012-13 Actual	FY 2013-14 Revised	FY 2014-15 Request	FY 2015-16 Forecast	FY 2016-17 Forecast	FY 2017-18 Forecast	FY 2018-19 Forecast
Working Capital	323,423	423,945	423,945	320,570	340,457	374,515	362,445
Net Operating Income - PDC	925,990	875,324	888,454	901,781	915,307	929,037	942,973
Interest	2,812	1,293	1,000	1,000	1,000	1,000	500
Total	1,252,225	1,300,562	1,313,399	1,223,351	1,256,764	1,304,552	1,305,918

Requirements							
Bond/Dev. Fee Payoff							
Debt Service	797,086	796,293	799,861	802,570	801,925	795,530	798,635
Deferred Developer's Fee	30,844	34,699	34,699	34,699	34,699	34,699	34,699
Major Maintenance			112,644			66,253	
Insurance	350	45,625	45,625	45,625	45,625	45,625	45,625
Working Capital	423,945	423,945	320,570	340,457	374,515	362,445	426,959
Total	1,252,225	1,300,562	1,313,399	1,223,351	1,256,764	1,304,552	1,305,918

Community Development Block Grant Fund

Resources	FY 2012-13 Actual	FY 2013-14 Revised	FY 2014-15 Request	FY 2015-16 Forecast	FY 2016-17 Forecast	FY 2017-18 Forecast	FY 2018-19 Forecast
Carryover		6,123,110	6,209,286	363,771	231,997	172,187	130,155
Grants	11,685,905	8,163,351	7,701,777	7,701,777	7,701,777	7,701,777	7,701,777
Section 108 Line of Credit			7,424,000				
Program Income	1,514,835	2,169,060	718,700	711,300	665,800	653,300	624,100
Encumbrance c/o							
Miscellaneous	1,120						
Total	13,201,860	16,455,521	22,053,763	8,776,848	8,599,574	8,527,264	8,456,032
Requirements							
Personnel Services	1,381,393	1,294,994	1,321,630	1,365,388	1,421,369	1,374,645	1,401,006
Indirect	380,970	320,345	380,162	385,320	401,118	417,564	434,684
External/Internal M&S	30,000	37,000	30,000	35,000	35,000	35,000	35,000
Contracts							
Housing Access & Stabilization	1,264,431	1,027,520	888,900	897,789	925,000	925,000	925,000
Planning, Policy & Communications	200,665	213,400	345,400	348,854	230,000	230,000	230,000
Housing Production & Preservation	36,462	130,000	130,000	130,000	130,000	130,000	130,000
Section 108 Repayment	474,712	495,000	495,000	495,000	495,000	495,000	495,000
Homeowner Access & Retention	1,138,440	1,540,196	1,260,000	1,272,600	1,275,000	1,275,000	1,275,000
Economic Opportunity	1,733,413	2,873,366	2,114,900	2,114,900	2,114,900	2,114,900	2,114,900
Projects							
Affordable Rental Housing		-			1,400,000	1,400,000	1,300,000
2014 NOFA			6,800,000				
Kehillah	191,183	83,817					
Hawthorne East				1,500,000			
PCRI Restructure	248,473	1,302,000					
Stephens Creek	1,407,003	392,997					
Glisan Predev		535,600					
Section 108							
Los Jardines	20,560						
Upshur	41,500						
Briarwood	65,453						
2014 NOFA			7,424,000				
Sequestration Reserve			500,000				
Working Capital	787,748	6,209,286	363,771	231,997	172,187	130,155	115,442
Total	13,201,860	16,455,521	22,053,763	8,776,848	8,599,574	8,527,264	8,456,032
Net	-	0	0	(0)	(0)	(0)	0

This fund is used to hold and account for the City's CDBG entitlement from HUD, as well as program income generated from the entitlement.

Annual Entitlement

HUD uses a formula to determine each grantee's share of the CDBG funding pool. That pool for a particular year is contingent upon the federal budget process. Many times, the HUD budget is the result of a continuing resolution passed after the start of the federal fiscal year (October 1). Once the total CDBG amount is determined, HUD develops the allocations. This can take a minimum of 6-8 weeks, often after the City deadline for the PHB request budget. In the past, this led the bureau to budget the prior year entitlement allocation.

Currently, HUD has an adopted budget (as of mid-January), and HUD is in the process of developing allocations for participating jurisdictions. Based upon the best information to date, PHB is using the federal FY 11-12 allocation, and holding a reserve of $500,000.

Caps

Among the limits on CDBG funding are caps on the use of funds for administration and planning and public service. The cap percentage for administration and planning is 20% of the entitlement and program income; the percentage for public service is 15% of the entitlement and program income.

PHB puts a mix of administrative staff and indirect costs under the administration and planning cap in addition to some service contracts and consulting services. Also found under the administration and planning cap are administrative activities under contract with area service delivery agencies. Under the public service cap, several eligible homeless services activities and homebuyer assistance are funded.

Program Income

CDBG program income has been in decline from highs of approximately $2-5 million in the past 15 years. Loan income is currently approximately $720,000, boosted by income from five Section 108 loans. PHB and HUD use program income figures from the HUD tracking system for the purposes of cap calculations.

This resource is also forecast to go down over time due to restructures and loan payoffs, which impacts staffing and program delivery spending.

Program Delivery

PHB funds program delivery staff under CDBG. Most services are delivered via third party contract (the same is true with almost all of the bureau's funding), though in the case of housing development projects, the exact nature and amount of the funding is not known very far into the future. The bureau attempts to build up CDBG funds to use in years where TIF resources are less available; however this can cause less future flexibility in using CDBG funds for other programs while maximizing resources for affordable housing development projects. The bureau plans to offer $6.8 million in CDBG funds in its current NOFA process.

Carryover

The CDBG fund has a long history of carryover due to the ebb and flow of housing project schedules and resource planning. The bureau has tightened both budgeting and schedule estimates, as well as being more diligent about whether all prior year entitlement funds have been accessed. Carryover of appropriations will still need to occur, but the bureau will use the BuMP, Request, and Approved budget processes to be more transparent about those changes.

Future Look

On the one hand, the current federal administration is more amenable to spending funds on affordable housing. On the other hand, they are facing substantial budget deficits. The bureau has seen a decline in CDBG entitlement funding from five to ten years ago. The forecast assumes no growth in CDBG from FY 2014-15 through the rest of the forecast. Sequestration has been ameliorated for the current federal budget as well as 2015. It is unknown if Congress will continue to address sequestration on a year by year basis, or allow some or all of the automatic cuts to take effect. If sequestration reductions begin again after 2015, 6-7% annual reductions totaling $1.8 million in CDBG could occur through the remainder of the forecast. In addition, loan income is forecast to continue to decline.

Section 108

In the spring of 2009, the Council approved $15 million of borrowing from HUD under the Section 108 program. The focus of the funding is the preservation of existing affordable housing. This line of credit is backed by the City's CDBG entitlement (and secondarily by the City General Fund). Current policy is for no more than 25% of the bureau's 2008-09 CDBG commitment (equaling approximately $500,000) to affordable rental housing be used as a principle and interest repayment source. The CDBG forecast reflects that figure. This assumes that remaining loans made from Section 108 proceeds are hard debt, which would generate loan income that could be used in lieu of CDBG for repayment to HUD. If not, further CDBG (up to another $500,000) would be committed long term to debt repayment. Approximately $7.2 million in projects have been completed. Remaining funds ($7.4 million) are currently being offered through a NOFA.

