Fund & Bureau Name: Development Services Fund (203); Cannabis Licensing Fund (228); Portland Permitting & Development.

Plan Overview

While the regional and national economy continues to expand, industries exposed to interest rate fluctuations have had a more difficult time in recent years, as is the case for construction. PP&D revenues have remained low in FY 2024-25 compared to historical levels as high interest rates, declining market values for existing buildings, and lack of investor confidence in Portland are impacting bureau demand for services. PP&D ended FY 2023-24 with a 12% decrease in fee revenue compared to FY 2022-23 and is experiencing ongoing low revenue collections in FY 2024-25.

Large projects represent a disproportionate share of PP&D revenue. Since the onset of COVID-19, PP&D has experienced decreases in large project activity due to a decline in demand for office space, new hotels, retail, and multifamily development. The COVID-19 pandemic initially caused a substantial decline in new permitting activity in Portland, and PP&D continues to experience lower revenues compared to pre-pandemic levels.

PP&D has the traditional "building department" functions of inspections, permit issuance, and review of architectural and engineering plans. State statutes regulate these programs and, in most circumstances, prohibit revenue from these programs from being used for other local code enforcement programs. State-mandated construction programs (Building, Mechanical, Electrical, Plumbing, etc.) are funded almost exclusively through permit fee revenues. Local code enforcement programs (Land Use Services, Neighborhood Inspections, Environmental Soils, Signs, Zoning Enforcement, Site Development, Noise, Transportation, Water, Urban Forestry, Environmental Review) implement local regulations or state and federal mandates. Local programs are funded through a combination of fees, fines and charges, and/or General Fund monies. The Liquor Licensing Program also supports non-construction state mandated activities and receives some General Fund support.

Demand for PP&D services, as well as bureau revenues, are highly correlated with changes in economic conditions, specifically as they relate to construction activity. As such, the attractiveness of Portland as a place to live, travel, and invest in is a highly critical issue for the bureau. Currently, the economic outlook is uncertain as the impacts of high interest rates, slower rent growth, high office vacancy rates, and livability concerns are impacting construction activity in Portland. As a part of its revenue forecasting process, PP&D meets with local economists and development industry experts on the PP&D Financial Advisory Committee to get their expert opinion on the current and future expectations for construction activity. In FY 2025-26 PP&D is projecting that the current lull in revenue will persist across most programs because of the economic headwinds previously mentioned, followed by increases for the remaining four years of the Five-Year Financial Plan once conditions become more favorable for development again.

Revenue Assumptions

PP&D's revenues are directly related to commercial and residential construction activity in the larger Portland Metropolitan Area, and these revenues are very susceptible to changes in the economic conditions of both the state and the nation. The list of macroeconomic parameters influencing the bureau's revenues includes but is not limited to employment; construction employment; unemployment; average wages; multifamily housing starts; mortgage originations; population; households; short, medium and long-term interest rates; housing prices; mortgage loans past due; housing affordability; and inflation. The high susceptibility of the bureau's revenue to so many volatile macroeconomic parameters make it difficult to project exact revenues, which provides incentive for the bureau to have a healthy reserve fund.

At City Council's direction, in spring 2010 the City retained Johnson Reid – Land Use Economics, an independent consulting firm, to conduct a review of PP&D's Financial Plan and underlying forecasting model. The review found that "the resulting revenue forecasts appear reasonable and defensible" but also recommended that "PP&D pursue ongoing improvement of its forecasting model".

In 2010, City Council also directed the bureau to convene a committee to review PP&D financial models and forecasts. The resulting Financial Advisory Committee included local economists with expertise in commercial and residential real estate, as well as members of Portland's Small Business Advisory Council (SBAC) and the City's Development Review Advisory Committee (DRAC). In fall 2010, the bureau received significant input from the Committee regarding the forecasting model. Committee members suggested that the forecasting model could be improved by including more variables from the real estate market.

The bureau researched options and resources for data closely related to real estate activity in the Portland Metropolitan Area and implemented several improvements to the forecasting model. Several criteria were employed in the model development and selection process, including:

- Utilization of local variables that describe real estate activity in the Portland Metropolitan Area.
- Overall valid model diagnostics/characteristics (parameters such as Adjusted R-squared, Durbin Watson statistic, F and T statistics).
- A high degree of accurate historical performance of the model.
- The reasonableness of the forecast produced by the model.

The bureau went through a rigorous and intensive development and selection process, and developed models for its major programs: Building, Mechanical, Plumbing, and Electrical. Final and alternative models for these programs, as well as the forecasts produced by those models, were presented to the Financial Advisory Committee. PP&D engages in this model development process and review every year, adjusting where appropriate to ensure the use of highly credible and quality forecasting methods.

PP&D went through the same rigorous process this year and presented models for its main permit programs and the Land Use Program to the Financial Advisory Committee in January 2025. The models are ultimately used to forecast revenue by program. This year, due to the difficulty in specifying econometric models satisfying the criteria of reasonable growth rates in line with Financial Advisory Committee expectations, the Building Program and Land Use Program were modeled in terms of long-term average growth and revenue levels rather than directly tying growth to economic parameters. The Committee found that the model development and selection processes were comprehensive and sound and concurred with the bureau’s recommendations. The Committee also found the bureau’s projections for development activity in the Portland Metropolitan Area to be reasonable and defensible but will likely need to be reevaluated if the economic forecast trends continue downward.

Base programmatic revenues for most of the bureau’s programs, prior to large project revenue and fee changes, are projected to remain at current low levels digits in the first year of the 5-Year Forecast period before returning to a growth trend in the final four years of the Financial Plan. The revenue growth rates are applied to bureau revenues generated from projects with a valuation of under $3 million. Revenue projections are then adjusted to account for the bureau’s expectations regarding large projects with a valuation above $3 million. These adjustments are typically made only in the first two years of the forecast but can be made in subsequent years when revenue from large project activity is reasonably certain. The bureau discussed the process for making these adjustments with the Financial Advisory Committee.

PP&D collects more than 200 fees and charges under various fee schedules, including Building, Mechanical, Electrical, Plumbing, Facility Permit, Field Issuance Remodel, Site Development, Environmental Soils, Signs, Zoning Enforcement, Land Use, Noise, Cannabis Licensing, Liquor Licensing, Neighborhood Inspections, Accessory Short-Term Rental, Environmental, Transportation, Urban Forestry, and Water Programs. These fees and charges are used by PP&D to fund inspections, plan review, permit issuance, land use review, customer assistance, and other functions. Most bureau programs have the goal to be self-supporting, while three programs (Neighborhood Inspections, Noise, Liquor Licensing) receive ongoing General Fund support.

Fees charged for services delegated from the State Building Codes Division (BCD) must comply with the fee calculation methodologies determined by the BCD and described in Oregon Administrative Rules (OAR) 918-050-0000 through 918-050-0170. In 1988-89, the Development Services Operating Fund was established with a policy that construction-related programs in the fund would be self-supporting. Since that time, PP&D has kept these programs self-supporting by providing efficient, effective services and by periodic, moderate fee changes that allow the bureau to respond to increasing costs and to be innovative and proactive in meeting changing customer needs. The same principle is applied to all bureau programs.

Any fees charged by PP&D, including fees for services delegated by the BCD, should cover the costs of providing services. Every year, as part its Five-Year Financial Plan development, PP&D evaluates its programs to ensure costs are fully recovered and healthy reserves are maintained over the following five years.

For FY 2025-26, due to the expected increases in costs of providing services, fee changes are projected for several bureau programs. Fee increases are typically included in the Financial Plan for programs which are below cost recovery, need to build reserves, and/or have anticipated inflationary cost increases. Generally, these increases are held to 5%, but in some cases may be higher when the cost of providing services is substantially higher than projected revenues. This year's 5-Year Forecast anticipates fee increases in most programs, which may be necessary to maintain financial stability during the forecast period. These programs include the Building/Mechanical Program, Electrical Program, Plumbing Program, Field Issuance Remodel, Facility Permit Program, Site Development, Environmental Soils, Signs, Cannabis Licensing, Noise, Zoning Enforcement, Land Use Services, Neighborhood Inspections, Accessory Short Term Rental, Environmental Review, Transportation Review, Urban Forestry Review, and Water Review. If changes to programs' financial situations occur, the bureau will reassess and adjust the need for specific fee increases. If these fee increases are necessary but not adopted, program services would need to be reduced through budget/expenditure reductions.

Expenditure Assumptions

Expenditures for FY 2024-25 are projected based on actual spending from July 1 through December 31, 2024, anticipated spending through the end of the fiscal year, and historical spending patterns.

Personnel changes, whether from staffing reductions, retirements, projected attrition, and staff increases are included in the FY 2025-26 Financial Plan. PP&D's financial projections, which were reviewed by the PP&D Financial Advisory Committee, show that PP&D projects to have sufficient funds to support staffing and ongoing operations, after accounting for FTE reductions.

PP&D's FY 2025-26 Financial Plan assumes a net workforce reduction of 60.0 FTE in the first two years of the forecast, prioritizing retirements and attrition wherever possible. Vacancies created by these employee exits are not filled during this time. Only beginning in FY 2027-28 does the Financial Plan assume vacancies are filled. PP&D has internal and external performance goals addressing efficiency and customer experiences. To meet these goals, the bureau adds staff strategically, while making staff decreases to specific programs where necessary for financial stability and to accommodate expected changes in workload. Only in the final three years of the forecast period does PP&D expect to fill vacancies once workload has increased again. Current staffing levels at PP&D are at minimum levels necessary to meet service delivery goals, thus any staff reductions in the plan will adversely impact services provided both internally and to the public.

All projected changes in staffing are reflected in the Financial Plan. New positions are not added unless the bureau can support them through the 5-Year Forecast period. This Financial Plan demonstrates that without additional funding, PP&D may be required to reduce staffing further beyond the natural attrition and retirements. Revenues, expenditures, and workload are closely monitored and adjustments to the plan are made as updated information is received.

Expenditure Risks to the Forecast and Confidence Level

The revenue and expenditure forecast presented in the Financial Plan is realistic (neither optimistic nor pessimistic). However, bureau revenues and expenditures are very susceptible to changes in the political and economic climate of the state, the nation, and the world. Having a prudent reserve helps the bureau weather some of these fluctuations. Being financially conservative also supports this goal.

Construction activity in the state and in the Portland Metropolitan Statistical Area remains exposed to internal and external shocks. The accuracy of the 5-Year Forecast is extremely sensitive to changes in local policies. The bureau cannot account for unforeseen changes to the Zoning Code, legislative actions, and changes to local political priorities.

Local policies aside, the economic and revenue outlook is never certain. The risks now facing the Oregon economy and this forecast include but are not limited to: the possibility of weakness in global economies; fluctuation in Federal fiscal and trade policy, such as potential tariffs; inflation or deflation and reactions of the Federal Reserve Bank; a sharp depreciation or appreciation of the dollar; sharp and major stock market corrections; geopolitical risks; a global pandemic such as COVID-19; and a slowdown in critical industries.

The City is currently in negotiations with several labor unions for new contracts. New labor agreements may have material impacts on PP&D expenditures. The Financial Plan will be updated as the full impacts on personnel costs are known, as agreements are finalized.

Portland Permitting & Development
Funds 203 & 228

Resources	CY Estimate	FY 2025-26 Plan	FY 2026-27 Plan	FY 2027-28 Plan	FY 2028-29 Plan	FY 2029-30 Plan
Beginning Fund Balance	25,184,319	13,778,564	6,229,045	5,588,908	10,829,526	19,596,815
Taxes	-	-	-	-	-	-
Licenses & Permits	40,151,429	46,771,422	50,460,181	57,550,926	64,679,062	70,104,257
Charges for Services	17,756,350	18,999,576	20,606,512	23,848,494	27,327,413	29,905,096
Intergovernmental	-	-	-	-	-	-
Interagency Revenue	11,674,583	8,141,434	8,141,434	8,141,434	8,141,434	8,141,434
Fund Transfers - Revenue	3,894,197	1,949,128	1,949,128	1,949,128	1,949,128	1,949,128
Bond & Note Proceeds	-	-	-	-	-	-
Miscellaneous	2,640,762	2,438,384	2,565,261	2,950,250	3,489,621	4,174,510
General Fund Discretionary & Overhead	-	-	-	-	-	-
Resource Total	101,301,640	92,078,508	89,951,561	100,029,140	116,416,184	133,871,240

Expenditures	CY Estimate	FY 2025-26 Plan	FY 2026-27 Plan	FY 2027-28 Plan	FY 2028-29 Plan	FY 2029-30 Plan
Personnel	59,032,018	55,463,816	53,837,007	57,432,449	63,222,862	69,333,004
External Materials and Services	3,672,176	3,956,323	4,059,187	4,160,666	4,268,844	4,379,834
Internal Materials and Services	18,648,613	20,331,985	20,395,129	21,199,504	22,402,402	23,652,493
Capital Outlay	-	-	-	-	-	-
Debt Service	1,755,935	1,826,173	1,899,072	1,975,248	2,054,086	-
Fund Transfers - Expense	4,414,334	4,271,166	4,172,258	4,431,747	4,871,175	4,974,325
Contingency	13,778,564	6,229,045	5,588,908	10,829,526	19,596,815	31,531,584
Debt Service Reserves	-	-	-	-	-	-
Expense Total	101,301,640	92,078,508	89,951,561	100,029,140	116,416,184	133,871,240
Planned FTE Total	323.6	278.6	263.6	274.2	295.8	317.4

Bureau of Planning and Sustainability
General Fund

Plan Overview

The Bureau of Planning and Sustainability (BPS) takes action to shape the future of Portland and advance climate justice for a more equitable, prosperous, healthy, and resilient city. BPS organized into the following six major functional areas, each of which has several significant programs and policy responsibilities, and almost all of these functional areas rely on General Fund resources to some degree.

(1) Planning and Urban Design provides comprehensive, long-range, and district planning and urban design services, and is primarily supported by the General Fund. Program areas include Comprehensive & Strategic Planning; Code Development; Urban Design & Research; Area Planning; River & Environmental Planning.

(2) Sustainability and Climate Action Informs how the City can build back a thriving, carbon-free economy that centers equity and the health, prosperity, and resilience of the people most impacted by the climate crisis. This team conducts research and analysis, develops policies, and implements projects that advance our just transition away from fossil fuels to a clean energy future. Current projects include developing a building energy benchmarking program and implementing recently updated renewable fuel standards. It is funded by a mix of General Fund, Solid Waste Management Fund, and PCEF, though the FY 2025-26 Requested Budget eliminates General Fund as a funding source for this program.

(3) Waste Collection manages the solid waste, recycling, and composting collection system for residents and businesses including franchises with residential haulers and permits for commercial haulers. The program manages the citywide Public Trash Can Program and assists with efforts to remove trash from the public right-of-way. Graffiti Abatement was recently added to this group and has thrived under a unified, organized approach to graffiti abatement and customer service. This work group is mostly funded with the Solid Waste Management Fund except for the Graffiti Abatement program which is funded with General Fund.

(4) Portland Clean Energy Fund (PCEF) provides funding for direct investment in climate action projects that reduce greenhouse gas emissions and advance racial and social justice. Funding may include housing energy efficiency investments to reduce utility costs, transportation decarbonization such as e-bike incentives, urban tree canopy,

green workforce development, and more. There is no General Fund associated with this work group.

(5) Community Technology oversees licensing and franchising for commercial (primarily telecommunications) uses of the public right-of-way; administrative support to the Mt Hood Cable Regulatory Commission (MHCRC) which oversees cable franchises and provides cable-related technology grants to schools, nonprofits, and libraries; and works to improve the use of data and technology to foster civic engagement, create shared prosperity, improve livability, and provide equitable access to City services. These programs are funded by a mix of General Fund and Intergovernmental Agreements. Programs include: Smart Cities PDX / Digital Equity; Mt. Hood Cable Regulatory Commission (MHCRC); and Franchise Utilities. The Franchise Utilities program is a major source of general fund revenue for the City ($90M + annually).

(6) Bureau Administration provides communications and media relations, business services, finance, HR operations, and other central functions bureau-wide to ensure efficient, effective operation of the organization. It is funded by an internal overhead model with each bureau program contributing. Services and programs include Communications; Financial Services; HR & People Services; Equity and Engagement and Technical Services (GIS, graphics, database management, and web development). Additionally, the Director's Office provides leadership within the bureau.

Revenue Assumptions

Long-term financial planning for these programs assumes stability in the amount of ongoing General Fund resources the bureau receives.

The City's entire long-range planning and land use program and associated legal mandates are funded solely out of General Fund. The ongoing challenge is that the bureau's core work continues to be under-resourced and requires continual dependence on one-time funding from General Fund or outside sources to maintain base levels of staff and workload. In particular, the Planning programs' staff capacity continues to diminish as state and local land use mandates grow. This imbalance of workload and diminished staffing capacity has resulted in staff burnout.

Grants support BPS's programs by resourcing specific projects, but not ongoing programs. Typically, our grants come from the State, Metro, or the Federal Government. Grant sources are less predictable and depend on how funding opportunities align with the bureau's workplan priorities. BPS expects to continue to aggressively pursue grants for planning and sustainability projects. In the requested FY 2025-26 budget about 20%

of Planning and Climate/Energy program staff are at least partially grant-funded. BPS' largest single grant, Metro's support for waste reduction and business recycling, has historically been a stable resource for the bureau (supplementing SWMF revenue in the Waste programs).

Interagency resources have also diminished, putting programs at risk. Sources of Interagency funding have included BES, PBOT, ODOT, the Port of Portland, and TriMet. The River & Environmental Planning program has long relied on interagency agreements to fund ongoing state mandated work, and that program lost one (1) FTE in FY 2024-25 as revenue agreements expired.

Within the Community Technology division, intergovernmental revenue from the MHCRC interagency agreement is expected to decline in the next five years as Cable Franchise and associated Community Benefits fee revenue shrinks with a declining number of cable subscribers. The outcome of franchise negotiations with cable companies will greatly affect the future trajectory of the MHCRC's mission and scope. Over the five-year forecast period, Community Technology programs and staffing levels are expected to grow moderately.

Expenditure Assumptions

General Fund expenditures are assumed to be able to track with General Fund revenues. If revenues decrease, or expenses grow more rapidly, there will need to be reductions in staffing and level of service/program offerings.

The areas where the level of service could be most challenged are in the Code Development, Urban Design & Research, Climate, Energy, & Sustainable Development, and River & Environmental Planning teams. The staffing levels in Planning program have steadily been reduced over the last decade and are now about 65% of 2010 levels.

In FY 2022-23 BPS received an influx of one-time general fund resources and several other one-time revenue sources from grants, interagency agreements, and ARPA. Taken together this added up to over $7M in one-time resources, most of it ending June 2024. Several Limited Term staff completed their projects and left the bureau at the end of FY 23-24.

Finally, like other bureaus, BPS General Fund programs have experienced increases in labor costs, driven by inflation, classification, and compensation studies, pay equity implementation, and large cost of living adjustments. This has an especially large impact on a bureau like BPS because most of our costs (outside of PCEF) are for staff. Due to stable SWMF and PCEF revenue, BPS will be able to avoid making major staff cuts in FY 2025-26. The General Fund represents about 1/3 of the bureau's operating revenue, and programs funded by that source continue to see staff reductions through attrition. Citywide trends and policy decisions are a risk to maintaining current service levels, and base level services, if future impacts continue at the current pace.

Expenditure Risks to the Forecast and Confidence Level

New, unanticipated, and unfunded or under-funded initiatives may continue to emerge as priorities from the community or Council. The asks may require existing resources to be redeployed from their original assignments and delay implementation of existing workplans and prior commitments. This threatens the ability of the bureau to complete projects on time and on budget. As the bureau continues to develop and implement meaningful policy and program development with community and in collaboration with other bureaus, the appropriate level of staffing must be secured to ensure planning and climate/sustainability projects are realized. As a growing share of planning and climate/sustainability staff are funded outside the General Fund, the bureau's ability to be responsive to new Council priorities shrinks.

Increasing costs for internal materials and services (IMS) such as facilities, technology, and insurance continue to outpace allocated revenues. While the City Budget Office inflationary rates were used in the projection, this does not reflect typical annual growth rates and may understate expenditures.

Confidence level: Medium

Bureau of Planning and Sustainability
General Fund

Resources	FY 2024-25 CY Estimate	FY 2025-26 Plan	FY 2026-27 Plan	FY 2027-28 Plan	FY 2028-29 Plan	FY 2029-30 Plan
Intergovernmental Revenue (MHCRC and Special Appropriation)	1,093,730	1,528,642	1,528,642	1,528,642	1,528,642	1,528,642
Interagency Revenue	175,796	495,964	495,964	495,964	495,964	495,964
General Fund Discretionary & Overhead	19,096,085	15,017,518	15,392,956	15,731,601	16,077,696	16,431,406
Resource Total	**20,365,611**	**17,042,124**	**17,417,562**	**17,756,207**	**18,102,302**	**18,456,012**

Expenditures	FY 2024-25 CY Estimate	FY 2025-26 Plan	FY 2026-27 Plan	FY 2027-28 Plan	FY 2028-29 Plan	FY 2029-30 Plan
Personnel	13,797,129	12,154,560	12,421,960	12,670,400	12,923,808	13,182,284
Materials and Services	6,568,482	4,887,564	4,995,602	5,085,807	5,178,495	5,273,728
Capital Outlay	-	-	-	-	-	-
Expense Total	**20,365,611**	**17,042,124**	**17,417,562**	**17,756,207**	**18,102,302**	**18,456,012**
Planned FTE Total	**79.5000**	**82.2800**	**82.2800**	**82.2800**	**82.2800**	**82.2800**

Bureau of Planning and Sustainability
Community Solar Fund

Plan Overview

The Community Solar Special Revenue Fund was created as part of the Solar Forward pilot program. Solar Forward was a crowdfunding campaign started by BPS to offer community members a way to engage in the development of new, clean, local renewable energy systems on buildings like community centers, schools, and libraries. Three solar electric systems were installed between 2012 and 2014; each receives an ongoing stream of incentive payments based on solar production from the systems. The Solar Forward pilot officially wrapped up in 2014. While utility revenue will continue to accrue to the fund until 2029, BPS is not currently seeking donations or other voluntary contributions.

The Community Solar Fund accounts for expenses and revenues associated with the installation of solar electric systems on publicly-owned facilities.

The fund historically received revenue from two sources:

(1) The electric utility companies, in the form of a 15-year stream of incentive payments based on the energy produced from each solar energy system; and
(2) Donations from individuals, businesses, and organizations who provided voluntary contributions.

The only ongoing revenue source for this fund is the electric utility incentive payments. The accrued revenue is intended to be used to offset capital expenses association with solar electric system installation on public buildings.

Revenue Assumptions

Revenue from now through 2029 will consist solely of the incentive payments from the electric utility companies for the production from three solar energy systems installed in 2013 and 2014.

Expenditure Assumptions

BPS plans to spend down the fund balance in a single project by the end of FY 2029-2030, at which point the fund can then be terminated.

Expenditure Risks to the Forecast and Confidence Level

Revenues are forecast based on estimated electricity production from the solar electric systems. If actual production varies for any reason, such as less solar resource, damage to or removal of the systems, etc., then the revenues received will decrease. So far, this has not happened. The systems continue to produce electricity – and revenue – at the projected rate, even exceeding forecasts in some years.

After 2029, the City will continue to accrue revenue, but potentially at a different – and likely lower – rate. State legislation mandates that after the 15-year term, the utility will pay the City a per-kilowatt incentive equal to the Resource Value of Solar (RVOS). The RVOS is currently being determined by stakeholders at the Oregon Public Utility Commission.

