

# Portland Housing Bureau

## Five-Year Financial Forecast

### Overview

The Portland Housing Bureau (PHB) has a variety of funding sources for the provision of affordable housing in the City of Portland and throughout the region.

The addition of Tax Increment Financing (TIF), transfer of Housing Investment Fund (HIF) assets, loans, real estate assets, and the eventual transfer of 41 positions from the Portland Development Commission (PDC) provides new opportunities and challenges.

In general, the challenge for PHB over the five-year forecast period is maintaining affordable housing delivery levels in the face of diminishing resources. TIF availability drops from a short-term bubble of spending into a hole in the middle-term, stabilizing at end of the forecast – but at lower than current levels. While the TIF spending bubble could be wider giving project delays, the result is the same, just with a slightly softer landing. Program income for both the HIF and the major entitlement grant funds may continue to decline over the period as well, but not as dramatically. The future growth of the U.S. Department of Housing and Urban Development (HUD) entitlement is a murky forecast due to the rising federal budget deficits – this forecast assumes a flat-line funding stream from these sources. These projections will require right-sizing the delivery structure of the bureau over the life of the forecast, but there is sufficient time to do so in a thoughtful, deliberate manner.

The following is a brief discussion of the outlook for these funding sources. It contains forward-looking statements that are subject to change by future policy direction by the City Council and/or bureau management. Just as the new bureau is evolving, so is this forecast document.

<i>Portland Housing Bureau Resources</i>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Revised</b>	<b>FY 2010-11 Base</b>	<b>FY 2010-11 Request</b>	<b>FY 2011-12 Forecast</b>	<b>FY 2012-13 Forecast</b>	<b>FY 2013-14 Forecast</b>	<b>FY 2014-15 Forecast</b>
General Fund	14,283,765	13,277,000	6,637,571	10,609,176	13,011,958	13,262,795	13,518,649	13,779,620
Housing Invest. Fund	22,240,152	23,057,333	21,359,349	21,359,349	26,653,179	18,773,957	18,672,751	18,573,540
CDBG	10,054,337	15,868,667	10,677,986	10,677,986	11,677,986	10,627,986	10,627,986	10,577,986
HOME	4,012,865	7,854,838	5,043,210	5,043,210	4,993,210	4,968,210	4,943,210	4,943,210
Federal Grants	1,777,702	11,358,740	3,246,112	3,146,944	3,063,171	3,063,172	1,729,838	1,729,838
Tax Increment Financing		70,260,508	70,645,679	70,645,679	26,140,285	16,374,073	20,056,756	27,378,632
<b>Total</b>	<b>\$52,368,821</b>	<b>\$141,677,086</b>	<b>\$117,609,907</b>	<b>\$121,482,344</b>	<b>\$85,539,789</b>	<b>\$67,070,193</b>	<b>\$69,549,190</b>	<b>\$76,982,826</b>

<b>Requirements</b>								
General Fund	14,283,765	13,277,000	6,637,571	10,609,176	13,011,957	13,262,795	13,518,649	13,779,620
Housing Invest. Fund	22,240,152	23,057,333	21,359,349	21,359,349	26,653,179	18,773,957	18,672,751	18,573,540
CDBG	10,054,337	15,868,667	10,677,986	10,677,986	11,677,986	10,627,986	10,627,986	10,577,986
HOME	4,012,865	7,854,838	5,043,210	5,043,210	4,993,210	4,968,210	4,943,210	4,943,210
Federal Grants	1,777,702	11,358,740	3,246,112	3,146,944	3,063,171	3,063,172	1,729,838	1,729,838
Tax Increment Financing		70,260,508	70,645,679	70,645,679	26,140,285	16,374,073	20,056,756	27,378,632
<b>Total</b>	<b>\$52,368,821</b>	<b>\$141,677,086</b>	<b>\$117,609,907</b>	<b>\$121,482,344</b>	<b>\$85,539,789</b>	<b>\$67,070,193</b>	<b>\$69,549,190</b>	<b>\$76,982,826</b>

## General Fund

Resources	FY 2008-09 Actual	FY 2009-10 Revised	FY 2010-11 Base	FY 2010-11 Request	FY 2011-12 Forecast	FY 2012-13 Forecast	FY 2013-14 Forecast	FY 2014-15 Forecast
Intergovernmental	92,091	113,036	470,193	470,093	470,093	470,093	470,093	470,093
Interagency	11,000	11,500						
General Fund Disc.								
One-Time	7,655,310	7,095,743						
Ongoing	6,334,961	6,056,721	6,167,378	10,139,083	12,541,865	12,792,702	13,048,556	13,309,527
Fund Transfers	62,903							
Miscellaneous	127,500							
<b>Total</b>	<b>\$14,283,765</b>	<b>\$13,277,000</b>	<b>\$6,637,571</b>	<b>\$10,609,176</b>	<b>\$13,011,958</b>	<b>\$13,262,795</b>	<b>\$13,518,649</b>	<b>\$13,779,620</b>