HOME

Resources	FY 2012-13 Actual	FY 2013-14 Revised	FY 2014-15 Request	FY 2015-16 Forecast	FY 2016-17 Forecast	FY 2017-18 Forecast	FY 2018-19 Forecast
Carryover		5,449,253	2,534,343	190,822	46,141	46,789	44,536
Grants	4,308,454	2,922,106	2,922,106	2,922,106	2,922,106	2,922,106	2,922,106
Service Charges & Fees	445	30,941					
Program Income	768,059	206,300	202,900	183,500	183,500	183,500	181,100
Encumbrance c/o							
Total	**$5,169,622**	**$8,608,600**	**$5,659,349**	**$3,296,428**	**$3,151,747**	**$3,152,395**	**$3,147,742**
Requirements							
Personnel Services	288,434	362,951	342,627	316,675	314,658	317,559	310,579
External/Internal M&S							
Contracts							
Housing Access & Stabilization	246,864	385,600	385,600	393,312	400,000	400,000	400,000
Housing Production & Preservation	26,853	5,123					
CHDO Support	125,000	146,000	146,000	146,000	146,000	146,000	146,000
Homeownership Access & Retention							
Projects							
Loan Servicing/Asset Mgmt System	199,742	92,103					
PCRI - Scattered Big10	254,667	289,437					
Providence House		375,000					
Elliot/Cook Phase I	576,136	398,864					
Ainsworth Court	141,648						
Greenview	2,053,650	822,428					
Glisan Commons		880,000					
Villa De Clara Vista		1,075,000					
Affordable Rental Housing		-	460,000	1,850,000	1,700,000	1,700,000	1,700,000
2014 NOFA			3,500,000				
Gresham Funds	575,280	974,704	405,300	405,300	405,300	405,300	405,300
Multnomah County Funds	143,557	267,047	139,000	139,000	139,000	139,000	139,000
Sequestration Reserve			190,000				
Working Capital	537,791	2,534,343	90,822	46,141	46,789	44,536	46,863
Total	**$5,169,622**	**$8,608,600**	**$5,659,349**	**$3,296,428**	**$3,151,747**	**$3,152,395**	**$3,147,742**

This fund is used to hold and account for the City's HOME entitlement from HUD, as well as program income generated from the entitlement.

Entitlement

Much like CDBG, HOME is a formula-based entitlement grant. It is subject to the same timeline as the CDBG entitlement, and thus the bureau has tended to budget the prior year entitlement allocation at the start of the City budget cycle.

Currently, HUD has an adopted budget (as of mid-January), and HUD is in the process of developing allocations for participating jurisdictions. Based upon the best information to date, PHB is using the federal FY 11-12 allocation, and holding a reserve of $190,000.

Caps

As with CDBG, HOME has a cap on the use of funds for administration. The HOME cap percentage for administration is only 10% of the entitlement and program income – there is not a public service cap. PHB puts a mix of administrative staff and indirect costs under the administration cap. PHB budgets right up to the cap.

Program Income

HOME program income has been in decline from highs of approximately $2 million in the past decade. Program income is currently approximately $202,000, down from about $500,000 in FY 2007-08. PHB and HUD use program income figures from the HUD tracking system for the purposes of cap calculations.

The bureau currently budgets HOME program income less conservatively as the administration cap usage have been traditionally been low under HOME. This resource is also forecast to go down moderately over time, which impacts staff and program delivery spending.

Program Delivery

PHB funds program delivery staff working on HOME funded projects from CDBG funds per HUD recommendation. The bulk of HOME funds are used for affordable housing development. The availability for this use is critical as HOME is one of the few resources available to PHB outside of URAs. The bureau plans to offer $3.5 million of HOME funds in its current NOFA.

Carryover

Similar to CDBG, the HOME fund also has a long history of carryover due to the ebb and flow of housing project schedules and resource planning. The bureau has tightened both budgeting and schedule estimates, as well as being more diligent about whether all prior year entitlement funds have been accessed. Carryover of appropriations will still need to occur, but the bureau will use the BuMP, Request, and Approved budget processes to be more transparent about those changes.

Future Look

HOME is subject to the same uncertainty at the federal level as CDBG. The bureau has seen reductions in HOME entitlement funding from five years ago. The forecast assumes no growth in HOME from FY 2014-15 through the rest of the forecast. Sequestration has been ameliorated for the current federal budget as well as 2015. It is unknown if Congress will continue to address sequestration on a year by year basis, or allow some or all of the automatic cuts to take effect. If sequestration reductions begin again after 2015, 6-7% annual reductions totaling $700,000 in HOME could occur through the remainder of the forecast. In addition, loan income is forecast to continue to decline.

Other Federal Grants

Entitlement Grants

PHB receives two other, smaller entitlement grants in addition to HOME and CDBG – the Emergency Solutions grant (ESG) and Housing for People With AIDS (HOPWA). They are formula-based and subject to a similar allocation timeline process as HOME and CDBG, and are subject to similar constraints noted in the discussions of those grants. The bureau has received a second phase allocation for HOPWA that expires in FY 2014-15, and these additional funds are reflected in the forecast for HOPWA.

In FY 2009-10, the City received an additional $4.2 million in ESG formula funds under ARRA with the Housing Placement and Rapid Re-housing Program (HPRRP). This was a one-time allocation of funds, and funds were expended by fall 2012 deadline.

HOPWA

Resources	FY 2012-13 Actual	FY 2013-14 Revised	FY 2014-15 Request	FY 2015-16 Forecast	FY 2016-17 Forecast	FY 2017-18 Forecast	FY 2018-19 Forecast
Grants	1,632,751	1,681,897	1,214,981	981,649	981,649	981,649	981,649
Total	1,633,734	1,681,897	1,214,981	981,649	981,649	981,649	981,649
Requirements							
Personnel Services	73,636	68,432	57,710	33,969	35,361	35,881	36,422
External M&S							
Housing Access & Stabilization	1,560,098	1,613,465	1,157,271	947,680	946,288	945,768	945,227
Total	1,633,734	1,681,897	1,214,981	981,649	981,649	981,649	981,649

ESG

Resources	FY 2012-13 Actual	FY 2013-14 Revised	FY 2014-15 Request	FY 2015-16 Forecast	FY 2016-17 Forecast	FY 2017-18 Forecast	FY 2018-19 Forecast
Grants	868,227	724,146	533,775	533,775	533,775	533,775	533,775
Total	868,227	724,146	533,775	533,775	533,775	533,775	533,775
Requirements							
Personnel Services	91,368	43,044	33,312	34,678	36,100	37,580	39,120
External M&S							
Housing Access & Stabilization	776,859	681,102	500,463	499,097	497,675	496,195	494,654
Total	868,227	724,146	533,775	533,775	533,775	533,775	533,774

HPPRP-ARRA

Resources	FY 2012-13 Actual	FY 2013-14 Revised	FY 2014-15 Forecast	FY 2015-16 Forecast	FY 2016-17 Forecast	FY 2017-18 Forecast	FY 2018-19 Forecast
Grants	33,242						
Total	33,242	-	-	-	-	-	-
Requirements							
Personnel Services							
External M&S							
Housing Access & Stabilization	33,242						
Total	33,242	-	-	-	-	-	-

Categorical Grants

The bureau also receives a number of competitive or categorical grants. The oldest of these is the Lead Grant, the most recent version of which was awarded ($3 million) in FY 2012-13 and extends into FY 2015-16.