Bureau of Planning and Sustainability
Community Solar Fund

Resources	FY 2024-25 CY Estimate	FY 2025-26 Plan	FY 2026-27 Plan	FY 2027-28 Plan	FY 2028-29 Plan	FY 2029-30 Plan
Beginning Fund Balance	105,258	112,638	120,018	127,398	134,778	142,158
Miscellaneous	7,380	7,380	7,380	7,380	7,380	7,380
Resource Total	**112,638**	**120,018**	**127,398**	**134,778**	**142,158**	**149,538**

Expenditures	FY 2024-25 Plan	FY 2025-26 Plan	FY 2026-27 Plan	FY 2027-28 Plan	FY 2028-29 Plan	FY 2028-29 Plan
Internal Materials and Services						
Ending Fund Balance	112,638	120,018	127,398	134,778	142,158	149,538
Expense Total	**112,638**	**120,018**	**127,398**	**134,778**	**142,158**	**149,538**
Planned FTE Total	**-**	**-**	**-**	**-**	**-**	**-**

Bureau of Planning and Sustainability
Portland Clean Energy Fund

Plan Overview

The Portland Clean Energy Community Benefits Fund (PCEF) is responsible for the implementation of voter-approved Measure 26-201. As prescribed by its authorizing legislation, PCEF invests in community-led and community-driven projects and programs that reduce carbon emissions in ways that advance social and economic benefits for all Portlanders. PCEF prioritizes low-income people, communities of color, and other communities on the frontlines of climate change for clean energy, transportation decarbonization, green job training, and green infrastructure projects. PCEF also prioritizes the development of skilled workers from historically disadvantaged groups, including women, people of color, and people experiencing disabilities.

Revenue for PCEF comes from the proceeds of the Clean Energy Surcharge (CES), a 1% percent Large Retailer business surcharge that is estimated to provide $200 million in FY 2025-26. This estimate is in line with prior year actuals, which may indicate less fluctuation due to factors including inflation, economic growth, and compliance with the CES.

Primary fund expenditures are associated with outgoing grants and contracts, interagency funding, program expenses, administrative expenses, and revenue collection expenses.

Revenue Assumptions

The revenue estimate is conservative and based on historical revenue collections. There is modest confidence that CES revenue figures will not fall below this range, as the revenues are subject to swings in the economy.

Expenditure Assumptions

Primary expenditures are related to the collection of the CES, administration of the Fund, development of capacity, and distribution of project and program-related grants and contracts.

The total five-year funding of $1.591 billion, through 6/30/2029, for program grants and contracts is outlined in the Climate Investment Plan (CIP), adopted by City Council in December 2024. All program-related expenditures for FY 2025-26 were identified in the CIP including strategic programs for about $164 million, Collaborating for Climate Action for roughly $70 million and community responsive grants for nearly $66 million.

Administrative expenses are limited to 12% of the average of annual Fund revenues FY 2023 through FY 2026.

Expenditure Risks to the Forecast and Confidence Level

Generally, there are modest uncertainties in the estimated CES revenues for FY 2025-26 given the economic dynamics behind the revenue source and the relative infancy of the CES. However, CES revenues are generally more insulated from economic downturns as they are based on gross revenues of entities subject to the surcharge.

For expenditures, anticipated risks will relate to organizational capacity (for organizations receiving community grants), inflation, rising wage rates, supply chain bottlenecks, construction permitting, and availability of other funds (for example in housing or transportation projects where PCEF is one of several funding contributors). For projects being led by City agencies, there is some risk due to this being a relatively new process, which could impact the rate of spending.

In addition, many PCEF-funded programs will be reliant on centralized services such as procurement, human resources, technology services, PDX 311, etc. Funding and staffing constraints in these partner agencies could impact the rate of spending.

Bureau of Planning and Sustainability
Portland Clean Energy Community Benefits Fund

Resources	CY Estimate	FY 2025-26 Plan	FY 2026-27 Plan	FY 2027-28 Plan	FY 2028-29 Plan	FY 2029-30 Plan
Beginning Fund Balance	668,452,345	697,963,593	581,004,448	405,067,959	201,169,122	91,992,151
Taxes	193,800,000	197,676,000	201,629,520	205,662,110	209,775,353	213,970,860
Miscellaneous	14,470,177	25,066,963	26,871,598	22,078,169	15,392,582	7,644,427
Resource Total	876,722,522	920,706,556	809,505,567	632,808,239	426,337,057	313,607,438

Expenditures	CY Estimate	FY 2025-26 Plan	FY 2026-27 Plan	FY 2027-28 Plan	FY 2028-29 Plan	FY 2029-30 Plan
Personnel	23,653,219	32,097,157	40,587,998	41,366,724	46,387,512	16,902,527
External Materials and Services	107,906,467	213,924,904	290,107,249	327,915,380	237,116,127	126,165,603
Internal Materials and Services	9,759,041	13,497,964	16,297,235	19,802,665	20,697,212	7,953,397
Capital Outlay	27,289,695	41,453,081	41,002,306	24,723,887	11,868,234	4,209,462
Debt Service	2,034,250	2,037,000	-	-	-	-
Fund Transfers - Expense	8,116,256	36,692,002	16,442,820	17,830,461	18,275,821	4,583,891
Contingency	697,963,593	581,004,448	405,067,959	201,169,122	91,992,151	153,792,557
Expense Total	876,722,522	920,706,556	809,505,566	632,808,239	426,337,056	313,607,437

Planned FTE Total	45.50	56.00	64.00	64.00	64.00	64.00

CY Estimate: Bureaus should provide current year-end projections or estimates.

FY 2025-26. Provide the financial plan data for the upcoming budget year. For most bureaus, this should match what is being proposed in that fund through budget development.

FY2026 through FY2030 Plan. Provide financial plan data for years 2-5 of the fund’s forecast.

Bureau of Planning and Sustainability
Solid Waste Management Fund

FY 2025-26 Plan Overview

The Solid Waste Management Fund supports multiple efforts of the Bureau of Planning and Sustainability (BPS), as well as Portland Permitting & Development's (PP&D) Residential Nuisance Abatement program, and the Impact Reduction Program.

- The Solid Waste & Recycling Division oversees collection services and programs that help keep the city clean, materials and waste policy, and outreach, education and technical assistance around recycling, waste reduction and sustainable consumption:
    - The **Waste Collection Program** regulates and administers the garbage, recycling and composting collection system for residents and businesses in Portland. This team carries out City Council's policy direction to reduce waste, increase recycling and composting, and maintain high-quality collection services at reasonable rates. It administers the public trash can program, providing and servicing sidewalk trash cans downtown and in business districts citywide. BPS is expanding this program to business districts in NW and SW outside downtown.
    - Through technical assistance, partnerships, and education, the **Sustainable Consumption & Production Team** ensures Portland's compliance with the Opportunity to Recycle Act, supports businesses in required waste reduction practices, and helps Portlanders achieve prosperity, health, and resilience by reducing waste, conserving resources and reducing emissions at home and work.
- The **Climate, Energy, & Sustainable Development Program** provides analysis and pilot projects, policies, and programs to advance City goals for an equitable, low-carbon community.
- The **Impact Reduction Program** is managed by the Office of the City Administrator and provides cleanup services on public properties and rights-of-way in response to homelessness.
- The SWMF also supports PP&D **Waste-Related Enforcement** work enforcing nuisance dumping and garbage service requirements that apply to landlords.

Solid Waste Management Fund revenue sources include residential franchise fees, commercial tonnage, and permit fees.

- Residential franchise fees are set at 8% of total revenues collected by haulers serving single-family through four-unit complexes.

- Commercial tonnage fees are currently set at $16.60/ton of garbage disposed by haulers serving multifamily and business customers. We anticipate an increase in FY 2025-26 to $17.60/ton, explained below--this reflects a reduced projection over prior years which projected an $18.60 / ton fee in FY 25-26.

Revenue Assumptions

The minimum fund balance level is set at $500,000 to provide an operating reserve and contingency in the case of an emergency such as a natural disaster that would require immediate clean-up of debris. Maintaining a significantly higher balance than $500,000 is appropriate given the ongoing operational commitments within this fund. The current fund balance is separated into residential, commercial, and combined sources. Combined sources are from IGAs, grants and miscellaneous revenues that are applied to either residential or commercial programs.

BPS increased the commercial tonnage fee by $1.00 in FY 2024-25. In FY2025-26, the commercial tonnage fee was expected to increase by $2.00. BPS plans to recommend a smaller increase of $1 in the upcoming rate process to maintain pace with increased disposal costs, ongoing investments in the Impact Reduction Program, and another round of expansion in the public trash can program. No increases are proposed for the 8% franchise fee within the residential collection system.

Expenditure Assumptions

The following programs and issues impact the fund’s five-year forecast:

Clean City

We oversee collection of garbage from our nearly 1,500 public trash cans located across much of the city. So far, the program has expanded in East, Southeast, North, and Northeast Portland. We are currently expanding in Northwest, and next year in South/Southwest. New contracts for the Pearl District and Downtown have recently been completed. We also use our contracts to serve some PBOT-owned cans. Since 2019 this program has expanded around a special procurement authorized by City Council that allows BPS to create capacity-building opportunities for certified minority- and woman-owned companies via public waste collection contracts. This has allowed the program to procure significant services from multiple COBID service providers and it continues to be used for program expansion.

Initially BPS projected an interagency agreement of $1,159,237 with the Office of the City Administrator to undertake solid waste cleanup activities and dispose of waste on public properties and rights-of-way through the Impact Reduction Program (IRP) for FY25/26. A one-time additional $1,000,000 has been added to the budget and SWMF forecast, increasing the amount for FY25/26 to $2,159,237. Solid waste related costs, such as cleanup crew costs and disposal fees, are eligible for funding from the Solid Waste Management Fund. City Council authorized increases in the commercial tonnage fee since FY 2018-19 have helped to provide funds for this effort in addition to the expansion of the public trash program. Since FY 2020-21, the interagency agreement's annual dollar amount has been calculated to include an inflationary adjustment.

Policy Commitments
The Regional Waste Plan, Opportunity to Recycle Act, and Recycling Modernization Act are driving increased expectations for policy and program development, technical assistance, and education around Portland's waste collection systems, waste reduction, recycling, and sustainable materials management.

Rate Stabilization
In keeping with the franchise agreement that governed residential waste collection until early 2024, approximately $1.4M from the SWMF will be expended in coming years to mitigate collection fee increases. BPS proposes to use this to offset costs associated with offering a low-income discount to qualifying residents.

Other investments (e.g. the Climate, Energy & Sustainable Development Program) and increased overhead and payments to fund internal service Bureaus and functions also impact the fund's five-year forecast.

Expenditure Risks to the Forecast and Confidence Level

Program and operating costs have continued to increase. Portland businesses continue to experience fluctuating economic activity, thus generating uncertainty in the tons of solid waste that are subject to the commercial tonnage fee. Though the forecast projects greater economic activity and more solid waste being generated, continued slowing of the economy would reduce revenue for the program.

New, unanticipated, and unbudgeted projects may emerge as priorities from the community, or City Council that require reallocation of existing resources. For example, BPS is implementing the City's mandate for business food scrap composting, resulting in increased costs. Implementation of the Recycling Modernization Act, and the rollout of curbside battery collection service, or investments in new waste reduction initiatives, or to improve services provided to multifamily community members, may also create new demands on the SWMF.

Confidence level: Medium

Bureau of Planning and Sustainability
Solid Waste Management Fund

Resources	FY 2024-25 CY Estimate	FY 2025-26 Plan	FY 2026-27 Plan	FY 2027-28 Plan	FY 2028-29 Plan	FY 2029-30 Plan
Beginning Fund Balance	7,576,691	7,389,424	5,297,302	3,857,343	3,039,697	2,392,757
Licenses & Permits	7,371,580	7,696,578	8,035,642	8,391,981	8,766,886	9,156,500
Charges for Services	4,958,118	5,364,703	5,784,786	6,161,327	6,200,905	6,223,386
Interagency Revenue	40,000	-	-	-	-	-
Miscellaneous	220,116	300,814	214,571	168,238	139,667	127,242
Resource Total	**20,166,505**	**20,751,519**	**19,332,301**	**18,578,889**	**18,147,155**	**17,899,885**

Expenditures	FY 2024-25 CY Estimate	FY 2025-26 Plan	FY 2026-27 Plan	FY 2027-28 Plan	FY 2028-29 Plan	FY 2029-30 Plan
Personnel	3,710,736	3,986,008	4,085,658	4,175,543	4,267,405	4,361,288
External Materials and Services	5,866,567	6,240,471	7,021,149	6,905,876	6,923,939	6,169,464
Internal Materials and Services	2,378,129	2,598,881	2,664,369	2,724,043	2,785,597	2,848,545
Debt Service	109,027	113,388	117,914	122,644	127,539	127,539
Fund Transfers - Expense	1,417,173	2,444,681	1,481,957	1,516,939	1,553,965	1,591,898
Internal Loan Remittances	(800,000)	-	-	-	-	-
Contingency	95,449	70,788	103,911	94,147	95,953	98,059
Ending Fund Balance	7,389,424	5,297,302	3,857,343	3,039,697	2,392,757	2,703,092
Expense Total	**20,166,505**	**20,751,519**	**19,332,301**	**18,578,889**	**18,147,155**	**17,899,885**
Planned FTE Total	**22.0000**	**22.3500**	**22.3500**	**22.3500**	**22.3500**	**22.3500**

Fund & Bureau Name: Spectator Venues and Visitor Activities Fund, Office of Community and Economic Development - Deputy City Administrator.

Plan Overview

The following is a discussion of the major financial issues the Spectator Venues and Visitor Activities Fund (SVVAF) will address over the next five years.

Background

Rose Quarter
At the Rose Quarter, the SVVAF collects revenues and makes expenditures according to the terms of the Veterans Memorial Coliseum Operating Agreement and Arena Operating Lease (Moda Center). Both agreements were extended in August 2024 and will now expire in October 2030, if not further extended.

The negotiated lease extension made several changes to the operational arrangement at the Rose Quarter:

- Ownership of the Moda Center was transferred to the City for $1.
- The City purchased a privately-owned parcel of land under a portion of the Moda Center for $7.1 million.
- Beginning in FY2025-26 and continuing through FY2029-30, the City will reinvest the revenues derived from Trail Blazers home games into capital improvement projects at the Moda Center with the following conditions: the private operators must match the contribution 1:1, and the City's investments may only be used for projects listed on a pre-approved and mutually agreed upon Capital Improvement Plan.
- Rip City Management continues to operate both the Moda Center and the Veterans Memorial Coliseum.

Other financial terms of the agreements remain essentially unchanged from the previous Arena Ground Lease and related documents.

Because the changes proposed in the term sheet had not yet been finalized or approved by City Council at the time of budget preparation, the program's FY2024-25 budget did not include the new obligations. A series of adjustments were made through the Fall BMP adjustment process to reflect the new agreements.

Construction began on renovations at the Veterans Memorial Coliseum in summer 2024 and will continue in phases through summer 2026. Repair, replacement, and capital improvement costs associated with operating the aging arena have risen steadily and averaged $1 million per year over the past five years. The renovation should reduce ongoing repair costs and increase popularity and profitability at the facility. Approximately $57 million (including interest earned) in bond financing has been secured for the project. Annual debt service of $4.3 million on these bonds is paid for by the Visitor Facilities Trust Account (funded by dedicated tourism taxes). This bond sale was approved by the City Council in January 2024 and bonds were successfully sold in March 2024. The SVVAF is also contributing up to $6 million over several years in soft costs to the project.

To allow for construction, the building was closed during summer 2024 and will again be closed in summer 2025. The renovation scope includes full seating replacement, extensive restroom expansion and renovation, improvements to rigging systems, a renovated scoreboard, as well as major upgrades to critical mechanical systems including electrical, emergency, plumbing and HVAC. The available resources are not sufficient to address all needs at the historic arena. Additional resources may need to be identified in future years to fully address building needs and maximize its potential.

In addition to costs associated with repairs and improvements to the Veterans Memorial Coliseum, the SVVAF spends on repairs, replacements, and improvements at the Rose Quarter Plaza and City-owned Rose Quarter Garages. Modest budgets for additional major maintenance and repair/replacement costs are included in each of the next five years. In FY2023-24 the City plans invested $350k in security enhancements at the garages.

In FY2025-26, per the terms of the new Arena Operating Lease, the City will invest all ticket user fee and parking revenues received from Portland Trail Blazers games into eligible capital projects at the Moda Center. These funds must be matched 1:1 by Rip City management, and only projects identified on the Capital Expenditure Plan are eligible. For FY2025-26, this amount is projected to be approximately $4.3 million.

Stadium

Under the Stadium Operating Agreement, the SVVAF is responsible for a portion of most repairs and some capital improvements at Providence Park, including a fixed annual contribution to fund periodic artificial turf replacement.

The east side expansion of the stadium opened in June 2019 with 4,000 new seats in three new levels above the existing concourse and seating bowl. The approximately $75 million design and construction cost of the project was privately funded. To help defray the cost of the project, City Council agreed to exempt the operators from certain payments of ticket fees they otherwise would have paid to the SVVAF for a period of several years. Those exemptions began to expire in 2022 and ticket revenues are again being collected by the City. The remaining exemptions will expire at the end of 2025 leading to modest increases in ticket revenues paid to the City in FY2026-27. In FY2023-24, the City contributed $350k to the cost of necessary modifications to the stage area at the south end of the field to allow for the return of concerts to the venue. The two concerts held during 2024 generated approximately $500k in additional revenues to the SVVAF.

Annual repair, replacement and capital costs at the stadium have averaged just under $600k over the past five years. As the stadium ages and it is now 25 years since the major renovations of the west side of the facility were completed, annual repair and replacement costs are expected to rise significantly in the coming years.

Portland'5

The SVVAF Fund Statement was established in 2015 and allowed the program to spend resources on administration and oversight of the three City-owned theater buildings operated by Portland'5 under the umbrella of Metro: Antoinette Hatfield Hall, Arlene Schnitzer Concert Hall, and Keller Auditorium. The SVVAF receives no funding from Portland'5, nor does it contribute to capital projects without specific City Council Approval. The City's annual special appropriation for Portland'5 operations (~$1.2M in FY2024-25) is required by the operating agreement with Metro and comes from the City's General Fund.

In March 2024, City Council reassigned the oversight of City-owned performing arts venues to the newly created City Office of Arts and Culture located in the Office of the Deputy City Administrator for Vibrant Communities. As such, the SVVAF FY2025-26 budget does not include budget for Portland'5 oversight.

Travel & Tourism

The Spectator Venues Program serves as the City's staff liaison to the sports, travel and tourism industry. In this capacity, staff works closely with Travel Portland and Sport Oregon who provide destination marketing and promotion services to the City helping to bring travelers and events to our region benefiting the City's venues, the local economy, the SVVAF, and the City's General Fund by generating transient lodging taxes.

The Program serves as the contract administrator for the City's contract with Travel Portland which provides a portion of collected transient lodging taxes to the organization. Separately, the SVVAF maintains a $55,000 annual contract with Sport Oregon to provide marketing and promotional services to bring sporting events to Portland and the City's venues.

Key Issues

Anemic Travel and Tourism Recovery

The travel and tourism industry in Portland has yet to fully recover to pre-pandemic levels. While COVID-19 shutdowns and reduced travel caused widespread declines, most peer markets have now fully recovered and surpassed 2019 visitor revenue figures. Until Portland's hotel occupancy and rates have fully recovered, the revenues generated by transient lodging taxes will remain less than needed to support critical investments in venue operations and infrastructure.

Aging Facilities

All of the venues in the portfolio are aging. Providence Park turns 100 in 2026, the Veterans Memorial Coliseum is 65, and Moda Center turns 30 this year. As large and complex facilities age, they require increased investment and periodic major renovation to continue to serve the community. While the stadium has been through several renovations in recent decades, the last major renovation of the west and north sides was completed in 2001, and that part of the stadium will need increased capital and repair spending in the coming years. The Veterans Memorial Coliseum is currently undergoing the first significant renovation in its history, which will address many age-related challenges and greatly extend the life of many of the building's key systems. However, due to budget constraints, not all of the building's needs are being addressed, and additional spending will be required to keep the building operating safely and efficiently in the future. Moda Center is positioned to receive sustaining investments from both the SVVAF and the private operators through 2030 under the terms of the new Arena Operating Lease, however, the Portland Trail Blazers have made it clear that a major renovation is required for the arena to continue to be the home of the team for the long term. Major renovation of the arena is likely to cost between $400 and $500 million and is expected to add 20-30 years of useful life to the building. A project of this scale is well beyond the City's means to fund alone and additional funding sources have not yet been identified.

Revenue Assumptions

Revenues to the SVVAF are subject to specific terms contained in a series of agreements with the venue operators. The Rose Quarter facilities are operated by Rip City Management and Providence Park is operated by Peregrine Sports, LLC. The revenue arrangements vary significantly between the different venues according to the terms of the applicable agreements.

Over 70% of SVVAF revenues come from Rose Quarter operations including ticket user fees and parking fees. These revenues are dependent on the performance of the Rose Quarter Venues: number of events held at the Moda Center and VMC, price and number of tickets sold, number of patrons parking in City garages. Fewer events, lower attendance, lower ticket prices, or less parking in the garages all impact revenues.

Since the resumption of events in 2021, revenues to the SVVAF have fully recovered and surpassed pre-pandemic levels. However, considering the unpredictability of the sports and entertainment industry, good recent financial performance does not guarantee similar future revenues. COVID-19 and the prolonged closure of the venues proved this point to the extreme.

The introduction of a new Women's National Basketball Association franchise in summer 2026 will generate additional revenues to the program from ticket user fees and parking. Since attendance and ticket pricing are unknown at this point, it is difficult to project revenues.

To prepare for potential unexpected and rapid declines in revenues, the Program takes a conservative approach in estimating future revenues. Future revenue growth assumptions are based not on revenues from the most recent years, but rather on an analysis done looking at historic growth rates in both user fees and parking revenues over a longer period, including some more lackluster years (although the COVID-19 year is removed from the calculation). This approach and the maintenance of a minimum operating reserve (estimated to be enough to cover program expenses and debt service in a year with no event revenues) is intended to protect the City's General Fund from any obligation to cover the debt payments or other obligated expenses related to the venues.

In 2017, after the first seven years of the Stadium Operating Agreement term, the annual License Payment and City's minimum share of ticket revenue required of Peregrine Sports are treated as reimbursement for pre-payment by Peregrine Sports for their contribution to the FY 2010-11 renovation project costs and these payments to the City terminated. Revenues from events at the stadium are not anticipated to be enough to cover City costs for the remainder of the operating term (through 2035) and revenues from other sources will be used to fully meet obligations, however, re-introduction of large concerts to the stadium has the potential to improve the City's financial position at the stadium, and after debt service associated with the 2010 renovations is retired in FY2026-27, revenues from the stadium may cover costs in some years.

In addition to supporting debt service on future renovation projects at the VMC and the Portland'5, the Visitor Facilities Intergovernmental Agreement includes an allocation (from dedicated transient lodging taxes and vehicle rental fees) for the City's Rose Quarter properties and other tourism related programs and services. This annual allocation was $590,000 in FY 2019-20 and escalates annually based on changes in the construction price index. Due to COVID-19 and subsequent declines in transient lodging tax revenues to the Visitor Facilities Trust Account, this allocation was reduced by 80% in FY 2020-21 and is expected to see an ongoing reduction of 10% in FY2025-26. The Visitor Facilities Intergovernmental Agreement also includes an annual payment of $4.3 million, 100% of the debt service on the VMC Renovation Bonds, which were issued in March 2024. The VMC Renovation Bond sale generated $53.4 million in proceeds which will earn an estimated $3 million in interest income during the time between sale and being fully invested into capital projects at the facility. All proceeds and interest are required by the bond issuance to be invested into eligible capital projects at the facility.

