



**Portland
Housing
Bureau**

Portland Housing Advisory Commission
 Tuesday, November 4, 2014
 3:00 p.m. – 5:00 p.m.
 Steel Bridge Conference Room
 421 SW 6th Ave
 Portland, OR 97204

Agenda

AGENDA TOPIC	LEAD	ACTION	TIME
Welcome & Review Meeting Purpose, Review Minutes <ul style="list-style-type: none"> • Quorum = 8 Members 	Jesse Beason	Approve	3:00 – 3:05
Public Testimony			3:05 – 3:10
Welcome Home Report	Jessica Larson <i>Oregon Opportunity Network</i>	Presentation/ Discussion	3:10 – 3:50
Convene as Portland Housing Bureau’s Budget Advisory Committee	Jesse Beason		3:50 – 3:55
FY16 Budget Process <ul style="list-style-type: none"> • Budget 101 • Mayor’s Guidance & Decision Package Development 	Mike Johnson Traci Manning	Presentation/ Discussion	3:55 – 4:35
Other Business Follow-up <ul style="list-style-type: none"> • N/NE Neighborhood Housing Strategy • Legislative 	Traci Manning	Discussion	4:35 – 4:50
For the Good of the Order	Jesse Beason		4:50 – 5:00

Materials for all meetings will be posted on PHB’s website: www.portlandonline.com/PHB/PHAC.

Upcoming Public PHAC meetings: December 2nd

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Portland Housing Bureau

Portland Housing Advisory Commission
Tuesday, October 07, 2014
 3:00 p.m. – 5:00pm
 Portland Housing Bureau
 421 SW 6th Ave, Suite 500
 Portland, OR 97204

✓ = PHAC public member action item
 ▶ = PHB staff member action item

October 2014 Meeting Minutes

Members Present: Marc Jolin, Amy Anderson, Wayne Miya, Jean DeMaster, Deborah Imse, Colin Rowan, Bill Gentile, Andrew Colas, Elisa Harrigan, Rey España, Tom Brenneke

Members Excused: Jesse Beason, Dike Dame, Sarah Zahn

Staff Present: Traci Manning, Andrea Matthiessen, Nate McCoy, Javier Mena, Daynelle Banks

Guests Present: Cheryl Roberts, Felicia Tripp

Agenda Item	Discussion Highlights	Outcomes / Next Steps
Welcome & Review Meeting Purpose, Review Minutes	Marc opened the meeting with review of the minutes and asked for a motion to approve. September PHAC minutes were approved.	
Public Testimony	No public testimony.	
MWESB <ul style="list-style-type: none"> • Annual Report • Recommendations for Next Steps 	<p>Marc introduced Javier and Nate to open the discussion on MWESB Annual Report.</p> <p>Javier: This is the MWESB annual report from procurement showing the compliance of the projects that we are funding. We also want to take time to talk about next steps. Where do we go from here to improve on our outcomes?</p> <p>Javier turned the floor over to Nate McCoy, Senior Construction Coordinator for PHB.</p> <p>Nate highlighted main points in the MWESB Annual Report handout.</p>	

Agenda Item	Discussion Highlights	Outcomes / Next Steps
	<p>Nate: There has been growth from last fiscal year to this fiscal year. 83% of PHB funded projects either met or exceeded the goals. There has been a lot of growth in the last 2 years in this program mainly because of outreach activities. There are challenges in getting sub-contractors certified as Section 3 which is different from the MWESB certification. This report is generated from the procurement office to PHB to communicate their ideas as to next steps and improvements for the program. Procurement would like to see PHB working closer with Oregon Tradeswomen to create an ongoing dialogue on how we get more women into these trade areas.</p> <p>Nate summarized the next steps and recommendations included in the report.</p> <p>Continued efforts from last fiscal year:</p> <ul style="list-style-type: none"> • Meet and greet event for professional service trades (prime contractors, developers, property managers) – networking • Posting NOFA recipients on website for bidding opportunities • Monthly report is being posted to website <p>Nate: One of the first things PHB would like to focus on is increasing our analysis around the good faith effort outreach; tracking where bidding opportunities are and where they are lacking. We are trying to identify challenges and analyze for solutions. Second we would like to expand technical assistance to providers that do advocacy work. PHB would like to create a workgroup to generate information and dialogue to build on what is being done. The charge of the group would be to review and examine PHB processes and activities regarding contracting outcomes; taking a look at diversity in trades to create opportunities.</p> <p>Nate opened the floor to the PHAC for recommendations.</p> <p>Wayne: Are the goals for minorities and women are they static or are they adjustable? The goal for women is high compared to the availability.</p> <p>Nate: This workgroup can dive in to that type of thing more directly. A lot of these goals are set by statewide data. There has not been enough connection with agencies up front. This workgroup can look into that and see if adjustments are needed.</p>	

Agenda Item	Discussion Highlights	Outcomes / Next Steps
	<p>Andrew: That is a percentage of availability of the actual apprenticeship program. Oregon Trades Women is a pre-apprenticeship program. Until you are in the apprenticeship they are not counting you as available. We need figure out better ways to be able to be rated at the apprenticeship rate. Then you would see more onboarding of women and minorities in the trade.</p> <p>Tom: What I'm hearing from our contractors is that it's getting tougher to find the qualified workers and those that are interested.</p> <p>There was some discussion and clarification of the report percentages incited by questions from Amy Anderson.</p> <p>Marc: On the services side PHB did a lot of work to be very intentional around specific communities of color. As you look at these numbers there is an aggregate goal. Are there goals set for different communities? Are the percentages too low or too high? Are we only looking at the aggregate?</p> <p>Nate: This is high level. I think the workgroup would help us get more into the weeds. I've never seen anything where we set goals related to specific groups.</p> <p>Javier: We are not happy with the diversity pool. One of the first next steps is looking at the projects that we are funding and diving deeper into the bidding process to see who isn't bidding and who isn't and why?</p> <p>Traci: We are working through community partners. We don't do contracting directly so in terms of setting goals. Are there people we could partner with? Who do we need to include on the working group or partner with so that we can increase our impact? Do you PHAC members have thoughts, given the indirect contracting, to make sure we get the right people at the table?</p> <p>Colin and Nate continued the discussion about technical assistance and outreach to agencies that should be a part of the workgroup.</p> <p>Andrew: As the president of NAMAC I spend a lot of time looking all of the public bureaus. In the last 4 years with the leadership, PHB is doing a lot better job. The way PHB works with partners for procurement is more beneficial to meeting the MWESB</p>	

Agenda Item	Discussion Highlights	Outcomes / Next Steps
	<p>goals. We have seen the change because the developers know that they have to meet these goals in order to get the funding that they want.</p> <p>Andrew addressed the comment from Tom about difficulty getting contractors to bid.</p> <p>Andrew: One of the things you see when you can't get people to bid. It's about relationships. Some general contractors treat certain sub-contractors in ways that discourages them on bidding for future contracts – people don't want to get burned. The work that PHB is doing is leading us toward minority companies as the general contractors on these projects.</p> <p>Rey: I have a question on Section 3. There is a project missing data. Is that non-compliance? Lack of data? How should I interpret the organization that has no data?</p> <p>Nate: That was a really small project as compared to the other projects.</p> <p>Rey: I agree with Andrew's comments. As far as recommendations there are other agencies beyond Oregon Trade's women. I would broaden the outreach to pre-apprenticeship programs. You are leading the way but with much respect we can do better.</p> <p>Rey gave a few recommendations for workgroup participants. Nate invited the PHAC to contact him with suggestions for the workgroup along with contact information. There was continued discussion on recommendations for the workgroup. Amy and Tom expressed interest in participating on the workgroup. Elisa talked briefly about a pilot from Home Forward to get residents into apprenticeship programs.</p> <p>Andrew: It would be critical to figure out a way to hire with BOLI. It's tough with these pilot projects to get the apprenticeship rate.</p> <p>Deborah: Our organization worked with Home Forward in the property management arena. We are getting together to expand on that template.</p> <p>Marc moved the meeting to the next topic.</p>	<p>✓ PHAC Members to forward Nate contact information for recommendations to the MWESB workgroup.</p>

Agenda Item	Discussion Highlights	Outcomes / Next Steps
<p>Homeownership</p> <ul style="list-style-type: none"> • Equity Outcomes Reporting • Strategic Direction 	<p>Andrea Matthiessen, Neighborhood Homeownership Program Manager, distributed the Homeownership Presentation and introduced the community partners that were present at the meeting.</p> <p>Felicia Tripp, Deputy Director at Portland Housing Center and Cheryl Roberts, Executive Director of AAAH joined Andrea for her presentation.</p> <p>Andrea invited the PHAC to ask questions during the summary and review of the Homeownership Equity Outcomes Presentation.</p> <p>Wayne: When you calculate average MFI is it a straight 1:1 comparison?</p> <p>Andrea: This is a high level overview. What you are seeing embedded in here are varying levels of subsidy and varying levels of cost burden.</p> <p>Elisa: Just for clarification – for the DPAL and the LTE are you providing more subsidy to bring the cost down? Is that why the prices seem lower?</p> <p>Andrea: These are actual average sale prices for those 2 URA’s. This represents the condition of the homes being purchased. That’s why the prices may seem lower. This is not intended to be an indication for what is affordable. This is the average MFI of the households that purchased the units for each particular program.</p> <p>Andrea continued the review and turned the presentation over to Felicia to discuss the benefits of homeownership.</p> <p>Felicia distributed a packet containing an overview of some of the agencies that PHB partners with for homeownership programs and services. Also included in the packet was a summary of the NeighborhoodLIFT program accomplishments for households up to 120% MFI. Felicia discussed benefits of PHB providing funding for homeownership services (presentation pg. 3). When people are able to use these subsidies for homeownership in many instances their housing costs go down.</p> <p>Andrea continued the review of the presentation moving on to the PHB homeownership overview, partners, and homeownership resources. Andrea asked the PHAC if they had any questions about how PHB allocates resources for homeownership</p>	

Agenda Item	Discussion Highlights	Outcomes / Next Steps
	<p>programs. There were no questions. Andrea moved on to the data chart slides of the presentation.</p> <p>Jean: Is your assumption that African, Middle Eastern and Slavic don't have higher homeownership rates is because of language barriers?</p> <p>Andrea: My assumption would be that it's the data source.</p> <p>Traci: These are the categories that PHB's uses. ACS uses the Federal HUD categories that don't ask people if they are African, Middle Eastern, or Slavic.</p> <p>Jean: We've tried to work with the Slavic population and we haven't been able to get through the language barrier. Is there a way to cross language barriers?</p> <p>Elisa: Habitat does a good job with that. It can be hard because there aren't tons of interpreters available and it is a lot of material. Also, those are a lot of recent refugee population and data may not be capturing them. Sometimes stabilizing recent refugee immigrants takes a little more time.</p> <p>Amy: Right now the average home ownership costs is \$2K or more. Given that income level to start with how are we going to raise the income levels so people can afford these homes now?</p> <p>Elisa: I'm a recipient of a DPAL so I am a huge fan of the programs that are available. I experienced my housing costs going down after I became a homeowner. Yes we need economic development but these programs level the playing field for those who need it to neutralize the cost barrier.</p> <p>Andrea: To Amy's point, there is a sense of urgency around how quickly the market is escalating. We are watching homeownership become increasingly unattainable.</p> <p>Felicia: Most of the homes we help people get into are about \$250K and under.</p> <p>Cheryl: We understand that everyone is not going to be a homeowner and does not want to be a homeowner. We understand the need for affordable rental opportunities as well.</p>	