The Healthy Homes Grant ends in FY 2013-14. The Neighborhood Stabilization Program (NSP), a homeownership assistance grant, is in its second phase. The program does generate income from property sales that helps extend its work. NSP is winding down in FY 2014-15, and PHB may have adjustments to make later in the budget process as funds available are clarified.

On the smaller side of categorical grants are three under the McKinney program. The Homeless Management Information System (HMIS) grant funds the Service Point system used by agencies and providers to track a wide range of social services data. As noted in the HIF section, the bureau receives income for servicing the system from partner agencies as a match in addition to the grant funds. McKinney/OTIS is another grant that focuses on homeless services. These grants have remained stable over time, and are forecast to remain so. A new McKinney Planning grant was awarded in FY 2012-13, and will fund parts of two limited term positions.

Lead

Resources	FY 2012-13 Actual	FY 2013-14 Revised	FY 2014-15 Request	FY 2015-16 Forecast	FY 2016-17 Forecast	FY 2017-18 Forecast	FY 2018-19 Forecast
09 Grant	1,149,815	182,000					
12 Grant		1,000,000	1,000,000	1,000,000			
Total	1,149,815	1,182,000	1,000,000	1,000,000	-	-	-
Requirements							
Personnel Services	196,726	192,800	199,750	200,240			
External M&S		63,200	63,200	49,759			
Homeowner Access & Retention	953,089	863,700	674,750	687,701			
Bureau Indirect		62,300	62,300	62,300			
Total	1,149,815	1,182,000	1,000,000	1,000,000	-	-	-

Healthy Homes

Resources	FY 2012-13 Actual	FY 2013-14 Revised	FY 2014-15 Request	FY 2015-16 Forecast	FY 2016-17 Forecast	FY 2017-18 Forecast	FY 2018-19 Forecast
Grants	484,719	362,705					
Requirements							
Personnel Services	84,288	89,624		-	-	-	-
Bureau Indirect		72,559					
External M&S	400,431	200,522					
Homeowner Access & Retention							
Total	484,719	362,705	-	-	-	-	-

NSP

Resources	FY 2012-13 Actual	FY 2013-14 Revised	FY 2014-15 Request	FY 2015-16 Forecast	FY 2016-17 Forecast	FY 2017-18 Forecast	FY 2018-19 Forecast
Grants NSP 1	671,844	206,863					
NSP 3		458,375					
Program Income	337,249	468,537					
Total	1,009,093	1,133,775	-	-	-	-	-

Requirements							
Personnel Services	38,823	36,531					
External M&S							
Homeowner Access & Retention	970,270	1,097,244					
Total	1,009,093	1,133,775	-	-	-	-	-

McKinney – OTIS

Resources	FY 2012-13 Actual	FY 2013-14 Revised	FY 2014-15 Request	FY 2015-16 Forecast	FY 2016-17 Forecast	FY 2017-18 Forecast	FY 2018-19 Forecast
Grants	272,239	313,266	284,680	306,352	306,352	306,352	306,352
Total	272,239	313,266	284,680	306,352	306,352	306,352	306,352

Requirements							
Personnel Services	7,435	6,914	6,804	7,083	7,373	7,676	7,990
External M&S							
Housing Access & Stabilization	264,804	306,352	277,876	299,269	298,979	298,676	298,362
Total	272,239	313,266	284,680	306,352	306,352	306,352	306,352

McKinney - HMIS

Resources	FY 2012-13 Actual	FY 2013-14 Revised	FY 2014-15 Request	FY 2015-16 Forecast	FY 2016-17 Forecast	FY 2017-18 Forecast	FY 2018-19 Forecast
Grants	198,423	245,666	245,666	245,666	245,666	245,666	245,666
Total	198,423	245,666	245,666	245,666	245,666	245,666	245,666

Requirements							
Personnel Services	123,934	177,384	168,355	175,258	167,443	174,308	170,955
External M&S	74,489	68,282	77,311	70,408	78,223	71,358	74,711
Total	198,423	245,666	245,666	245,666	245,666	245,666	245,666

McKinney – Planning

Resources	FY 2012-13 Actual	FY 2013-14 Revised	FY 2014-15 Request	FY 2015-16 Forecast	FY 2016-17 Forecast	FY 2017-18 Forecast	FY 2018-19 Forecast
Grants		94,500	162,532	162,532	162,532	162,532	162,532
Total		94,500	162,532	162,532	162,532	162,532	162,532

Requirements							
Personnel Services		94,500	162,532	162,532	162,532	162,532	162,532
External M&S							
Total		94,500	162,532	162,532	162,532	162,532	162,532

Tax Increment Financing

Tax Increment Financing (TIF) is not new to either the City or to housing development. TIF funds for housing will be expended by PHB, which will then be reimbursed by PDC, net of program income received by the bureau. PHB receives the program income directly, because the City now holds all of the affordable housing loans. Affordable housing funding in urban renewal areas (URAs) is driven by the 30% Housing set-aside passed by the City Council in 2006 (and updated in 2011).

Structure

PHB has set up a series of funds to be able to track direct costs by URA. Indirect costs are collected in the TIF Reimbursement fund summary below, and will be allocated to URA's based upon the direct expenses. The General Fund section discussed how indirect costs are allocated. TIF is not very different from many of PHBs' grant sources in that it has restrictions on use in terms of type of expense. In addition there are restrictions in terms of location. The location restrictions also put pressure on the bureaus' less restrictive funding sources when opportunities arise that cannot be fully addressed with TIF.

TIF Reimbursement Fund

	FY 2012-13 Actual	FY 2013-14 Revised	FY 2014-15 Request	FY 2015-16 Forecast	FY 2016-17 Forecast	FY 2017-18 Forecast	FY 2018-19 Forecast
Resources							
Tax Increment	2,241,017	3,133,901	2,636,154	2,713,828	2,840,654	2,872,537	3,014,467
Total	2,241,017	3,133,901	2,636,154	2,713,828	2,840,654	2,872,537	3,014,467
Requirements							
Personnel Services - Direct Staff	866,337	1,091,210	1,029,981	1,013,500	1,038,000	1,127,000	1,103,000
Personnel Services - Indirect Staff	943,634	1,278,027	1,330,732	1,385,292	1,442,089	1,501,215	1,562,764
General Fund Overhead	584,235	952,812	463,413	500,000	550,000	450,000	550,000
Bureau Indirect	713,148	903,062	842,009	828,536	848,565	921,323	901,703
Staff & Indirect Subtotal	*$ 3,107,354*	*$ 4,225,111*	*$ 3,666,135*	*$ 3,727,328*	*$ 3,878,654*	*$ 3,999,537*	*$ 4,117,467*
Total	**$ 2,241,017**	**$ 3,133,901**	**$ 2,636,154**	**$ 2,713,828**	**$ 2,840,654**	**$ 2,872,537**	**$ 3,014,467**
Net	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Tax Revenue Forecast – Future Look

Tax increment resources for most URAs continue to recover slowly from the Great Recession. The TIF portion of the PHB budget for FY 2014-15 is approximately $44 million (which includes prior year funds carried forward). This is the end a bubble of funding (extended by loan payoff income and an unanticipated bond sale) that stabilizes over the life of the five year life of the forecast to $16-20 million. The new normal of TIF funding will challenge the bureau in maintaining the supply of affordable housing delivery products. The next TIF funding challenge will come beyond the range of this forecast as many URAs lose their ability to sell more debt in the early 2020's. The bureau will need to re-evaluate service delivery for affordable housing as that time approaches, much as it did at the time of the merger.