Requirements								
Personal Services	873,066	213,727	349,632	349,632	356,625	348,757	325,732	309,087
External M&S	13,216,624	12,455,318						
Contracts			5,750,900	9,722,605	9,917,057	10,115,398	10,317,706	10,524,060
RAC Day Center					1,200,000	1,224,000	1,248,480	1,273,450
HPRP backfill					1,000,000	1,020,000	1,040,400	1,061,208
Materials & Services			537,039	536,939	538,275	554,639	586,331	611,815
Internal M&S	194,075	607,955						
<b>Total</b>	<b>\$14,283,765</b>	<b>\$13,277,000</b>	<b>\$6,637,571</b>	<b>\$10,609,176</b>	<b>\$13,011,957</b>	<b>\$13,262,795</b>	<b>\$13,518,649</b>	<b>\$13,779,620</b>

### Historical Look

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

### General Fund Discretionary

Most of these resources were targeted to ongoing core program commitments (primarily in the area of Homeless Services). Funding ongoing needs with one-time funds created a structural imbalance, or gap, in the bureau's General Fund budget.

Many of these services are funded with other sources, but PHB is leveraging these sources to the maximum, as there are grant restrictions on these types of services. For example, Community Development Block Grant (CDBG) and HOME grant funds may be used for rent assistance and shelter, but only within specified limits – both of these entitlements grants are more of a “bricks and sticks” resource.

As a result of the structural imbalance created in FY 2006-07, each subsequent annual budget submission included a substantial request for General Fund discretionary resources (sometimes ongoing, sometimes one-time) to fill the gap. Unfortunately, the gap has been filled primarily with additional one-time funds. For FY 2009-10, the City Council filled some of the gap with \$1 million in ongoing funds – however these funds were earmarked for future operating costs of the Resource Access Center (RAC). And \$4.3 million in ongoing need was still funded with one-time General Fund discretionary resources.

For FY 2010-11, the bureau is requesting \$4.3 million in ongoing General Fund discretionary resources to break the cycle of serial one-time funding of core programs (for specifics, see bureau request decision package submittals). The alternatives are not funding those programs (another means of breaking the serial one-time cycle), or continuing to fund them with one-time resources.

In terms of the bureau's existing ongoing General Fund discretionary allocation of \$6.2 million, approximately \$5.8 million is targeted to program delivery (again primarily Homeless Services) in the form of pass-through contracts with sub-recipient agencies. The remaining funds cover Homeless Services program delivery staff, and indirect staffing and costs. Indirect staffing include portions of those positions in the Director's Office and Policy, Planning, and Communications involved with homeless policy setting and planning, as well as Business Operations where the processing of the sub-recipient contracts occurs. Indirect costs include building rent, Office of Management and Finance (OMF) interagencies, and other miscellaneous costs.

### Internal Resources

Bureau internal resources consist primarily of indirect cost recovery charges to the CDBG, HOME, and TIF Reimbursement, and Housing Investment Funds. The bureau levies a 52.2% indirect charge (as outlined in the City's A-87 cost allocation plan, approved by HUD) against the program staff costs in each of these funds. These charges offset the indirect costs (not staffing costs, which are charged directly) not attributable to the General Fund, while keeping those costs in one accounting area for ease of tracking and administration.

The forecast assumes that income from indirect charges to TIF will decline noticeably, and that the indirect charges to the entitlement grants will also decline, but more gradually. These declines could be mitigated by TIF project timelines slipping, creating a wider funding bubble over time, and by any increases in the HUD entitlements grants. However the bureau planning scenario is that this is less likely to happen, and adjustments to General Fund indirect costs will need to occur – with a goal of minimizing the impact on program funding.

### Program Income

For program income not specifically derived from grant resources, PHB collects those resources in the Housing Investment Fund. They will be discussed in that section.

### Future Look

For FY 2011-12, PHB will still face gaps in General Fund discretionary resources. These gaps could include:

1. If all or a portion of the bureaus' ongoing General Fund discretionary request for FY 2010-11 is funded with one-time resources, the bureaus' serial one-time need would have to be addressed again in FY 2011-12. This is also a possible scenario if the request was only partial funded (or not at all).
2. In both FY 2009-10 and 2010-11, PHB is using a portion of the HPRP-ARRA stimulus grant to backfill short-term rent assistance funding. Of the total \$4.2 million grant, \$1 million is being used in each fiscal year for this backfill purpose. Without a similar non-City resource, the bureau would need an additional \$1 million of General Fund discretionary to backfill this gap.
3. Costs for the RAC. While PHB received \$1 million in ongoing General Fund discretionary in FY 2009-10 (the RAC is slated to open in May 2011), the day center operating portion of those costs were a known entity, but not formulated at that time. The current estimate is for the day center costs to be \$1.2 million, but that cost is still under negotiation.