Expenditure Assumptions

Expenses to the SVVAF and service level assumptions are subject to terms and conditions contained in a series of agreements with the venue operators and are largely impacted by the City's obligations to pay for specified costs, debt obligations and program personnel costs.

The forecast assumes continued gradually escalating costs for required repairs and replacements at the Veterans Memorial Coliseum and Providence Park as well as the new requirement for 2025-26 to invest all City revenues generated by Trail Blazers basketball games into specified projects at the Moda Center. Note that this investment requires a 1:1 financial match from the private operators. Major bond-funded renovations at the Veterans Memorial Coliseum were begun in 2024 and are continuing in 2025. This work is primarily funded by $53 million in City bonds for which all debt service is paid from the Visitor Facilities Trust Account. The renovation project should help control ongoing operational and repair costs and improve profitability.

Administrative spending at the Rose Quarter has been higher than average for the past year as the program took on significant legal and expert consulting fees associated with updating and renegotiating the Rose Quarter Agreements. With the approval of the new Arena Operating Lease for Moda Center, that work is expected to subside in 2025-26, although because the current lease expires in 2030, if not extended, it is likely to pick up again during the five-year plan period. In addition, the program is supporting significant design costs associated with the Veterans Memorial Coliseum renovations. This work will continue into FY 2025-26 before tapering off before FY 2026-27.

Administrative costs at Providence Park cover ongoing participation in repair and replacement activities as required under the Stadium Operating Agreement. These costs are growing as the older part of the stadium approaches 100 years old and 25 years since a major renovation.

The SVVAF forecast includes costs related to implementation of the ADA Transition Plan at Providence Park, but not at the Veterans Memorials Coliseum where the renovation project is anticipated to address the majority of the identified ADA barriers. Given its relatively young age, Moda Center is anticipated to have few ADA barriers, but it has not yet been surveyed.

Note that administrative responsibility for the City's performing arts venues was reassigned from the Spectator Program to the City Arts Program in early 2024. Expenditures associated with the performing arts facilities are not reflected in the proposed 2025-26 Spectator Venues and Visitor Activities budget.

All bonded debt obligations associated with the original Rose Quarter developments were paid off in 2016-17, but the SVVAF will continue to make annual stadium bond debt payments associated with the 2010-11 renovations. According to current schedules, the final payments on the stadium bonds will be made in FY 2026-27. In FY2024-25, the SVVAF began making debt service payments on the VMC Renovation Bonds, but the full amount of these payments will be covered by payments from the Visitor Activities Trust Account in accordance with the Visitor Facilities Intergovernmental Agreement.

Expenditure Risks to the Forecast and Confidence Level

COVID-19
The pandemic demonstrated that the factors determining revenues to the SVVAF are highly dependent on forces well outside the City's control. While the event-closures are behind us, any new event requiring closure of the venues would negatively impact projected revenues and alter the forecast.

Volatility in the industry
The sports and entertainment industry is unpredictable and subject to significant fluctuation due to trends and issues well beyond the City's control. Key factors to consider in predicting revenues to the SVVAF include:

- The overall performance of the Portland Trail Blazers including the team's ability to win games, support higher ticket prices, and consistently fill the Moda Center. Playoff games generate additional revenues. If fewer games are played for any reason, such as an NBA players' strike, or changes to the NBA schedule, revenue to the fund is reduced. The same is true for the Portland Winterhawks, Portland Timbers, and Portland Thorns, but on a much smaller scale.
- The number of major concerts that come to Portland and choose to play at one of the program's venues has a major impact on revenues to the SVVAF. A single popular concert that sells out the Moda Center at high ticket prices can generate over $100,000 in user fees alone. The number of major concerts in a given year can fluctuate significantly.
- A prolonged economic recession would impact attendance and ticket prices at events as people seek to reduce discretionary expenses. Historically, spending on entertainment is among the first to see reductions in an economic downturn and one of the last to recover.

Unexpected Major Repairs
The stadium will turn 100 years old in 2026, and while it has undergone three major renovations during the past 25 years, parts of it remain antiquated. The Veterans Memorial Coliseum is 65 years old and while the renovation will address many issues, it remains an old building with some original systems that will not be addressed within the budget of the renovations. With venues like this in the portfolio, there is always the potential to experience unexpected and costly equipment failures or other emergency repairs, and under the terms of the agreements, the SVVAF is generally responsible and obligated to perform them.

Overall, the risks to both revenue and expenditures for the SVVAF are significant and largely dependent on factors outside of the City's direct control. As a result, confidence in the accuracy of the five-year forecast is low.

FY 2025-26 Requested Budget Five Year Plan

Spectator Venues and Visitor Activities

Resources	CY Estimate	FY 2025-26 Plan	FY 2026-27 Plan	FY 2027-28 Plan	FY 2028-29 Plan	FY 2029-30 Plan
Beginning Fund Balance	76,138,167	47,000,000	12,466,966	7,673,862	10,356,071	14,135,262
Charges for Services	10,703,400	11,526,890	11,663,627	11,900,176	12,346,116	12,803,421
Intergovernmental	424,000	531,000	531,000	700,000	1,500,000	1,537,500
Miscellaneous	1,560,000	1,200,000	500,000	380,000	450,000	560,000
Resource Total	88,825,567	60,257,890	25,161,593	20,654,038	24,652,187	29,036,183

Expenditures	`	FY 2025-26 Plan	FY 2026-27 Plan	FY 2027-28 Plan	FY 2028-29 Plan	FY 2029-30 Plan
Personnel	634,287	677,743	698,075	719,018	740,588	762,806
External Materials and Services	8,213,100	7,895,890	2,590,145	3,100,912	3,058,550	3,262,711
Internal Materials and Services	876,285	868,082	904,541	941,929	980,234	1,020,097
Capital Outlay	34,728,112	35,054,000	10,000,000	5,500,000	5,700,000	5,800,000
Debt Service	3,262,700	3,261,825	3,260,250	-	-	-
Fund Transfers - Expense	32,101	33,384	34,719	36,108	37,552	39,055
Contingency	41,078,982	12,466,966	7,673,862	10,356,071	14,135,262	18,151,515
Expense Total	88,825,567	60,257,890	25,161,593	20,654,038	24,652,187	29,036,183
		-				
Planned FTE Total	3.00	3.00	3.00	3.00	3.00	3.00

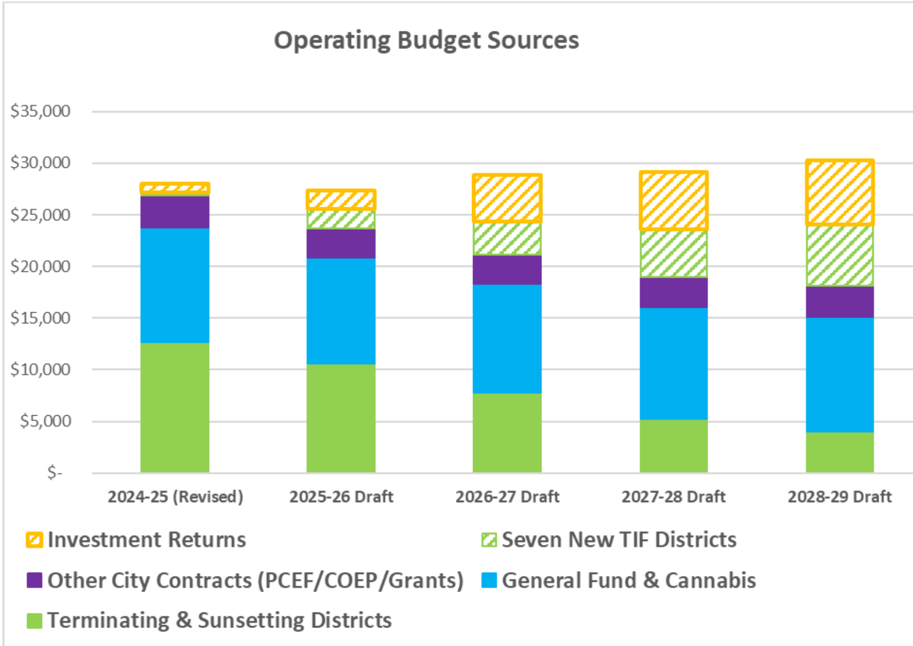
Prosper Portland

FY 2025-2030 Five-Year Financial Forecast

Prosper Portland's budget and forecast is guided by its Financial Sustainability Plan that was adopted by the Prosper Portland Board in 2023. The Financial Sustainability Plan is a 10-year plan that outlines how Prosper Portland can sustain operations and programs to support implementation of Advance Portland long-term as older TIF districts expire. The Plan includes four components (1) optimizing both public benefits and financial return of the remaining tax increment funds and existing real estate assets (2) securing additional public funding to support economic and community development programs, (3) partnering with public agencies to deliver real estate development activities that achieve public priorities, and (4) seeking additional revenues for capital and operations by leveraging core expertise. In the two years since adoption of the plan, the board and city council have approved measures through increased General Fund and adoption of seven new TIF districts that largely support increased public funding. The FY 2025-26 Draft Budget and Five-Year Plan focuses on investment of remaining TIF district resources from sunsetting districts as well as investment of the Strategic Investment Fund, providing small business assistance, commercial loans and resources to support real estate investments that will help sustain the agency while providing access to capital citywide.

Prosper Portland's five-year forecast shows tax increment revenue declining as existing districts reach maximum indebtedness and new TIF districts take time to build tax increment, constrained General Fund and Cannabis funds growing at 2.5%, loan repayments based on a discounted value of principal and interest repayments, and other assumptions as discussed below. New TIF resources in the later part of the five-year forecast include conservative projections for each of the six new TIF districts, as well as the remaining resources available in Gateway and the continuation of growth in Cully. The forecast also includes remaining resources in sunsetting districts including Central Eastside, Lents, and Interstate where resources are dedicated to final district commitments.

Expenditures are held as relatively constant with staff levels staying flat, economic development activities staying relatively flat and capital projects aligning with TIF receipts. Additional resources will need to be generated from Strategic Investment Fund (SIF) returns and new TIF districts starting in FY 2025-26 to support status quo level of operations in accordance with the Financial Sustainability Plan, as shown in the graph below.

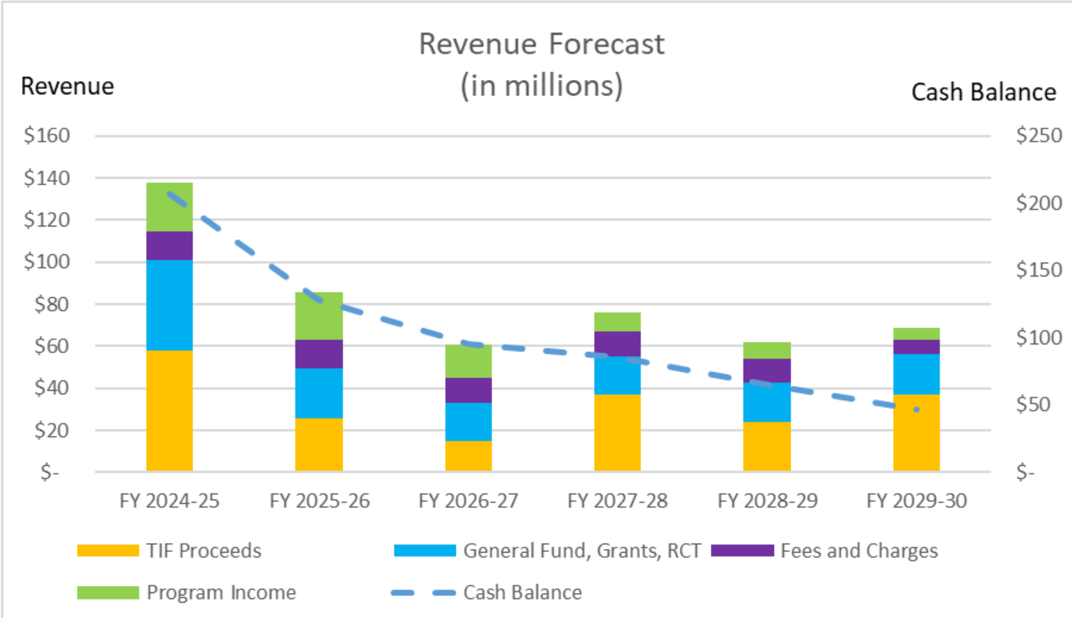


The housing forecast includes the Housing Set Aside resources in new TIF districts as well as Cully and Gateway.

The contingency balance serves as the agency's rolling ending fund balance. While contingency can be appropriated by the board to increase current fiscal year project and program needs; it will reduce available resources later in the forecast. Contingency amounts vary by fund, but overall contingency decreases in the forecast years as final resources in sunsetting TIF districts are spent down.

Revenue Assumptions

Prosper Portland's operating and capital expenditures are supported by resources described below. In summary, cash balances largely from existing TIF districts will be spent down over the forecast period on commitments while new TIF proceeds will not be realized until assessed value from those districts increases over time. General Fund, Cannabis and various fees and charges are anticipated to be flat. Program income from loans and property is anticipated to decrease as loans are repaid and property is sold. New loan and project returns are anticipated but will not be incorporated into the budget and forecast until those loans and investments occur.



Beginning Fund (Cash) Balance - The FY 2025-26 beginning fund balance budget is $207 million, a decrease of $155 million from FY 2024-25 Revised Budget of $362 million. The bulk of Prosper Portland's beginning fund balances are in TIF district capital funds. The net proceeds from TIF are spent over multiple years on identified projects and programs. Beginning fund balance continues to decline in forecast years as projects in sunsetting TIF districts are completed.

City General Fund - This revenue category includes both City of Portland General Fund resources as well as Recreational Cannabis Tax (RCT) resources, both of which Prosper Portland relies heavily on to fund economic development activities outside of TIF districts, and without the limitations that accompany TIF.

Ongoing programmatic funding provided by General Fund and RCT includes business advancement through traded sector growth, the Inclusive Business Resource Network (IBRN), Neighborhood Prosperity Network, Office of Small Business, Office of Events and Film, and workforce development.

Ongoing General Fund and RCT funds are forecasted to grow at 2.5% year over year. RCT funds have been especially volatile, with a 22% cut in FY 2024-25 and a one-time cut in FY 2025-26. General Funds are also seeing cuts in the near future. All of this will impact Prosper Portland's ability to deliver on economic development programs that support small businesses and Portland's workforce. These resources make up about 24% of Prosper Portland's 5-year revenue forecast, net of service reimbursements and transfers in.

Fees and charges include contracts for the Portland Clean Energy Fund (PCEF) and Community Opportunities and Enhancements Program (COEP), as well as Enterprise Zone revenue collection. PCEF is an intergovernmental agreement (IGA) and funds are already encumbered for Prosper Portland to spend out, therefore there is little risk to this line item. COEP is an annual IGA and there is uncertainty on how much funding will be allocated to Prosper Portland in the future. Enterprise Zone is a tax abatement program wherein Prosper Portland collects a fee from businesses in the program. Given the uncertainty around Portland’s ability to attract new businesses and foster existing businesses, the revenue projections in this program are extremely conservative. Business and personal tax laws, media representation of Portland and other external sources directly impact this tax abatement program. Fees and charges make up about 16% of Prosper Portland’s 5-year revenue forecast, net of service reimbursements and transfers in.

Federal and Other Grants - This revenue category includes Community Development Block Grant (CDBG) via the City of Portland and other federal, state, and local grants and make up 4% of resources in Prosper Portland’s 5-year revenue forecast, net of service reimbursements.

With the spenddown of American Rescue Plan Act (ARPA) funds in FY 2024-25, the only remaining federal grant is the Community Development Block Grant (CDBG) funds for economic opportunity programs. These resources support community economic development activities focused on workforce development and small business technical assistance through IBRN. CDBG is projected to decline every year, however given the uncertainty of federal grant programs, this may not be a reliable source in the near future. The forecast includes $2.1 million next fiscal year declining to $1.8 million in FY 2029-30.

Also included in this category is a one-time grant from the State of Oregon to support redevelopment projects in downtown and central eastside.

Program Income - Program income derives from the following sources: interest on investments, loan collections, property income, and reimbursements and makes up 17% of Prosper Portland forecasted resources, net of service reimbursements and transfers in. These funds are used to support TIF district development efforts, fund program management in TIF districts, provide for citywide investments through the Strategic Investment Fund and provide for general operations. Program income received in TIF districts is retained within the corresponding district and expended on projects in accordance with the city’s adopted district plans. Federal loan collection program income is restricted in expenditure by law.

Loan revenue projections include a loan allowance for doubtful accounts, assessed on a loan-by-loan basis. Loan interest projections in SIF are meant to help fund operations of Prosper Portland, so if fewer loans get funded or if loans go uncollected, this will put additional pressure on Prosper Portland's operating budget and ability to fund current staffing levels.

Property income projections are based on active leases and historical performance for parking revenue and other activities. Prosper Portland holds and manages a variety of properties to meet both economic development and redevelopment goals ranging from commercial tenant space, parking facilities, vacant land held for redevelopment, as well as one hotel, the Inn at Convention Center originally planned for redevelopment. Income from property declined significantly during the COVID19 pandemic and has gradually improved in the last three years. Property held for economic development activity such as commercial space at Lents Commons and Alberta Commons include modest levels of income projected in the five-year forecast while property held for redevelopment (Including 92nd Harold in Lents; USPS in River District) generally do not have any income included in the forecast. Income projections from parking facilities and the Inn at Convention Center include modest forecasts based on recent performance. The forecast removes income from assets planned for disposition in the forecast period such as the Inn at Convention Center.

Service Reimbursements - Include recovery for administrative expenses for Prosper Portland's support departments: Executive; Equity, Policy and Communications; Legal; and Administrative Services. The costs are allocated to operating department funds, which reimburse the general fund for their share of the costs.

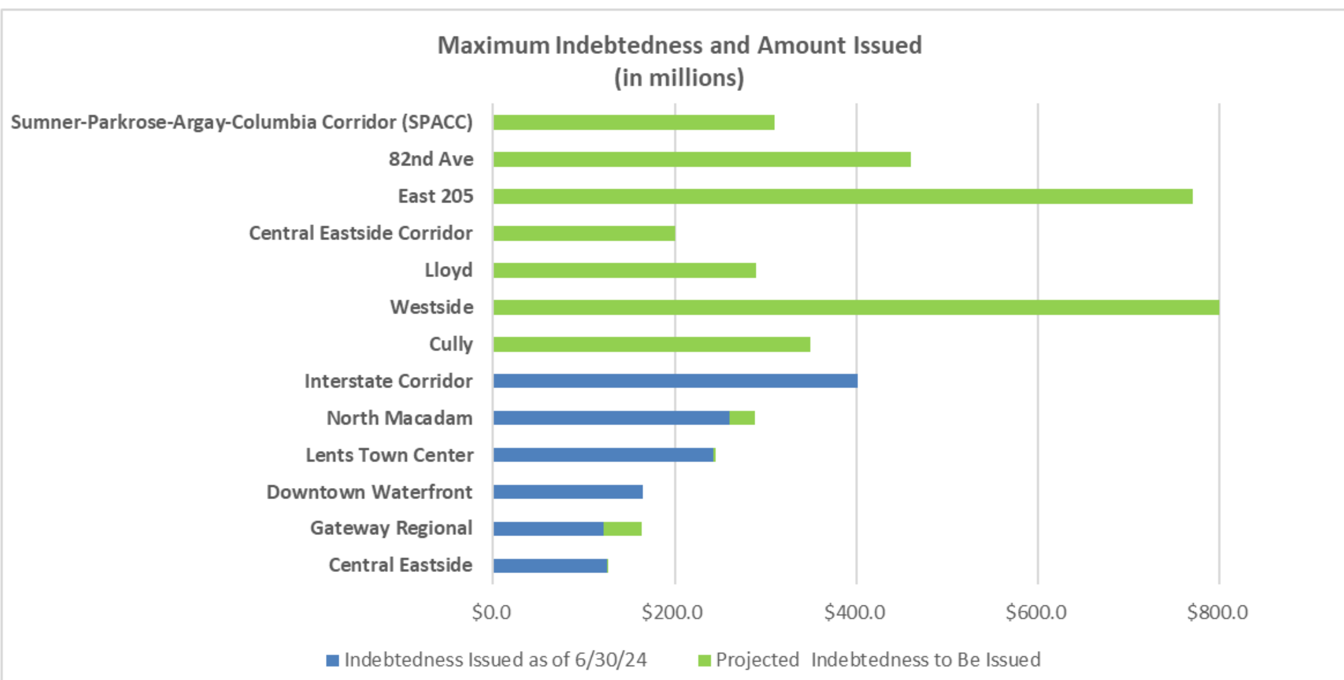
Tax Increment Debt Proceeds - Oregon Revised Statutes (Chapter 457) requires that urban renewal property taxes be used to pay debt service on bonds and notes issued to fund projects in TIF districts. The City of Portland collects urban renewal property taxes to make debt service payments on long-term urban renewal bonds, lines of credit or other interim financing, and short-term urban renewal bonds (known as "du jour" bonds). Prosper Portland receives the net proceeds of these debt obligations, after payment of issuance costs and required reserves, to use on eligible projects within designated districts.

The forecast is developed in conjunction with the City of Portland using conservative assumptions on tax increment revenue collections and debt service requirements. TIF resources make up about 39% of Prosper Portland's 5-year revenue forecast, net of service reimbursements and transfers in. New TIF growth is estimated at between 1% and 3% depending on the location of the district, lower percentages for central city and higher percentages for East Portland. This is in large part due to the uncertainty around the real estate market in downtown Portland, as market values for commercial type properties in the central city decrease, Measure 5 compression increases and limits overall assessed value growth. While these are more conservative estimates, there is risk that values come in even lower in FY 2025-26. Given these slow growth projections, investments in the six new TIF districts for the first five years are limited.

Short Term (S-T) Debt – Short-term ("du jour") debt is overnight borrowing used to make tax increment revenues available to Prosper Portland that are in excess of amounts necessary for debt service on outstanding TIF district bonds or other indebtedness. The forecast includes short term debt for each of the six new districts, as well as final debt proceeds in North Macadam and the continued drawdown in Gateway and Cully.

Long Term (L-T) Debt – Gateway bond proceeds that have been issued but are held by the City of Portland until eligible project costs are incurred and drawdowns on the bonds are requested. It's anticipated that there will be sufficient project costs incurred in FY 2025-26 to support the drawdown. Cully also includes projected long-term debt in the five-year forecast. No other long-term debt is anticipated to be issued until after the current five-year forecast for the six new districts.

Each TIF district has its own plan which details the area including the legal boundaries, goals and objectives, definitions, project activities, and expiration dates. Each plan provides details on the condition of the area, maximum indebtedness, and fiscal impacts. A TIF district's maximum indebtedness represents the principal amount of indebtedness that may be issued for a given district and does not include debt service or refinancing costs. The maximum indebtedness limit is based on good faith estimates of project costs, including inflation, that are planned in each district. Most active and sunsetting districts have issued most or all of maximum indebtedness. Newly established districts are estimated to reach maximum indebtedness over a 30-year period.