The following is a brief discussion of trends in each URA.

- Central Eastside – A URA that has had slow resource growth, funding for affordable housing is in the bureaus current NOFA in the amount of $3 million.
- Convention Center - An expiring URA, some portions were moved to the Interstate URA via a boundary change in 2011. A project is currently in process, and there is a remaining $5.3 million available for future projects.

- Downtown Waterfront – This URA is also expiring. There is approximately $2.2 million in remaining TIF resources, but the URA also has a healthy amount of program income that will boost the amount of funds for affordable housing to approximately $4.2 million for an upcoming affordable housing NOFA.

	FY 2012-13 Actual	FY 2013-14 Revised	FY 2014-15 Request	FY 2015-16 Forecast	FY 2016-17 Forecast	FY 2017-18 Forecast	FY 2018-19 Forecast
Central Eastside URA							
Resources							
Working Capital	0	-	-	485	165,862	50,443	15,338
Loan Income	2,945	3,200	3,200	3,200	3,200	3,200	3,200
Tax Increment	34,515	40,619	915,429	2,638,003	149,531	97,123	
Central Eastside URA Total	*$37,460*	*$43,819*	*$918,629*	*$2,641,688*	*$318,593*	*$150,766*	*$18,538*
Requirements							
Personnel Services - Direct Staffing	10,444	11,527	33,192	75,000	45,000	40,000	3,500
Bureau Indirect Costs (Staffing and Overhead)	27,016	32,292	84,952	200,826	123,150	95,428	9,565
H89030 Affordable Rental Housing					100,000		
2014 NOFA			800,000	2,200,000			
Working Capital			485	165,862	50,443	15,338	5,473
Central Eastside URA Total	*$37,460*	*$43,819*	*$918,629*	*$2,641,688*	*$318,593*	*$150,766*	*$18,538*
Net	**$ (0)**	**$ 0**	**$ (0)**	**$ 0**	**$ 0**	**$ (0)**	**$ (0)**
Convention Center URA							
Resources							
Working Capital	0	-	12,262,551	84,329	-	-	2,170
Predev Loan Payoffs/Property Sales			500,000				
Loan Income	62,255	62,551	62,500	62,778	63,523	62,500	62,500
Tax Increment	144,437	13,476,885			-	-	-
Convention Center URA Total	*$206,692*	*$13,539,436*	*$12,825,051*	*$147,107*	*$63,523*	*$62,500*	*$65,270*
Requirements							
Personnel Services - Direct Staffing	55,749	200,398	151,913	40,000	17,000	17,000	17,000
Bureau Indirect Costs (Staffing and Overhead)	144,210	568,487	388,809	107,107	46,523	43,330	46,461
H80003 Lloyd Cascadian Phase II	2,265	4,000					
H80002 MFH - 2nd and Wasco	4,468	4,000					
H30056 Miracles Club Central		500,000	6,900,000				
H89030 Affordable Rental Housing			5,300,000				
Working Capital		12,262,551	84,329			2,170	1,809
Convention Center URA Total	*$206,692*	*$13,539,436*	*$12,825,051*	*$147,107*	*$63,523*	*$62,500*	*$65,270*
Net	**$ 0**	**$ (0)**	**$ (0)**	**$ (0)**	**$ (0)**	**$ (0)**	**$ 0**
Downtown Waterfront URA							
Resources							
Working Capital	537,031	1,382,304	2,038,456	13,795	-	354,759	44,641
Loan Income	985,071	658,518	595,560	595,560	588,300	588,300	588,300
Tax Increment		254,565	1,717,345	-	-	-	-
Other	23,266			1,760			
Downtown Waterfront URA Total	*$1,545,368*	*$2,295,387*	*$4,351,361*	*$611,115*	*$588,300*	*$943,059*	*$632,941*
Requirements							
Personnel Services - Direct Staffing	6,139	66,965	80,790	71,000	62,500	70,000	75,000
Bureau Indirect Costs (Staffing and Overhead)	15,880	189,966	206,776	190,115	171,041	178,418	204,973
H89030 Affordable Rental Housing	-	-	50,000	150,000		650,000	300,000
H20001 Butte Hotel	34,844						
2104 NOFA			4,000,000	200,000			
Working Capital	1,488,505	2,038,456	13,795		354,759	44,641	52,968
Downtown Waterfront URA Total	*$1,545,368*	*$2,295,387*	*$4,351,361*	*$611,115*	*$588,300*	*$943,059*	*$632,941*
Net	**$ (0)**	**$ (0)**	**$ 0**	**$ (0)**	**$ (0)**	**$ (0)**	**$ 0**

- Gateway – The bulk of available funds are committed to a project currently underway, but by FY 2014-15 there are additional funds available that the bureau anticipates using for homeownership retention programs..
- Interstate – This URA has seen some improvement in funds available for affordable housing. There is a project currently underway and homeownership retention programs are funded, but there are additional funds available are towards the end of the forecast period.

	FY 2012-13 Actual	FY 2013-14 Revised	FY 2014-15 Request	FY 2015-16 Forecast	FY 2016-17 Forecast	FY 2017-18 Forecast	FY 2018-19 Forecast
Gateway Regional Center URA							
Resources							
Working Capital	0	-	-	3,192	-	472,145	113,447
Predev Loan Payoffs/Property Sales	978,124	387,366					
Tax Increment	2,038,131	3,776,548	753,636	626,527	1,022,611	2,000	100,000
Other	42						
Gateway Regional Center URA Total	*$3,016,297*	*$4,163,914*	*$753,636*	*$629,719*	*$1,022,611*	*$474,145*	*$213,447*
Requirements							
Personnel Services - Direct Staffing	106,182	73,366	70,080	35,000	40,000	45,000	35,000
Bureau Indirect Costs (Staffing and Overhead)	191,309	204,532	179,364	93,719	109,466	114,698	95,654
H89030 Affordable Rental Housing	-		500,000	500,000	400,000	200,000	75,000
H20017 Ventura Park	306,995	93,233					
H89034 Gateway/Glisan	2,411,811	3,790,783					
H20035 Property Management		2,000	1,000	1,000	1,000	1,000	1,000
Working Capital			3,192		472,145	113,447	6,793
Gateway Regional Center URA Total	*$3,016,297*	*$4,163,914*	*$753,636*	*$629,719*	*$1,022,611*	*$474,145*	*$213,447*
Net	**$ 0**	**$ 0**	**$ (0)**	**$ 0**	**$ (0)**	**$ 0**	**$ 0**
Interstate URA							
Resources							
Working Capital	0		2,617,473	49,940	37,512	94,561	83,302
Predev Loan Payoffs/Property Sales	144,545	510,000	360,000				
Loan Income	256,886	8,300	8,300	8,300	8,300	8,300	8,300
Tax Increment	5,207,365	6,196,368	2,218,505	2,193,527	2,575,055	4,645,092	5,000,000
Interstate URA Total	*$5,608,796*	*$6,714,668*	*$5,204,278*	*$2,251,767*	*$2,620,867*	*$4,747,953*	*$5,091,602*
Requirements							
Personnel Services - Direct Staffing	214,744	227,632	215,725	235,000	275,000	300,000	310,000
Bureau Indirect Costs (Staffing and Overhead)	475,150	637,702	552,131	629,255	751,306	764,651	847,221
H34606 Killingsworth Block	386,630	282,370	-	-	-	-	-
H19032 King/Parks Affordable Housing	158,471	510,000	1,636,482				
H20027 PCRI Scattered Sites Big 10	193,549						
H89030 Affordable Rental Housing	496		1,750,000	350,000	500,000	2,600,000	2,900,000
H20046 Beech Street	346,858	1,010,000					
H89010 Home Repair Projects	351,476	704,520	500,000	500,000	500,000	500,000	500,000
H89020 Home Buyer Assistance	305,680	724,971	500,000	500,000	500,000	500,000	500,000
Working Capital		2,617,473	49,940	37,512	94,561	83,302	34,381
Interstate URA Total	*$5,608,796*	*$6,714,668*	*$5,204,278*	*$2,251,767*	*$2,620,867*	*$4,747,953*	*$5,091,602*
Net	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**