4. The bureau is making a \$185,000 reduction in ongoing General Fund discretionary resources, cutting short-term rent assistance services. It is possible that the bureau will request the restoration of these funds in a future year.

In addition to these gaps, the bureau funds a number of homeownership and rental access and stabilization programs with tax increment financing resources. While an excellent tool within urban renewal areas, limiting these programs to those areas does not match with the bureau's equity agenda. Outside of urban renewal areas, General Fund dollars are a potential tool to provide these non-"bricks and sticks" services Citywide.

**Housing Investment Fund**

<b>Resources</b>	<b>FY 2008-09 Actual</b>	<b>FY 2009-10 Revised</b>	<b>FY 2010-11 Base</b>	<b>FY 2010-11 Request</b>	<b>FY 2011-12 Forecast</b>	<b>FY 2012-13 Forecast</b>	<b>FY 2013-14 Forecast</b>	<b>FY 2014-15 Forecast</b>
<b>Beginning Balance</b>								
Risk Mitigation Pool	741,119	759,519	750,000	750,000	700,000	650,000	600,000	550,000
Fresh Start	150,000	150,000	50,000	50,000				
Housing Bonds	3,786,600							
Other	1,000,646	55,000	1,200,000	1,200,000	2,022,543	2,022,302	2,021,056	2,021,785
<b>Program Income</b>								
Original HIF	600,100	994,215	1,456,712	1,456,712	600,000	550,000	500,000	450,000
Headwaters	743,948	1,007,599	1,262,952	1,262,952	1,262,952	1,262,952	1,262,952	1,262,952
First Mortgage	7,287,608	8,150,000	7,050,000	7,050,000	7,050,000	7,050,000	7,050,000	7,050,000
<b>Charges for Services</b>								
HMIS	37,758	37,000	38,922	38,922	39,700	40,494	41,304	42,130
Housing Connections		13,000	12,500	12,500	12,500	12,500	12,500	12,500
Fee Abatement			68,226	68,226	68,226	68,226	68,226	68,226
Lead			11,037	11,037	11,258	11,483	11,713	11,947
<b>General Fund Discretionary</b>	958,149							
<b>Bond &amp; Loan Proceeds</b>								
First Mortgage	6,801,725	8,000,000	7,050,000	7,050,000	7,050,000	7,050,000	7,050,000	7,050,000
Section 108		3,871,000	2,350,000	2,350,000	7,779,000			
<b>Interest</b>								
Risk Mitigation Pool	6,201	20,000	14,000	14,000	12,000	11,000	10,000	9,000
Housing Bonds	64,934							
<b>Miscellaneous</b>	61,364		45,000	45,000	45,000	45,000	45,000	45,000
<b>Total</b>	<b>\$22,240,152</b>	<b>\$23,057,333</b>	<b>\$21,359,349</b>	<b>\$21,359,349</b>	<b>\$26,653,179</b>	<b>\$18,773,957</b>	<b>\$18,672,751</b>	<b>\$18,573,540</b>

<b>Requirements</b>								
<b>Personal Services</b>	58,485	412,023	587,443	587,443	599,192	549,176	498,159	449,122
HMIS			38,922	38,922	39,700	40,494	41,304	42,130
Housing Connections			10,425	10,425	10,425	10,425	10,425	10,425
Fee Abatement			68,226	68,226	68,226	68,226	68,226	68,226
<b>External M&amp;S</b>	4,007							
Contracts	1,643,897	137,192						
Transition Costs		500,000						
Risk Mitigation Pool		779,519	764,000	764,000	712,000	661,000	610,000	559,000
Housing Connections			2,075	2,075	2,075	2,075	2,075	2,075
Section 108		3,871,000	2,350,000	2,350,000	7,779,000			
Headwaters		250,000	503,353	503,353	503,353	503,353	503,353	503,353
Fresh Start		150,000	50,000	50,000				
First Mortgage	6,913,091	8,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000	7,000,000
Housing Bonds	2,924,569							
Lead			11,037	11,037	11,037	11,037	11,037	11,037
<b>Transfers</b>								
TIF Float		50,000	2,118,572	2,118,572	2,118,572	2,118,572	2,118,572	2,118,572
<b>Bond &amp; Loan</b>								
First Mortgage	7,287,608	8,150,000	7,050,000	7,050,000	7,050,000	7,050,000	7,050,000	7,050,000
Headwaters	743,948	757,599	759,599	759,599	759,599	759,599	759,599	759,599
Housing Bonds	149,980							
<b>Contingency</b>	2,514,567		45,697	45,697				
<b>Total</b>	<b>\$ 22,240,152</b>	<b>\$ 23,057,333</b>	<b>\$ 21,359,349</b>	<b>\$ 21,359,349</b>	<b>\$ 26,653,179</b>	<b>\$ 18,773,957</b>	<b>\$ 18,672,751</b>	<b>\$ 18,573,540</b>