Expenditure Assumptions

Prosper Portland's budget is appropriated by program area. Total expenditures are budgeted in the five program areas detailed below.

Administration - The administration program budget includes approximately 32 of Prosper Portland's budgeted 104 positions in FY 2025-26, the PERS pension obligation bond, and other agency-wide overhead expenditures such as Prosper Portland's office lease, hardware and software systems and insurance.

Economic Development - The economic development program budget includes business lending, community economic development, workforce development, business advancement and entrepreneurship programs funded by the Strategic Investment Fund, General Fund, Enterprise Zone, Community Development Block Grant funds, Recreational Cannabis Tax funds and other intergovernmental agreements. As discussed in the revenue section, with declining General Fund, CDBG and RCT funds, as well as ARPA funding expiring, economic development activities will be severely impacted over the forecast years unless additional resources are allocated. About 31 FTE are budgeted to this appropriation category.

Housing - These expenditures occur through an IGA with Portland Housing Bureau (PHB) and incorporate amendments to the Housing Set Aside policy adopted by City Council in 2015 that dedicate 45% of all new TIF debt proceeds to affordable housing. Year over year changes in budget are related to the timing of project expenditures as provided by PHB to Prosper Portland to incorporate into the annual budget and five-year forecast.

Infrastructure - The infrastructure program budget includes all projects and programs that are public infrastructure improvements related to parks, public facilities, and transportation. Forecasted projects include funding for transportation improvements in Central Eastside, Gateway, North Macadam and Broadway Corridor, as well as greenway improvements in North Macadam.

Property Redevelopment - The property redevelopment program budget is comprised of commercial property redevelopment, commercial real estate lending, property management activities, and community redevelopment grants. Projects include ongoing predevelopment costs for the former US Post Office site and Broadway Corridor, funding for an IGA with Portland State University in the North Macadam district, and ongoing action plan investments for loans, grants and predevelopment work in Interstate and Gateway. The budget includes ongoing property management costs across Prosper Portland held properties including the Convention Center Garage, Inn at Convention Center, Station Place Garage, and Union Station. Property management expenditure assumptions for some assets (including Inn at the Convention Center) are removed from the forecast based on estimated timing of disposition.

Also included in this section are General Fund and Strategic Investment Fund allocations for small business lending, commercial lending, and middle-income housing lending programs. About 40 FTE are budgeted to this appropriation category.

Non-Program Requirements

Non-Departmental requirements are transfers and contingency.

Transfers - This category accounts for transfers between funds. Transfers are comprised of internal service reimbursements from capital and special revenue funds to the general fund for administrative overhead. Transfers also include cash equity transfers or inter fund loans

Contingency - This is budgeted to cover unanticipated requirements and reserve funds for projects planned in future fiscal years. Contingency is decreasing largely due to the decreased beginning fund balance and the spending of TIF cash resources to fund projects and programs. The five-year forecast for each TIF district illustrates how contingency is budgeted between FY 2025-26 and FY 2029-30. Most of the FY 2025-26 contingency is spent down by FY 2029-30, however higher contingency amounts are maintained in several funds that have ongoing projects and programs past the five-year forecast (e.g. Convention Center, Interstate, Lents, River District, Westside, Strategic Investment Fund). Contingency is maintained in the Business Management Fund to support the ability to manage cash flow in other funds via short-term interfund loans and provide for a general cash reserve.

Expenditure Risks to the Forecast and Confidence Level

Risks to the forecast include both revenue and expenditure assumption risks.

Revenue risks:

TIF proceeds: Moderate risk for lower assessed value growth in five-year forecast for new central city districts. The Westside TIF district includes a 1% assessed value growth assumption; Lloyd and Central Eastside Corridor include a 2% growth assumption. 3% growth assumptions used for neighborhood districts.

Fees and Charges: Low risk based on established contracts and funding agreements.

Loan program income: Low risk based on loan discount/allowance already included in forecast and level of forecast revenue.

Property income: Low risk based on current performance trend and relative amount of forecasted revenue.

Expenditure Risks:

Personnel: Moderate, longer-term risk for personnel costs due to potential higher than forecast increases in health premiums as well as higher actuarially determined PERS rates in FY 2027-28 and FY 2028-29. Higher rates may put pressure on overall staffing and operating levels.

Prosper Portland has one union, which is under contract through the end of FY 2026-27 after which the contract will be renegotiated. Changes in overall compensation from the current contract may put pressure on overall staffing and operating levels.

The operating budget does not include the FY 2025-26 level of personnel (102 positions) through the five-year forecast since the forecast does not include return assumptions for planned Strategic Investment Fund and other TIF district investments, that will be necessary to maintain operations as planned for in the Financial Sustainability Plan. Ability to maintain 102 FTE through the duration of the forecast will depend on realizing income projections from investments and will be reconciled in future forecasts.

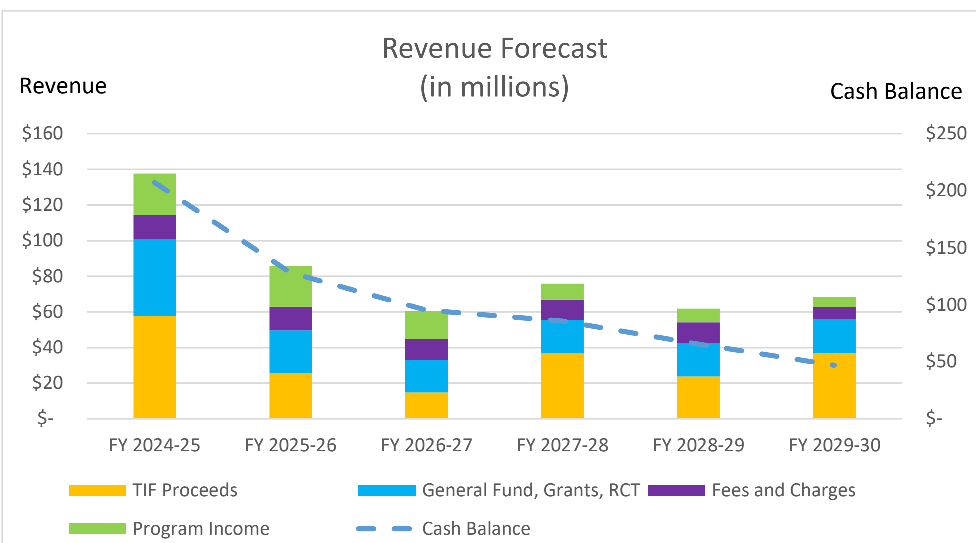
Planned TIF district projects and programs: Low risk to overall resource availability for remaining resources in sunsetting districts; however, higher inflation and interest rates may inflate project costs for loans, grants and other capital projects, resulting in reduced capacity for projects and programs.

External partner staffing and overhead expenditures have increased over the past couple of years, on par with inflation. With these increases and funding sources staying relatively flat, fewer small businesses and workforce participants are served per dollar spent. Levels seem to have stabilized, making this risk low in the near term.

Financial Summary
Total Resources and Requirements

Total All Funds	Revision FY 2024-25	Requested FY 2025-26	Forecast FY 2026-27	Forecast FY 2027-28	Forecast FY 2028-29	Forecast FY 2029-30
Resources						
Beginning Fund Balance	361,974,564	207,143,606	128,077,810	95,199,691	85,777,567	65,583,273
Revenue						
City General Fund & Cannabis Fund	25,086,220	15,805,030	16,200,156	16,605,160	17,020,289	17,445,796
Fees and Charges	13,551,140	13,358,439	11,599,735	11,619,725	11,548,864	6,780,760
Grants - Federal except HCD	2,771,768	-	-	-	-	-
Grants - HCD Contract	2,180,932	2,148,627	2,041,196	1,939,136	1,842,179	1,750,070
Grants - State & Local	12,959,270	6,080,000	-	-	-	-
Interest on Investments	8,741,197	3,264,468	2,259,337	1,734,660	1,404,634	524,512
Loan Collections	2,937,965	3,822,704	6,567,749	1,492,462	1,058,544	-
TIF Debt Proceeds	57,726,859	25,596,599	14,864,717	36,742,718	23,703,037	36,806,757
Miscellaneous	540,000	50,000	50,000	50,000	50,000	50,000
Property Income	10,585,171	15,024,719	6,413,270	5,196,504	4,842,116	4,853,029
Reimbursements	620,204	506,449	502,849	387,388	293,472	296,954
Service Reimbursements	11,476,618	12,834,505	12,962,613	12,602,416	12,855,378	11,810,779
Transfers In	37,083,189	26,803,511	207,125	191,668	191,668	191,668
Total Revenue	**186,260,533**	**125,295,051**	**73,668,747**	**88,561,837**	**74,810,181**	**80,510,325**
Total Resources	**548,235,097**	**332,438,657**	**201,746,557**	**183,761,528**	**160,587,748**	**146,093,598**
Requirements						
Expenditures						
Administration	13,107,805	13,051,464	8,340,030	10,658,067	10,930,322	11,225,065
Economic Development	43,596,916	24,035,697	21,204,449	20,415,385	20,115,836	18,048,263
Housing	36,309,369	35,614,954	30,827,578	21,853,396	15,438,432	21,544,035
Infrastructure	27,528,832	20,400,555	750,560	2,750,565	800,000	10,000,000
Property Redevelopment	171,992,962	71,620,161	32,254,511	29,512,464	34,672,839	26,488,306
Total Expenditures	**292,535,884**	**164,722,831**	**93,377,128**	**85,189,877**	**81,957,429**	**87,305,669**
Transfers	48,559,807	39,638,016	13,169,738	12,794,084	13,047,046	12,002,447
Contingency	207,139,406	128,077,810	95,199,691	85,777,567	65,583,273	46,785,482
Ending Balance	-	-	-	-	-	-
Total Requirements	**548,235,097**	**332,438,657**	**201,746,557**	**183,761,528**	**160,587,748**	**146,093,598**

Total resources and requirements is the consolidation of all General Fund, TIF District, and Enterprise type Funds supporting Economic Development, Housing (Housing Set Aside), Transportation and Parks Infrastructure, and Prosperity Development activities.



Financial Summary

Total Resources and Requirements

Fund Summary	Revision FY 2024-25	Requested FY 2025-26	Forecast FY 2026-27	Forecast FY 2027-28	Forecast FY 2028-29	Forecast FY 2029-30
Requirements						
Expenditures						
Capital Projects						
82nd Ave TIF Fund	-	762,456	1,413,001	2,287,333	3,103,385	3,985,820
Airport Way TIF Fund	112,050	-	-	-	-	-
Central Eastside Corridor TIF Fund	-	171,025	310,437	467,093	636,329	817,723
Central Eastside TIF Fund	18,696,687	5,635,434	225,500	225,500	225,500	53,000
Convention Center TIF Fund	5,538,808	1,578,071	770,796	790,796	790,796	798,296
Cully TIF Fund	798,378	1,305,918	1,972,986	10,218,202	13,865,750	11,355,928
Downtown Waterfront TIF Fund	5,646,012	-	-	-	-	-
East 205 TIF Fund	-	1,230,490	2,350,758	3,757,134	5,173,287	6,642,060
Gateway Reg Center TIF Fund	33,776,453	11,349,513	8,410,608	7,641,764	6,349,738	9,594,321
Interstate Corridor TIF Fund	43,948,117	35,665,748	14,053,464	5,918,332	368,992	103,739
Lents Town Center TIF Fund	20,121,608	1,799,683	1,569,215	22,891	22,891	22,891
Lloyd-Holladay TIF Fund	-	2,272,107	1,882,312	775,800	1,034,505	1,311,795
North Macadam TIF Fund	21,376,793	33,642,562	10,417,119	895,389	830,647	10,550,915
River District TIF Fund	43,180,043	1,001,593	626,598	626,603	633,538	633,538
South Park Blocks TIF Fund	72,488	-	-	-	-	-
Sumner, Parkrose, Argay, Columbia Corridor TIF Fund	-	452,103	940,058	1,418,759	1,928,950	2,480,825
Westside TIF Fund	-	10,733,201	4,678,673	4,454,643	4,450,019	3,725,705
Willamette Industrial TIF Fund	4,018,722	34,826	46,000	46,000	31,245	31,245
Enterprise Fund						
Business Management Fund	1,263,449	-	-	-	-	-
Strategic Investment Fund	22,559,701	11,450,824	10,959,678	10,452,803	6,991,292	4,827,859
General Fund						
General Fund	41,285,329	24,494,511	19,645,663	22,236,541	22,788,458	22,869,854
Internal Service Fund						
Special Revenue						
Affordable Commercial Tenanting Fund	501,321	15,691	-	-	-	-
Ambassador Program Fund	13,000	-	-	-	-	-
American Rescue Plan Act Fund	2,751,786	-	-	-	-	-
Community Opportunities & Enhancements Program Fund	2,542,092	2,248,014	2,250,000	2,250,000	2,250,000	2,250,000
Enterprise Zone Fund	1,312,077	1,260,560	1,235,305	1,236,288	1,161,906	610,451
HCD Contract Fund	2,181,347	2,148,627	2,041,196	1,939,136	1,842,179	1,750,070
Other Federal Grants Fund	13,195,261	6,300,300	300,050	300,050	300,050	-
Portland Clean Energy Fund	7,644,362	9,169,574	7,277,711	7,228,820	7,177,972	2,889,634
Total Expenditures	**292,535,884**	**164,722,831**	**93,377,128**	**85,189,877**	**81,957,429**	**87,305,669**
Transfers	48,559,807	39,638,016	13,169,738	12,794,084	13,047,046	12,002,447
Contingency	207,139,406	128,077,810	95,199,691	85,777,567	65,583,273	46,785,482
Total Requirements	**548,235,097**	**332,438,657**	**201,746,557**	**183,761,528**	**160,587,748**	**146,093,598**

Total Requirements by Fund shows total programmed expenditures for all projects and programs summarized by fund. The following schedules provide details on the resources and appropriations for each fund.

Financial Summary
Total Resources and Requirements

82nd Ave TIF Fund	Revision FY 2024-25	Requested FY 2025-26	Forecast FY 2026-27	Forecast FY 2027-28	Forecast FY 2028-29	Forecast FY 2029-30
Resources						
Revenue						
TIF Debt Proceeds	-	864,246	1,763,788	2,699,829	3,654,301	4,686,414
Total Revenue	**-**	**864,246**	**1,763,788**	**2,699,829**	**3,654,301**	**4,686,414**
Total Resources	**-**	**864,246**	**1,763,788**	**2,699,829**	**3,654,301**	**4,686,414**
Requirements						
Expenditures						
Economic Development	-	68,750	68,750	68,750	68,750	68,750
Housing	-	373,354	761,956	1,166,326	1,578,658	2,024,531
Property Redevelopment	-	320,352	582,295	1,052,257	1,455,977	1,892,539
Total Expenditures	**-**	**762,456**	**1,413,001**	**2,287,333**	**3,103,385**	**3,985,820**
Transfers	-	101,790	350,787	412,496	550,916	700,594
Ending Balance	-	-	-	-	-	-
Total Requirements	**-**	**864,246**	**1,763,788**	**2,699,829**	**3,654,301**	**4,686,414**

82nd Avenue TIF Fund represents one of six recently adopted TIF districts that will receive resources starting in FY 2025-26. Resources are based on an estimated 3% growth in assessed value. FY 2025-26 programming will be focusing development of the district Action Plan. Housing is 45% of net proceeds based on the Housing Set Aside policy.

Financial Summary
Total Resources and Requirements

Airport Way TIF Fund	Revision FY 2024-25	Requested FY 2025-26	Forecast FY 2026-27	Forecast FY 2027-28	Forecast FY 2028-29	Forecast FY 2029-30
Resources						
Beginning Fund Balance	5,073,216	-	-	-	-	-
Revenue						
Interest on Investments	72,626	-	-	-	-	-
Total Revenue	72,626	-	-	-	-	-
Total Resources	5,145,842	-	-	-	-	-
Requirements						
Expenditures						
Economic Development	112,050	-	-	-	-	-
Total Expenditures	112,050	-	-	-	-	-
Transfers	5,033,792	-	-	-	-	-
Ending Balance	-	-	-	-	-	-
Total Requirements	5,145,842	-	-	-	-	-

The Airport Way TIF District was created in 1986 to develop land near the airport for mixed-use development and quality job creation. The district has been terminated and residual assets (Cascade Station land leases) were transferred to the Strategic Investment Fund in FY 2024-25.

Financial Summary
Total Resources and Requirements

Central Eastside Corridor TIF Fund	Revision FY 2024-25	Requested FY 2025-26	Forecast FY 2026-27	Forecast FY 2027-28	Forecast FY 2028-29	Forecast FY 2029-30
Resources						
Revenue						
TIF Debt Proceeds	-	184,553	374,789	570,842	768,784	980,945
Total Revenue	**-**	**184,553**	**374,789**	**570,842**	**768,784**	**980,945**
Total Resources	**-**	**184,553**	**374,789**	**570,842**	**768,784**	**980,945**
Requirements						
Expenditures						
Economic Development	-	3,000	3,000	3,000	3,000	3,000
Housing	-	23,477	105,659	190,353	275,864	367,518
Property Redevelopment	-	144,548	201,778	273,740	357,465	447,205
Total Expenditures	**-**	**171,025**	**310,437**	**467,093**	**636,329**	**817,723**
Transfers	-	13,528	64,352	103,749	132,455	163,222
Ending Balance	-	-	-	-	-	-
Total Requirements	**-**	**184,553**	**374,789**	**570,842**	**768,784**	**980,945**

Central Eastside Corridor TIF Fund represents one of six recently adopted TIF districts that will receive resources starting in FY 2025-26. Resources are based on an estimated 2% growth in assessed value. FY 2025-26 programming will be focusing development of the district Action Plan. Housing is 45% of net proceeds based on the Housing Set Aside policy.

Financial Summary
Total Resources and Requirements

Central Eastside TIF Fund	Revision FY 2024-25	Requested FY 2025-26	Forecast FY 2026-27	Forecast FY 2027-28	Forecast FY 2028-29	Forecast FY 2029-30
Resources						
Beginning Fund Balance	24,340,596	7,800,438	994,817	686,097	368,732	42,446
Revenue						
Interest on Investments	276,690	81,626	62,190	53,545	44,624	-
TIF Debt Proceeds	2,405,862	-	-	-	-	-
Property Income	66,747	2,450,229	27,090	27,090	27,090	27,090
Transfers In	71,208	-	-	-	-	-
Total Revenue	2,820,507	2,531,855	89,280	80,635	71,714	27,090
Total Resources	27,161,103	10,332,293	1,084,097	766,732	440,446	69,536
Requirements						
Expenditures						
Administration	9,500	9,600	-	-	-	-
Economic Development	966,699	535,594	-	-	-	-
Housing	4,990,948	1,851,905	-	-	-	-
Infrastructure	10,900,100	-	-	-	-	-
Property Redevelopment	1,829,440	3,238,335	225,500	225,500	225,500	53,000
Total Expenditures	18,696,687	5,635,434	225,500	225,500	225,500	53,000
Transfers	663,978	3,702,042	172,500	172,500	172,500	-
Contingency	7,800,438	994,817	686,097	368,732	42,446	16,536
Ending Balance	-	-	-	-	-	-
Total Requirements	27,161,103	10,332,293	1,084,097	766,732	440,446	69,536

Central Eastside TIF Fund was created in 1986 to support building and maintaining jobs in the area through business development assistance and redevelopment financing. The district's acreage and boundaries were reduced in 2024 to support implementation of the new Central Eastside Corridor TIF District. Final district resources are dedicated to environmental remediation of the Workshop Blocks and final Affordable Housing Set Aside programming.

Financial Summary
Total Resources and Requirements

Convention Center TIF Fund	Revision FY 2024-25	Requested FY 2025-26	Forecast FY 2026-27	Forecast FY 2027-28	Forecast FY 2028-29	Forecast FY 2029-30
Resources						
Beginning Fund Balance	3,449,764	860,009	664	55,407	281,170	506,933
Revenue						
Interest on Investments	48,307	27,632	16,105	-	-	-
Property Income	3,258,614	1,566,559	1,066,559	1,066,559	1,066,559	1,066,559
Reimbursements	22,235	-	-	-	-	-
Total Revenue	3,329,156	1,594,191	1,082,664	1,066,559	1,066,559	1,066,559
Total Resources	6,778,920	2,454,200	1,083,328	1,121,966	1,347,729	1,573,492
Requirements						
Expenditures						
Administration	2,500	2,500	-	-	-	-
Economic Development	20,284	-	-	-	-	-
Property Redevelopment	5,516,024	1,575,571	770,796	790,796	790,796	798,296
Total Expenditures	5,538,808	1,578,071	770,796	790,796	790,796	798,296
Transfers	380,103	875,465	257,125	50,000	50,000	50,000
Contingency	860,009	664	55,407	281,170	506,933	725,196
Ending Balance	-	-	-	-	-	-
Total Requirements	6,778,920	2,454,200	1,083,328	1,121,966	1,347,729	1,573,492

The Convention Center TIF District was created in 1989 to support development connected to the eastside MAX and Oregon Convention Center along with a major hotel near the Convention Center. The district was terminated in 2024 and residual assets within the geographic boundary and program will be transferred to the newly created Lloyd TIF District Fund. The only remaining forecast revenues and expenditures are related to the Convention Center garage. This asset may be transferred to the Strategic Investment Fund in future budgets.

Financial Summary
Total Resources
and Requirements

Cully TIF Fund	Revision FY 2024-25	Requested FY 2025-26	Forecast FY 2026-27	Forecast FY 2027-28	Forecast FY 2028-29	Forecast FY 2029-30
Resources						
Beginning Fund Balance	81,298	256,807	1,029,582	1,599,771	11,455,259	241,824
Revenue						
Interest on Investments	2,055	11,913	25,949	152,118	137,963	8,733
TIF Debt Proceeds	1,284,529	2,400,449	3,034,726	20,636,596	3,270,235	11,942,433
Total Revenue	**1,286,584**	**2,412,362**	**3,060,675**	**20,788,714**	**3,408,198**	**11,951,166**
Total Resources	**1,367,882**	**2,669,169**	**4,090,257**	**22,388,485**	**14,863,457**	**12,192,990**
Requirements						
Expenditures						
Administration	-	7,000	7,000	7,000	7,000	7,000
Economic Development	139,822	425,081	586,250	717,891	758,750	793,750
Housing	525,392	723,837	979,736	8,893,311	5,000,000	9,755,178
Property Redevelopment	133,164	150,000	400,000	600,000	8,100,000	800,000
Total Expenditures	**798,378**	**1,305,918**	**1,972,986**	**10,218,202**	**13,865,750**	**11,355,928**
Transfers	312,697	333,669	517,500	715,024	755,883	790,883
Contingency	256,807	1,029,582	1,599,771	11,455,259	241,824	46,179
Ending Balance	-	-	-	-	-	-
Total Requirements	**1,367,882**	**2,669,169**	**4,090,257**	**22,388,485**	**14,863,457**	**12,192,990**

The Cully TIF District Fund was created in 2022 through a community co-creation model that centered those most vulnerable to displacement with an explicit goal of stabilization. The forecast includes assessed value growth at 3%. Action Plan development is underway and resources will be programmed in the forecast period to support implementation of the plan. The forecast includes placeholder amounts for expenditure categories, however, there are no specific project or program allocations. Specific projects and program allocations will be updated when the Action Plan is approved. Housing allocations include the amount generated by the 45% Affordable Housing Set Aside policy.