- Lents – This URA is showing limited tax increment funds beyond what is used for homeownership retention programs. Funds accumulate in order to begin supporting other affordable housing activity in the out years of the forecast.
- North Macadam/South Waterfront – While a newer URA, increment growth has only recently picked up, and has been used for debt to cover the costs of the Grays Landing affordable housing project for veterans. After the completion of that project (which may have some savings), there is no additional increment funding for affordable housing until the end of the forecast period.

	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
	Actual	Revised	Request	Forecast	Forecast	Forecast	Forecast
Lents Town Center URA							
Resources							
Working Capital	0		305,200	547,116	661,457	377,225	45,070
Loan Income	45,962	13,156	13,100	13,100	13,100	13,100	13,100
Tax Increment	2,444,640	2,393,100	1,800,000	1,800,000	1,800,000	1,800,000	2,500,000
Lents Town Center URA Total	*$3,359,390*	*$2,406,256*	*$2,118,300*	*$2,360,216*	*$2,474,557*	*$2,190,325*	*$2,558,170*
Requirements							
Personnel Services - Direct Staffing	150,957	218,098	160,471	190,000	200,000	210,000	240,000
Bureau Indirect Costs (Staffing and Overhead)	390,491	611,049	410,713	508,759	547,332	535,255	655,913
H33441 Dahlia Commons/Svaboda	90,113	-	-	-	-	-	-
H20031 Beyer Court	175,323	-	-	-	-	-	-
H20032 Firland	434,587						
H20033 PCRIScat Site89/Ellis	54,468						
H89030 Affordable Rental Housing					350,000	400,000	600,000
H20023 Kah Sahn Chako Haws	1,221,363						
H89010 Home Repair Projects	313,305	670,785	500,000	500,000	500,000	500,000	500,000
H37930 Scat Site Home Rehab & Subs HAP	61,893	-	-	-	-	-	-
H89020 Home Buyer Assistance	456,876	595,724	500,000	500,000	500,000	500,000	500,000
H20035 Property Management	10,014	5,400					
Working Capital		305,200	547,116	661,457	377,225	45,070	62,257
Lents Town Center URA Total	*$3,359,390*	*$2,406,256*	*$2,118,300*	*$2,360,216*	*$2,474,557*	*$2,190,325*	*$2,558,170*
Net	**$ (0)**	**$ 0**	**$ 0**	**$ (0)**	**$ (0)**	**$ (0)**	**$ (0)**
North Macadam URA							
Resources							
Working Capital	0	-	835,035	913,392	979,232	1,011,460	54,849
Loan Income	14,529	35,040	35,040	35,040	35,040	35,040	35,040
Tax Increment	10,913,436	1,688,157	80,883	76,771	85,000	1,010,000	1,835,972
North Macadam URA Total	*$10,927,965*	*$1,723,197*	*$950,958*	*$1,025,203*	*$1,099,272*	*$2,056,500*	*$1,925,861*
Requirements							
Personnel Services - Direct Staffing	58,973	17,185	10,554	12,500	23,500	85,000	120,000
Bureau Indirect Costs (Staffing and Overhead)	152,550	48,147	27,012	33,471	64,312	216,651	327,957
H10543 Grays Landing	10,716,443	822,829	-	-	-	-	-
H89030 Affordable Rental Housing	-	-	-	-		1,700,000	1,400,000
Working Capital		835,035	913,392	979,232	1,011,460	54,849	77,904
North Macadam URA Total	*$10,927,966*	*$1,723,196*	*$950,958*	*$1,025,203*	*$1,099,272*	*$2,056,500*	*$1,925,861*
Net	**$ (0)**	**$ 1**	**$ (0)**	**$ 0**	**$ 0**	**$ 0**	**$ 0**

- River District – This URA has had a substantial number of projects completed over the past two fiscal years, but resource growth and anticipated privately financed development in the URA has boosted the funds available for affordable rental housing significantly throughout the forecast. Projects totaling $17.6 million are currently in process, and another $17 million is available through the remainder of the forecast.
- South Park Blocks – This URA is expiring. However, loan payoffs have bolstered remaining funds and program income in the URA to allow work on additional Preservation projects. A recent payoff will allow additional preservation projects to be planned in this URA.

	FY 2012-13 Actual	FY 2013-14 Revised	FY 2014-15 Request	FY 2015-16 Forecast	FY 2016-17 Forecast	FY 2017-18 Forecast	FY 2018-19 Forecast
River District URA							
Resources							
Working Capital	-	-	-	608,310	76,006	83,597	92,059
Predev Loan Payoffs/Property Sales	1,071,544	444,391					
Loan Income	570,764	558,300	558,300	458,300	458,300	458,300	458,300
Tax Increment	348,672	7,719,375	10,855,271	8,641,490	8,069,756	3,253,533	2,000,000
Other	258,290						
River District URA Total	*$2,249,270*	*$8,722,066*	*$11,413,571*	*$9,708,100*	*$8,604,062*	*$3,795,430*	*$2,550,359*
Requirements							
Personnel Services - Direct Staffing	130,844	207,572	229,298	310,000	340,000	325,000	267,500
Bureau Indirect Costs (Staffing and Overhead)	338,464	581,505	586,870	830,081	930,465	828,371	731,070
H12030 Fairfield Apartments	39,205	19,391	50,000	50,000	50,000	50,000	50,000
H89030 Affordable Rental Housing	1,275			6,900,000	7,200,000	2,500,000	1,300,000
H80036 Yards at Union Station	1,731,641	237,598	-	-	-	-	-
H20050 Erickson-Fritz		2,900,000	3,439,093				
H20049 The Abigail		3,300,000	6,500,000	1,542,013			
H20039 Medford		1,476,000					
Working Capital			608,310	76,006	83,597	92,059	201,789
River District URA Total	*$2,249,270*	*$8,722,066*	*$11,413,571*	*$9,708,100*	*$8,604,062*	*$3,795,430*	*$2,550,359*
Net	**$ 0**	**$ (0)**	**$ 0**	**$ 0**	**$ 0**	**$ (0)**	**$ 0**
South Park Blocks URA							
Resources							
Working Capital	3,447,508	56,008	5,084,646	37,161	1,665	882	6,673
Predev Loan Payoffs/Property Sales							
YWCA		2,700,021					
Jefferson West		2,040,000					
Loan Income	411,798	277,457	130,000	130,000	130,000	130,000	130,000
Tax Increment	1,634,146	2,193,859					
Other	7,692		-				
South Park Blocks URA Total	*$5,501,144*	*$7,267,345*	*$5,214,646*	*$167,161*	*$131,665*	*$130,882*	*$136,673*
Requirements							
Personnel Services - Direct Staffing	132,305	53,467	77,958	45,000	35,000	35,000	35,000
Bureau Indirect Costs (Staffing and Overhead)	342,243	151,675	199,527	120,496	95,783	89,209	95,654
H12027 Jefferson West Apartments	25,554	22,557	-	-	-	-	-
H34510 SPB Section 8 Preservation			4,900,000				
H20038 Park Tower Preservation	1,715,000						
H20037 Lexington Park Preservation		1,785,000					
H20036 1200 Tower Preservation	3,230,034	170,000					
Working Capital	56,008	5,084,646	37,161	1,665	882	6,673	6,019
South Park Blocks URA Total	*$5,501,144*	*$7,267,345*	*$5,214,646*	*$167,161*	*$131,665*	*$130,882*	*$136,673*
Net	**$ 0**	**$ 0**	**$ (0)**	**$ 0**	**$ (0)**	**$ (0)**	**$ 0**

- Education – In the newest URA, disposition of the Jefferson West Apartments property is the only current activity. No further activity is planned in the forecast, though anticipated housing set aside funds are shown for informational purposes.