The Housing Investment Fund (HIF) is a point of interface for the transition from the PDC Housing Department and the former Bureau of Housing and Community Development (BHCD). FY 2010-11 will see a merger of HIF resources from both agencies into one HIF at PHB.

### Historical Look

The HIF was formally created in 1995 as a means to achieve the City's housing goals as established in Metro 2040 plan and provide gap financing for housing projects that fulfilled the goals of the Livable City Housing Initiatives and the strategies developed by the Livable City Housing Council.

In FY 1994-95 the City Council allocated an initial \$4 million of General Fund discretionary resources over two years to establish the Fund. In subsequent budgets, further General Fund discretionary resources were added to the HIF:

- FY 1995-96 - \$2.4 million
- FY 1996-97 - \$24.6 million
- FY 1997-98 - \$3.4 million
- FY 1998-99 \$1 million

These allocations totaled \$34.6 million over the five year period. The funds were almost exclusively transferred to PDC for housing development and retention programs. These funds were tracked in a PDC Housing Investment Fund (PDC HIF). A significant portion of the funds were packaged into loans. The portfolio of loans in the PDC HIF is currently valued at approximately \$20 million. The discounted value is estimated to be about \$6 million.

The portfolio is made up of several different types of loans: cash flow loans, equity gap loans, amortized loans, and deferred payment loans. Cash flow loans make up almost \$ 11 million of the book value of the portfolio. Equity gap loans make up about \$5 million of the portfolio. An Equity gap loan is a "last resort" financing product, used only when other financing has been maximized and the housing project does not generate sufficient cash flow (after operating expenses and required senior debt service) to allow regular loan payments back to the PDC HIF. Cash flow loans, like equity gap loans, make payments to PDC HIF only when there are net revenues after paying all expenses and other debt service. These types of loans contribute to the low discounted value of the portfolio. They also limit the program income that accrues back to the PDC HIF.

The City Council further directed that a Development Fee (SDC) Waiver program be implemented within the resources of what became the PDC HIF, administered by PDC. The PDC HIF pays staffing costs for asset management and loan servicing for the HIF portfolio, managing the Limited Tax Abatement Program (LTA), managing the SDC and Limited Tax Deferral (LTD) Programs, and the payment of fees for housing projects as part of the SDC Program. While there are fees paid by applicants for the LTA, they are insufficient to cover the cost of administering the LTA process and the fee waiver process.

The loan portfolio, programs, and any program income and balances from the PDC HIF are anticipated to transfer to the HIF and PHB July 1, 2010.

In FY 2000-01, the City Council made the last major decision involving HIF funding by including \$500,000 in ongoing and \$3.85 million in one-time General Fund discretionary resources. These resources were not transferred to PDC and eventually went to fund ongoing core programming in the bureau (BHCD at the time), in the areas of Homeless Services and Housing Access and Stabilization Services. The ongoing General Fund discretionary funding was eventually increased to \$958,000 in FY 2007-08 and moved out of the HIF to be part of the BHCD allocation. There remain some residual balances from these programs, which will be discussed in a later section.

While the initial HIF funding was from General Fund resources, over the years new funding sources (primarily debt based) and new programs have been added to the HIF. Some have come and gone (Smart Growth, Preservation Line of Credit, Housing Opportunity Bonds – all PDC managed), but two remain.

### City Lights

The City Lights Program allows issuance of tax-exempt debt in an amount not to exceed \$25 million over five years to finance housing developments the City would own and operate. Over time, it was projected the portfolio could produce revenues above operating costs, and so create a new revenue source for affordable housing for the City of Portland. The City Lights program represented a shift in policy in that the City of Portland would be the long-term owner of rental housing properties.

One project, the Headwaters, has been completed to date. The project was executed by PDC. The debt repayment for the project is made from the HIF, and the debt service reserve is also held there. Rental income and property management costs have been run through the PDC HIF (with a transfer to the HIF to pay debt service). This will change for FY 2010-11, when all Headwaters transactions will be managed by PHB through the HIF.

At this date it is unclear whether City Lights will generate tangible net income from the Headwaters project. The bureau is conservatively estimating a break-even scenario at this point. The break-even scenario also assumes the calling of Series A bonds as cashflow is available. A risk factor in the forecast is a current ruling by Multnomah County (under appeal) that the Headwaters property is not tax-exempt because it is privately managed. If the County ruling prevails, it will add \$100,000 per year to the operating costs of the property.