Financial Summary
Total Resources and Requirements

Downtown Waterfront TIF Fund	Revision FY 2024-25	Requested FY 2025-26	Forecast FY 2026-27	Forecast FY 2027-28	Forecast FY 2028-29	Forecast FY 2029-30
Resources						
Beginning Fund Balance	26,105,511	148,917	-	-	-	-
Revenue						
Interest on Investments	126,528	1,861	-	-	-	-
TIF Debt Proceeds	5,016,500	-	-	-	-	-
Property Income	846	-	-	-	-	-
Reimbursements	20,000	-	-	-	-	-
Total Revenue	5,163,874	1,861	-	-	-	-
Total Resources	31,269,385	150,778	-	-	-	-
Requirements						
Expenditures						
Infrastructure	250,000	-	-	-	-	-
Property Redevelopment	5,396,012	-	-	-	-	-
Total Expenditures	5,646,012	-	-	-	-	-
Transfers	25,478,656	150,778	-	-	-	-
Contingency	144,717	-	-	-	-	-
Ending Balance	-	-	-	-	-	-
Total Requirements	31,269,385	150,778	-	-	-	-

The Downtown Waterfront TIF District Fund was created in 1974 to implement public parks and amenities and strengthen the downtown core. Along with the River District Fund, Downtown Waterfront implemented the Old Town Action Plan. The TIF district was terminated in 2024, however final program income resources from the district dedicated to the Old Town Action Plan were transferred to the River District Fund to consolidate programming.

Financial Summary
Total Resources and Requirements

East 205 TIF Fund	Revision FY 2024-25	Requested FY 2025-26	Forecast FY 2026-27	Forecast FY 2027-28	Forecast FY 2028-29	Forecast FY 2029-30
Resources						
Revenue						
TIF Debt Proceeds	-	1,438,976	2,936,632	4,494,964	6,084,070	7,801,976
Total Revenue	-	1,438,976	2,936,632	4,494,964	6,084,070	7,801,976
Total Resources	-	1,438,976	2,936,632	4,494,964	6,084,070	7,801,976
Requirements						
Expenditures						
Economic Development	-	68,750	68,750	68,750	68,750	68,750
Housing	-	634,864	1,295,617	1,983,140	2,684,240	3,442,166
Property Redevelopment	-	526,876	986,391	1,705,244	2,420,297	3,131,144
Total Expenditures	-	1,230,490	2,350,758	3,757,134	5,173,287	6,642,060
Transfers	-	208,486	585,874	737,830	910,783	1,159,916
Ending Balance	-	-	-	-	-	-
Total Requirements	-	1,438,976	2,936,632	4,494,964	6,084,070	7,801,976

East 205 TIF Fund represents one of six recently adopted TIF districts that will receive resources starting in FY 2025-26. Resources are based on an estimated 3% growth in assessed value. FY 2025-26 programming will be focusing development of the district Action Plan. Housing is 45% of net proceeds based on the Housing Set Aside policy.

Financial Summary
Total Resources and Requirements

Gateway Reg Center TIF Fund	Revision FY 2024-25	Requested FY 2025-26	Forecast FY 2026-27	Forecast FY 2027-28	Forecast FY 2028-29	Forecast FY 2029-30
Resources						
Beginning Fund Balance	22,480,399	14,428,892	15,111,581	10,621,963	6,999,685	4,781,304
Revenue						
Interest on Investments	674,412	363,104	321,212	223,795	155,042	71,063
TIF Debt Proceeds	25,633,546	12,268,255	4,202,493	4,450,490	4,682,934	4,700,777
Property Income	105,074	115,622	175,150	179,762	184,694	189,760
Reimbursements	17,172	26,335	27,135	27,939	28,687	29,641
Total Revenue	26,430,204	12,773,316	4,725,990	4,881,986	5,051,357	4,991,241
Total Resources	48,910,603	27,202,208	19,837,571	15,503,949	12,051,042	9,772,545
Requirements						
Expenditures						
Administration	36,440	45,000	45,000	45,000	45,000	45,000
Economic Development	549,980	126,554	-	-	-	-
Housing	2,589,198	5,051,831	3,900,000	3,023,656	3,699,130	3,113,713
Infrastructure	1,750,390	1,750,000	-	2,000,000	-	-
Property Redevelopment	28,850,445	4,376,128	4,465,608	2,573,108	2,605,608	6,435,608
Total Expenditures	33,776,453	11,349,513	8,410,608	7,641,764	6,349,738	9,594,321
Transfers	705,258	741,114	805,000	862,500	920,000	-
Contingency	14,428,892	15,111,581	10,621,963	6,999,685	4,781,304	178,224
Ending Balance	-	-	-	-	-	-
Total Requirements	48,910,603	27,202,208	19,837,571	15,503,949	12,051,042	9,772,545

The Gateway TIF District Fund was created in 2001 to upgrade the transportation and open space networks in Gateway, as well as new housing, employment and public institutions such as an education and/or arts center. The district will receive TIF proceeds through the forecast period. Forecasted resources along with existing bond proceeds are programmed towards land acquisition and development, street infrastructure, and additional affordable housing through remaining Housing Set Aside proceeds. The district is anticipated to reach maximum indebtedness in 2032.

Financial Summary
Total Resources and Requirements

Interstate Corridor TIF Fund	Revision FY 2024-25	Requested FY 2025-26	Forecast FY 2026-27	Forecast FY 2027-28	Forecast FY 2028-29	Forecast FY 2029-30
Resources						
Beginning Fund Balance	95,816,060	56,179,513	20,790,377	6,765,438	1,112,545	719,516
Revenue						
Interest on Investments	2,874,482	880,703	318,833	79,947	4,046	295
TIF Debt Proceeds	2,543,090	-	-	-	-	-
Property Income	427,159	386,731	400,023	413,469	180,482	187,701
Reimbursements	205,007	147,594	150,724	153,980	59,316	61,844
Total Revenue	6,049,738	1,415,028	869,580	647,396	243,844	249,840
Total Resources	101,865,798	57,594,541	21,659,957	7,412,834	1,356,389	969,356
Requirements						
Expenditures						
Administration	157,110	69,800	-	-	-	-
Economic Development	1,068,942	1,775,163	75,000	-	-	-
Housing	16,998,281	19,589,352	12,000,000	4,992,876	-	-
Property Redevelopment	25,723,784	14,231,433	1,978,464	925,456	368,992	103,739
Total Expenditures	43,948,117	35,665,748	14,053,464	5,918,332	368,992	103,739
Transfers	1,738,168	1,138,416	841,055	381,957	267,881	-
Contingency	56,179,513	20,790,377	6,765,438	1,112,545	719,516	865,617
Ending Balance	-	-	-	-	-	-
Total Requirements	101,865,798	57,594,541	21,659,957	7,412,834	1,356,389	969,356

The Interstate TIF District Fund was created in 2000 to support business growth, job creation, infrastructure and affordable housing in North and Northeast Portland. Final TIF proceeds are being disbursed the next several years on the N/NE Community Development Initiative providing grants and loans to NE Portland, final Affordable Housing Set Aside projects and support of the Williams and Russell project.

Financial Summary
Total Resources and Requirements

Lents Town Center TIF Fund	Revision FY 2024-25	Requested FY 2025-26	Forecast FY 2026-27	Forecast FY 2027-28	Forecast FY 2028-29	Forecast FY 2029-30
Resources						
Beginning Fund Balance	24,351,820	5,525,402	2,114,253	617,857	609,782	601,891
Revenue						
Interest on Investments	730,555	84,334	29,978	14,816	15,000	15,000
Property Income	1,885,708	-	-	-	-	-
Reimbursements	-	40,801	42,841	-	-	-
Total Revenue	**2,616,263**	**125,135**	**72,819**	**14,816**	**15,000**	**15,000**
Total Resources	**26,968,083**	**5,650,537**	**2,187,072**	**632,673**	**624,782**	**616,891**
Requirements						
Expenditures						
Administration	56,500	-	-	-	-	-
Economic Development	278,523	90,396	-	-	-	-
Housing	2,839,047	1,479,084	1,479,084	-	-	-
Property Redevelopment	16,947,538	230,203	90,131	22,891	22,891	22,891
Total Expenditures	**20,121,608**	**1,799,683**	**1,569,215**	**22,891**	**22,891**	**22,891**
Transfers	1,321,073	1,736,601	-	-	-	-
Contingency	5,525,402	2,114,253	617,857	609,782	601,891	594,000
Ending Balance	-	-	-	-	-	-
Total Requirements	**26,968,083**	**5,650,537**	**2,187,072**	**632,673**	**624,782**	**616,891**

The Lents Town Center TIF District Fund was created in 1998 to support small business, job generation, infrastructure improvements and housing goals in Southeast Portland. Final TIF proceeds are planned to be invested in FY 2024-25 and FY 2025-26 and are largely reserved for development of the 92nd and Harold site, affordable commercial space at Lents Commons and final Housing Set Aside investments.

Financial Summary
Total Resources and Requirements

Lloyd-Holladay TIF Fund	Revision FY 2024-25	Requested FY 2025-26	Forecast FY 2026-27	Forecast FY 2027-28	Forecast FY 2028-29	Forecast FY 2029-30
Resources						
Beginning Fund Balance	-	-	-	153,955	106,390	57,480
Revenue						
Interest on Investments	-	-	1,900	3,120	1,775	633
TIF Debt Proceeds	-	282,121	572,929	872,628	1,175,216	1,499,540
Property Income	-	1,315,400	1,315,400	-	-	-
Reimbursements	-	52,000	52,000	-	-	-
Transfers In	-	666,366	207,125	-	-	-
Total Revenue	**-**	**2,315,887**	**2,149,354**	**875,748**	**1,176,991**	**1,500,173**
Total Resources	**-**	**2,315,887**	**2,149,354**	**1,029,703**	**1,283,381**	**1,557,653**
Requirements						
Expenditures						
Economic Development	-	3,000	3,000	3,000	3,000	3,000
Housing	-	68,220	196,522	328,746	462,245	605,334
Property Redevelopment	-	2,200,887	1,682,790	444,054	569,260	703,461
Total Expenditures	**-**	**2,272,107**	**1,882,312**	**775,800**	**1,034,505**	**1,311,795**
Transfers	-	43,780	113,087	147,513	191,396	238,430
Contingency	-	-	153,955	106,390	57,480	7,428
Ending Balance	-	-	-	-	-	-
Total Requirements	**-**	**2,315,887**	**2,149,354**	**1,029,703**	**1,283,381**	**1,557,653**

Lloyd TIF Fund represents one of six recently adopted TIF districts that will receive resources starting in FY 2025-26. Resources are based on an estimated 2% growth in assessed value. FY 2025-26 programming will be focusing development of the district Action Plan. Housing is 45% of net proceeds based on the Housing Set Aside policy. The fund includes a transfer of residual assets from the terminated Oregon Convention Center TIF District including the Inn at Convention Center. The Inn is anticipated to be disposed of by Prosper Portland.

Financial Summary
Total Resources and Requirements

North Macadam TIF Fund	Revision FY 2024-25	Requested FY 2025-26	Forecast FY 2026-27	Forecast FY 2027-28	Forecast FY 2028-29	Forecast FY 2029-30
Resources						
Beginning Fund Balance	47,365,108	47,991,218	21,937,622	11,556,902	10,789,813	10,185,040
Revenue						
Interest on Investments	1,265,347	872,220	421,992	283,893	266,467	131,290
TIF Debt Proceeds	20,843,332	7,184,130	-	-	-	-
Property Income	200,160	189,407	189,407	189,407	189,407	189,407
Total Revenue	22,308,839	8,245,757	611,399	473,300	455,874	320,697
Total Resources	69,673,947	56,236,975	22,549,021	12,030,202	11,245,687	10,505,737
Requirements						
Expenditures						
Administration	58,000	106,000	106,000	106,000	106,000	106,000
Economic Development	-	144,634	-	-	-	-
Housing	5,590,236	5,445,617	9,291,977	-	-	-
Infrastructure	1,577,792	11,900,000	-	-	50,000	10,000,000
Property Redevelopment	14,150,765	16,046,311	1,019,142	789,389	674,647	444,915
Total Expenditures	21,376,793	33,642,562	10,417,119	895,389	830,647	10,550,915
Transfers	305,936	656,791	575,000	345,000	230,000	-
Contingency	47,991,218	21,937,622	11,556,902	10,789,813	10,185,040	(45,178)
Ending Balance	-	-	-	-	-	-
Total Requirements	69,673,947	56,236,975	22,549,021	12,030,202	11,245,687	10,505,737

The North Macadam TIF District Fund was created in 1999 to create new jobs, enhanced public amenities and infrastructure, and new affordable and market rate housing in South Waterfront. Final TIF proceeds will be received in FY 2025-26. Some ongoing revenues are forecasted for the River Place Garage. The majority of district resources are reserved for transportation and greenway projects, and intergovernmental agreement with PSU for redevelopment of several PSU sites, as well as remaining Housing Set Aside resources.

Financial Summary
Total Resources and Requirements

River District TIF Fund	Revision FY 2024-25	Requested FY 2025-26	Forecast FY 2026-27	Forecast FY 2027-28	Forecast FY 2028-29	Forecast FY 2029-30
Resources						
Beginning Fund Balance	35,081,594	21,001,290	-	309,402	743,799	1,046,261
Revenue						
Interest on Investments	1,052,448	-	-	-	-	-
Property Income	4,345,302	936,000	936,000	1,061,000	936,000	936,000
Reimbursements	217,320	-	-	-	-	-
Transfers In	25,478,656	-	-	-	-	-
Total Revenue	31,093,726	936,000	936,000	1,061,000	936,000	936,000
Total Resources	66,175,320	21,937,290	936,000	1,370,402	1,679,799	1,982,261
Requirements						
Expenditures						
Economic Development	1,201,229	-	-	-	-	-
Housing	2,703,779	-	-	-	-	-
Infrastructure	1,050,550	555	560	565	-	-
Property Redevelopment	38,224,485	1,001,038	626,038	626,038	633,538	633,538
Total Expenditures	43,180,043	1,001,593	626,598	626,603	633,538	633,538
Transfers	1,993,987	20,935,697	-	-	-	-
Contingency	21,001,290	-	309,402	743,799	1,046,261	1,348,723
Ending Balance	-	-	-	-	-	-
Total Requirements	66,175,320	21,937,290	936,000	1,370,402	1,679,799	1,982,261

The River District TIF Fund was created in 1998 to support economic, housing and redevelopment activities in Old Town and the Pearl District. Final TIF resources of the district were disbursed in conjunction with the acquisition of the USPS site and Old Town projects. Final program income resources in the district are reserved for completion of the Old Town Action Plan and Broadway Corridor/USPS site development. Most of the residual resources are being transferred to the newly created Westside TIF District since it is in the same geographic footprint. Final resources for Old Town property investments and Broadway Corridor/USPS appear in the Westside TIF District budget. The only remaining forecast revenues and expenditures are related to the Station Place garage. This asset may be transferred to the Strategic Investment Fund in future budgets.

Financial Summary
Total Resources and Requirements

South Park Blocks TIF Fund	Revision FY 2024-25	Requested FY 2025-26	Forecast FY 2026-27	Forecast FY 2027-28	Forecast FY 2028-29	Forecast FY 2029-30
Resources						
Beginning Fund Balance	574,767	-	-	-	-	-
Revenue						
Interest on Investments	8,733	-	-	-	-	-
Total Revenue	**8,733**	**-**	**-**	**-**	**-**	**-**
Total Resources	**583,500**	**-**	**-**	**-**	**-**	**-**
Requirements						
Expenditures						
Housing	72,488	-	-	-	-	-
Total Expenditures	**72,488**	**-**	**-**	**-**	**-**	**-**
Transfers	511,012	-	-	-	-	-
Ending Balance	-	-	-	-	-	-
Total Requirements	**583,500**	**-**	**-**	**-**	**-**	**-**

The South Park Blocks TIF Fund was created in 1985 to support the downtown retail core, preserving affordable housing and providing middle income housing. Final resources of the district have been disbursed in FY 2024-25 and the district has been terminated by City Council.

Financial Summary
Total Resources and Requirements

Sumner, Parkrose, Argay, Columbia	Revision FY 2024-25	Requested FY 2025-26	Forecast FY 2026-27	Forecast FY 2027-28	Forecast FY 2028-29	Forecast FY 2029-30
Resources						
Revenue						
TIF Debt Proceeds	-	572,502	1,168,297	1,788,177	2,420,352	3,103,494
Total Revenue	-	572,502	1,168,297	1,788,177	2,420,352	3,103,494
Total Resources	-	572,502	1,168,297	1,788,177	2,420,352	3,103,494
Requirements						
Expenditures						
Economic Development	-	68,750	68,750	68,750	68,750	68,750
Housing	-	252,583	515,443	788,929	1,067,839	1,369,235
Property Redevelopment	-	130,770	355,865	561,080	792,361	1,042,840
Total Expenditures	-	452,103	940,058	1,418,759	1,928,950	2,480,825
Transfers	-	120,399	228,239	369,418	491,402	622,669
Ending Balance	-	-	-	-	-	-
Total Requirements	-	572,502	1,168,297	1,788,177	2,420,352	3,103,494

The Sumner, Parkrose, Argay, Columbia Corridor (SPACC) TIF Fund represents one of six recently adopted TIF districts that will receive resources starting in FY 2025-26. Resources are based on an estimated 3% growth in assessed value. FY 2024-25 programming will be focusing development of the district Action Plan. Housing is 45% of net proceeds based on the Housing Set Aside policy.

Financial Summary
Total Resources and Requirements

Westside TIF Fund	Revision FY 2024-25	Requested FY 2025-26	Forecast FY 2026-27	Forecast FY 2027-28	Forecast FY 2028-29	Forecast FY 2029-30
Resources						
Beginning Fund Balance	-	-	17,420,552	15,332,759	14,128,353	13,626,388
Revenue						
Interest on Investments	-	214,390	394,784	340,174	306,256	297,498
TIF Debt Proceeds	-	401,367	811,063	1,229,192	1,647,145	2,091,178
Property Income	-	8,064,771	2,303,641	2,259,217	2,257,884	2,256,512
Reimbursements	-	239,719	230,149	205,469	205,469	205,469
Transfers In	-	21,086,475	-	-	-	-
Total Revenue	-	30,006,722	3,739,637	4,034,052	4,416,754	4,850,657
Total Resources	-	30,006,722	21,160,189	19,366,811	18,545,107	18,477,045
Requirements						
Expenditures						
Economic Development	-	3,000	3,000	3,000	3,000	3,000
Housing	-	120,830	301,584	486,059	670,456	866,360
Infrastructure	-	750,000	750,000	750,000	750,000	-
Property Redevelopment	-	9,859,371	3,624,089	3,215,584	3,026,563	2,856,345
Total Expenditures	-	10,733,201	4,678,673	4,454,643	4,450,019	3,725,705
Transfers	-	1,852,969	1,148,757	783,815	468,700	172,597
Contingency	-	17,420,552	15,332,759	14,128,353	13,626,388	14,578,743
Ending Balance	-	-	-	-	-	-
Total Requirements	-	30,006,722	21,160,189	19,366,811	18,545,107	18,477,045

The Westside TIF Fund represents one of six recently adopted TIF districts that will receive resources starting in FY 2025-26. Resources are based on an estimated 1% growth in assessed value. FY 2025-26 TIF programming will be focusing development of the district Action Plan. Housing is 45% of net proceeds based on the Housing Set Aside policy. The fund also includes a transfer of residual assets from the terminated Downtown Waterfront and River District TIF Districts including Old Town properties held for redevelopment, USPS property held for development and program income resources held for those projects. The FY 2029-30 contingency of $14.6M is largely held for USPS development requirements in future years.

Financial Summary
Total Resources and Requirements

Willamette Industrial TIF Fund	Revision FY 2024-25	Requested FY 2025-26	Forecast FY 2026-27	Forecast FY 2027-28	Forecast FY 2028-29	Forecast FY 2029-30
Resources						
Beginning Fund Balance	4,405,601	494,002	410,236	323,957	235,090	173,523
Revenue						
Interest on Investments	132,168	8,234	5,721	3,133	923	-
Total Revenue	132,168	8,234	5,721	3,133	923	-
Total Resources	4,537,769	502,236	415,957	327,090	236,013	173,523
Requirements						
Expenditures						
Property Redevelopment	4,018,722	34,826	46,000	46,000	31,245	31,245
Total Expenditures	4,018,722	34,826	46,000	46,000	31,245	31,245
Transfers	25,045	57,174	46,000	46,000	31,245	31,245
Contingency	494,002	410,236	323,957	235,090	173,523	111,033
Ending Balance	-	-	-	-	-	-
Total Requirements	4,537,769	502,236	415,957	327,090	236,013	173,523

The Willamette Industrial TIF Fund was created in 2004 to support industrial development in Portland's industrial waterfront. Approximately $4 million in TIF proceeds remain. The resources are budgeted in the current fiscal year however there is no current commitment for the resources.

Financial Summary
Total Resources and Requirements

Business Mgt Fund	Revision FY 2024-25	Requested FY 2025-26	Forecast FY 2026-27	Forecast FY 2027-28	Forecast FY 2028-29	Forecast FY 2029-30
Resources						
Beginning Fund Balance	5,322,320	7,566,211	7,813,044	8,069,061	8,335,718	8,613,408
Revenue						
Interest on Investments	159,670	246,833	256,017	266,657	277,690	-
Property Income	149,050	-	-	-	-	-
Reimbursements	115,900	-	-	-	-	-
Transfers In	3,683,000	-	-	-	-	-
Total Revenue	4,107,620	246,833	256,017	266,657	277,690	-
Total Resources	9,429,940	7,813,044	8,069,061	8,335,718	8,613,408	8,613,408
Requirements						
Expenditures						
Property Redevelopment	1,263,449	-	-	-	-	-
Total Expenditures	1,263,449	-	-	-	-	-
Transfers	600,280	-	-	-	-	-
Contingency	7,566,211	7,813,044	8,069,061	8,335,718	8,613,408	8,613,408
Ending Balance	-	-	-	-	-	-
Total Requirements	9,429,940	7,813,044	8,069,061	8,335,718	8,613,408	8,613,408

The Business Management Fund serves as an operating fund to manage business-like activities. Most investment activities including property management outside of TIF districts will be managed by the Strategic Investment Fund going forward. Residual cash in the Business Mgt Fund is reserved for short-term interfund loans to support cash flow needs for federal, state, and local grants and contracts that are managed on a reimbursement basis.