Agenda Item	Discussion Highlights	Outcomes / Next Steps
	<p>Andrea presented that outcome data for current PHB programs by race and ethnicity. The graphs contrast how PHB homeownership programs are being used broken down by race and ethnicity.</p> <p>Elisa: What is the average subsidy for an LTE?</p> <p>Andrea: Per year the average is \$1700 per year over 10 years. The SDC (System Development Charge) value of the foregone revenue is about \$18,000. That is a benefit that goes to the developer and is reflected in a limited sales price.</p> <p>Jean: Is this all households or limited to a group of households? Is it limited by income at all?</p> <p>Andrea: The DPAL households are 80% MFI and under, the households with LTE or SDC exemptions are at 100% MFI or below and the unsubsidized units is a combination.</p> <p>Andrea invited Felicia to give more information about data that compares MFI to home prices.</p> <p>Felicia: We track everyone who comes through our programs. In the NeighborhoodLIFT program we tracked where households came from and where they went. These were MFI's ranging from 60% to 120%. Depending on the neighborhood drives the need for subsidy. In all the communities of color the biggest barrier has been down payment and closing costs. That would increase homeownership rates in those communities.</p> <p>Andrea presented the outcome data of homeownership programs for FY 2013/14. The goal for PHB is 20% of people who accessed a PHB homeownership program to become homeowners.</p> <p>Cheryl presented PHB homeownership successes, homeownership equity challenges, and homeownership equity opportunities.</p> <p>Felicia: Homeownership is crucial right now because of the tightening of the credit market. That has more impact on communities of color.</p>	

Agenda Item	Discussion Highlights	Outcomes / Next Steps
	<p>Amy: Are there any reports about health improvements after people have become homeowners?</p> <p>Cheryl and Felicia agreed to provide Amy with the data to support homeownership and health benefits. Andrea invited the other members of PHAC to comment.</p> <p>Rey: This was a good presentation. I think one of the successes of homeownership is that for every new homeowner we create a new rental unit. This has been understated. Anything we can do to put it in the proper perspective is a good thing. Anything related to an IDA tool is worth looking into. The issue of affordability becomes greater as time elapses. I'd be interested in hearing analysis of short term impacts. Land banking or taking homes off the market should be legitimately looked at. New units being developed are not affordable to people who need it today.</p> <p>Elisa: This is one of the better of the reports around homeownership equity. Information like this will help articulate that homeownership is important.</p>	<p>✓ Cheryl and Felicia to provide Amy with the data to support homeownership and health benefits.</p>
<p>Other Business Follow-up</p> <ul style="list-style-type: none"> • N/NE Neighborhood Housing Strategy • MULTE Update 	<p>Marc introduced Traci to give an update on the N/NE Neighborhood Housing Strategy Community forums.</p> <p>Traci: The level of engagement has been amazing. There were about 120 people at the first forum at Highland Christian Center and about 140 people at the second forum at Matt Dishman Community Center. Our third forum is in Gresham. A lot of our stakeholders thought it was really important to reach people who were displaced out of the area. We are expecting a smaller turnout. The fourth forum is Saturday morning.</p> <p>Elisa: I've heard great things from community partners about the outreach and the content of the forums.</p> <p>Traci: You will get a lot more information after we conclude the forum series.</p> <p>Javier gave an update on the MULTE applications discussed at September PHAC meeting. One of the three projects withdrew their application. The remaining two were heard at Council and will be voted on. They are expected to pass with no issue. Now</p>	

Agenda Item	Discussion Highlights	Outcomes / Next Steps
	<p>there is room in the cap so we may identify a new project that can utilize the program. There may be another application that comes through in the near future.</p>	
<p>For the Good of the Order</p>	<p>Traci announced that the Cost of Affordable Housing workgroup has been seated and invited Elisa to give an update. Elisa updated the PHAC on the charge of the workgroup to talk about ways to reduce the cost to build affordable housing. About 40 people applied to be on the steering committee and 16 people were chosen. There will be opportunities for broader community engagement. At the end of the process MMT wants to have 2 or 3 pilot projects. Elisa invited PHAC members to receive updates on the community meetings for the workgroup.</p> <p>Carlos Garcia gave an update on data for various ethnicities underrepresented in current homeownership data.</p> <p>Marc adjourned the meeting.</p>	

DRAFT

PHB Budget Advisory Committee

FY 2015-16 Budget Development

November 4, 2014

Budget Development Kickoff

- **FY 2014-15 Budget Document**
(see printed materials)
- **Current Year Budget Look**
- **Budget Calendar**

Preliminary Budget Stage

- **November – December**
 - Budget Guidelines to Bureaus
 - Mayor's goals and priorities
 - Stabilization Budget
 - Council Budget Work Session
 - Financial Forecast

PHB has the PHAC and the sub-BAC advisory committees, other community and internal staff meetings

Requested Budget Stage

- *First week February – Bureaus Submit Requested Budgets*

February – April

- CBO analyzes requested budgets and writes issue papers
- Citywide Community Forums
- Public Surveys
- Council Work Sessions with Community Budget Advisors & Bureaus

Proposed Budget Stage

- **April – early May**
 - Mayor's Proposed Budget – internal meetings
 - Discussions with CBO, bureau directors, and commissioners
 - Mayor announces budget decisions

Approved Budget Stage

- **May – June**
 - Public Budget hearing
 - City Council hearing & budget approval

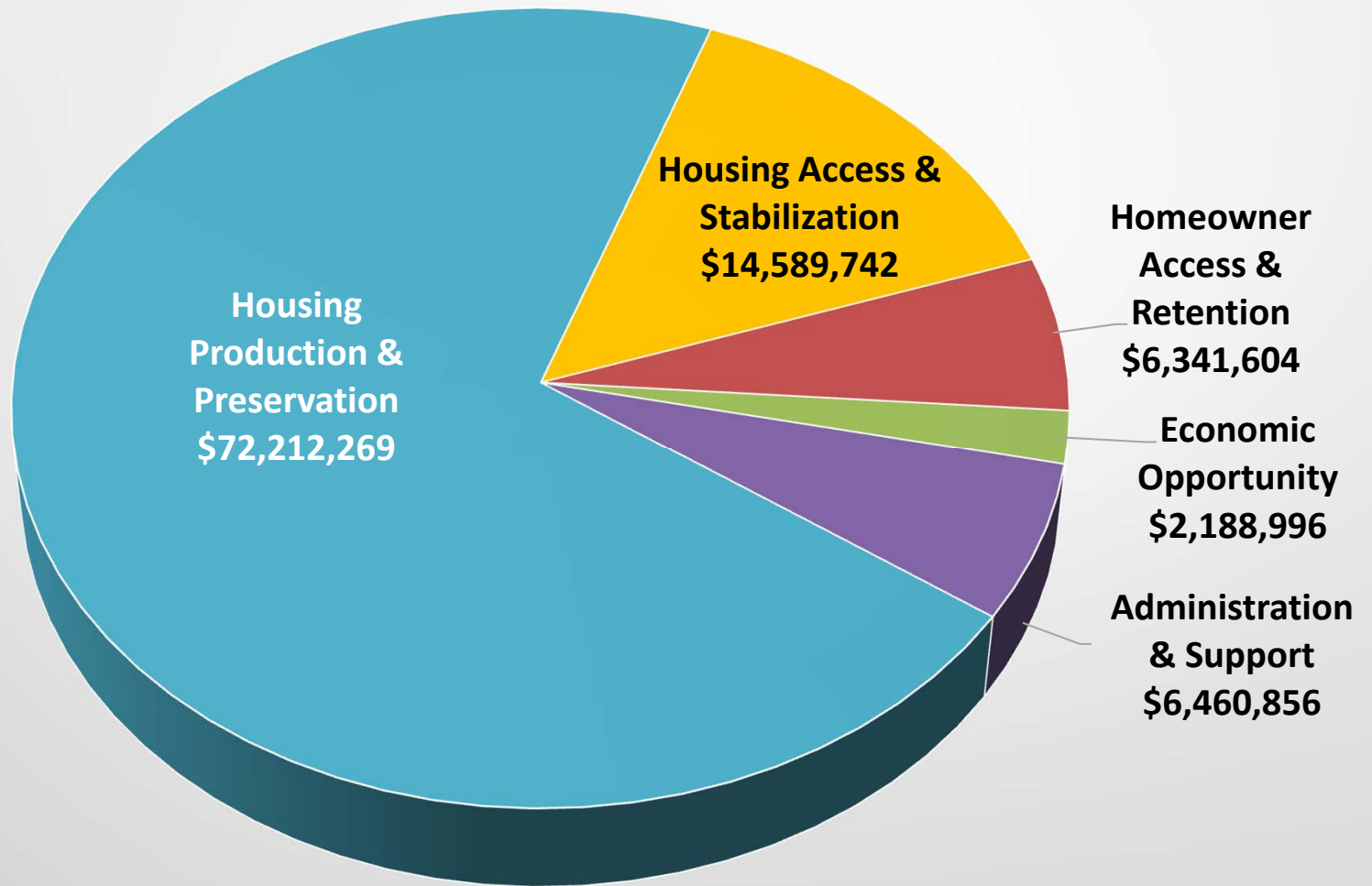
City outreach:

- Evening hearing for public testimony on the Proposed Budget
- Electronic and written testimony continues