### Revolving Loan Program

The HIF contains one revolving loan program administered by PDC, the Homeownership Line of Credit (HLOC). HLOC provides first mortgage funding for homebuyers. These conventional mortgages are then resold to Fannie Mae, and the proceeds of the resale repay the line of credit. While there is no net cost to the HLOC, there are some staffing costs that are not covered by fees. These costs have been subsidized by the PDC HIF, a situation that will not change substantially when the program moves to PHB.

### Internal Resources

Internal resources in the HIF consist of a number of reserves, some of which are earmarked for a specific purpose, others which are potentially available. For the foreseeable future, until there is more experience with the cashflow of TIF reimbursements, these undesignated reserves (approximately \$2 million) will be used for float purposes.

Of the designated reserves, the largest is for the Risk Mitigation Pool. Currently standing at approximately \$750,000, these funds are used to pay damage claims by subscribed landlords for excess wear and tear on housing units used for supportive housing. A risk factor for this pool is that it is over subscribed. The bureau has worked with OMF Risk Management to mitigate potential issues, but annual claims will need to be monitored closely for any trends that would indicate higher usage than the pool can withstand.

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

Other reserves are debt related and unappropriated, the largest (\$250,000) being for the Headwaters City Lights project. The other funds are the remains of the Housing Opportunity Bonds. In FY 2008-09, some of these funds (\$150,000) were used to pay debt service on this issue, which freed up \$150,000 in one-time funds for the FY 2009-10 budget (covering

some of PHB's one-time requirements). The remaining reserves are being held to pay arbitrage fees to the IRS in late FY 2009-10 or possible early FY 2010-11. Any funds remaining could then be used to pay debt service on the bonds; however PHB would consider any resources freed up by such action as housing-related.

### Program Income

Beginning in FY 2009-10, PHB began collecting all program income that is not grant-related in the HIF. Starting in FY 2010-11, additional income streams will become coming into the fund from the PDC HIF. These include loan fees, abatement fees, and loan income from the original HIF loans discussed earlier.

HIF program income is used primarily to cover staff costs. These staff costs include the local match for the HMIS grant, loan servicing staff covered by fees (or not), tax abatement staff, and Housing Connections staff costs. The largest source of program income, from the original HIF loans, is used as a source for general staff costs that are difficult to attribute to other funding sources.

The major issue with program income is that it is forecast to decline over time. To that end, the bureau has been conservative in how much ongoing staff cost to plan against this income stream and the forecast reflects declining Personal Services usage of HIF resources. This downward trend is tempered somewhat by the potential of original HIF loans being taken out, and the City being repaid a portion of principle. While this has not been an uncommon occurrence, it is unpredictable. The forecast does not rely on any such payoffs.

### Future Look

A number of future trends for portions of the HIF have been noted in previous sections. There are a couple of other items to note.

PHB is beginning to use the HIF as an operating fund, and as such there is the potential to point the bureaus' General Fund discretionary allocation to the HIF, similar to what is done with other bureaus. This concept would need further analysis by the bureau and OMF. PHB may also look at opportunities for charging more fees for services, especially in terms of the delivery of loan products. This could somewhat mitigate the decline in traditional loan program income.



## Housing and Community Development Fund

Resources	FY 2008-09 <u>Actual</u>	FY 2009-10 <u>Revised</u>	FY 2010-11 <u>Base</u>	FY 2010-11 <u>Request</u>	FY 2011-12 <u>Forecast</u>	FY 2012-13 <u>Forecast</u>	FY 2013-14 <u>Forecast</u>	FY 2014-15 <u>Forecast</u>
Carryover		2,490,681			1,000,000			
Grants	9,265,574	10,077,986	10,077,986	10,077,986	10,077,986	10,077,986	10,077,986	10,077,986
ARRA		2,700,000						
Program Income	776,315	600,000	600,000	600,000	600,000	550,000	550,000	500,000
Miscellaneous	12,448							
<b>Total</b>	<b>\$10,054,337</b>	<b>\$15,868,667</b>	<b>\$10,677,986</b>	<b>\$10,677,986</b>	<b>\$11,677,986</b>	<b>\$10,627,986</b>	<b>\$10,627,986</b>	<b>\$10,577,986</b>