Financial Summary
Total Resources and Requirements

Strategic Investment Fund	Revision FY 2024-25	Requested FY 2025-26	Forecast FY 2026-27	Forecast FY 2027-28	Forecast FY 2028-29	Forecast FY 2029-30
Resources						
Beginning Fund Balance	53,080,686	38,224,116	33,912,912	28,806,113	19,055,667	12,476,046
Revenue						
Fees and Charges	50,000	50,000	50,000	50,000	-	-
Interest on Investments	1,021,578	345,287	305,905	244,966	160,796	-
Loan Collections	2,564,055	3,488,844	6,265,724	1,195,359	1,058,544	-
Property Income	146,511	-	-	-	-	-
Reimbursements	22,570	-	-	-	-	-
Transfers In	4,900,371	4,100,670	-	-	-	-
Total Revenue	8,705,085	7,984,801	6,621,629	1,490,325	1,219,340	-
Total Resources	61,785,771	46,208,917	40,534,541	30,296,438	20,275,007	12,476,046
Requirements						
Expenditures						
Economic Development	7,598,637	2,160,000	2,332,343	1,312,656	871,565	275,953
Property Redevelopment	14,961,064	9,290,824	8,627,335	9,140,147	6,119,727	4,551,906
Total Expenditures	22,559,701	11,450,824	10,959,678	10,452,803	6,991,292	4,827,859
Transfers	1,001,954	845,181	768,750	787,968	807,669	827,859
Contingency	38,224,116	33,912,912	28,806,113	19,055,667	12,476,046	6,820,328
Ending Balance	-	-	-	-	-	-
Total Requirements	61,785,771	46,208,917	40,534,541	30,296,438	20,275,007	12,476,046

The Strategic Investment Fund was created in 2023 as part of the Financial Sustainability Plan to provide a revolving pool of capital for small business and commercial development loans as well as potential real estate investments. In addition to providing for a citywide source of access to capital, investments are intended to earn a return that helps support Prosper's overall operating budget. In FY 2023-24, the fund was created by transferring $45 million in earned income (program income) from terminating TIF district funds. Over $10 million in loans were placed in 2024 supporting small businesses, commercial development projects and middle-income housing. Loan collection forecasts include principal and interest from the current loan portfolio and do not include prospective loans in the pipeline. Therefore, the forecast may increase in future years as additional loans are made.

Financial Summary
Total Resources and Requirements

General Fund	Revision FY 2024-25	Requested FY 2025-26	Forecast FY 2026-27	Forecast FY 2027-28	Forecast FY 2028-29	Forecast FY 2029-30
Resources						
Beginning Fund Balance	5,204,307	1,194,515	2,110,928	6,891,511	9,185,528	11,460,252
Revenue						
City General Fund & Cannabis Fund	25,086,220	15,805,030	16,200,156	16,605,160	17,020,289	17,445,796
Fees and Charges	2,041,524	525,000	500,000	500,000	500,000	-
Grants - State & Local	959,270	80,000	-	-	-	-
Interest on Investments	79,738	-	-	-	-	-
Miscellaneous	540,000	50,000	50,000	50,000	50,000	50,000
Service Reimbursements	11,476,618	12,834,505	12,962,613	12,602,416	12,855,378	11,810,779
Transfers In	2,949,954	950,000	-	191,668	191,668	191,668
Total Revenue	**43,133,324**	**30,244,535**	**29,712,769**	**29,949,244**	**30,617,335**	**29,498,243**
Total Resources	**48,337,631**	**31,439,050**	**31,823,697**	**36,840,755**	**39,802,863**	**40,958,495**
Requirements						
Expenditures						
Administration	12,787,755	12,811,564	8,182,030	10,500,067	10,772,322	11,067,065
Economic Development	20,993,535	10,855,524	11,463,633	11,736,474	12,016,136	11,802,789
Property Redevelopment	7,504,039	827,423	-	-	-	-
Total Expenditures	**41,285,329**	**24,494,511**	**19,645,663**	**22,236,541**	**22,788,458**	**22,869,854**
Transfers	5,857,787	4,833,611	5,286,523	5,418,686	5,554,153	5,693,007
Contingency	1,194,515	2,110,928	6,891,511	9,185,528	11,460,252	12,395,634
Ending Balance	-	-	-	-	-	-
Total Requirements	**48,337,631**	**31,439,050**	**31,823,697**	**36,840,755**	**39,802,863**	**40,958,495**

General Fund includes City General Fund and Recreational Cannabis Tax Fund reimbursed from the City of Portland for citywide economic development activities. Also included are central administrative costs for all agency operations funded by overhead transfers from all other funds.

Financial Summary
Total Resources and Requirements

Internal Service Fund	Revision FY 2024-25	Requested FY 2025-26	Forecast FY 2026-27	Forecast FY 2027-28	Forecast FY 2028-29	Forecast FY 2029-30
Resources						
Beginning Fund Balance	-	4,299	8,727	13,287	17,984	22,822
Revenue						
Interest on Investments	4,299	4,428	4,560	4,697	4,838	-
Total Revenue	4,299	4,428	4,560	4,697	4,838	-
Total Resources	4,299	8,727	13,287	17,984	22,822	22,822
Requirements						
Expenditures						
Total Expenditures	-	-	-	-	-	-
Contingency	4,299	8,727	13,287	17,984	22,822	22,822
Ending Balance	-	-	-	-	-	-
Total Requirements	4,299	8,727	13,287	17,984	22,822	22,822

The Internal Service Fund serves as the Risk Management Fund for Prosper Portland from which general deductibles and other insurance payments can be made.

Financial Summary
Total Resources and Requirements

ACT Fund	Revision FY 2024-25	Requested FY 2025-26	Forecast FY 2026-27	Forecast FY 2027-28	Forecast FY 2028-29	Forecast FY 2029-30
Resources						
Beginning Fund Balance	517,012	15,691	-	-	-	-
Revenue						
Total Revenue	-	-	-	-	-	-
Total Resources	517,012	15,691	-	-	-	-
Requirements						
Expenditures						
Property Redevelopment	501,321	15,691	-	-	-	-
Total Expenditures	501,321	15,691	-	-	-	-
Contingency	15,691	-	-	-	-	-
Ending Balance	-	-	-	-	-	-
Total Requirements	517,012	15,691	-	-	-	-

Affordable Commercial Tenanting (ACT) Fund receives fees paid by developers. Fee income can be reinvested into the community in the form of grants to support affordable commercial tenanting goals. Fee income is not forecasted given the low volume and uncertainty of the revenue.

Financial Summary
Total Resources and Requirements

Ambassador Program Fund	Revision FY 2024-25	Requested FY 2025-26	Forecast FY 2026-27	Forecast FY 2027-28	Forecast FY 2028-29	Forecast FY 2029-30
Resources						
Beginning Fund Balance	13,000	-	-	-	-	-
Revenue						
Total Revenue	-	-	-	-	-	-
Total Resources	13,000	-	-	-	-	-
Requirements						
Expenditures						
Economic Development	13,000	-	-	-	-	-
Total Expenditures	13,000	-	-	-	-	-
Ending Balance	-	-	-	-	-	-
Total Requirements	13,000	-	-	-	-	-

The Ambassador Program Fund includes funds donated to support Prosper Portland organized events and activities supporting Economic Development including trade missions.

Financial Summary
Total Resources and Requirements

American Rescue Plan Act Fund	Revision FY 2024-25	Requested FY 2025-26	Forecast FY 2026-27	Forecast FY 2027-28	Forecast FY 2028-29	Forecast FY 2029-30
Resources						
Beginning Fund Balance	776,018	-	-	-	-	-
Revenue						
Grants - Federal except HCD	2,771,768	-	-	-	-	-
Total Revenue	2,771,768	-	-	-	-	-
Total Resources	3,547,786	-	-	-	-	-
Requirements						
Expenditures						
Economic Development	2,537,023	-	-	-	-	-
Property Redevelopment	214,763	-	-	-	-	-
Total Expenditures	2,751,786	-	-	-	-	-
Transfers	796,000	-	-	-	-	-
Ending Balance	-	-	-	-	-	-
Total Requirements	3,547,786	-	-	-	-	-

ARPA resources will be fully expended in FY 2024-25 and therefore not included in future years.

Financial Summary
Total Resources
and Requirements

COEP Fund	Revision FY 2024-25	Requested FY 2025-26	Forecast FY 2026-27	Forecast FY 2027-28	Forecast FY 2028-29	Forecast FY 2029-30
Resources						
Beginning Fund Balance	397,928	-	-	-	-	-
Revenue						
Fees and Charges	2,563,268	2,375,000	2,375,000	2,375,000	2,375,000	2,375,000
Total Revenue	2,563,268	2,375,000	2,375,000	2,375,000	2,375,000	2,375,000
Total Resources	2,961,196	2,375,000	2,375,000	2,375,000	2,375,000	2,375,000
Requirements						
Expenditures						
Economic Development	2,542,092	2,248,014	2,250,000	2,250,000	2,250,000	2,250,000
Total Expenditures	2,542,092	2,248,014	2,250,000	2,250,000	2,250,000	2,250,000
Transfers	419,104	126,986	125,000	125,000	125,000	125,000
Ending Balance	-	-	-	-	-	-
Total Requirements	2,961,196	2,375,000	2,375,000	2,375,000	2,375,000	2,375,000

The Community Opportunities and Enhancements Program (COEP) is a City of Portland strategy to increase diversity and equity in construction contracting. The goals of COEP are to increase the number of people of color and women in the trades and to remove barriers for construction firms owned by people of color and women so that they can successfully participate in public contracting. The program is funded by a 1% set-aside of eligible costs on all City-owned public improvement contracts. Through a series of grants, COEP will provide workforce development and business technical assistance to accomplish its goals. Funding represents estimated, ongoing intergovernmental agreements with the City of Portland based on the 1% set aside.

Financial Summary
Total Resources
and Requirements

Enterprise Zone	Revision FY 2024-25	Requested FY 2025-26	Forecast FY 2026-27	Forecast FY 2027-28	Forecast FY 2028-29	Forecast FY 2029-30
Resources						
Beginning Fund Balance	5,393,098	4,609,740	3,576,694	2,550,793	1,512,619	497,018
Revenue						
Fees and Charges	396,348	133,439	174,735	194,725	173,864	155,760
Interest on Investments	161,793	101,729	73,974	43,677	13,737	-
Loan Collections	36,857	28,416	-	-	-	-
Total Revenue	594,998	263,584	248,709	238,402	187,601	155,760
Total Resources	5,988,096	4,873,324	3,825,403	2,789,195	1,700,220	652,778
Requirements						
Expenditures						
Economic Development	1,312,077	1,260,560	1,235,305	1,236,288	1,161,906	610,451
Total Expenditures	1,312,077	1,260,560	1,235,305	1,236,288	1,161,906	610,451
Transfers	66,279	36,070	39,305	40,288	41,296	42,327
Contingency	4,609,740	3,576,694	2,550,793	1,512,619	497,018	-
Ending Balance	-	-	-	-	-	-
Total Requirements	5,988,096	4,873,324	3,825,403	2,789,195	1,700,220	652,778

The Portland Enterprise Zone exists primarily to incentivize firms by offering local property tax exemptions to invest in new construction and personal property and to create quality jobs. The E-Zone geography has evolved over time, most recently with the 2023 addition of areas of downtown Portland, encouraging firms to invest in growth in core business districts and revitalize the Central City. Revenue is generated through fees and payments in lieu of taxes from participating companies. The forecast includes modest increases in fee activity in the five years.

Financial Summary
Total Resources and Requirements

HCD Contract Fund	Revision FY 2024-25	Requested FY 2025-26	Forecast FY 2026-27	Forecast FY 2027-28	Forecast FY 2028-29	Forecast FY 2029-30
Resources						
Beginning Fund Balance	461,415	-	-	-	-	-
Revenue						
Grants - HCD Contract	2,180,932	2,148,627	2,041,196	1,939,136	1,842,179	1,750,070
Total Revenue	2,180,932	2,148,627	2,041,196	1,939,136	1,842,179	1,750,070
Total Resources	2,642,347	2,148,627	2,041,196	1,939,136	1,842,179	1,750,070
Requirements						
Expenditures						
Economic Development	2,181,347	2,148,627	2,041,196	1,939,136	1,842,179	1,750,070
Total Expenditures	2,181,347	2,148,627	2,041,196	1,939,136	1,842,179	1,750,070
Transfers	461,000	-	-	-	-	-
Ending Balance	-	-	-	-	-	-
Total Requirements	2,642,347	2,148,627	2,041,196	1,939,136	1,842,179	1,750,070

HCD Contract Fund includes Economic Opportunity Initiative funding from the City's Community Development Block Grant (CDBG). Funding is paired with City General Fund to deliver on workforce and small business technical assistance. The forecast assumes continued decreases in federal funding based on appropriations and allocation.

Financial Summary
Total Resources and Requirements

Other Federal and State Grants	Revision FY 2024-25	Requested FY 2025-26	Forecast FY 2026-27	Forecast FY 2027-28	Forecast FY 2028-29	Forecast FY 2029-30
Resources						
Beginning Fund Balance	1,683,046	842,546	845,821	845,418	839,433	531,121
Revenue						
Grants - State & Local	12,000,000	6,000,000	-	-	-	-
Interest on Investments	49,768	20,174	20,217	20,122	15,477	-
Loan Collections	337,053	305,444	302,025	297,103	-	-
Total Revenue	**12,386,821**	**6,325,618**	**322,242**	**317,225**	**15,477**	**-**
Total Resources	**14,069,867**	**7,168,164**	**1,168,063**	**1,162,643**	**854,910**	**531,121**
Requirements						
Expenditures						
Economic Development	1,195,261	300,300	300,050	300,050	300,050	-
Infrastructure	12,000,000	6,000,000	-	-	-	-
Total Expenditures	**13,195,261**	**6,300,300**	**300,050**	**300,050**	**300,050**	**-**
Transfers	32,060	22,043	22,595	23,160	23,739	24,332
Contingency	842,546	845,821	845,418	839,433	531,121	506,789
Ending Balance	-	-	-	-	-	-
Total Requirements	**14,069,867**	**7,168,164**	**1,168,063**	**1,162,643**	**854,910**	**531,121**

Other Federal and State Grants include project and program specific grants. Most of the funding is for state transportation grants supporting the OMSI Master Plan and Broadway Corridor.

Financial Summary
Total Resources and Requirements

PCEF Fund	Revision FY 2024-25	Requested FY 2025-26	Forecast FY 2026-27	Forecast FY 2027-28	Forecast FY 2028-29	Forecast FY 2029-30
Resources						
Revenue						
Fees and Charges	8,500,000	10,275,000	8,500,000	8,500,000	8,500,000	4,250,000
Total Revenue	8,500,000	10,275,000	8,500,000	8,500,000	8,500,000	4,250,000
Total Resources	8,500,000	10,275,000	8,500,000	8,500,000	8,500,000	4,250,000
Requirements						
Expenditures						
Economic Development	886,415	1,750,000	705,422	707,640	700,000	350,000
Property Redevelopment	6,757,947	7,419,574	6,572,289	6,521,180	6,477,972	2,539,634
Total Expenditures	7,644,362	9,169,574	7,277,711	7,228,820	7,177,972	2,889,634
Transfers	855,638	1,105,426	1,222,289	1,271,180	1,322,028	1,360,366
Ending Balance	-	-	-	-	-	-
Total Requirements	8,500,000	10,275,000	8,500,000	8,500,000	8,500,000	4,250,000

Portland Clean Energy Fund (PCEF) represents $42 million five-year IGA between Prosper Portland and PCEF to deploy funding that supports energy efficiency grants and loans for small businesses and commercial development. Programs are paired with other grants, loans and small business support via other funding sources to support Advance Portland goals. Funding for FY 2029-30 includes an estimate of unspent funds in the current year's budget (to be updated at a future date); however there is no agreement in place for that year.

Portland Housing Bureau

Portland Housing Bureau
FY 2025-2030 Five-Year Financial Forecast

Overview

The Portland Housing Bureau (PHB) is dedicated to providing affordable housing in the City of Portland through various restricted funding sources. However, with the Portland Housing Bond and the Metro Affordable Housing Bond fully allocated and set to be completely expended within the next two fiscal years, PHB faces a challenging landscape. The already limited resources for affordable housing production are further strained by rising interest rates, and labor, material, and real estate costs.

PHB's primary challenge over the next five years is to sustain affordable housing delivery levels and preserve existing affordable units amidst significant resource reductions. Federal entitlement grants (CDBG/HOME/HOPWA/ESG) and PCEF dollars, as explained below, are crucial to continuing this work until the six new TIF districts in Central City and East Portland, adopted in October 2024, generate sufficient funding, which is estimated to take between five to ten years.

Tax Increment Funding

PHB's financial history has been defined by Tax Increment Funding (TIF) via the Council-approved affordable housing set-aside. The first steep drop in TIF resources foreshadowed a "TIF Cliff," which the Bureau estimated would bottom out in FY 2016-17. Caused by declines in property values during the 2008 recession, this drop led to significant staffing reductions at both Prosper Portland and PHB in FY 2010-11. The economic recovery after 2008, in addition to an increase from 30% to 45% in the housing set-aside in 2015 (the "TIF Lift"), fully mitigated the first TIF Cliff. TIF revenue has been consistently high for the past four years, but PHB has been forecasting another more permanent downturn for the mid-2020s; that downturn is now solidly in the five-year forecast window. Aside from the new Cully TIF district, three TIF districts have reached maximum indebtedness, and the remainder are nearing their final years to issue debt. The City Council recently approved new six TIF districts in Central City and East Portland that will provide funding for housing programs to compensate for the funding gap created by the expiring TIF and Bonds resources.

Future Resources

In the absence of more TIF and the expiration of both the City and Metro Affordable Housing Bonds, there will be a reduction to pre-TIF Lift multi-family project gap financing, acquisition, and homeownership programs. Homeownership programs will be heavily impacted, losing as much as two-thirds of their base funding. This new level of bureau resources is now visible in the 5-year forecast.

PHB collaborated with the Bureau of Planning and Sustainability to allocate $60 million in Portland Clean Energy Funds over 5 years for energy efficiency and renewable energy enhancements in newly regulated, multi-family affordable housing. $29 million is budgeted for FY25-26 covering clean energy projects, staffing, and administrative expenses. An additional $40 million over 5 years ($8 million per year) Decision Package was approved in FY24-25 onwards and aims to support energy upgrades in approximately 300 units alongside other PHB-funded capital improvements.

Starting in FY25-26, PHB will start receiving the full returning TIF funds as General Fund (GF) Discretionary allocation. The increase in GF's ongoing allocation will help the bureau address the funding gap created by expiring TIF and bond resources to cover operational costs besides providing funding for the Homeownership program. The Returning TIF Set-aside is necessary for the bureau to deploy funds for crisis response and community stabilization, deliver programs, and retain operational capacity as TIF declines and slowly rebuilds. Additionally, the resources will help convene partners to meet the housing needs of Portland's residents, including those more vulnerable as Communities of Color.

The Bureau has relatively modest resources remaining in the post-TIF era, including federal funds, the Construction Excise Tax (CET), rental registration fees, and short-term rental resources. This will be a similar level of resources as seen before the TIF Lift in 2015, and the bureau's focus may again shift toward project financial restructures, rehabilitation, and regulatory compliance with fewer new unit production projects.

Continued stability from the Bureau's federal grants will be a key component of this future funding mix. U.S. Department of Housing and Urban Development (HUD) entitlement grant amounts reflect the existing federal budget agreement for 2024 federal funds. Community Development Block Grant (CDBG) funding to the city can fluctuate slightly due to changes in regional poverty statistics. Loan income for both major entitlement grant funds continue to decline over the period. Further declines are attributed to loan payoffs and restructures.

Construction Excise Tax (CET) income had been exceeding forecasts until the economic downturn caused by COVID-19 and the subsequent decline in construction activities due to high interest rates, among other economic factors. A significant reduction in CET income has occurred since the first year of the COVID pandemic and is expected to continue over the next year, with a slow recovery forecasted to start in the FY26-27.

Other Risks to the Forecast

- Costs associated with funding Permanent Supportive Housing (PSH) are higher than originally forecast due to the intensive resource requirements and increasing acuity of the population being served.
- Funding for homeownership programs is limited as demand continues to expand outside of TIF districts.
- As a result of a combination of factors, including a rising interest rate environment, increased input costs due to inflationary pressure, and supply chain disruptions, nearly every project currently in the production pipeline has encountered funding gaps.
- Affordable housing costs are inherently higher than market-rate housing due to requirements around facilities (community areas, play spaces, program facilities, etc.)
- Competitiveness of other resources needed for the housing pipeline including private activity bonds (PAB), 4% Low-Income Housing Tax Credits, and Oregon Housing and Community Services (OHCS) gap funding.

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 the future policy direction of the City Council and/or Bureau management, as well as federal budget decisions and economic conditions. Note that most fund summaries reflect unbudgeted working capital 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.

Resources	CY Estimate	FY 2025-26 Plan	FY 2026-27 Plan	FY 2027-28 Plan	FY 2028-29 Plan	FY 2029-30 Plan
General Fund	$10.95M	$10.78M	$11.11M	$11.44M	$11.78M	$12.14M
Hsg Investment Fund	$10.08M	$3.46M	$5.79M	$5.74M	$5.69M	$5.65M
Renter Registration	$8.53M	$8.90M	$9.07M	$9.25M	$9.43M	$9.61M
Portland Clean Energy	$33.08M	$29.59M	$13.60M	$15.25M	$8.0M	$0.0M
Federal Grant	$17.93M	$10.32M	$5.76M	$5.67M	$5.69M	$5.70M
CDBG	$17.22M	$10.21M	$10.08M	$9.94M	$9.81M	$9.67M
HOME	$16.14M	$15.97M	$3.83M	$3.78M	$3.46M	$3.23M
Tax Increment Financing	$37.30M	$39.19M	$32.79M	$22.29M	$22.22M	$9.69M
Construction Excise Tax	$13.34M	$5.43M	$2.42M	$2.42M	$2.43M	$2.55M
Inclusionary Hsg	$3.31M	$2.32M	$3.41M	$3.37M	$1.81M	$1.82M
Properties	$6.36M	$7.19M	$7.19M	$7.40M	$7.64M	$7.90M
PDX Bonds	$33.03M	$13.45M	$1.31M	$0.0M	$0.0M	$0.0M
Metro Bond	$69.99M	$46.28M	$20.60M	$0.62M	$0.0M	$0.0M
Total	$277.25M	$203.09M	$126.96M	$97.17M	$87.95M	$67.95M

General Fund

Revenue	CY Estimate	FY 2025-26Plan	FY 2026-27Plan	FY 2027-28Plan	FY 2028-29Plan	FY 2029-30Plan
GFD - General Fund Discretionary	$ 10,987,189	$ 10,783,095	$ 11,106,588	$ 11,439,786	$ 11,782,979	$ 12,136,469
Revenue Total	**$ 10,987,189**	**$ 10,783,095**	**$ 11,106,588**	**$ 11,439,786**	**$ 11,782,979**	**$ 12,136,469**
Expense						
PERSONAL - Personnel	$ 3,922,084	$ 6,453,548	$ 6,647,154	$ 6,846,569	$ 7,051,966	$ 7,263,525
EMS - External Materials and Services	$ 6,373,712	$ 2,651,401	$ 2,755,043	$ 2,391,775	$ 2,429,608	$ 2,175,133
IMS - Internal Materials and Services	$ 355,708	$ 1,325,746	$ 1,351,990	$ 1,849,042	$ 1,949,005	$ 2,345,411
FNDXFER - Fund Transfers - Expense	$ 335,685	$ 352,400	$ 352,400	$ 352,400	$ 352,400	$ 352,400
Expense Total	**$ 10,987,189**	**$ 10,783,095**	**$ 11,106,588**	**$ 11,439,786**	**$ 11,782,979**	**$ 12,136,469**

Historical Look

PHB has been identified as a General Fund bureau for years, although most of its funding comes from other sources. This funding mix began to change in FY 2006-07 when over $6 million in one-time General Fund resources were allocated to the bureau in the Fall Budget Monitoring Process (BMP). This use of one-time funds for what would become ongoing services led to a structural imbalance, and each subsequent annual budget submission included a substantial request for General Fund resources (ongoing and/or one-time) to fill the gap. Unfortunately, the gap was filled primarily with additional one-time funds.

General Fund Discretionary

PHB's Base General Fund allocation increased in FY25-26 to include the full returning TIF Set Aside funds. In FY24-25 GF allocation to PHB included the ongoing $4.0M allocation plus $2.0M one-time funding and a carryover of $5.9M of the ARPA Swap Funds.