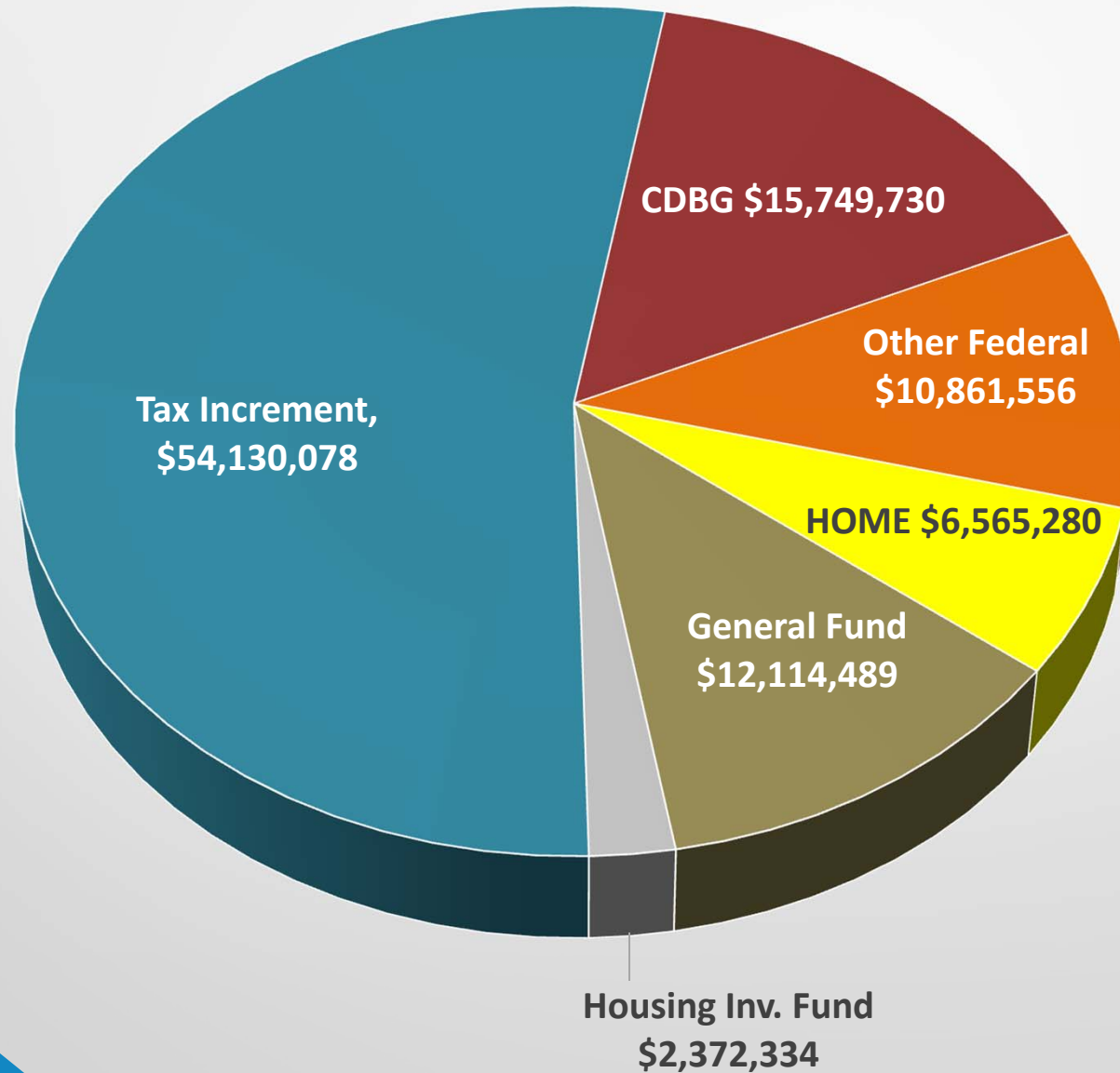
Adopted Budget Stage

- **Mid - Late June**
 - Technical adjustments
 - Mid-June - council vote on Adopted Budget

FY 2014-15 Adopted Budget By Program Area



FY 2014-15 Adopted Budget By Funding Source



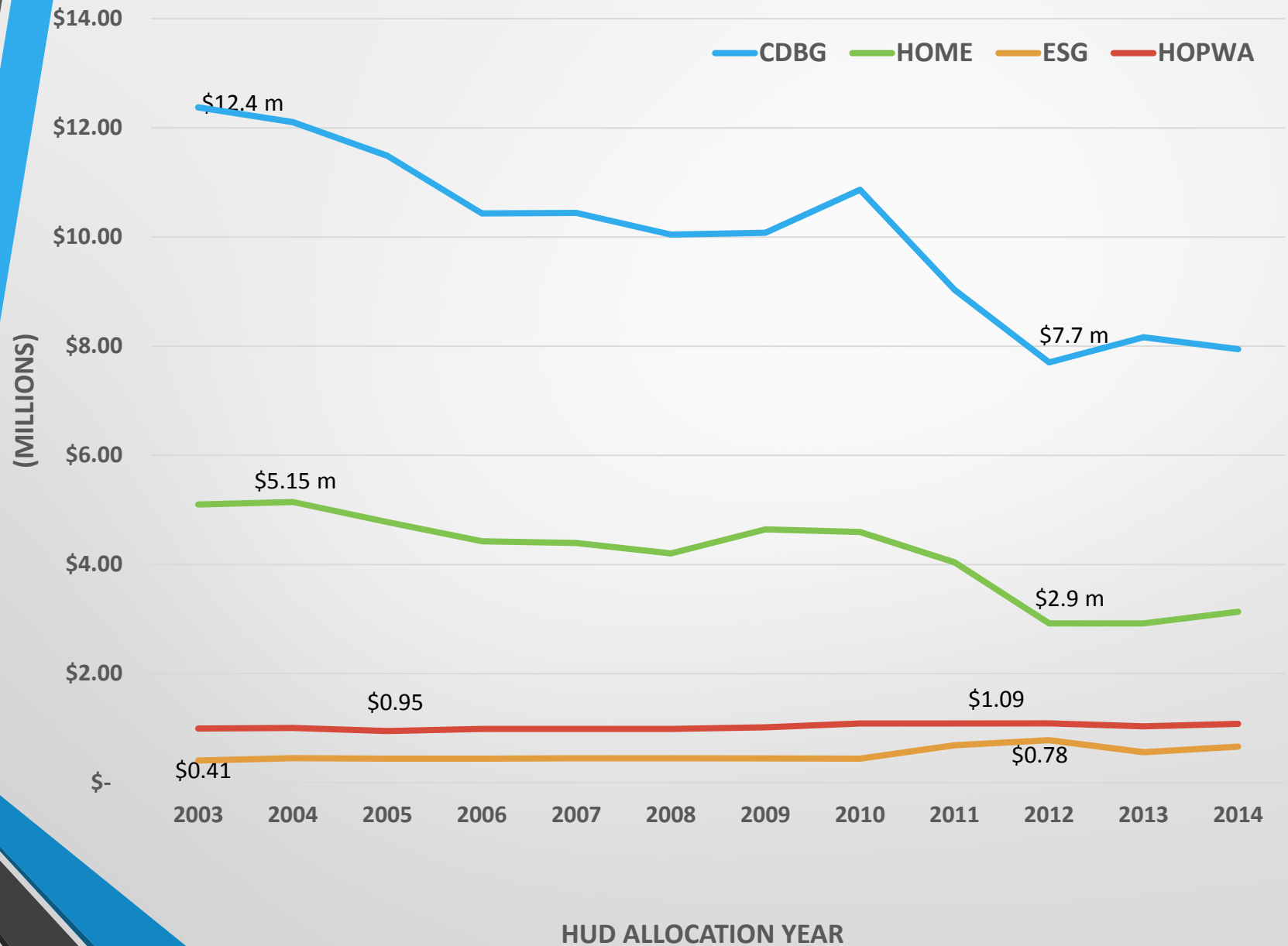
PHAC Budget Worksheet

- Current Year Adopted Budget by Program
- List FY 2015-16 Programs
(Refer to printed materials)

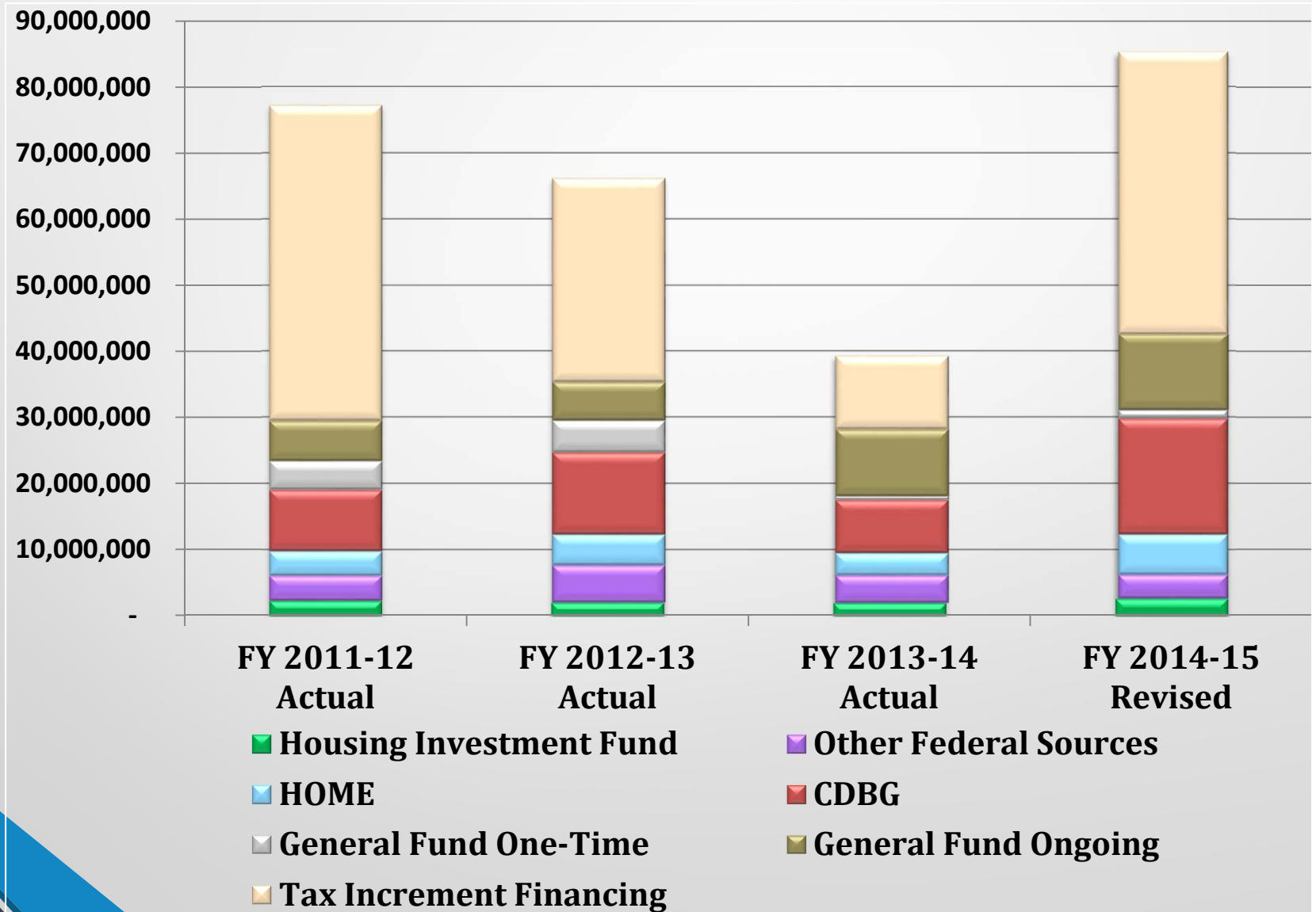
Budget Trends & Issues

- **Federal Grant Uncertainty - Sequestration/Gridlock**
- **Historical Trends**
- **Forecast**
- **Program Area Adjustments** (see printed materials)