Requirements								
Personal	1,327,947	1,353,619	1,694,721	1,690,929	1,694,748	1,695,143	1,695,545	1,695,956
External M&S	8,418,934							
Contracts		9,864,144	6,562,760	6,340,952	5,829,211	7,520,736	7,512,091	7,453,273
2010 NOFA			1,000,000	1,000,000	1,000,000			
Sec. 108 Pmt.		15,000	250,000	250,000	750,000	1,000,000	1,000,000	1,000,000
BDS Insp.		112,800		225,600	230,112	234,714	239,409	244,197
ARRA		2,700,000						
PBOT Transfer		1,500,000						
Hillsdale Terr.					2,000,000			
Internal M&S	307,456	88,104	170,505	170,505	173,915	177,393	180,941	184,560
Transfers		235,000						
Contingency			1,000,000	1,000,000				
<b>Total</b>	<b>\$10,054,337</b>	<b>\$15,868,667</b>	<b>\$10,677,986</b>	<b>\$10,677,986</b>	<b>\$11,677,986</b>	<b>\$10,627,986</b>	<b>\$10,627,986</b>	<b>\$10,577,986</b>

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

### Annual Entitlement

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

In FY 2009-10, the City received an additional \$2.7 million in CDBG funds under the American Re-Investment and Recovery Act (CDBG-ARRA). This was a one-time allocation of funds, though it is likely spending of these funds will stretch into FY 2010-11.

### Caps

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

PHB puts a mix of administrative staff and indirect costs under the administration and planning cap in addition to some service contracts (211Info, Housing Development Center) and consulting services (National Development Council). Under the public service cap, several eligible homeless services activities and weatherization and homebuyer fairs are funded. Also found under the public service cap are several activities under contract with PDC for their Economic

Opportunity program. PHB is being conservative with the CDBG caps at this time due to so volatility being observed with the cap eligibility of the Economic Opportunity programs.

### Program Income

CDBG program income has been in decline from highs of approximately \$2 million in the past decade. Program income is currently approximately \$900,000, down from about \$1.1 million in FY 2007-08. There is an interesting lag between the HUD tracking system and the City financial system in terms of program income. HUD uses the figures from their tracking system for the purposes of cap calculations. The bureau budgets program income conservatively for CDBG, with \$600,000 used in the current year. This resource is also forecast to go down moderately over time, which impacts staff and program delivery spending.

### Program Delivery

PHB has traditionally funded few program delivery staff under CDBG, as the majority of funds go to sub-recipients. A major sub-recipient was the PDC Housing Department, whose program and administrative staff charged to the contract as any sub-recipient would. However, in FY 2010-11, these staff will now be charging CDBG programs directly. This will require more diligent and complex time tracking (the activities they charge to need to have identifiable beneficiaries), much as the bureau will need to do with TIF resources.

Most services are delivered via third party contract (the same is true with almost all of the bureau's funding), though in the case of housing development projects, the exact nature and amount of the funding is not known very far into the future. It is difficult to answer what won't be done if the Hillsdale Terrace funding is transferred to the Housing Authority of Portland (HAP) in FY 2011-12; however it can be said that there will be fewer CDBG funds available for general affordable housing development projects.

### Future Look

On the one hand, the current federal administration is more amenable to spending funds on affordable housing. On the other hand, they are facing substantial budget deficits. Therefore, the forecast assumes flat entitlement growth. In addition, program income is forecast to continue to decline.

In terms of future obligations, the bureau has committed up to \$2 million in CDBG funds for the HAP Hillsdale Terrace Hope VI project. The bureau has also committed to using all of a \$15 million HUD Section 108 loan, which is pledged against the City's CDBG entitlement, and will be repaid over 20 years with CDBG funds. There are a number of variables involved that will impact the ultimate annual payment, including interest rates, type of project, and when funds are drawn on the loan. For planning purposes, the bureau is assuming \$1 million annually once the full loan is expended.

The bureau is planning to issue an RFP in FY 2009-10 forward allocating up to \$1 million of the FY 2010-11 CDBG allocation, and \$1 million into FY 2011-12. Also in FY 2011-12, there is the potential of up to \$2 million in CDBG funds being provided to HAP if their Hillsdale Terrace HOPE VI grant application is successful.

## HOME

<b>Resources</b>	<b>FY 2008-09</b> <b>Actual</b>	<b>FY 2009-10</b> <b>Revised</b>	<b>FY 2010-11</b> <b>Base</b>	<b>FY 2010-11</b> <b>Request</b>	<b>FY 2011-12</b> <b>Forecast</b>	<b>FY 2012-13</b> <b>Forecast</b>	<b>FY 2013-14</b> <b>Forecast</b>	<b>FY 2014-15</b> <b>Forecast</b>
Beginning Balance		2,811,628						
Grants	3,671,406	4,643,210	4,643,210	4,643,210	4,643,210	4,643,210	4,643,210	4,643,210
Program Income	341,459	400,000	400,000	400,000	350,000	325,000	300,000	300,000
<b>Total</b>	<b>\$4,012,865</b>	<b>\$7,854,838</b>	<b>\$5,043,210</b>	<b>\$5,043,210</b>	<b>\$4,993,210</b>	<b>\$4,968,210</b>	<b>\$4,943,210</b>	<b>\$4,943,210</b>