Internal Resources

Internal General Fund resources consist primarily of indirect cost recovery charges to the CDBG, TIF, and Bond funds. The bureau levies a 94.45% indirect charge (as outlined in the City's indirect cost plan) against the program staff costs in each of these funds. These charges offset the indirect costs (not staffing costs, which are charged directly) not attributable to the General Fund. Please note that the table above shows indirect charges as a contra-expense in Internal Material & Services category.

Future Look

The bureau funds homeownership, rental access, and stabilization programs with Tax Increment Financing (TIF) resources. While an excellent tool within TIF Districts (TDs), limiting these programs to those areas does not address gentrification and displacement in the 85% of the city not located in a TD; General Fund dollars are a potential tool to provide these services Citywide.

As mentioned previously, the Housing Bureau collaborates with the Portland Clean Energy Fund through an existing Interagency Agreement (IGA) to match PCEF funds with other PHB investment sources (i.e., CDBG, TIF, CET, etc.) to preserve existing housing stock currently regulated by the Housing Bureau or OHCS. This IGA allocates $60 million in Portland Clean Energy Funds over 5 years for energy efficiency and renewable energy enhancements in newly regulated, multi-family affordable housing. An additional $40 million over 5 years ($8 million per year) has been allocated in FY24-25 onwards and aims to support energy upgrades in approximately 300 units alongside other PHB-funded capital improvements.

The FY22-23 Adopted Budget included a Budget Note directing the City Economist to set aside $20 million in ongoing resources from expected returning Tax Increment Finance (TIF) revenues beginning in FY24-25. The City Budget Office is directed to place $8 million – or 25% of the total forecasted returning TIF resources - in a policy set-aside for the Portland Housing Bureau. The returning TIF resource is crucial in maintaining the bureau's staffing and operational capacity in addition to supporting single-family home access and retention programs, as mentioned above. The FY25-26 requested budget includes $7 million of returning the TIF net of 10% City's GF constraint, which is now part of the ongoing GF Discretionary.

The out years of the forecast show placeholders for additional one-time funding in the event PHB needs a bridge in the process of right-sizing the bureau to new resource limitations.

Housing Investment Fund

Historical Look

The Housing Investment Fund (HIF) was formally created in 1995 to achieve the City's housing goals as established in the Metro 2040 plan and to 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. City Council allocated $34.6 million over a 12-year period. The funds were almost exclusively transferred to Prosper Portland for housing development and retention programs. These funds were tracked in a Prosper Portland Housing Investment Fund that is now merged with the City HIF. A significant portion of the funds was packaged into loans, and income from these loans is the funding source for the primary HIF fund.

HIF Funds Total

Revenue	CY Estimate	FY 2025-26Plan	FY 2026-27Plan	FY 2027-28Plan	FY 2028-29Plan	FY 2029-30Plan
BEGBAL - Beginning Fund Balance	$ 4,369,416		$ 356,686	$ 382,603	$ 409,360	$ 436,994
TAXES - Taxes	$ 1,800,000	$ 1,700,000	$ 1,674,500	$ 1,649,383	$ 1,624,642	$ 1,600,272
FNDXFERS - Fund Transfers - Revenue	$ 3,160,949	$ 746,653	$ 3,127,849	$ 3,086,217	$ 3,045,210	$ 3,004,818
INTERGOV - Intergovernmental	$ 165,835		$ -	$ -	$ -	$ -
MISC - Miscellaneous	$ 8,851,773	$ 9,909,005	$ 9,701,846	$ 9,871,525	$ 10,039,794	$ 10,216,715
Revenue Total	**$ 18,347,973**	**$ 12,355,658**	**$ 14,860,881**	**$ 14,989,728**	**$ 15,119,006**	**$ 15,258,798**
Expense						
PERSONAL - Personnel	$ 2,178,358	$ 1,997,693	$ 2,079,598	$ 2,164,862	$ 2,253,621	$ 2,346,020
EMS - External Materials and Services	$ 9,883,140	$ 7,455,602	$ 7,616,801	$ 7,782,837	$ 7,903,853	$ 8,080,001
IMS - Internal Materials and Services	$ 875,776	$ 1,227,526	$ 1,236,965	$ 1,246,592	$ 1,256,412	$ 1,266,428
FNDXFER - Fund Transfers - Expense	$ 626,085	$ 380,213	$ 393,258	$ 406,775	$ 420,782	$ 435,297
CONT - Contingency	$ 4,784,323	$ 1,294,624	$ 3,534,259	$ 3,388,662	$ 3,284,337	$ 3,131,054
CAPITAL - Capital Outlay	$ 291					
Expense Total	**$ 18,347,973**	**$ 12,355,658**	**$ 14,860,881**	**$ 14,989,728**	**$ 15,119,006**	**$ 15,258,798**

Program Income

Program income includes loan income from the original HIF loans discussed earlier. HIF program income is used primarily to cover staff costs and special projects.

The major issue with loan income is that it is forecasted to decline over time due to restructures and loan payoffs. To that end, the Bureau is more conservative in planning ongoing staff costs against this income stream, and the forecast therefore reflects declining Personnel Services usage of HIF resources beyond the forecast period. This downward trend is tempered somewhat by the potential payoff of original HIF loans and the City being repaid a portion of the principal. This is an unpredictable occurrence, and the long-range forecast does not rely on any such payoffs.

Reserve and Match Funds

Risk Mitigation Guarantee Pool

Revenue	CY Estimate	FY 2025-26Plan	FY 2026-27Plan	FY 2027-28Plan	FY 2028-29Plan	FY 2029-30Plan
FNDXFERS - Fund Transfers - Revenue	$ 335,685	$ 352,400	352400	352400	352400	352400
MISC - Miscellaneous	$ 41,715	$ 25,000	25000	25000	25000	25000
Revenue Total	**$ 377,400**	**$ 377,400**	**$ 377,400**	**$ 377,400**	**$ 377,400**	**$ 377,400**
Expense						
EMS - External Materials and Services	$ 377,400	$ 377,400	$ 377,400	$ 377,400	$ 377,400	$ 377,400
Expense Total	**$ 377,400**	**$ 377,400**	**$ 377,400**	**$ 377,400**	**$ 377,400**	**$ 377,400**

The Risk Mitigation Pool is used to pay damage claims by subscribed landlords for excess wear and tear on Permanent Supportive Housing (PSH) units for extremely low-income residents, often experiencing other challenges. 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. In addition, the size and usage of the Pool will be part of the ongoing discussions surrounding PSH funding as new units are added to the Pool. PHB has been transferring over $352 thousand per fiscal year from the General Fund PSH resources to replenish the Pool.

Other funding sources under HIF:

The HIF also includes: 1) the Short-Term Rental lodging tax, 2) the Short-Term Rental per night fee, and 3) the Rental Registration fee. All funding sources are being used or may be used in conjunction with both Portland and Metro Bond affordable housing projects either as funding for use before the collection of program delivery fees or as a potential source for any project deficits.

Short -Term Rental Lodging Tax

Revenue	CY Estimate	FY 2025-26Plan	FY 2026-27Plan	FY 2027-28Plan	FY 2028-29Plan	FY 2029-30Plan
BEGBAL - Beginning Fund Balance	$ -					
FNDXFERS - Fund Transfers - Revenue	$ 2,825,264	$ 394,253	$ 2,775,449	$ 2,733,817	$ 2,692,810	$ 2,652,418
MISC - Miscellaneous		$ 223,489	$ 181,871	$ 176,967	$ 172,035	$ 167,071
Revenue Total	**$ 2,825,264**	**$ 617,742**	**$ 2,957,320**	**$ 2,910,784**	**$ 2,864,845**	**$ 2,819,489**
Expense						
PERSONAL - Personnel	$ 538,478	$ 526,678	$ 548,272	$ 570,751	$ 594,152	$ 618,512
EMS - External Materials and Services	$ 196	$ 293	$ 305	$ 318	$ 331	$ 344
FNDXFER - Fund Transfers - Expense	$ 86,610	$ 90,771	$ 95,133	$ 99,706	$ 104,501	$ 109,527
CONT - Contingency	$ 2,199,980		$ 2,313,610	$ 2,240,010	$ 2,165,862	$ 2,091,106
Expense Total	**$ 2,825,264**	**$ 617,742**	**$ 2,957,320**	**$ 2,910,784**	**$ 2,864,845**	**$ 2,819,489**

In November 2015, the City Council approved shifting the Short-Term Rental (STR) portion of Transient Lodging Tax proceeds from the City's General Fund to the Housing Investment Fund. This transfer receives an annual cost of living adjustment and is limited to housing initiatives. In the FY24-25 revenue has recovered to pre-pandemic levels and is expected to maintain steady growth. These funds will factor into the Bureau's future resources and could be used to support 0-60% AMI housing.

Moving forward, STR will be a key source of staff funding and transitional Bureau operations funding as affordable housing projects move from TIF and bond funding. Additionally, STR has been used to cover non-bond eligible costs when sufficient bond project delivery fees have not yet been collected and may be used for this purpose again if additional bond issues are approved.

Short -Term Rental Nightly Fee

Revenue	CY Estimate	FY 2025-26Plan	FY 2026-27Plan	FY 2027-28Plan	FY 2028-29Plan	FY 2029-30Plan
TAXES - Taxes	$ 1,800,000	$ 1,700,000	$ 1,674,500	$ 1,649,383	$ 1,624,642	$ 1,600,272
MISC - Miscellaneous		$ 113,000	$ 106,905	$ 105,826	$ 99,764	$ 98,718
Revenue Total	**$ 1,800,000**	**$ 1,813,000**	**$ 1,781,405**	**$ 1,755,209**	**$ 1,724,406**	**$ 1,698,990**
Expense						
EMS - External Materials and Services	$ 1,000,000	$ 1,700,000	$ 1,700,000	$ 1,700,000	$ 1,650,000	$ 1,650,000
CONT - Contingency	$ 800,000	$ 113,000	$ 81,405	$ 55,209	$ 74,406	$ 48,990
Expense Total	**$ 1,800,000**	**$ 1,813,000**	**$ 1,781,405**	**$ 1,755,209**	**$ 1,724,406**	**$ 1,698,990**

Short-term rental per night fee resources were established in FY 2018-19. Starting in FY19-20, collections were heavily affected by the COVID-19 pandemic, resulting in a 24% drop in revenue in FY20-21 from the prior year's collections. Starting in FY24-25, the Short-term rental tax income has recovered, and it is at its pre-pandemic levels. These funds will factor into the Bureau's future resources and could be used to support 0-60% AMI housing.

Rental Services Office Sub Fund

Revenue	CY Estimate	FY 2025-26Plan	FY 2026-27Plan	FY 2027-28Plan	FY 2028-29Plan	FY 2029-30Plan
MISC - Miscellaneous	$ 8,525,648	$ 8,896,161	$ 9,070,084	$ 9,247,486	$ 9,428,436	$ 9,613,004
Revenue Total	**$ 8,525,648**	**$ 8,896,161**	**$ 9,070,084**	**$ 9,247,486**	**$ 9,428,436**	**$ 9,613,004**
Expense						
PERSONAL - Personnel	$ 1,037,462	$ 1,114,102	$ 1,159,780	$ 1,207,331	$ 1,256,832	$ 1,308,362
EMS - External Materials and Services	$ 4,828,067	$ 5,372,909	$ 5,534,096	$ 5,700,119	$ 5,871,123	$ 6,047,256
IMS - Internal Materials and Services	$ 875,776	$ 1,227,526	$ 1,236,965	$ 1,246,592	$ 1,256,412	$ 1,266,428
CONT - Contingency	$ 1,784,343	$ 1,181,624	$ 1,139,243	$ 1,093,444	$ 1,044,069	$ 990,958
Expense Total	**$ 8,525,648**	**$ 8,896,161**	**$ 9,070,084**	**$ 9,247,486**	**$ 9,428,436**	**$ 9,613,004**

The Rental Services Office (RSO) is responsible for fair housing and landlord-tenant services, developing code and administrative rules associated with local landlord-tenant law, processing exemptions to local mandatory relocation assistance, and providing technical assistance and information (in person, via email, and over the phone) to renters and landlords on general landlord-tenant law.

City Council authorized rental registration fees, increasing in 2022 to $70per unit per year, to raise revenue to cover some of the costs of the RSO. The fees' level will need to be adjusted to account for inflation and to ensure sufficient program resources.

Five-year forecast growth occurs due to assumed additional compliance with three-percent fee increases every two years and continuation of current service levels. The growth in RSO revenue allowed this funding source to cover staffing and program costs with the potential to cover other bureau overhead expenses.

Inclusionary Housing Fund

Construction Excise Tax

Revenue	CY Estimate	FY 2025-26Plan	FY 2026-27Plan	FY 2027-28Plan	FY 2028-29Plan	FY 2029-30Plan
BEGBAL - Beginning Fund Balance	$ 9,000,000	$ 3,000,000				
TAXES - Taxes	$ 4,343,540	$ 2,430,887	$ 2,418,424	$ 2,422,148	$ 2,426,216	$ 2,547,527
Revenue Total	**$ 13,343,540**	**$ 5,430,887**	**$ 2,418,424**	**$ 2,422,148**	**$ 2,426,216**	**$ 2,547,527**
Expense						
PERSONAL - Personnel	$ 222,255		$ 240,854	$ 250,729	$ 261,009	$ 271,710
EMS - External Materials and Services	$ 13,121,285	$ 5,430,887	$ 2,177,570	$ 2,171,419	$ 2,165,207	$ 2,275,817
Expense Total	**$ 13,343,540**	**$ 5,430,887**	**$ 2,418,424**	**$ 2,422,148**	**$ 2,426,216**	**$ 2,547,527**

This fund tracks receipts from the City's CET which funds affordable housing initiatives. Per City Code chapter 6.08, 4% of these receipts are retained by the Bureau of Development Services for administration. Of the remaining proceeds, 15% are remitted to the Oregon Department of Housing and Community Services (OHCS); 50% remain in this fund for use on finance-based incentives for programs that require affordable housing; and 35% remain in this fund to support the production and preservation of affordable housing units at and below 60% AMI.

Future income forecasts are informed by economic forecast factors used by the Bureau of Development Services for tracking building permit fee activity. This forecast reflects both the current and future development of multi-family projects and the use of CET for predevelopment loans for both Portland and Metro Bond projects. Tax collections in FY 2020-21 dropped significantly due to COVID-19 and were expected to recover to pre-pandemic levels in FY24-25. However, the decline in construction activity and increased interest rates contributed to a further decline in CET revenue. While this will not adversely impact the use of CET in support of current Portland and Metro Bond projects, it will reduce funds available for future multi-family projects.

Development Incentives

Revenue	CY Estimate	FY 2025-26Plan	FY 2026-27Plan	FY 2027-28Plan	FY 2028-29Plan	FY 2029-30Plan
BEGBAL - Beginning Fund Balance	$ 2,311,944		$ -	$ -	$ 812,977	$ 782,136
SC - Charges for Services	$ 1,000,000	$ 2,324,885	$ 3,414,312	$ 3,371,741	$ 1,000,000	$ 1,040,000
Revenue Total	**$ 3,311,944**	**$ 2,324,885**	**$ 3,414,312**	**$ 3,371,741**	**$ 1,812,977**	**$ 1,822,136**
Expense						
PERSONAL - Personnel	$ 1,244,204	$ 1,146,834	$ 1,193,854	$ 1,193,854	$ 1,242,802	$ 1,242,802
EMS - External Materials and Services	$ 1,706,129	$ 877,779	$ 1,917,808	$ 1,866,604	$ 250,000	$ 250,000
IMS - Internal Materials and Services	$ 14,869	$ 20,873	$ 14,869	$ 14,869	$ 14,869	$ 14,869
FNDXFER - Fund Transfers - Expense	$ 346,742	$ 279,399	$ 287,781	$ 296,414	$ 305,306	$ 314,465
Expense Total	**$ 3,311,944**	**$ 2,324,885**	**$ 3,414,312**	**$ 3,371,741**	**$ 1,812,977**	**$ 1,822,136**

This fund tracks the revenues and expenditures associated with indirect subsidies and fees paid in lieu of participating in the Inclusionary Housing (IH) Program.

The Bureau has several programs that subsidize affordable rental housing and homeownership without direct funding. For-profit and nonprofit housing developers benefit from exemption programs, reducing permitting expenses and the ongoing cost of property taxes for both rental and homeownership projects, in both single-family and multifamily developments. Developers providing deeper affordability or family-sized units and manufactured dwelling park owners can receive density bonuses. Homeownership programming restricts income levels up to 100%-120% of area median income (AMI). Rental programming restricts income levels up to 60%-80% of AMI.

The IH Program requires that buildings with 20 or more new units make at least 20% of the units affordable to households earning at or below 80% of AMI with options for complying. The options include: 1) provide 10% of the new building’s units at or below 60% AMI; 2) provide 20% of the new building’s units at 60% AMII; 3) provide 20% of the new building’s units at 60% MFI, or 10% of the new building’s units at 30% AMI, in another new building; 4) provide 25% of the new building’s units at 60% AMI, or 15% of the new building’s units at 30% I, in an already existing building; or 5) pay a fee-in-lieu of providing affordable units.

Fees paid by applicants for these programs cover some of the cost of administration. Added in FY 2021-22 were fees to process additional legal documents and changes to already approved applications for programs with existing fees (the System Development Charge (SDC) Exemption and Limited Tax Exemption Programs). New fees and fee adjustments, starting in FY 2023-24, allowed for better recovery of program administration costs.

Housing Property Fund

Revenue	CY Estimate	FY 2025-26Plan	FY 2026-27Plan	FY 2027-28Plan	FY 2028-29Plan	FY 2029-30Plan
BEGBAL - Beginning Fund Balance	$ 400,000		$ 101,105	$ 114,860	$ 129,486	$ 145,074
MISC - Miscellaneous	$ 129,414	$ 223,027	$ 124,147	$ 122,783	$ 121,199	$ 119,339
SC - Charges for Services	$ 6,463,165	$ 6,879,085	$ 7,075,206	$ 7,306,324	$ 7,545,000	$ 7,791,480
FNDXFERS - Fund Transfers - Revenue	$ 86,610	$ 90,771	$ 95,133	$ 99,706	$ 104,501	$ 109,527
Revenue Total	**$ 7,079,189**	**$ 7,192,883**	**$ 7,395,591**	**$ 7,643,673**	**$ 7,900,186**	**$ 8,165,420**
Expense						
PERSONAL - Personnel	$ 91,086	$ 113,514	$ 118,170	$ 123,016	$ 128,061	$ 133,313
EMS - External Materials and Services	$ 5,775,282	$ 5,399,666	$ 5,576,891	$ 5,759,961	$ 5,949,069	$ 6,144,414
IMS - Internal Materials and Services	$ 313,679	$ 355,161	$ 371,926	$ 389,499	$ 407,920	$ 427,231
FNDXFER - Fund Transfers - Expense	$ 202,906	$ 187,449	$ 193,421	$ 199,583	$ 205,942	$ 212,504
BOND - Debt Service	$ 696,236	$ 800,512	$ 696,236	$ 696,236	$ 696,236	$ 696,236
CONT - Contingency		$ 336,581	$ 438,947	$ 475,378	$ 512,958	$ 551,722
Expense Total	**$ 7,079,189**	**$ 7,192,883**	**$ 7,395,591**	**$ 7,643,673**	**$ 7,900,186**	**$ 8,165,420**

This fund was created in 2016 to house and track financial activity associated with Bureau-owned multi-family housing property operations. Reflected in the table are the gross operating revenues and expenses for the Ellington, Headwaters, and East Burnside, and costs associated with parcels held for future development.

Federal Grants

Community Development Block Grant Fund

Revenue	CY Estimate	FY 2025-26Plan	FY 2026-27Plan	FY 2027-28Plan	FY 2028-29Plan	FY 2029-30Plan
INTERGOV - Intergovernmental	$ 9,338,909	$ 8,836,578	$ 8,897,739	$ 8,775,639	$ 8,655,371	$ 8,536,907
MISC - Miscellaneous	$ 1,222,515	$ 1,369,551	$ 1,186,114	$ 1,168,322	$ 1,150,797	$ 1,133,535
Revenue Total	**$ 10,561,424**	**$ 10,206,129**	**$ 10,083,853**	**$ 9,943,961**	**$ 9,806,168**	**$ 9,670,442**
Expense						
PERSONAL - Personnel	$ 1,654,922	$ 1,755,967	$ 1,808,646	$ 1,862,905	$ 1,918,793	$ 1,976,356
EMS - External Materials and Services	$ 7,694,778	$ 7,233,619	$ 7,050,420	$ 6,849,606	$ 6,649,878	$ 6,459,137
IMS - Internal Materials and Services	$ 410,000	$ 410,000	$ 410,000	$ 410,000	$ 410,000	$ 410,000
BOND - Debt Service	$ 801,724	$ 806,543	$ 814,787	$ 821,450	$ 827,497	$ 824,949
Expense Total	**$ 10,561,424**	**$ 10,206,129**	**$ 10,083,853**	**$ 9,943,961**	**$ 9,806,168**	**$ 9,670,442**

This fund is used to hold and account for the City's CDBG entitlement from HUD, as well as program income. 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 1st). Once the total CDBG amount is determined, HUD develops the allocations within 60 days, often after the City deadline for the PHB request budget. In the past, this led the Bureau to budget the prior year's entitlement allocation.

<u>Caps</u>

Among the limits on CDBG funding are caps on the use of funds for administration, 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 support 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 sub-recipient contracts with area service delivery agencies and Fair Housing programs. Homebuyer assistance is funded under the public service cap.

<u>Program Income</u>

CDBG program income has been in decline from highs of approximately $2-5 million in the past 15 years. Loan income is approximately $1.2 million. PHB and HUD use program income figures from the HUD IDIS tracking system for cap calculations. This resource is also forecast to go down over time due to restructures and loan payoffs, which could impact staffing and program delivery spending.

<u>Program Delivery</u>

PHB funds program delivery staff under CDBG. Most program services are delivered via third-party contracts (the same is true with almost all the Bureau's funding), though in the case of housing development projects, the exact nature and amount of the funding are not known very far into the future. The Bureau can build up CDBG funds to use in years where other resources are less available, but this can cause less future flexibility in using CDBG funds for other programs and present the risk of missing HUD expenditure timelines. The availability of CDBG for rental housing development and homeownership programs is one of the few resources available to PHB outside of TIF Districts.

<u>Future Look</u>

As the graph on the next page shows, the Bureau has seen a decline in CDBG entitlement funding from ten to fifteen years ago; and then a significant increase in the FY 2019 allocation. The Bureau takes a conservative approach and assumes a 1.5% decline over the near term of the forecast, with an eventual corresponding decrease in spending. There is the potential for some loan payoffs in the forecast.

HOME

Revenue	CY Estimate	FY 2025-26Plan	FY 2026-27Plan	FY 2027-28Plan	FY 2028-29Plan	FY 2029-30Plan
INTERGOV - Intergovernmental	$ 14,842,464	$ 15,965,087	$ 3,130,652	$ 3,083,692	$ 3,037,437	$ 2,991,875
MISC - Miscellaneous	$ 1,300,000		$ 246,250	$ 242,556	$ 238,918	$ 235,334
Revenue Total	**$ 16,142,464**	**$ 15,965,087**	**$ 3,376,902**	**$ 3,326,248**	**$ 3,276,355**	**$ 3,227,209**
Expense						
PERSONAL - Personnel	$ 697,299	$ 427,205	$ 320,806	$ 315,994	$ 311,254	$ 306,585
EMS - External Materials and Services	$ 15,445,165	$ 15,537,882	$ 3,056,096	$ 3,010,254	$ 2,965,101	$ 2,920,624
Expense Total	**$ 16,142,464**	**$ 15,965,087**	**$ 3,376,902**	**$ 3,326,248**	**$ 3,276,355**	**$ 3,227,209**

This fund is used to hold and account for the City's HOME entitlement from HUD, as well as program income. 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's entitlement allocation at the start of the City budget cycle. Currently, HUD has an adopted budget and is in the process of developing allocations for participating jurisdictions.

