

Portland, Oregon

FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT For Council Action Items

(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator Sonia Schmanski		2. Telephone No. 3-6017	3. Bureau/Office/Dept. Portland Housing Bureau
4a. To be filed (hearing date): November 28, 2012	4b. Calendar (Check One) Time Certain, 2 pm, 30 min. Regular Consent 4/5ths <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		5. Date Submitted to Commissioner's office and FPD Budget Analyst: November 10, 2012
6a. Financial Impact Section: <input checked="" type="checkbox"/> Financial impact section completed		6b. Public Involvement Section: <input checked="" type="checkbox"/> Public involvement section completed	

1) Legislation Title: Delegate authority to write down portions of loans in the Portland Housing Bureau portfolio in order to maintain a sustainable inventory of affordable housing assets and ensure continued public benefit to our community (Ordinance)

2) Purpose of the Proposed Legislation: Allow the Portland Housing Bureau and the Office of Management and Finance to maintain the city's infrastructure of affordable housing assets and ensure continued public benefit.

3) Which area(s) of the city are affected by this Council item? (Check all that apply—areas are based on formal neighborhood coalition boundaries)?

- | | | | |
|--|------------------------------------|------------------------------------|--------------------------------|
| <input checked="" type="checkbox"/> City-wide/Regional | <input type="checkbox"/> Northeast | <input type="checkbox"/> Northwest | <input type="checkbox"/> North |
| <input type="checkbox"/> Central Northeast | <input type="checkbox"/> Southeast | <input type="checkbox"/> Southwest | <input type="checkbox"/> East |
| <input type="checkbox"/> Central City | | | |

FINANCIAL IMPACT

4) Revenue: Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If so, please identify the source.

The Portland Housing Bureau manages a loan portfolio of over \$300 million, representing investments made over the last 25 years in over 8,000 affordable housing units. Approximately 15% of the loans in the portfolio require regular repayment. These loans produce a small amount of revenue for the City. The vast majority of loans in the portfolio do not require regular repayment. About 15% of the portfolio is considered "collectible" by the Office of Management and Finance. This legislation could potentially reduce the amount of revenue coming in to the City, but the impact would not be substantial. Writing down portions of loans will strengthen our partners for the long term and allow them to leverage additional debt without seeking new direct investment from the City. Conversely, the absence of this legislation could result in additional direct costs to the City.

5) Expense: What are the costs to the City as a result of this legislation? What is the source of funding for the expense? *(Please include costs in the current fiscal year as well as costs in future year, including Operations & Maintenance (O&M) costs, if known, and estimates, if not known. If the action is related to a grant or contract please include the local contribution or match required. If there is a project estimate, please identify the level of confidence.)*

There are no new direct costs to the City as a result of this legislation.

6) Staffing Requirements:

- **Will any positions be created, eliminated or re-classified in the current year as a result of this legislation?** *(If new positions are created please include whether they will be part-time, full-time, limited term, or permanent positions. If the position is limited term please indicate the end of the term.)*

No.

- **Will positions be created or eliminated in future years as a result of this legislation?**

No.

(Complete the following section only if an amendment to the budget is proposed.)

7) Change in Appropriations *(If the accompanying ordinance amends the budget please reflect the dollar amount to be appropriated by this legislation. Include the appropriate cost elements that are to be loaded by accounting. Indicate "new" in Fund Center column if new center needs to be created. Use additional space if needed.)*

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount

PUBLIC INVOLVEMENT

8) Was public involvement included in the development of this Council item (e.g. ordinance, resolution, or report)? Please check the appropriate box below:

- ☐ YES: Please proceed to Question #9.
☒ NO: Please, explain why below; and proceed to Question #10.

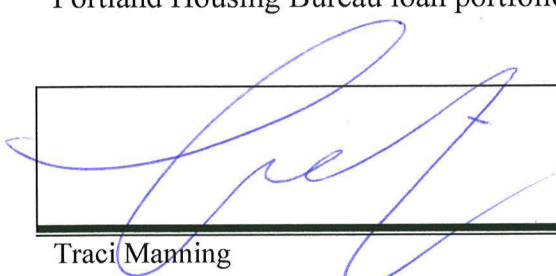
No. This proposed legislation is the result of internal analysis of the City's ability to manage the Portland Housing Bureau loan portfolio.

9) If "YES," please answer the following questions:

- a) What impacts are anticipated in the community from this proposed Council item?
- b) Which community and business groups, under-represented groups, organizations, external government entities, and other interested parties were involved in this effort, and when and how were they involved?
- c) How did public involvement shape the outcome of this Council item?
- d) Who designed and implemented the public involvement related to this Council item?
- e) Primary contact for more information on this public involvement process (name, title, phone, email):

10) Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not.

No. This proposed legislation is the result of internal analysis of the City's ability to manage the Portland Housing Bureau loan portfolio.

 11/15/12

Traci Manning

Date