<b>Requirements</b>								
Personal Services	350,957	375,529	668,760	653,568	666,639	666,972	667,312	667,658
External M&S	3,661,908	7,479,309	4,374,450	4,389,642	4,326,571	4,301,238	4,275,898	4,275,552
<b>Total</b>	<b>\$4,012,865</b>	<b>\$7,854,838</b>	<b>\$5,043,210</b>	<b>\$5,043,210</b>	<b>\$4,993,210</b>	<b>\$4,968,210</b>	<b>\$4,943,210</b>	<b>\$4,943,210</b>

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

### Entitlement

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

### Caps

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

### Program Income

HOME program income has been in decline from highs of approximately \$2 million in the past decade. Program income is currently approximately \$400,000, down from about \$500,000 in FY 2007-08. There is an interesting lag between the HUD tracking system and the City financial system in terms of program income. HUD uses the figures from their tracking system for the purposes of cap calculations. The bureau budgets HOME program income less conservatively as the administration cap costs have been traditionally been less volatile under HOME.

### Program Delivery

PHB has traditionally funded few program delivery staff under HOME, as the majority of funds go to sub-recipients - primarily the PDC Housing Department. Again, as with CDBG, these staff will now be charging HOME directly.

### Future Look

HOME is subject to the same uncertainty at the federal level as CDBG, a difference being that the bureau has made fewer future commitments with the funding.

The bureau is planning to issue an RFP in FY 2009-10 forward allocating up to \$2.5 million of the FY 2010-11 HOME allocation.

## Federal Grants

<b>HOPWA</b>	<b>FY 2008-09</b>	<b>FY 2009-10</b>	<b>FY 2010-11</b>	<b>FY 2010-11</b>	<b>FY 2011-12</b>	<b>FY 2012-13</b>	<b>FY 2013-14</b>	<b>FY 2014-15</b>
<b>Resources</b>	<b>Actual</b>	<b>Revised</b>	<b>Base</b>	<b>Request</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>
Grants	167,744	1,016,854	1,016,854	1,016,854	1,016,854	1,016,854	1,016,854	1,016,854
<b>Total</b>	<b>\$167,744</b>	<b>\$1,016,854</b>	<b>\$1,016,854</b>	<b>\$1,016,854</b>	<b>\$1,016,854</b>	<b>\$1,016,854</b>	<b>\$1,016,854</b>	<b>\$1,016,854</b>
<b>Requirements</b>								
Personal Services	28,405	27,645	30,054	30,054	30,655	31,268	31,894	32,531
External M&S	139,339	989,209	986,800	986,800	986,199	985,586	984,960	984,323
<b>Total</b>	<b>\$167,744</b>	<b>\$1,016,854</b>	<b>\$1,016,854</b>	<b>\$1,016,854</b>	<b>\$1,016,854</b>	<b>\$1,016,854</b>	<b>\$1,016,854</b>	<b>\$1,016,854</b>

### **ESG**

#### **Resources**

Grants	46,557	447,284	447,284	447,284	447,284	447,284	447,284	447,284
<b>Total</b>	<b>\$46,557</b>	<b>\$447,284</b>	<b>\$447,284</b>	<b>\$447,284</b>	<b>\$447,284</b>	<b>\$447,284</b>	<b>\$447,284</b>	<b>\$447,284</b>
<b>Requirements</b>								
Personal Services	15,348	21,312	21,308	21,308	21,734	22,169	22,612	23,064
External M&S	31,209	425,972	425,976	425,976	425,550	425,115	424,672	424,220
Fund Transfer	16,315							
<b>Total</b>	<b>\$46,557</b>	<b>\$447,284</b>	<b>\$447,284</b>	<b>\$447,284</b>	<b>\$447,284</b>	<b>\$447,284</b>	<b>\$447,284</b>	<b>\$447,284</b>

### **McKinney/OTIS**

#### **Resources**

Grants	254,881	263,940	265,700	265,700	265,700	265,700	265,700	265,700
<b>Total</b>	<b>\$254,881</b>	<b>\$263,940</b>	<b>\$265,700</b>	<b>\$265,700</b>	<b>\$265,700</b>	<b>\$265,700</b>	<b>\$265,700</b>	<b>\$265,700</b>
<b>Requirements</b>								
Personal Services	5,403		1,954	1,954	1,993	2,033	2,074	2,115
External M&S	249,478	263,940	263,746	263,746	263,707	263,667	263,626	263,585
Fund Transfer	8,078							
<b>Total</b>	<b>\$254,881</b>	<b>\$263,940</b>	<b>\$265,700</b>	<b>\$265,700</b>	<b>\$265,700</b>	<b>\$265,700</b>	<b>\$265,700</b>	<b>\$265,700</b>