HUD Entitlement Allocations



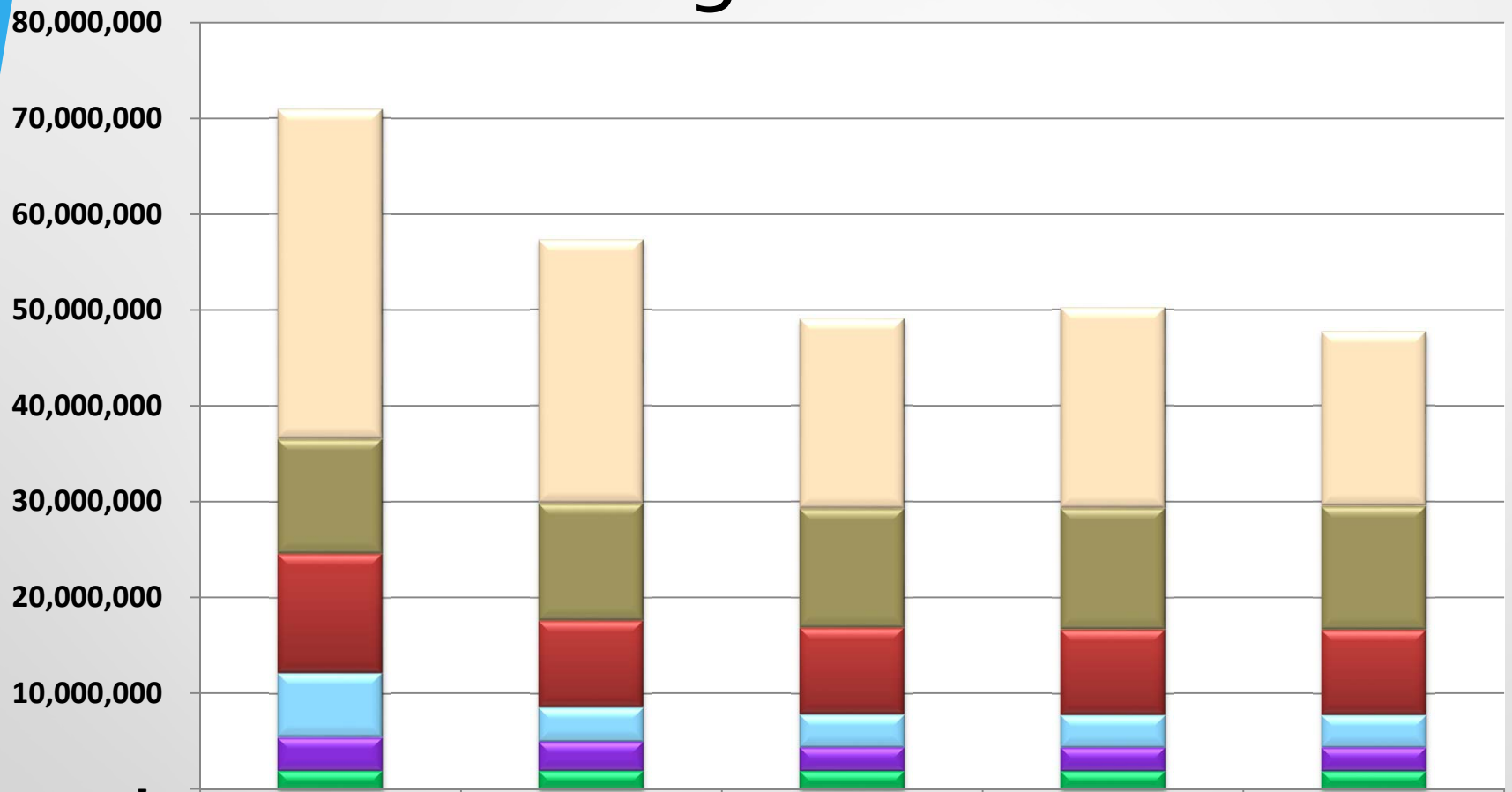
Historic Budget Trends By Funding Source



Affordable Housing Projects

	FY 2014-15 Revised	FY 2015-16 Forecast	FY 2016-17 Forecast
CDBG			
Generations		600,000	
Allen-Fremont	1,760,000		
1st & Arthur		2,700,000	
Westmoreland Union Manor		931,000	
Albina Portfolio Restructure (PCRI)	1,550,640		
Bronaugh	1,700,000		
Section 108			
Hacienda Office	2,400,000		
Vista de Rosas	1,515,000		
HOME			
Hawthorne East		1,500,000	
Vista de Rosas	1,145,465		
PCRI - N/NE Initiative	1,500,000		
St. Francis		3,500,000	
Central Eastside URA			
St. Francis		2,350,000	650,000
Convention Center URA			
Miracles Club Central	7,401,631		
Interstate URA			
King Parks	1,754,678		
River District URA			
Erickson-Fritz	6,339,093		
Abigail	9,900,000	2,723,000	

Budget Forecast By Funding Source



FY 2015-16 FY 2016-17 FY 2017-18 FY 2018-19 FY 2019-20

- Housing Investment Fund
- HOME
- General Fund One-Time
- Tax Increment Financing
- Other Federal Sources
- CDBG
- General Fund Ongoing

Next Steps

- Mayor's Budget Guidance
- Decision Packages

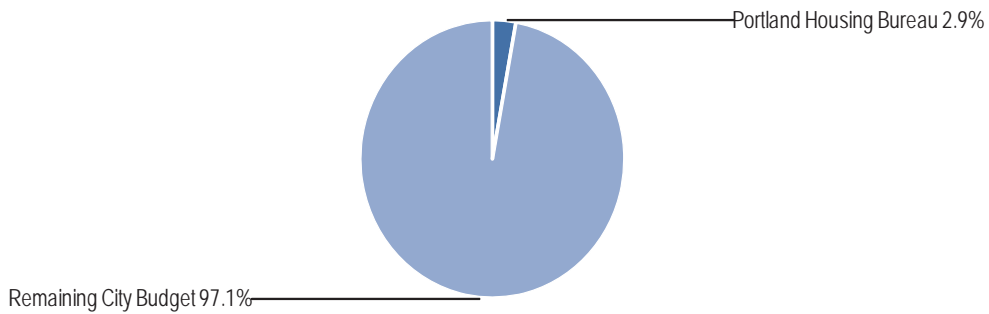
Portland Housing Bureau

Community Development Service Area

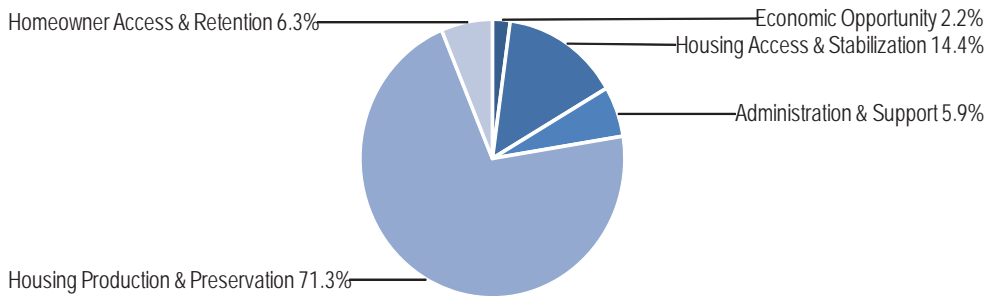
Dan Saltzman, Commissioner-in-Charge

Traci Manning, Director

Percent of City Budget

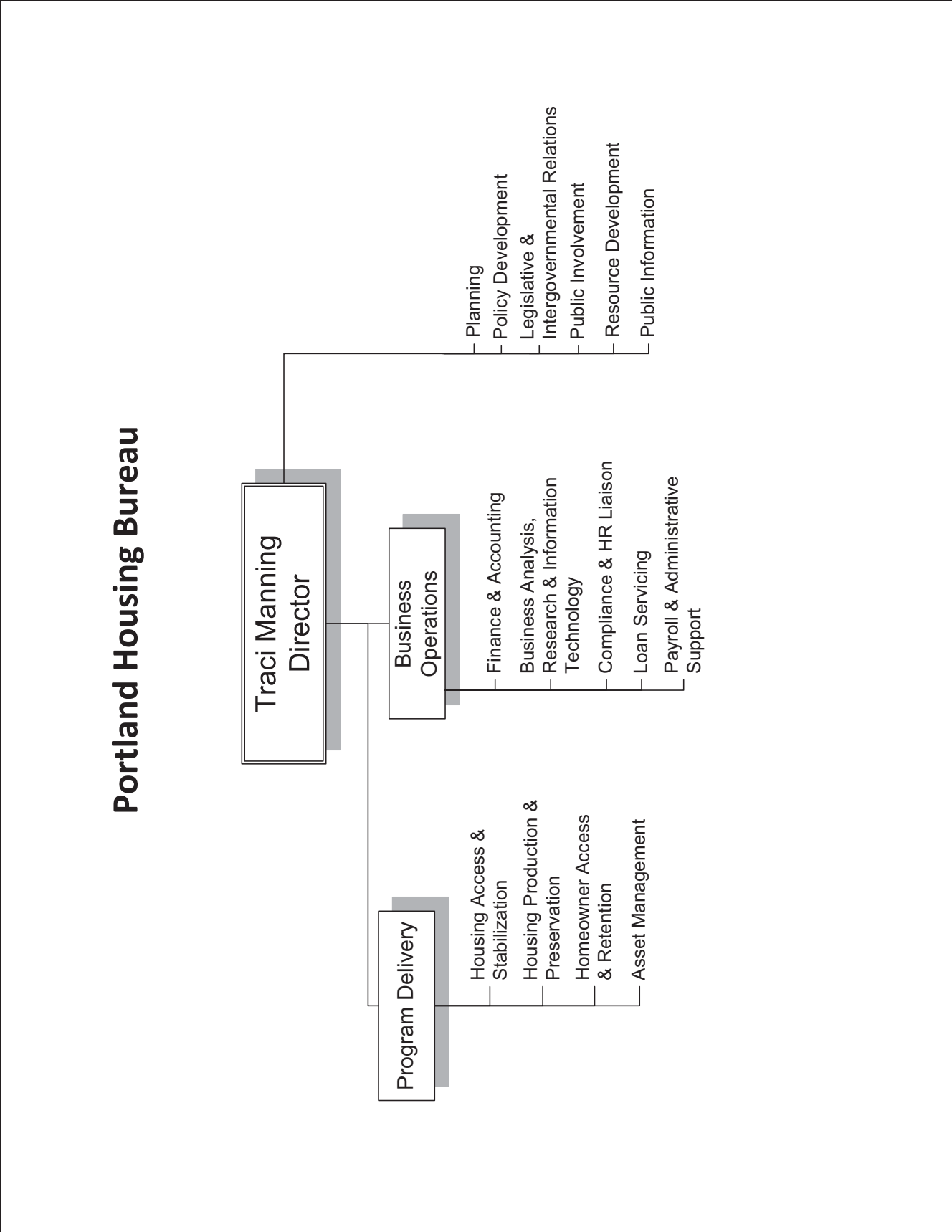


Bureau Programs



Bureau Overview

Requirements	Revised FY 2013-14	Adopted FY 2014-15	Change from Prior Year	Percent Change
Operating	52,188,613	103,966,611	51,777,998	99.21
Capital	0	0	0	0.00
Total Requirements	52,188,613	103,966,611	51,777,998	99.21
Authorized Positions	56.17	56.90	0.73	1.31



Bureau Summary

Bureau Mission

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

Bureau Overview

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

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

The Portland Housing Advisory Commission advises both the bureau and City Council on strategic priorities, alignment opportunities, and trade-offs inherent in the expenditure of public funds. Although the commission does not have an explicit decision-making role, the commission helped shape the bureau's Strategic Plan and also serves as the bureau's budget advisory committee.