	FY 2012-13 Actual	FY 2013-14 Revised	FY 2014-15 Request	FY 2015-16 Forecast	FY 2016-17 Forecast	FY 2017-18 Forecast	FY 2018-19 Forecast
Education URA							
Resources							
Predev Loan Payoffs/Property Sales		2,040,000					
Tax Increment	-	108,437	526,256	1,024,636	1,651,285	2,366,735	3,905,912
Education URA Total	*$0*	*$2,148,437*	*$526,256*	*$1,024,636*	*$1,651,285*	*$2,366,735*	*$3,905,912*
Requirements							
Personnel Services - Direct Staffing		15,000					
Bureau Indirect Costs (Staffing and Overhead)		43,079	-	-	-	-	-
H12027 Jefferson West Apartments		2,090,000					
H89030 Affordable Rental Housing		358	526,256	1,024,636	1,651,285	2,366,735	3,905,912
Education URA Total	*$0*	*$2,148,437*	*$526,256*	*$1,024,636*	*$1,651,285*	*$2,366,735*	*$3,905,912*
Net	**$ -**	**$ (0)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Portland Housing Bureau
Cost of Service Study
February 2014

Introduction

In compliance with the City of Portland's Comprehensive Financial Management Policy 2.06, the Portland Housing Bureau (PHB) is including in its Requested Budget submission a cost of service study for those programs in the bureau whose operations are or could feasibly be supported by fees. These are the Indirect Programs, Multi-Family Housing Programs and the HMIS Program.

Indirect Programs

PHB's Indirect Programs provide financial assistance in the form of tax and development fee exemptions and credits (i.e., indirectly) in order to promote development of and access to affordable homeownership and rental housing. The bureau defines affordability in relation to Median Family Income (MFI).

In addition to revenues foregone by Multnomah County and the City of Portland (property taxes and system development charges, respectively) the Portland Housing Bureau incurs expenses in the course of administering these programs, primarily in the form of program staff salaries & benefits and indirect costs. The bureau charges fees to the customers accessing and benefitting from these programs in order to offset the costs of service delivery.

About the Programs

1. Limited Tax Exemptions

PHB administers Limited Tax Exemption (LTE) programs that encourage the construction and preservation of affordable housing. There are three such programs:

- Homebuyer Opportunity Limited Tax Exemption (HOLTE) – A 10-year property tax exemption for residential structural improvements (up to 100% MFI for a family of four)
- Multiple-Unit Limited Tax Exemption (MULTE) – A 10-year property tax exemption for multi-unit structural improvements (minimum 20% of units at 60% MFI or below)
- Non-Profit Low Income Housing Limited Tax Exemption (NPLTE) – Full property tax exemptions for non-profit organizations that own low-income rental properties (only for units at 60% or below)

2. System Development Charge Exemptions

PHB administers System Development Charge (SDC) programs that assist developers by exempting them from residential SDC's charged by Water, Parks, Transportation and Environmental Services. There are two such programs:

- Homeownership SDC Exemption Program – Exemptions available only for home purchased by homebuyers at 100% MFI for a family of four
- Rental SDC Exemption Program – Exemptions available only for units rented to tenants at 60% MFI or below

3. Mortgage Credit Certificate Program

PHB offers low and moderate income households (up to 115% of 100% MFI for a family of four depending on household size) in Portland the opportunity to get an ongoing federal tax credit through a Mortgage Credit Certificate (MCC) -- an IRS-approved tax credit that reduces federal income taxes owed as long as the homebuyers keep their loan and continuously occupy the home as their principal residence.

Benefit Analysis & Cost Recovery

Each of these programs provides a significant financial benefit to the consumer (i.e., developer, homebuyer and/or lender) as described above but also a public benefit to the City of Portland in the form of affordable housing development. Given the mutual benefits, PHB's fee structure is designed such that both the private beneficiaries and PHB share the costs of the programs. The budgeted costs of these programs are displayed in the table below.

Figure 1 – Projected Indirect Program Costs For FY 2014/15

	Direct Cost	Indirect Cost	Total
HOLTE	83,306	68,103	**151,410**
MCC	61,793	50,516	**112,309**
MULTE	32,183	26,309	**58,492**
NP LTE	21,415	17,506	**38,921**
SDC Homeownership	120,840	98,786	**219,626**
SDC Rental	19,810	16,195	**36,004**
Grand Total	**339,346**	**277,416**	**616,762**

PHB proposes a fee structure that recovers the direct staff costs of the programs from fees and that subsidizes the indirect costs incurred by the bureau. For a detailed analysis of program-specific fees, cost recovery ratios and public & private benefits of these programs, see Exhibit A.

Next Steps

Leading up to July 1, 2014, PHB will conduct public outreach and involvement to gather input regarding the revised fee schedule. The bureau will then implement the new fee schedule starting FY 2014/15.

Housing Production & Preservation

PHB allocates the majority of its budget to providing financial assistance to developers and private citizens in order to promote the development and retention of affordable rental housing. Most of this financial assistance comes in the form of loans made to for-profit developers or non-profit housing agencies. Some of this debt is structured as amortizing (i.e., must pay) debt but the majority is soft debt structured like a grant or requiring payment only if the project generates sufficient net operating income.

On top of the development capital PHB provides to borrowers, PHB incurs significant direct and indirect expenses in the course of generating these loans and carrying out required compliance monitoring functions. Under the bureau's current funding model, these staff and indirect expenses have been paid primarily from three sources: Federal entitlement grants (such as CDBG) and associated program income; Tax Increment Financing and associated program income; and program income from the Housing Investment Fund. Each of these revenue sources is expected to remain flat or decline in the foreseeable future. Thus, the bureau is exploring options for recovering the aforementioned costs via fees.

Benefit Analysis & Cost Recovery

PHB's investments in multi-family housing projects represent a clear benefit to the borrower. The City sees a public benefit in the form of development and retention of affordable rental housing that the private market does not adequately provide. Given this mutual benefit, it would the costs of investing in affordable housing should be equitably shared by PHB and the borrowers. There are, however, two other important considerations. First, because affordable housing serves very needy populations and thereby generates significantly less rental income from tenants than market-rate housing does, the net income generated by these projects is often minimal. Second, PHB has historically covered the staff and indirect costs of this program from Federal and local sources described above.