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 no public service cap. PHB puts a mix of administrative staff and indirect costs under the administration cap. PHB budgets right up to the cap. HOME also has sub-funds, which put additional restrictions on some of the allocations to benefit community-based developers. Another unique feature is that HOME funds are part of a local consortium with Gresham and Multnomah County, and PHB provides billing and administrative assistance via an IGA.

Program Income

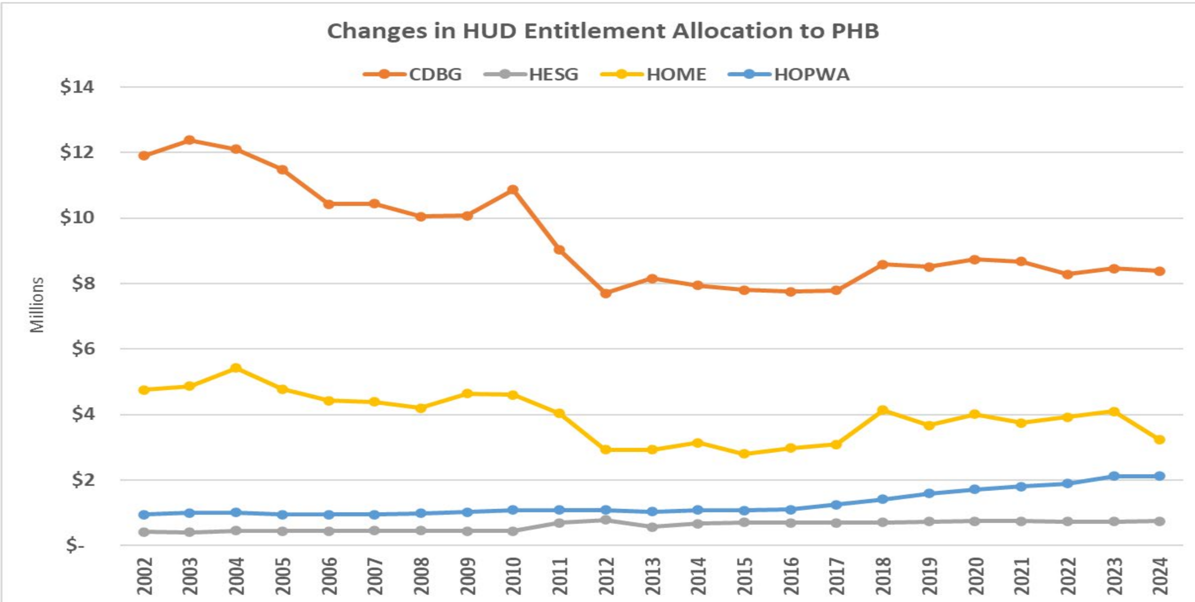
HOME program income has declined from highs of approximately $2 million in the past fifteen years. Program income is currently approximately $1.2 million. PHB and HUD use program income figures from the HUD IDIS tracking system for program incomes and sub-fund usage calculations. The Bureau currently budgets HOME program income conservatively as the administration cap usage has been traditionally low under HOME. This resource is also forecast to go down moderately over time, which could impact staff and program delivery spending.

Program Delivery

PHB funds program delivery staff working on HOME-funded projects from CDBG funds per HUD recommendation. HOME funds are used primarily for affordable housing development. The availability of HOME for rental housing development is one of the few resources available to PHB outside of TIF Districts. The Bureau can build up HOME funds to use in years where other resources are less available, but this can cause less future flexibility in using HOME funds for other programs and presents the risk of missing HUD expenditure timelines.

Future Look

As the graph on the following page shows, the Bureau has seen a decline in CDBG entitlement funding from ten to fifteen years ago; and then a significant increase in the FY 2019 allocation. The Bureau takes a conservative approach and assumes a 1.5% decline over the near term of the forecast, with eventual corresponding decreases in spending. Loan income is forecast to continue to decline as noted above, though there is the potential for some loan payoffs in the forecast.



A steady downward trend in HOME and CDBG funding (in actual dollars) is interrupted only by boosts in funding early in the Great Recession of 2008-11 and then the significant increase of FY 2018. Funding has been mostly flat in the years from FY20 through FY23. However, FY24 HOME allocation was 17% lower than the average award amount in the past five-years. The forecast assumes a steady 1.5 percent annual decline in all entitlement award amounts over the next five years.

Other Federal Grants

<u>Entitlement Grants</u>

PHB receives two other, smaller entitlement grants in addition to HOME and CDBG – the Emergency Solutions Grant (ESG), used for shelter and supportive housing services; and Housing for Persons 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 as noted in the discussions of those grants.

Other Grants (Federal, State, and Local)

Revenue	CY Estimate	FY 2025-26Plan	FY 2026-27Plan	FY 2027-28Plan	FY 2028-29Plan	FY 2029-30Plan
INTERGOV - Intergovernmental	$ 21,590,708	$ 10,315,231	$ 5,762,606	$ 5,671,577	$ 5,686,801	$ 5,702,365
Revenue Total	**$ 21,590,708**	**$ 10,315,231**	**$ 5,762,606**	**$ 5,671,577**	**$ 5,686,801**	**$ 5,702,365**
Expense						
PERSONAL - Personnel	$ 876,446	$ 1,069,551	$ 997,945	$ 1,009,480	$ 1,021,245	$ 1,033,246
EMS - External Materials and Services	$ 20,638,262	$ 9,096,667	$ 4,680,648	$ 4,578,084	$ 4,581,543	$ 4,585,106
IMS - Internal Materials and Services	$ 76,000	$ 149,013	$ 84,013	$ 84,013	$ 84,013	$ 84,013
Expense Total	**$ 21,590,708**	**$ 10,315,231**	**$ 5,762,606**	**$ 5,671,577**	**$ 5,686,801**	**$ 5,702,365**

The HOPWA grant has shown significant growth over the past three funding cycles, leading future estimates to continue at the FY 2023 level, as shown in the graph above, with a higher confidence level.

ESG is forecast at a stable level, but prior year experience shows random decreases in the award, so there is some risk to a stable forecast.

Lead Hazard Abatement

For over twenty years, PHB has been successfully applying for the HUD Lead Grant, the most recent version of which was awarded $7 million in FY 2024-25 with a four-year period of performance. This is by far the largest federal award in the Bureau's history for the LEAD Remediation Program.

Tax Increment Financing – Housing Set-Aside

Tax Increment Financing (TIF) is not new to either the City or to housing development. TIF funds for housing (also known as the Housing Set-Aside) are expended by PHB, which is reimbursed by Prosper Portland. Because the City of Portland holds affordable housing loans, PHB receives program income directly. Affordable housing funding in TIF Districts (TDs) is driven by the Housing set-aside passed by the City Council in 2006, updated in 2011, and modified in 2015 to allocate 45% of TIF dollars to affordable housing.

Structure

PHB has set up a series of funds to be able to track costs by TD. Indirect costs are collected in a TIF Reimbursement fund and are allocated to each TD based upon direct expenses. Indirect costs are allocated as outlined in the General Fund section. TIF is similar to many of PHBs' grant sources in that it has restrictions on use. However, in addition to restrictions on use, TIF funds are required to be deployed in the same district in which they are generated. The location restrictions also put pressure on the Bureaus' less restrictive funding sources when needs outside of TDs arise.

Tax Increment Revenue Forecast – Future Look

The affordable housing emergency and the demand for new units led to adjustments in the forecast that resulted in TIF resources being deployed earlier than originally planned. Funding from TIF sources will decrease rapidly in the first three years of the five-year forecast window. Income from the new six TIF districts in Central City and East Portland, adopted in October 2024, is expected to start during the first two to three of the forecast windows.

Looking forward into the second half of the 2020s, residual income from loans made to affordable housing projects will continue to provide income for restructures or rehabilitation of existing projects.

TIF District	Maximum Indebtedness	Indebtedness Issued as of 6/30/24	Indebtedness Remaining as of 6/30/24
Lents Town Center (Amended)	$245.0M	$242.76M	$2.24M
Gateway	$164.24M	$121.75M	$42.49M
Central Eastside (Amended)	$125.97M	$125.97M	$0.0M
North Macadam	$288.56M	$260.51M	$28.06M
Interstate Corridor	$402.0M	$402.0M	$0.0M
Cully	$350.0M	$0.14M	$349.86M
Westside	**$800.0M**	**$0.0M**	**$800.0M**
Lloyd	**$290.0M**	**$0.0M**	**$290.0M**
Central Eastside Corridor	**$200.0M**	**$0.0M**	**$200.0M**
East 205	**$770.0M**	**$0.0M**	**$770.0M**
82nd Ave	**$460.0M**	**$0.0M**	**$460.0M**
Sumner-Parkrose-Argay-Columbia Corridor (SPACC)	**$310.0M**	**$0.0M**	**$310.0M**

As the table above shows, Lents, Gateway, Central Eastside, North Macadam, and Interstate districts are reaching maximum indebtedness and/or the final year to issue debt during the forecast. Additional TIF districts beyond Cully were added by the City Council. The projected Housing Set Aside from the new district is as follows:

New TIF Districts	FY 2025-26Plan	FY 2026-27Plan	FY 2027-28Plan	FY 2028-29Plan	FY 2029-30Plan
Westside	$0.0M	$0.53M	$1.08M	$1.66M	$2.25M
Lloyd	$0.0M	$0.19M	$0.38M	$0.58M	$0.79M
CES Corridor	$0.0M	$0.12M	$0.25M	$0.38M	$0.52M
East 205	$0.0M	$0.63M	$1.30M	$1.98M	$2.68M
82nd Area	$0.0M	$0.38M	$0.78M	$1.19M	$1.61M
SPACC	$0.0M	$0.25M	$0.52M	$0.79M	$1.07M
Total	$0.0M	$2.11M	$4.30M	$6.59M	$8.92M

The following is a brief discussion of trends in the current and expiring districts.

TIF Districts finishing:

The Downtown Waterfront, South Park Blocks, and Convention Center TIF districts are all well past the date to issue new debt and at the maximum limit (debt issued is scheduled for payoff in 2024-25). For these districts, PHB drew down the remaining TIF housing set-aside during FY 2019-20. In both Downtown Waterfront and South Park Blocks, PHB has limited cash resources available from loan payments, loan payoffs, and interest income.

Neighborhood TIF Districts winding down:

The Gateway, Interstate, and Lents TDs (commonly known as the neighborhood districts) still have housing set aside funds available, and the forecast shows these funds being programmed through the next three years of the forecast. With resources winding down and unrealized available indebtedness in each district, the potential for either extension of time and/or increasing debt limits where possible has been discussed.

- **Gateway Regional Center** – The Nick Fish affordable housing project was completed in 2021, using a mix of HOME and TIF funding. The ability to issue debt in Gateway expired in 2022, and current tax forecasts for the district do not anticipate enough incremental growth to issue any additional debt (beyond that planned for known expenditures) by that deadline. A substantial amount of the remaining set aside has been allocated to the Gateway Children's Resource Center project and any unused set aside still available will be bundled with other funding sources on future development projects.

Revenue	CY Estimate	FY 2025-26Plan	FY 2026-27Plan	FY 2027-28Plan	FY 2028-29Plan	FY 2029-30Plan
INTERGOV - Intergovernmental	$ 2,589,198	$ 5,051,831	$ 3,900,000	$ 3,023,656	$ 13,499,130	$ -
Revenue Total	**$ 2,589,198**	**$ 5,051,831**	**$ 3,900,000**	**$ 3,023,656**	**$ 13,499,130**	**$ -**
Expense						
EMS - External Materials and Services	$ 2,589,198	$ 5,051,831	$ 3,900,000	$ 3,023,656	$ 13,499,130	$ -
IMS - Internal Materials and Services	$ -	$ -	$ -	$ -	$ -	$ -
Expense Total	**$ 2,589,198**	**$ 5,051,831**	**$ 3,900,000**	**$ 3,023,656**	**$ 13,499,130**	**$ -**

- **Interstate** – The table above includes the additional funds generated from the increase in maximum indebtedness approved by Council. Project spending will be robust through the remainder of the forecast period as several projects funded by a combination of ICURA and Portland Bond funds begin construction. This includes the development of both the Strong/Abbey and William and Russell properties – both of which are expected to provide much sought after homeownership opportunities.

Revenue	CY Estimate	FY 2025-26Plan	FY 2026-27Plan	FY 2027-28Plan	FY 2028-29Plan	FY 2029-30Plan
INTERGOV - Intergovernmental	$ 15,198,282	$ 18,885,879	$ 12,000,000	$ 5,278,000	$ -	$ -
MISC - Miscellaneous		$ 1,000,000				
Revenue Total	**$ 15,198,282**	**$ 19,885,879**	**$ 12,000,000**	**$ 5,278,000**	**$ -**	**$ -**
Expense						
PERSONAL - Personnel	$ 659,110	$ -	$ -	$ -	$ -	$ -
EMS - External Materials and Services	$ 11,360,360	$ 19,263,407	$ 12,000,000	$ 5,278,000	$ -	$ -
IMS - Internal Materials and Services	$ 3,178,812	$ 622,472	$ -	$ -	$ -	$ -
Expense Total	**$ 15,198,282**	**$ 19,885,879**	**$ 12,000,000**	**$ 5,278,000**	**$ -**	**$ -**

- **Lents Town Center** –Current activity is focused on programs for homeownership preservation and new homeownership opportunities.

Revenue	CY Estimate	FY 2025-26Plan	FY 2026-27Plan	FY 2027-28Plan	FY 2028-29Plan	FY 2029-30Plan
INTERGOV - Intergovernmental	$ 2,839,047	$ 1,478,952	$ 1,479,084	$ -	$ -	$ -
MISC - Miscellaneous		$ 125,186	$ 123,308	$ -	$ -	$ -
Revenue Total	**$ 2,839,047**	**$ 1,604,138**	**$ 1,602,392**	**$ -**	**$ -**	**$ -**
Expense						
PERSONAL - Personnel	$ 271,468	$ -	$ -	$ -	$ -	$ -
EMS - External Materials and Services	$ 1,259,556	$ 1,551,521	$ 1,602,392	$ -	$ -	$ -
IMS - Internal Materials and Services	$ 1,308,023	$ 52,617	$ -	$ -	$ -	$ -
Expense Total	**$ 2,839,047**	**$ 1,604,138**	**$ 1,602,392**	**$ -**	**$ -**	**$ -**

Downtown TIF Districts winding down:

The River, North Macadam (South Waterfront), and Central Eastside districts are winding down as well, also reaching the last dates for issuing new debt during the forecast period. Each district still has housing set aside funds available, and the forecast shows these funds being programmed through the end of the forecast period.

- **North Macadam/South Waterfront** – The forecast reflects availability of significant opportunity funds for a future project(s), as well as the slight possibility of additional increment growth before the ability to issue debt expires in 2025.

Revenue	CY Estimate	FY 2025-26Plan	FY 2026-27Plan	FY 2027-28Plan	FY 2028-29Plan	FY 2029-30Plan
INTERGOV - Intergovernmental	$ 5,590,236	$ 5,445,617	$ 9,291,977	$ -	$ -	$ -
Revenue Total	**$ 5,590,236**	**$ 5,445,617**	**$ 9,291,977**	**$ -**	**$ -**	**$ -**
Expense						
EMS - External Materials and Services	$ 5,590,236	$ 5,445,617	$ 9,291,977	$ -	$ -	$ -
IMS - Internal Materials and Services	$ -	$ -	$ -	$ -	$ -	$ -
Expense Total	**$ 5,590,236**	**$ 5,445,617**	**$ 9,291,977**	**$ -**	**$ -**	**$ -**

- **Central Eastside** – Funds available in the Central Eastside district are for multi-family development projects. The Clifford apartments rehabilitation is in the pre-planning stage while Alder 9 is currently under construction. The ability to issue debt in Central Eastside expired in 2022, and current plans for the district do not anticipate issuing any additional debt (beyond that planned for known expenditures) by the deadline.

Revenue	CY Estimate	FY 2025-26Plan	FY 2026-27Plan	FY 2027-28Plan	FY 2028-29Plan	FY 2029-30Plan
INTERGOV - Intergovernmental	$ 4,990,948	$ 1,851,905	$ -	$ -	$ -	$ -
MISC - Miscellaneous		$ 1,000,000	$ -	$ -	$ -	$ -
Revenue Total	**$ 4,990,948**	**$ 2,851,905**	**$ -**	**$ -**	**$ -**	**$ -**
Expense						
EMS - External Materials and Services	$ 4,990,948	$ 2,851,905	$ -	$ -	$ -	$ -
IMS - Internal Materials and Services			$ -	$ -	$ -	$ -
Expense Total	**$ 4,990,948**	**$ 2,851,905**	**$ -**	**$ -**	**$ -**	**$ -**

- **River District** – The forecast reflects remaining projects in the district, as well as funding earmarked via an agreement with Prosper Portland for the development of property owned by PHB in the Broadway Corridor project area. Remaining opportunity funds could be used for this project, or to address funding needs of existing affordable housing facilities in the district. Loan income and potential loan payoffs will continue to provide limited resources through the end of the decade.

Revenue	CY Estimate	FY 2025-26Plan	FY 2026-27Plan	FY 2027-28Plan	FY 2028-29Plan	FY 2029-30Plan
BEGBAL - Beginning Fund Balance	$ -	$ -	$ 2,102,911	$ -	$ -	$ -
INTERGOV - Intergovernmental	$ 4,307,148	$ 1,700,000	$ -	$ -	$ -	$ -
Revenue Total	**$ 4,307,148**	**$ 1,700,000**	**$ 2,102,911**	**$ -**	**$ -**	**$ -**
Expense						
EMS - External Materials and Services	$ 4,307,148	$ 1,700,000	$ 2,102,911	$ -	$ -	$ -
IMS - Internal Materials and Services		$ -	$ -	$ -	$ -	$ -
Expense Total	**$ 4,307,148**	**$ 1,700,000**	**$ 2,102,911**	**$ -**	**$ -**	**$ -**

Portland and Metro Bonds

Revenue	CY Estimate	FY 2025-26Plan	FY 2026-27Plan	FY 2027-28Plan	FY 2028-29Plan	FY 2029-30Plan
BNDNT - Bond & Note Proceeds	$ 41,039,048	$ 11,525,560	$ -	$ -	$ -	$ -
SC - Charges for Services	$ 1,990,047	$ 1,921,010	$ 1,310,328	$ -	$ -	$ -
FNDXFERS - Fund Transfers - Revenue	$ 1,300	$ -	$ -	$ -	$ -	$ -
Revenue Total	**$ 43,030,395**	**$ 13,446,570**	**$ 1,310,328**	**$ -**	**$ -**	**$ -**
Expense						
PERSONAL - Personnel	$ 860,328	$ 725,276	$ 860,328	$ -	$ -	$ -
EMS - External Materials and Services	$ 41,090,818	$ 11,585,678	$ 50,000	$ -	$ -	$ -
IMS - Internal Materials and Services	$ 529,249	$ 585,616	$ 400,000	$ -	$ -	$ -
FNDXFER - Fund Transfers - Expense	$ 550,000	$ 550,000	$ -	$ -	$ -	$ -
Expense Total	**$ 43,030,395**	**$ 13,446,570**	**$ 1,310,328**	**$ -**	**$ -**	**$ -**

The tables above reflect activity for the Housing General Obligation (GO) Bonds. This includes both Portland and Metro bond issues. Both are expected to be expended by the end of the forecast period, coinciding with the exhaustion of available TIF resources.

On November 6, 2018, voters state-wide changed the Oregon Constitution to allow for the lending of GO Bond proceeds for the creation of affordable housing. This notable change to the program allowed PHB to return to its typical public-private partnership model for the creation of affordable housing. This is a first-of-its-kind funding model for an Oregon GO Bond and has required the creation of a program delivery fee for the recovery of Bureau and City ancillary costs (staffing, indirect, support services). PHB may also reconsider the disposition and ultimate ownership of the properties already acquired under the Bond program.

Revenue	CY Estimate	FY 2025-26Plan	FY 2026-27Plan	FY 2027-28Plan	FY 2028-29Plan	FY 2029-30Plan
INTERGOV - Intergovernmental	$ 69,987,142	$ 46,284,709	$ 20,596,102	$ 620,542	$ -	$ -
Revenue Total	**$ 69,987,142**	**$ 46,284,709**	**$ 20,596,102**	**$ 620,542**	**$ -**	**$ -**
Expense						
PERSONAL - Personnel	$ 678,989	$ 572,624	$ 596,102	$ 620,542	$ -	$ -
EMS - External Materials and Services	$ 69,308,153	$ 45,712,085	$ 20,000,000	$ -	$ -	$ -
Expense Total	**$ 69,987,142**	**$ 46,284,709**	**$ 20,596,102**	**$ 620,542**	**$ -**	**$ -**

Also in 2018, Portland-area voters approved Measure 26-199, the Metro Regional Affordable Housing Bond, which authorizes Metro to issue up to $652,800,000 in general obligation bonds for the development of (new) or acquisition of (existing) affordable housing. PHB receive approximately $211 million of these funds.

Portland Clean Energy Fund (PCEF)

The Housing Bureau has partnered with the Portland Clean Energy Fund (PCEF) to award up to $60 million over the next five years for energy efficiency and renewable energy improvements to multi-family affordable housing projects. The portfolio includes projects in the development pipeline which are under Phase 1 that closed in FY 2022-23 and FY 2023-24. Phase 2 Includes projects that are targeting closing starting FY 2024-25 and/or are still in the very early award/predevelopment stage so that the inclusion of additional clean energy features can be readily incorporated before design and permitting.

$20.9 million was budgeted for FY23-24 covering multi-family projects, staffing, and administrative expenses. The $40 million Decision Package for FY24-25 onwards aims to support energy upgrades in approximately 300 units alongside other PHB-funded capital improvements for the next 5-years ($8 million per year).

Revenue	CY Estimate	FY 2025-26Plan	FY 2026-27Plan	FY 2027-28Plan	FY 2028-29Plan	FY 2029-30Plan
MISCFUND - Miscellaneous Fund Allocation	$ 45,852,692	$ 29,594,596	$ 13,597,521	$ 15,247,873	$ 8,000,000	$ -
Revenue Total	**$ 45,852,692**	**$ 29,594,596**	**$ 13,597,521**	**$ 15,247,873**	**$ 8,000,000**	**$ -**
Expense						
PERSONAL - Personnel	$ 874,989	$ 1,122,895	$ 476,300	$ 476,300	$ 476,210	$ -
EMS - External Materials and Services	$ 44,297,239	$ 28,178,260	$ 12,461,575	$ 14,478,129	$ 7,230,346	$ -
IMS - Internal Materials and Services	$ 680,464	$ 293,441	$ 293,444	$ 293,444	$ 293,444	$ -
Expense Total	**$ 45,852,692**	**$ 29,594,596**	**$ 13,231,319**	**$ 15,247,873**	**$ 8,000,000**	**$ -**