In addition to making programmatic investments, the bureau leads local policy and planning efforts to improve alignment with state and local government partners working to prevent homelessness and support economic stability. The Portland Housing Bureau has proactively engaged with partners to critically review data, streamline its systems, and find efficiencies. As part of federal planning and reporting requirements, the Portland Housing Bureau works closely with its jurisdictional partners to perform joint federal funding oversight, fair housing analysis and policy recommendations, and community needs and priorities hearings. As part of its work with Multnomah County, the bureau seeks to align its priorities and maximize funding leverage.

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

Equity is woven throughout bureau policy and operations. The bureau's equity agenda recognizes and responds to the historic and institutional barriers to accessible housing, homeownership, and economic stability experienced by communities of color. The Portland Housing Bureau seeks to place a greater reliance on community-validated data to understand unmet needs and to intentionally hold itself and partners accountable for removing barriers and serving members of minority communities equitably.

Strategic Direction

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

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

Through its strategic planning work, the bureau has adopted and aligned its budget with four priorities for investments:

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

Vision

The bureau's vision is as follows:

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

Values

The bureau upholds the following values:

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

Summary of Budget Decisions

Add Packages

Permanent Housing and Access for Vulnerable Populations

\$500,000 in ongoing General Fund resources will support programs for vulnerable families, adults with disabilities, women, domestic violence survivors, and veterans through proven interventions, including:

- ◆ Services such as housing placement and rent assistance to move people from the street and shelters into housing with retention support. This package continues the collaboration with public safety partners to identify and serve vulnerable individuals who have frequent adverse police contacts related to their homelessness. At least 25 households/individuals will be referred by public safety, including the Behavioral Health Unit of Portland Police Bureau and the Service Coordination Team (SCT). Evaluation of impact will compare adverse police contacts in one year prior and one year post housing placement.
- ◆ Street outreach to the most vulnerable homeless people, including the mentally ill. Multnomah County's Mental Health and Addictions has agreed to partner with PHB, public safety, and community providers to pursue the stakeholder groups recommendation to identify the unmet needs of the homeless population living with mental health and or addiction challenges.
- ◆ Leveraging other private and public funds, such as federal Veterans Affairs-funded services, benefits acquisitions services, and health care services.
- ◆ Expansion of culturally-specific services to address overrepresentation of communities of color experiencing homelessness and high-risk housing instability.

The goal is for 125 individuals to receive services, with 25 referrals from public safety.

Housing Investment Fund

\$1,000,000 in one-time General Fund will support investment in keeping Portland affordable. Rent rates throughout Portland have increased by an average of 6.8%. One time funds are an effective way to build affordable housing that provides a minimum of 60 years of housing affordable to low-income working families.

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

Prevent and End Homelessness for Youth

\$500,000 in ongoing General Fund will reinstate funding for homeless youth transitional housing programs. Funding is administered by Multnomah County, Department of Human Services. Funds are directed to Outside In and New Avenues for Youth for transitional housing and support to homeless youth (ages 16-25) through the operation of 28 transitional housing beds. The goal is for 70 youth to be served per year and provided case management and support; approximately 80% will move to permanent housing.

Short-Term Rent Assistance

\$250,000 in ongoing General Fund will be directed to Home Forward, for the Schools & Housing Stabilization Fund, which is part of the Short-Term Rent Assistance program. The Schools & Housing Stabilization Fund matches City funding for flexible, short-term housing assistance with County funded school-based services for families. This partnership and alignment of resources achieves multiple positive impacts, including:

- ◆ Significant housing stability for families with kids that are homeless or at risk of becoming homeless
- ◆ Improved academic outcomes for the students in assisted households
- ◆ Reduced school mobility, the disruptive in- and out- migration of students during the school year

The goals are as follows: 100 families will receive rent assistance and necessary supportive services, with 70% retaining housing 12 months after assistance ends. School-aged children in assisted households will show increased ability to remain in the same school, improved school attendance, and show increased scores in reading and math.

Reduction Package

OMF Interagency - ADA and Civil Rights Program Transfer

The package reflects a decrease of \$6,155 in ongoing resources and \$3,633 in one-time resources resulting from the move of the American's with Disabilities Act and Civil Rights Program from the Office of Management and Finance to the Office of Equity and Human Rights. An adjustment to the bureau's General Fund discretionary resources was made to balance to the decreased costs.

Realignment Package

Fair Housing and Title VI Programs

\$100,000 in one-time General Fund will allow the Fair Housing Program to focus on improved housing acquisition and retention outcomes. Currently, resources allow for Community Alliance of Tenants (CAT) to provide a Renter Hotline that connects with people to provide a minimal level of support and strategy planning, while Legal Aid and the Fair Housing Council provide legal support. However, there is a gap in services to renters with special needs or from vulnerable populations, experiencing issues that may disparately impact their housing but do not need the intervention of an attorney.

- ◆ \$75,000 will allow CAT to assist tenants through clinics focused in inner N/NE Portland and East Portland. Renters will receive counseling, letter writing support, documentation review and follow up from staff to prevent homelessness and ensure housing stability for participants. Funding will also support CAT Hotline follow up with tenants to ensure successful outcomes with landlords if they have additional needs such as one-on-one support and legal referrals. Evictions Court Counseling will assist low income tenants without legal representation during court to negotiate alternative solutions to eviction or tenancy extensions.
- ◆ Additionally, PHB will provide a pool of \$25,000 to community-based homeless, homeownership and other PHB sub-contractors to translate customer service materials in accordance with Title VI. Many service providers have requested assistance with translation of outreach materials to more effectively serve their client base. PHB contracts with over 35 different service organizations.

Carryover Packages

Home Start Homeless Services

This decision package carries forward unspent General Fund resources from FY 2013-14. This \$400,000 of General Fund resources is associated with a contract with Multnomah County effective until December 2014.

Staff Equity Training

This decision package carried forward \$10,000 of unspent General Fund resources from FY 2013-14 to be used for equity training for PHB staff.

Administration & Support

Description The Administration & Support program is comprised of the Director's Office and the Business Operations division.

Director's Office

The Director's Office includes policy, planning, public information, resource development, legislative and intergovernmental affairs and executive level support. The director has six direct reports: the Assistant Housing Director responsible for Housing Programs; the Business Operations Manager; two management analysts leading policy, equity and legislative efforts; the public information officer; and the executive assistant.

Business Operations Division

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

Goals The goals of the Director's Office include:

- ◆ Providing long-range vision and overall direction for Portland's affordable housing investments.
- ◆ Ensuring the bureau advances goals, strategies, and investment priorities from the Strategic Plan, with a focus on advancing the bureau's equity agenda.
- ◆ Working collaboratively with a wide range of partners to solve the unmet housing needs of the people of Portland.
- ◆ Ensuring that future policy and implementation decision of the bureau improve housing access and economic opportunities for traditionally under-served populations.
- ◆ Providing effective internal and external communications.

The goals of the Business Operations division include:

- ◆ Ensuring that administrative functions are delivered consistently, reliably, and effectively.
- ◆ Providing strong financial and accounting services.
- ◆ Delivering excellence in compliance.
- ◆ Supporting the bureau's equity goals through internal business practices, quality data, contract goals, and publications on the website.
- ◆ Strengthening data collection, data analysis, and data reporting through maximizing the use of all information technology systems.
- ◆ Ensuring timely, confidential, and supportive human resource services.
- ◆ Informing the bureau on current housing needs, market and equity data to direct policies and practices.

Portland Housing Bureau

Community Development Service Area

Performance

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

Changes to Services and Activities

Effective in FY 2014-15, the Portland Housing Bureau budget reflects the reorganization of activities and positions that had previously been part of the Equity, Policy, and Communications team. Three positions have become part of the Director's Office, consolidating policy, public outreach, equity, and public information activities underneath the bureau director. Two positions have become part of the business operations divisions, strengthening that team's capacity to deliver on Title VI requirements, conduct policy and data analysis, further fair housing goals, and maintain compliance with Federal requirements.

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

FTE & Financials	Actual FY 2011-12	Actual FY 2012-13	Revised FY 2013-14	Proposed FY 2014-15	Adopted FY 2014-15
FTE	35.00	35.53	30.11	30.69	30.69
Expenditures					
Administration & Support	779,504	1,131,723	808,530	659,157	665,285
Asset Management	0	426,678	0	0	0
Business Services	4,706,257	3,604,053	4,034,463	3,857,138	4,594,477
Director's Office	396,754	227,488	338,429	319,343	657,117
Planning & Policy	507,035	738,464	837,758	938,842	0
Total Expenditures	6,389,550	6,128,406	6,019,180	5,774,480	5,916,879
Performance	Actual FY 2011-12	Actual FY 2012-13	Yr End Est. FY 2013-14	Base FY 2014-15	Target FY 2014-15
Effectiveness					
Percentage of Portland Housing Bureau data users providing accurate and timely data entry	91%	85%	85%	85%	85%
Efficiency					
Administrative costs as a percentage of bureau level budget	8%	9%	6%	7%	7%
Workload					
Number of sub-recipient contracts processed	92	63	50	50	50
Number of users trained and supported in Portland Housing Bureau data systems	900	1,050	1,100	1,100	1,100

Economic Opportunity

Description	City Council transferred the Economic Opportunity initiative to the Portland Development Commission (PDC) effective July 1, 2009. PHB passes CDBG funds to PDC to support these programs and services. General Fund resources are budgeted directly in the PDC allocation.
Goals	The City of Portland has invested in youth and adult workforce development since 2004 through the Economic Opportunity Initiative (EOI) Workforce Development Program. The goal of this program is to raise the incomes of low-income Portland residents through workforce development. All participants have incomes at 50 percent or less of the Portland area median family income and often face barriers to employment such as limited English proficiency, criminal histories, homelessness, drug and alcohol addictions, and lack of educational credentials and basic skills.
Performance	Refer to PDC's FY 2014-15 budget for narrative describing program performance.
Changes to Activities and Services	While the CDBG allocation for FY 2014-15 reflects a 26% reduction over the FY 2013-14 allocation due to prior year carryover of unspent funds and other one-time funding in FY 2013-14, it is comparable to the FY 2012-13 allocation.