Figure 2 – Rental Housing Development Activities

	Total Cost	
	(low)	(high)
Loan Origination & Closing	$25,000	$50,000
Loan Modification or Restructuring	$25,000	$50,000
Construction Management (New Construction Projects)	$30,000	$40,000
Construction Management (Rehabilitation Projects)	$10,000	$20,000
Asset Management	$30.38 per unit	

For a discussion of the costs of generating affordable housing loans and carrying out required compliance monitoring functions, see Exhibit B.

Next Steps
During FY 2014/15, PHB will engage in discussions with stakeholders and the public-at-large in order to identify an appropriate strategy for cost recovery in the Housing Production & Preservation program.

Homeless Management Information System

PHB manages a homeless management information system (HMIS) as part of the HUD McKinney grant the bureau receives. This reporting system is utilized by government and non-profit agencies state-wide. PHB charges user fees to the user agencies. Those fees, in combination with McKinney grant funds, pay for license fees and bureau staff time that is involved with management of the system, the data, training, user support and technical assistance. Funds are also reserved for software updates and hardware replacement.

The expansion to a state-wide system began in FY 2011-12 and PHB implemented fees to recover costs. Cost recovery is scaled to the total number of users in the system as well as the needs of the individual agency and the grant funding. Due to the grant funding component, the fees are not set for full cost recovery. Between the grant and user fees, the program is self-sufficient.

Users pay actual seat license fees as set by the vendor. Fees to the bureau are flat rate based upon vendor charges and the pool of users. These fees will adjust annually based upon cost increases from the vendor and changes to pool of users. Fees for per hour services were set initially at $175, reflective of fees the vendor charges for service. Actual cost per hour plus bureau indirect for staff providing the service came to $176.18. Exhibit C shows a sample pricing table for a larger sized agency.

Next Steps
During FY 2013-14, PHB has initiated a review of fee rates and cost recovery for this program. This study will be complete by May 1, 2014 so as to inform the user fee-setting process in FY 2014/15 intergovernmental agreement development.

Exhibit A – PHB Indirect Programs Fee Proposal & Cost/Benefit Analysis

Program	FY 2013/14 Fee Structure (PHB Portion)	Private Benefit	FY 2013/14 Fee Structure Cost Recovery / Subsidy	Public Benefit	FY 2014/15 Fee Structure (PHB Portion)	FY 2014/15 Fee Structure Cost Recovery / Subsidy
HOLTE	Homebuyer: $300 ($254)	• Average $1,687 exemption per unit per year for 10 years ($16,870 average overall tax savings)	$33,000 recovered (22%) $118,000 subsidized (78%)	• 30-120% MFI affordability • Economic development • Neighborhood redevelopment in distressed areas	Homebuyer: $650 ($110)	$91,000 recovered (60%) $59,624 subsidized (40%)
	Builder: $550 ($0)	• Builder gains access to broader pool of potential buyers			Builder: $650 ($604)	
MULTE	Builder: $11,000 ($5,000)	• Average $878 exemption per unit per year for 10 years • Range of overall tax savings estimated at $263,400 for 25-unit project, $1,053,600 for 120 unit project, and $2,634,000 for 250 unit project (based on portfolio of projects currently receiving exemptions	$25,000 recovered (44%) $27,000 subsidized (56%)	• At least 20% of units developed affordable at 0-80% MFI • Typically new construction • Includes “ADA plus” features • Green building requirements • MWESB requirements • Affirmative marketing requirements	Builder: $12,000 ($5,000)	$32,000 recovered (56%) $25,000 subsidized (44%)
NPLTE	New application: $250 ($250) Annual re-cert: $50 ($50)	• Average $944 tax exemption per unit per year • Range of overall tax savings estimated at $1900 to $1.4M (median = $97,000) based on current portfolio of projects receiving exemptions	$3,250 recovered (8%) $35,500 subsidized (92%)	• Assistance to non-profit affordable housing providers • 0-60% MFI affordability	Annual fee: $525 ($525)	$21,000 recovered (54%) $28,000 subsidized (46%)
SDC Homeownership	Builder: $575 ($504)	• Average $15,791 exemption per unit (up to $18k) • Reduce development cost lowers purchase price, allowing homebuyer to purchase “same house” for less	$95,000 recovered (49%) $99,000 subsidized (51%)	• 80-120% MFI affordability • Economic development • Housing in Portland vs. suburbs	Builder: $600 Penalty for Unqualified Buyer: $250 ($250)	$109,613 recovered (56%) $84,438 subsidized (54%)
SDC Rental	Builder: $575 ($504)	• Average $10,532 exemption per unit • Average exemption $249,746 per project	$4,000 recovered (11%) $32,000 subsidized (89%)	• 0-60% MFI affordability • 60-year affordability	Builder: $2,600	$20,250 recovered (56%) $15,750 subsidized (54%)
MCC	Lender/broker: $650 - $1150 ($650 - $1150) Homebuyer: $675 ($675)	• Homebuyer non-refundable tax credit $1,000 - $2,500 per year • Average homeowner savings = approximately $30,000 over 30 yrs	$55,000 recovered (49%) / $63,000 subsidized (51%)	• Average homebuyer MFI = 77% • Promotes PHB equity goals • Leverages bond cap available from State	Lender/broker: $750 - $1350 ($750 - $1350) Homebuyer: $775 ($775)	$63,000 recovered (56%) / $50,000 subsidized (44%)

Exhibit B
Housing Investment, Production & Preservation Cost of Service Analysis

Overall Costs of Service

To determine PHB's cost of service for issuing loans, PHB collected data from all HIPP team timesheets for the fiscal years 2010-11 through 2012-13. From this PHB was able to analyze all time charged by each individual team member to each of the relevant WBS (i.e., activity) codes:

POL	Policy and Outreach
INT	Project Intake
PLN	Planning/Analysis/Feasibility
UCL	Underwriting/Legal/Closing
ENV	Environmental Review
CMP	Compliance Review
CMG	Construction Mgmt
DSR	Disbursement Review
CLO	Completion/Closeout
OTR	Other

To come up with a team cost, this analysis totals the time charged to these codes and then calculates an average percent by team member spent on loans. (Averages were rounded to the nearest 5%.) These averages are shown in Column B in the table below.

Column A	*Column B*	*Column C*	*Column D*
Role	**% of Available Hours Spent from Origination - Construction**	**Total Annual Cost (includes indirect)**	**Total Cost divided by average # of projects**
Team mgr	20%	$49,454	$3,091
Underwriter	50%	$93,260	$5,829
Underwriter	50%	$93,260	$5,829
Project Mgr/Underwriter	45%	$79,005	$4,938
Project Mgr/Underwriter	45%	$79,005	$4,938
Construction Coordinator	60%	$109,097	$6,819
Construction Coordinator	60%	$109,097	$6,819
Construction Coordinator	60%	$109,097	$6,819
Loan Closer	60%	$97,954	$6,122
Loan Closer	60%	$97,954	$6,122
Total		**$917,183**	**$57,324**

To complete the calculation, this analysis converts the percentages to hours based on a 2080 hour year and deducting a portion for paid leave (i.e., vacation, sick and holidays). It then multiplies these by the average cost per hour for each job classification increased by the FY 2013-14 indirect cost recovery rate of 81.75%.