FTE & Financials	Actual FY 2011-12	Actual FY 2012-13	Revised FY 2013-14	Proposed FY 2014-15	Adopted FY 2014-15
FTE	0.00	0.05	0.06	0.06	0.06
Expenditures					
Economic Opportunity	38	635,406	437,300	7,896	7,896
Microenterprise Growth	1,025,457	301,918	514,494	0	0
Workforce Development	1,389,567	749,612	1,927,096	2,114,900	2,181,100
Total Expenditures	2,415,062	1,686,936	2,878,890	2,122,796	2,188,996

Housing Access & Stabilization

Description

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

The HAS annual budget is comprised of City General Fund, as well as federal grants (HUD Continuum Of Care, CDBG, Emergency Solutions Grant, HOME, Housing Opportunities for Persons With AIDS). Funds are contracted to 15 nonprofit and public agencies to provide a comprehensive range of services that meet the needs of people experiencing homelessness, from street outreach to permanent housing placement. Services primarily fall into four categories:

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

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

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

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

Goals

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

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

Performance

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

The HAS team increases influence in the broader community through:

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

Changes to Activities and Services

In 2013, leadership from the Cities of Portland and Gresham, Multnomah County, and Home Forward created a renewed plan for ending homelessness in our community. This plan is called: A Home for Everyone: A United Community Plan to End Homelessness in Multnomah County. The plan charters a new Coordinating Board, to provide shared oversight of our community's work to end homelessness. The Board is led by an Executive Committee, comprised of elected officials from Portland, Gresham, Multnomah County and Home Forwarded, as well as a private funder. In FY 2014-15, 2.25 FTE PHB staff will be supporting the work of the Executive Committee and Coordinating Board.

PHB staff will lead a community plan to coordinated access to services for adults experiencing homelessness. A longer-term goal (over the next 12-18 months), is to integrate access among family, youth, adult and Domestic Violence services. PHB staff will also lead a community-wide stakeholder group, including the VA, nonprofits and local government -- to house all chronically homeless veterans by the end of 2015.

FTE & Financials	Actual FY 2011-12	Actual FY 2012-13	Revised FY 2013-14	Proposed FY 2014-15	Adopted FY 2014-15
FTE	3.65	3.12	3.79	4.03	4.03
Expenditures					
Access and Stabilization	1,559,774	1,005,775	721,099	602,655	638,325
Housing Access & Stabilization	12,718	256	36	0	0
Prevention & Rapid Rehousing	3,335,152	2,576,359	2,865,735	3,288,361	3,597,689
Shelter & Emergency Services	6,740,950	5,120,716	4,036,445	3,913,452	4,232,859
Supportive Housing	2,721,502	5,252,996	7,301,489	5,992,524	6,080,869

Portland Housing Bureau

Community Development Service Area

FTE & Financials	Actual FY 2011-12	Actual FY 2012-13	Revised FY 2013-14	Proposed FY 2014-15	Adopted FY 2014-15
Transitional Housing	(37,167)	0	0	0	0
Total Expenditures	14,332,929	13,956,102	14,924,804	13,796,992	14,549,742
Performance	Actual FY 2011-12	Actual FY 2012-13	Yr End Est. FY 2013-14	Base FY 2014-15	Target FY 2014-15
Effectiveness					
Percentage of exits from shelter into stable housing	38%	40%	40%	40%	40%
Percentage of households receiving placement assistance and retaining long-term assisted housing with supportive services at six months	96%	87%	87%	87%	87%
Percentage of households receiving placement assistance and retaining long-term assisted housing with supportive services at 12 months	93%	80%	80%	80%	80%
Efficiency					
Average length of stay in interim housing (in days)	265	221	221	221	221
Average length of rent assistance and eviction prevention in days	181	225	225	225	225
Average length of stay in days in emergency shelter	59	55	55	55	55
Workload					
Number of households served in emergency shelters	2,294	2,038	2,040	2,040	2,040
Number of households served in interim housing	369	330	330	330	400
Number of households receiving rent assistance and eviction prevention	2,130	1,928	1,930	1,930	2,155
Number of households receiving placement rent assistance	1,938	2,231	2,230	2,230	2,230
Number of households residing in long-term assisted housing with supportive services	383	290	300	300	300

Housing Investment and Portfolio Preservation

Description

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

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

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

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

HIPP also monitors the City's investments in an affordable housing portfolio of more than 10,000 units. During FY 2012-13, Asset Management office functions were moved to Housing Production and Preservation to better align with the bureau's housing rehabilitation and preservation activities. The goal of Asset Management office includes basic compliance monitoring as well as risk analysis to ensure the availability of affordable housing units for a minimum of 60 years. As needed, HIPP restructures ongoing investment agreements with partners to ensure the long-term financial sustainability and capital improvements of properties in the affordable housing portfolio. In FY 2012-13, the bureau restructured 13 agreements.

Goals

This team has four major goals:

- ◆ Investing public resources strategically to create and maintain a portfolio of affordable housing equitably throughout the community.
- ◆ Structuring investments through the negotiation of investment terms and underwriting and closing these investments in partnership with the City Attorney's Office and the Office of Management and Finance.
- ◆ Providing oversight and disbursements of Portland Housing Bureau funds to projects while in construction.
- ◆ Managing bureau investments proactively and using analysis and trends to guide informed lending decisions, including early assessment of risk and opportunity in the public investment.

Portland Housing Bureau

Community Development Service Area

Performance

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

Changes to Activities and Services

Current local market conditions are putting substantial upward pressure on rents, making rental housing in Portland more expensive and harder to access for anyone with any barriers. The HIPP team is collaborating with partners in the affordable housing industry to develop innovative strategies to redefine affordable housing production and financial repositioning to ensure long-term financial sustainability while maintaining affordability. For FY 2014-15, this effort will include a multi-agency look at the cost of low-income housing. Under the leadership of the bureau assistant director, HIPP will continue to review investment priorities, loan modification policies, and ongoing performance of the portfolio to develop strategies that maintain the long-term financial viability of the portfolio. Other major projects for FY 2014-15 include a notification of funds availability process for awarding rental housing development resources and the initial phases for the N/NE Investment strategies effort.

FTE & Financials	Actual FY 2011-12	Actual FY 2012-13	Revised FY 2013-14	Proposed FY 2014-15	Adopted FY 2014-15
FTE	10.10	7.41	13.41	13.49	13.49
Expenditures					
Housing Development Support	266,871	735,173	1,564,343	930,300	931,200
Housing Production & Preservation	124,272	945	0	0	0
New Construction	36,637,396	23,352,750	6,993,159	35,313,835	42,621,203
Preservation	606,363	7,763,477	2,019,440	16,355,087	15,748,019
Rehabilitation	10,651,468	6,664,567	7,436,362	7,086,450	12,756,847
Rental Housing Access & Stabilization	102,807	(160)	0	0	0
Total Expenditures	48,389,177	38,516,752	18,013,304	59,685,672	72,057,269
Performance	Actual FY 2011-12	Actual FY 2012-13	Yr End Est. FY 2013-14	Base FY 2014-15	Target FY 2014-15
Effectiveness					
Vacancy rate of units built 0% to 60% median family income	5%	5%	5%	5%	5%
Number of expiring Section 8 rental units preserved affordable for 0 to 60% median family income	144	306	0	51	51
Percentage of Minority, Women, and Emerging Small Business contracts in housing rehabs (contract \$ awarded)	37%	35%	35%	35%	35%
Efficiency					
Investment dollars per affordable housing unit	\$41,000	\$79,682	\$74,073	\$74,000	\$74,000
Investment dollars per expiring Section 8 housing unit preserved	\$19,926	\$31,131	\$0	\$31,000	\$31,000
Investment dollars per affordable unit rehabilitated	\$20,000	\$36,822	\$37,000	\$37,000	\$37,000

Portland Housing Bureau
Community Development Service Area

Performance	Actual FY 2011-12	Actual FY 2012-13	Yr End Est. FY 2013-14	Base FY 2014-15	Target FY 2014-15
Workload					
Number of rental units built affordable for 0% to 60% median family income	125	301	181	47	47
Number of rental units built affordable for 61% to 100% median family income	0	1	45	0	0
Number of rental units rehabilitated affordable for 0% to 60% median family income	236	57	118	127	127
Number of housing assets monitored	315	133	135	135	135

Homeowner Access & Retention

Description

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

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

Goals

The goals of the Homeowner Access & Retention program include:

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

Performance

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

Changes to Services and Activities

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

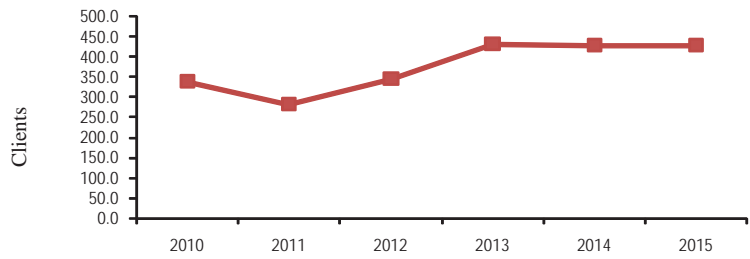
Portland Housing Bureau
Community Development Service Area

FTE & Financials	Actual FY 2011-12	Actual FY 2012-13	Revised FY 2013-14	Proposed FY 2014-15	Adopted FY 2014-15
FTE	8.25	8.79	8.79	8.63	8.63
Expenditures					
Healthy Homes	987,421	1,684,658	1,547,816	937,700	937,700
Home Repair	1,901,428	2,073,887	1,870,607	2,029,904	2,409,904
Homebuyer & Foreclosure Education/Counseling	890,425	720,440	771,576	701,462	701,462
Homebuyer Financial Assistance	1,196,103	1,498,889	2,851,332	1,381,968	1,881,968
Homeowner Access & Retention	0	(108)	0	0	0
Homeownership Development	103,903	289,023	0	0	0
Tax Exemption & Fee Waiver	154,181	222,943	392,639	410,570	410,570
Total Expenditures	5,233,461	6,489,732	7,433,970	5,461,604	6,341,604
Performance					
	Actual FY 2011-12	Actual FY 2012-13	Yr End Est. FY 2013-14	Base FY 2014-15	Target FY 2014-15
Effectiveness					
Number of households receiving homebuyer education or counseling and purchasing homes	345	432	430	430	430
Number of households receiving foreclosure prevention services	893	315	315	315	315
Percentage utilization of Minority, Women, and Emerging Small Business contracts in new housing construction (contract \$ awarded)	25%	27%	27%	27%	27%
Efficiency					
Average dollar investment per household for elderly and disabled receiving small home repairs	\$1,130	\$1,140	\$1,140	\$1,140	\$1,140
Investment dollars per household for owner occupied home repairs	\$13,466	\$11,724	\$12,000	\$12,000	\$12,000
Average dollar value of system development charges exemption for homeownership development	\$14,048	\$13,363	\$13,300	\$13,300	\$13,300
Number of lead and mold hazards removed from housing units with children	145	241	250	250	250
Workload					
Number of households receiving homebuyer education or counseling	1,919	2,194	2,200	2,200	2,200
Number of owner occupied home repair loans	37	21	20	20	20
Number of homeownership units assisted by limited tax exemptions	107	138	140	140	140
Number of units assisted by system development charge waivers	104	142	140	140	140
Number of elderly and disabled households receiving small scale home repairs	1,269	1,273	1,300	1,300	1,300

Performance Measures

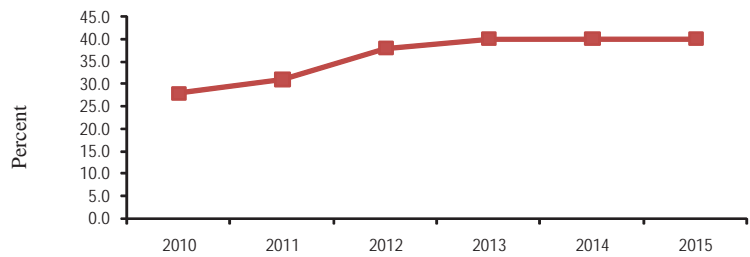
Number of Clients Purchasing Homes

After two years of increases, the numbers of PHB homeownership program clients purchasing homes are projected to remain flat from FY 2013-14 to FY 2014-15.



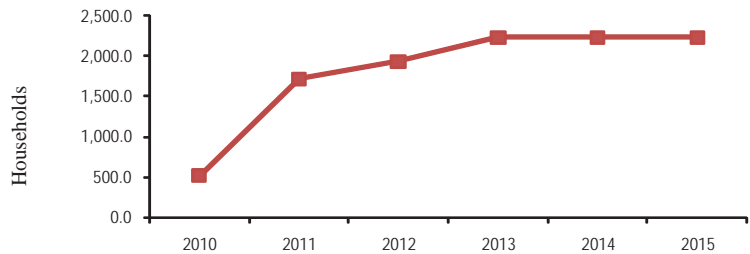
Percent of Exits from Shelter into Stable Housing

The percent of participants in PHB-funded shelter programs exiting into stable housing has remained consistent over the past three years.



Households Receiving Placement Rent Assistance

Over the past three years, the bureau has been able to increase the number of households receiving rent assistance.



	Actual FY 2011-12	Actual FY 2012-13	Revised FY 2013-14	Proposed FY 2014-15	Adopted FY 2014-15
Resources					
External Revenues					
Charges for Services	402,343	679,509	382,780	463,000	463,000
Intergovernmental	52,804,085	47,956,109	31,795,193	58,724,761	70,941,059
Bond & Note	2,046,000	150,000	466,948	7,424,000	7,375,000
Miscellaneous	12,773,337	8,599,014	6,891,382	3,768,111	5,372,502
Total External Revenues	68,025,765	57,384,632	39,536,303	70,379,872	84,151,561
Internal Revenues					
General Fund Discretionary	11,003,124	10,954,303	11,679,115	11,637,115	12,037,327
Fund Transfers - Revenue	258,190	532,214	55,012	1,000,000	1,000,000
Interagency Revenue	14,313	68,771	75,332	77,162	77,162
Total Internal Revenues	11,275,627	11,555,288	11,809,459	12,714,277	13,114,489
Beginning Fund Balance	6,118,030	6,865,216	842,851	6,900,561	6,700,561
Total Resources	\$85,419,422	\$75,805,136	\$52,188,613	\$89,994,710	\$103,966,611
Requirements					
Bureau Expenditures					
Personnel Services	5,358,242	5,457,679	6,187,074	6,089,207	6,089,110
External Materials and Services	70,189,171	60,146,222	42,029,311	79,658,535	93,881,366
Internal Materials and Services	1,212,766	1,174,027	1,053,763	1,093,802	1,084,014
Total Bureau Expenditures	76,760,179	66,777,928	49,270,148	86,841,544	101,054,490
Fund Expenditures					
Debt Service	1,398,282	2,948,642	1,441,293	1,294,861	1,444,861
Contingency	0	0	269,691	1,261,827	842,773
Fund Transfers - Expense	395,745	1,388,223	1,087,481	596,478	624,487
Total Fund Expenditures	1,794,027	4,336,865	2,798,465	3,153,166	2,912,121
Ending Fund Balance	6,865,216	4,690,343	120,000	0	0
Total Requirements	\$85,419,422	\$75,805,136	\$52,188,613	\$89,994,710	\$103,966,611
Programs					
Administration & Support	6,389,550	6,128,406	6,019,180	5,774,480	5,916,879
Economic Opportunity	2,415,062	1,686,936	2,878,890	2,122,796	2,188,996
Homeowner Access & Retention	5,233,461	6,489,732	7,433,970	5,461,604	6,341,604
Housing Access & Stabilization	14,332,929	13,956,102	14,924,804	13,796,992	14,549,742
Housing Production & Preservation	48,389,177	38,516,752	18,013,304	59,685,672	72,057,269
Total Programs	76,760,179	\$66,777,928	\$49,270,148	\$86,841,544	\$101,054,490

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

This chart shows decisions and adjustments made during the budget process. The chart begins with an estimate of the bureau's Current Appropriations Level (CAL) requirements.

Action	Amount			FTE	Decision
	Ongoing	One-Time	Total Package		
FY 2014-15	84,592,484	0	84,592,484	56.90	FY 2014-15 Current Appropriation Level
CAL Adjustments					
	0	0	0	0.00	None
Mayor's Proposed Budget Decisions					
	(8,738)	0	(8,738)	0.00	Technical adjustment
	7,798	0	7,798	0.00	OMF IA adjustments
	250,000	0	250,000	0.00	Increase funding for short-term rent assistance
	500,000	0	500,000	0.00	Increase funding for homeless services
	500,000	0	500,000	0.00	Convert youth services passthrough to ongoing
	1,000,000	0	1,000,000	0.00	Increase funding for rental housing development
Approved Budget Additions and Reductions					
	0	10,000	10,000	0.00	Staff equity training
	0	400,000	400,000	0.00	Homeless family services
	0	48,537	48,537	0.00	Headwaters Apt. Complex Fund adjustments
	0	175,326	175,326	0.00	Grants Fund adjustments
	0	1,686,921	1,686,921	0.00	CDBG Fund adjustments
	0	591,763	591,763	0.00	HOME Fund adjustments
	0	10,626,913	10,626,913	0.00	TIF Fund adjustments
	0	100,000	100,000	0.00	Fair Housing and Title VI programs
Adopted Budget Additions and Reductions					
	0	(1,510)	(1,510)	0.00	Housing Investment Fund adjustments
	0	4,680	4,680	0.00	Grants Fund adjustments
	0	22,817	22,817	0.00	CDBG Fund adjustments
	0	595,000	595,000	0.00	HOME Fund adjustments
	0	(12,713)	(12,713)	0.00	TIF Fund adjustments
	0	(25,000)	(25,000)	0.00	Fair Housing and Title VI programs
	(6,155)	(3,633)	(9,788)	0.00	Interagency savings from move of ADA program
	2,242,905	14,219,101	16,462,006	0.00	Total FY 2014-15 Decision Packages
			101,054,490	56.90	Total Adopted Budget

			FY 2014-15 Adopted Funding												
Service Area	Investment	Services	Ongoing General Fund	One-Time General Fund	Housing Inv. Fund	Section 108	CDBG	CDBG Admin & Planning	CDBG Public Service	HOME	HOME Admin	Federal & Other Sources	TIF	Total	% of Total
Housing Investment Production & Preservation	Preservation	Preservation of expiring Section 8 projects; preservation projects include acquisition and rehabilitation					\$6,606,845						\$9,141,174	\$15,748,019	15.5%
	Rehabilitation & Asset Management	Financial assistance for the repair and renovation of existing rental and homeowner affordable housing units, including debt restructure and asset management.			\$1,012,182	\$3,515,000	\$1,905,408			\$4,418,909			\$1,905,348	\$12,756,847	12.5%
	New Construction	Financial assistance for the construction of new rental and homeowner affordable housing units.				\$3,710,000	\$104,896			\$786,027			\$37,720,280	\$42,321,203	41.6%
	Housing Development & Finance Support	Investments that complement new construction, preservation and rehabilitation. Programs/projects funded in this category include project support for non-profit community development partners, Section 108 payments to HUD, and funds for HOME Consortium partners.			\$70,000		\$530,000			\$762,280	\$23,920			\$1,386,200	1.4%
Housing Access & Retention	Shelter & Emergency Services	Staffing and operation of year-round and winter emergency housing programs for men, women and youth, including facility-based transitional housing, youth funds passed through to Multnomah Co. These emergency housing programs not only provide shelter but all have improved housing placements outcomes as a result of better systems coordination.	\$3,185,703						\$894,120			\$153,036		\$4,232,859	4.2%
	Housing Access & Stabilization	This program provides support to low income households by helping to identify and remove barriers to safe, stable housing. Programs funded in this category include include benefits acquisition, 211 Info, Street Roots, and tenant education.	\$529,386		\$40,000			\$30,000	\$34,126			\$44,813		\$678,325	0.7%
		Homeless Prevention & Rapid Re-housing	Short-term rent assistance and other costs to prevent homelessness among households facing temporary crisis, as well as short-term housing placement rent assistance. Programs funded in this category include short term rent assistance and facility based rent assistance.	\$2,948,355						\$323,600	\$62,000	\$263,734		\$3,597,689	3.5%
	Supportive Housing	Limited-term rent assistance (up to 24 mos.) and services primarily for chronically homeless individuals and families with disabilities. Programs funded in this category include mental health outreach/housing placement, housing placement and supportive services, supportive services for persons with HIV/AIDS, and street outreach/placement/retention services.	\$4,019,824						\$231,700			\$1,829,345		\$6,080,869	6.0%
Homeownership Access & Retention	Healthy Homes	Remediation of environmental health hazards in homes that may impact occupant health (lead hazards and structural safety issues). Programs funded in this category include contracts with non-profit organizations to make these repairs on homes.										\$937,700		\$937,700	0.9%
	Home Repair	Loans (up to \$15,000) and grants (up to \$5,000) to provide critical home repairs (roof repairs, furnaces, dry rot, and structural safety issues) to elderly and disabled households. Programs funded in this category include contracts with non-profit organizations to make accessibility improvements that allow seniors to stay in their homes.					\$989,392	\$120,000	\$180,000				\$1,120,512	\$2,409,904	2.4%
	Homebuyer & Foreclosure Education / Counseling	Provides free or low-cost culturally-sensitive homebuyer education and foreclosure counseling services to prepare households to become homeowners or prevent foreclosure. Programs funded in this category include education and counseling to potential homebuyers including how to engage with banks for 1st mortgages and what down payment assistance programs may be available.	\$478,250						\$223,212					\$701,462	0.7%
	Homebuyer Financial Assistance	Financial assistance to help homeowners refinance and renovate their homes; also down payment assistance loans for homebuyers. This category includes funding for down payment assistance/repair loans as well as contracts for community based non profits to educate the community about these financial resources.					\$255,000						\$1,626,968	\$1,881,968	1.8%
	Tax Exemption & Fee Waiver Programs	Administration of limited tax exemption programs for single and multi-family residences, system development charge waivers, and Mortgage Credit Certificate program. These programs help facilitate the development of single family homes and multi family projects as well as individual homeowners.			\$410,570									\$410,570	0.4%
Administration & Support	Administration & Support	Indirect costs of bureau operations, including communications, compliance, director's office, resource development, finance, IT, policy & planning, fair housing, public information & involvement, and outreach. Also includes bureau-specific costs passed along by other City agencies.	\$852,971	\$100,000	\$839,582			\$1,456,035			\$188,544	\$407,928	\$2,615,796	\$6,460,856	6.3%
Economic Opportunity	Workforce & Microenterprise	CDBG funds passed through to PDC to support work-force and micro-enterprise projects.					\$2,181,100	\$7,896						\$2,188,996	2.2%
grand total			\$12,014,489	\$100,000	\$2,372,334	\$7,225,000	\$12,572,641	\$1,613,931	\$1,563,158	\$6,290,816	\$274,464	\$3,636,556	\$54,130,078	\$101,793,467	