Using these calculations, this analysis estimates the current annual team cost attributable to new multifamily loans is $917,183. To determine the cost attributable to one loan, this analysis divides the total team cost by an average number of yearly loans, assumed for this example to be 16. This produces an average cost, including indirect, of $57,324/loan. Obviously, plugging in a higher number of annual

loans would result in a lower cost per loan and vice versa. The total number of loans in each of the three fiscal years is shown below:

Fiscal Year	Number of loans
2010-11	27
2011-12	15
2012-13	11

As demonstrated in the table above, the number of PHB loans per year is quite variable. In addition, staff time on loans nearly always straddles fiscal years. For these reasons, among others, this discussion estimates a wide range of per loan cost: **$55,000-$70,000**.

Loan Origination and Closing and Loan Modification Cost of Service

For loan origination/closing and loan modification, this analysis begins with FY 2010-11 through FY2012-13 and identified the projects (both new construction and rehabilitation) started and completed during the time period. Using this subset of all the data, the analysis breaks out the time spent by employee by activity. The analysis assigns these two WBS codes as best capturing "loan origination and closing" activities:

PLN	Planning/Analysis/Feasibility
UCL	Underwriting/Legal/Closing

Summing the relevant time codes for each applicable project, this analysis found a wide range of hours spent – with Block 49 requiring 2,343 and the Providence House rehabilitation requiring just 137. Because the sample size of completed projects was only 12, this analysis uses a range of hours. That said eight of the twelve projects fell within the 250-500 hour range. Assuming an average hourly (fully loaded) cost of approximately $100/hour, originating and closing one loan costs PHB approximately $25,000-$50,000.

Costs of loan modification and restructure activities are closely resemble that of origination and closing. This conclusion is supported by interviews with HIPP staff.

The table below shows the twelve projects used for calculations in this section. Projects are arranged from highest to lowest number of hours spent by project type:

Exhibit B
Housing Investment, Production & Preservation Cost of Service Analysis

PROJECT NAME	SPONSOR	PROJECT TYPE	TOTAL PLN AND UCL HOURS
Block 49	REACH	NC	2,343
Glisan Commons	Human Solutions	NC	2,003
Lifeworks Northwest	Lifeworks	NC	739
Kah San Chako Haws	NAYA	NC	435
Beech Street Apartments	Home Forward	NC	339
MLK Cook Fargo	Innovative Housing Inc.	NC	332
Greenview	ROSE	RH	481
Park Tower and Lexington	CSP	RH	422
1200 Building	CSP	RH	368
Beyer Court	ROSE	RH	346
Ainsworth Court	Home Forward	RH	250
Providence House	Providence Health Systems	RH	137

It's interesting to note that excluding the two most complex new construction projects, Block 49 and Glisan Commons, there's not a major difference between the hours spent on new construction versus rehabilitation projects.

Construction Management
Research found that on average construction management activities take between 300-400 hours on new construction projects (N = 3) while for rehabs 100-200 hours is more the norm (N = 9). Using the fully-loaded (including indirect cost recovery) rate of approximately $100/hour construction management costs average **$30,000-$40,000** for new construction and **$10,000-$20,000** for rehabilitation.

Asset Management Cost of Service
Determining PHB's cost of asset management is a bit simpler than for the previously-discussed activities primarily for two reasons. First, fewer staff members are assigned to asset management. Second, these staff devote the majority of their time to this activity. The table below shows the four PHB staff members who focus on asset management along with the approximate percent of their available time spent.

	% of available hours spent on AM activities	Total Annual Cost of Asset Management (includes indirect)	Full Cost/Unit (based on 12,218 units)
Team Manager	10%	$23,252	$1.90
Housing Inspector	50%	$92,987	$7.61
Asset Manager	70%	$153,731	$12.58
Housing Coordinator	70%	$101,252	$8.29
Total		$371,222	$30.38

To determine an asset management fee, this analysis simply divides the total team cost by the total number of PHB affordable housing units (12,218). Asset management activities and vary widely by project and by sponsor. That stated, asset management costs PHB $30.38 per unit per year.

Exhibit C
Sample Pricing Table and Notes:

ROCC (OHCS)

10/8/2012

New ServicePoint Licenses	2
Existing ServicePoint Licenses	124
ART AdHoc Licenses	0
ART Viewer Licenses	28

CMIS/HMIS Access		Rate	Quantity	Amount	Pro-Rated *If applicable*	Total Due
CMIS/HMIS Standard Set Up1	One Time Fee Per "CoC"[10]	$4,000.00	0	$0.00	--	N/A
CMIS/HMIS Annual Support2	Annual Fee**	$175.00	120	$21,000.00	100%	$21,000.00
CMIS/HMIS Annual Support2	Annual Fee** [Online Sept]	$175.00	4	$700.00	83%	$583.31
CMIS/HMIS Annual Support2	Annual Fee** [Online Oct]	$175.00	2	$350.00	75%	$262.50
CMIS/HMIS Customization3/Training4	Per Hour	$175.00	0	TBD	--	TBD
ServicePoint License Purchase5	One Time Fee	$200.00	2	$400.00	--	$400.00
ServicePoint Annual Access Fee6	Annual Fee*	$175.00	120	$21,000.00	100%	$21,000.00
ServicePoint Annual Access Fee6	Annual Fee** [Online Sept]	$175.00	4	$700.00	83%	$583.31
ServicePoint Annual Access Fee6	Annual Fee** [Online Oct]	$175.00	2	$350.00	75%	$262.50
ART Ad Hoc License7	Annual Fee***	$200.00	0	$0.00	--	$0.00
ART Report Viewer License8	Annual Fee***	$100.00	28	$2,800.00	--	$2,800.00
System Administration9	Anuual Fee*	TBD	TBD	TBD	--	TBD

ServicePoint Access Includes:
Bowman Dedicated Server Service
AIRS Taxonomy License, Integration & Update Fee
SSL Certificate Annual Fee
ServicePoint Training Site Annual License & Maintenance Fee
Premium Disaster Recovery
ServicePoint Source Code Escrow Annual Fee
Public Key Infrastructure (PKI) Solution Maintenance

Total Fees:	$47,300.00	Adjusted	$46,891.62

Sept 2012 Vendor costs will increase 4.11%
All fees are per "Parent Provider", "Lead Organziation", or "Continuum of Care" unless otherwise noted
All footnotes are inclusive but not limited to:
1 - Lead Organization Level; Provider programs created per HUD data standards; Local administrator user account; Initial "Train the Trainer" training. Pricing is subject to complexity and scale, pricing is subject to [3] HMIS Customizations.
2 - Ongoing administrative support for local administrator and "Train the Trainer" training for System enhancements. [Minimum of $3500 per year]
3 - Customizations in the way of Assessments, Screens, New Programs, Reporting, etc...
4 - Webinar training; Train the Trainer, New End User, other requested training
5 - Each user must have a dedicated non-shared license to access ServicePoint
6 - Annual software, maintenance and access fee for all users required (Cost of ServicePoint)
ART is used for creating custom reports using fields from ServicePoint
7 - This Advanced Reporting Tool (ART) license allows user to develop reports
8 - This ART license allows user to view created reports, there are no development capabilities.
9- System Administration subject to negotiation* would be applied to the appropriate "Subsidiary Account"
Software maintenance includes periodic enhancements made to the system by Bowman Systems
Other - Data Clean up and Data Entry is the responsibility of the Service Provider or Lead Organization
Data Integration is currently not available. Future Data Integration plans will be developed. Data integrations services will have a fee (yet to be determined)

*PHB HMIS IGA and Contract years begin on July 1. Initial IGA or contract "annual" fees will be pro-rated for mid year starts.
** CMIS/HMIS Annual Support minimum invoice cost $3500 annually.
*** ART licenses are not pro-rated, as they have their purchase price included in the first year.