Office of Mayor Charlie Hales
City of Portland

TO: City Bureau Directors
City Budget Managers and Contacts

FROM: Mayor Charlie Hales

DATE: October 15, 2014

SUBJECT: Fiscal Year 2015-16 Budget Guidance

The Portland economy continues to expand and the City's budget is in healthy condition. Overall revenue growth has recovered from the recession. Salary, health care, and PERS costs are rising, but at a manageable rate. We find ourselves today in a place of relative fiscal stability.

While this is good news for the City, I want to ensure we take advantage of the current economic situation to make wise, fiscally prudent investments. Portland's strong economy has been a key economic driver for the state, but the unemployment rate remains stubbornly high, wage growth remains flat, and those most in need are benefitting the least.

As we look ahead to this and future City budgets, I want to ensure that City resources are allocated to the programs that have a direct impact on the lives of our citizens, that we focus on maintaining the assets and infrastructure that we currently own, and that we continue to invest in new ideas that will maintain Portland's place as a leader in innovative urban policy.

Stabilization Budget

I am again proposing a stabilization budget and will not be asking bureaus for reduction packages. General Fund bureaus should submit their requested budgets at their current appropriation level, which the City Budget Office will publish in late November.

The amount of new ongoing resources in FY 2015-16, if any is available at all, will likely be quite modest. In fact, given national economic growth patterns and the likelihood of an economic slowdown during the five-year forecast, it is unlikely that the City's ongoing revenues will exceed expenses by any significant amount in the next few years. Therefore, bureaus should focus on accomplishing their primary goals within existing resources while looking for innovative ways to enhance service to the public. While many programs have been cut over the last few years, the reality is that we will only be able to add resources to a small number of them.

Realignments. Instead, I ask that you focus on realigning your existing resources more directly on your core mission and Council priorities. These realignments can involve moving a staff person from one program to another, streamlining business processes and reinvesting the savings in other programs, or eliminating an entire program and shifting the resources to a higher priority service. To the extent that you need to invest in the short-term to achieve those savings, I am proposing to make a portion of this year's innovation fund available for business process improvements within bureaus.

Ongoing Add Requests. Bureaus should limit ongoing add requests to only the highest priority programs and services. As part of your submission, you will be asked to propose options for how your request might be offset by a reduction to an existing program or service, and what the impact of that trade-off might be. This will allow the Council to assess whether the add package should be funded with new General Fund money, an offset to an existing program, or not at all.

For my Proposed Budget, I will focus any new General Fund resources on requests that make measurable progress in one or more of the following areas:

- **Equity and Opportunity:** bolstering economic and housing opportunity for all Portlanders, as well as equity in service delivery.
- **Complete Neighborhoods:** extending Portland's vaunted livability to more areas of the City.
- **Emergency Preparedness:** equipping bureau operations and our citizens to better withstand a disaster.

The City Budget Office will provide additional information about the metrics that are being used to measure progress in these three areas. Any ongoing bureau requests should clearly explain how the investment will make progress against those metrics.

One-Time Add Requests. One-time resources may be available in FY 2015-16, although we will not know how much until the preliminary forecast is released. I want to focus any available one-time resources on taking care of what we already have – our roads, parks, community centers, buildings, and other civic assets – and expanding those assets in areas that are underserved. Bureaus are asked to only submit one-time requests that accomplish these goals, and I will be particularly interested in requests that also help us achieve the sustainability principles outlined in the Climate Action Plan and the Climate Change Preparation Strategy adopted by Council. The City Budget Office has worked with other City bureaus to develop a set of criteria to prioritize infrastructure projects, and I have asked the CBO to apply those criteria as part of the next budget process.

Non-General Fund Bureaus. Bureaus and programs that are funded with non-General Fund resources should work with their Commissioner in Charge to develop their Requested Budget. I expect that these bureaus will also review their programs for realignments before asking for fee or rate increases, and my Proposed Budget will seek to keep any fee or rate increases to a minimum.

Performance Management. Building upon last year's enhanced focus on performance, I am asking bureaus and the City Budget Office to highlight bureau performance metrics throughout the budget process. Wherever possible, please use performance measures to quantify the impact of your existing

services and any budget requests. I will be asking you how the decisions we make can positively impact those measures.

Summary

The City's fiscal condition is stable, and I will continue to make financial decisions that maintain and enhance that stability and support the City's stellar credit rating. Last fall, Council set aside over \$8 million for future debt obligations, freeing up almost \$3.5 million of ongoing resources. We have also dramatically reduced the use of one-time resources for ongoing programs and increased our General Fund contingency. These actions, along with good fiscal management of our taxpayer dollars by each of you, will help ensure that we stay on a fiscally sustainable path into the future.

I welcome your feedback, and look forward to working with you as we craft next year's budget.

CC: Commissioner Nick Fish
Commissioner Amanda Fritz
Commissioner Steve Novick
Commissioner Dan Saltzman
Auditor LaVonne Griffin-Valade

Adjustments to PHB Service and Investment Areas for FY 2015-16

Service Area	Investment	Services
Housing Investment Production & Preservation	Preservation & Asset Management	Using several types of loan products, PHB provides financial support to developers who purchase existing rental homes and agree to rent them to people earning 60% of area median family income or less. Often the purchase includes substantial rehabilitation and/or the conversion from market rents to permanently affordable rents. In addition, projects in PHB's current portfolio occasionally require additional financial support or restructuring of existing financial support.
	Fair Housing	These programs focus on improving the public's understanding of the protections provided by Fair Housing law, enforcement of Fair Housing law, and increased utilization of legal advocacy by historically underserved populations. Other programmatic areas address the shortage of affordable housing, especially for certain protected classes, the impact of displacement and restricted ability to exercise housing choice.
	New Affordable Rental Homes	Using several types of loan products, PHB provides financial support to developers building new affordable rental homes. Homes receiving PHB investment are typically required to be rented to people earning 60% of area median family income or less. PHB financial support insures affordability for sixty years.
	Housing Development & Finance Support	Investments that complement new construction, preservation and rehabilitation. Programs/projects funded in this category include project support for non-profit community development partners, Section 108 payments to HUD, and funds for HOME Consortium partners.
Housing Access & Retention	Shelter & Emergency Services	Staffing and operation of year-round and winter emergency housing programs for men, women and youth, including facility-based transitional housing, youth funds passed through to Multnomah Co. These emergency housing programs not only provide shelter but all have improved housing placements outcomes as a result of better systems coordination.
	Housing Access & Stabilization	This program provides support to low income households by helping to identify and remove barriers to safe, stable housing. Programs funded in this category include include benefits acquisition, 211 Info, Street Roots, and tenant
	Homelessness Prevention & Rapid Rehousing	Short-term rent assistance and other costs to prevent homelessness among households facing temporary crisis, as well as short-term housing placement rent assistance. Programs funded in this category include short term rent assistance and facility based rent assistance.
	Supportive Housing	Limited-term rent assistance (up to 24 mos.) and services primarily for chronically homeless individuals and families with disabilities. Programs funded in this category include mental health outreach/housing placement, housing placement and supportive services, supportive services for person with HIV/AIDS, and street outreach/placement/retention services.
Homeowner Access & Retention	Healthy Homes	Remediation of environmental health hazards in homes that may impact occupant health (lead hazards and structural safety issues). Programs funded in this category include contracts with non-profit organizations to make these repairs on homes.
	Home Retention Services	Programs and services to help low-income households retain their homes. This includes foreclosure prevention counseling, home repair grants provide by community partners (up to \$5,000), and home repair loans (up to \$15,000) that allow seniors to safely maintain their homes.
	Homebuyer Financial Services	Programs and services to help low-income households access affordable homeownership. This includes home buyer education and counseling services as well as financial assistance necessary to create affordable homeownership opportunities.
	Tax Exemption & Fee Waiver Programs	Administration of limited tax exemption programs for single and multi-family residences, system development charge waivers, and Mortgage Credit Certificate program. These programs help facilitate the development of single family homes and multi family projects as well as individual homeowners.
Administration & Support	Administration & Support	Indirect costs of bureau operations, including communications, compliance, director's office, resource development, finance, IT, policy & planning, public information & involvement, and outreach. Also includes bureau-specific costs passed along by other City agencies.
Economic Opportunity	Workforce & Microenterprise	CDBG funds passed through to PDC to support work-force and micro-enterprise projects.