### **Lead**

#### **Resources**

Grants	1,308,520	1,964,330	1,333,333	1,333,333	1,333,333	1,333,334		
<b>Total</b>	<b>\$1,308,520</b>	<b>\$1,964,330</b>	<b>\$1,333,333</b>	<b>\$1,333,333</b>	<b>\$1,333,333</b>	<b>\$1,333,334</b>		
<b>Requirements</b>								
Personal Services	70,127	72,234	346,281	346,281	353,207	360,271		
External M&S	1,238,393	1,892,096	987,052	987,052	980,126	973,063		
Internal M&S	243							
<b>Total</b>	<b>\$1,308,520</b>	<b>\$1,964,330</b>	<b>\$1,333,333</b>	<b>\$1,333,333</b>	<b>\$1,333,333</b>	<b>\$1,333,334</b>		

<b><i>NSP</i></b>	<b>FY 2008-09</b>	<b>FY 2009-10</b>	<b>FY 2010-11</b>	<b>FY 2010-11</b>	<b>FY 2011-12</b>	<b>FY 2012-13</b>	<b>FY 2013-14</b>	<b>FY 2014-15</b>
<b>Resources</b>	<b><u>Actual</u></b>	<b><u>Revised</u></b>	<b><u>Base</u></b>	<b><u>Request</u></b>	<b><u>Forecast</u></b>	<b><u>Forecast</u></b>	<b><u>Forecast</u></b>	<b><u>Forecast</u></b>
Grants		3,593,218	83,773	83,773				
<b>Total</b>		<b>\$3,593,218</b>	<b>\$83,773</b>	<b>\$83,773</b>				
<b>Requirements</b>								
Personal Services		237,834	83,773	83,773				
External M&S		3,355,384						
<b>Total</b>		<b>\$3,593,218</b>	<b>\$83,773</b>	<b>\$83,773</b>				

### ***HPRP-ARRA***

#### **Resources**

Grants		4,073,114	99,168					
<b>Total</b>		<b>\$4,073,114</b>	<b>\$99,168</b>					
<b>Requirements</b>								
Personal Services		31,117	71,148					
External M&S		4,041,997	28,020					
<b>Total</b>		<b>\$4,073,114</b>	<b>\$99,168</b>					

#### Entitlements

PHB receives two other, smaller entitlement grants – the Emergency Shelter grant (ESG) and Housing for People With AIDS (HOPWA). They are formula based and subject to a similar allocation timeline process as HOME and CDBG. In FY 2009-10, the City received an additional \$4.2 million in ESG formula funds under ARRA with the Housing Placement and Rapid Re-housing Program (HPRP). This was a one-time allocation of funds, but the bureau is spending the funds over two fiscal years. As noted in the General Fund section, a portion of these funds were used to backfill expiring funding of short-term rent assistance services.

#### Categorical Grants

The bureau also receives a number of competitive or categorical grants. The oldest of these is the Lead Grant, the most recent version of which was awarded in the fall of 2009 and extends for four years. The newest is the Neighborhood Stabilization Program (NSP), a homeownership assistance grant being spent over two fiscal years. Like HOME and CDBG, these grants were part of the contract with PDC – now the direct services will be provided by staff at the merged bureau.

On the smaller side of categorical grants, Homeless Management Information Systems (HMIS) funds the Service Point system used by agencies and providers to track a wide range of social services data. As noted in the HIF section, the bureau receives income for servicing the system in addition to the grant funds. McKinney/OTIS is another grant that focuses on homeless services. These grants have remained stable over time, and are forecast to remain so.

**Tax Increment Financing**

	<b>FY 2009-10 Revised</b>	<b>FY 2010-11 Base</b>	<b>FY 2010-11 Request</b>	<b>FY 2011-12 Forecast</b>	<b>FY 2012-13 Forecast</b>	<b>FY 2013-14 Forecast</b>	<b>FY 2014-15 Forecast</b>
<b>Resources</b>							
Intergovernmental	814,874						
Fund Transfers	50,000	2,118,572	2,118,572	2,118,572	2,118,572	2,118,572	2,118,572
Tax Increment	69,395,634	68,527,107	68,527,107	24,021,713	14,255,501	17,938,184	25,260,060
Other							
<b>Total</b>	<b>\$70,260,508</b>	<b>\$70,645,679</b>	<b>\$70,645,679</b>	<b>\$26,140,285</b>	<b>\$16,374,073</b>	<b>\$20,056,756</b>	<b>\$27,378,632</b>

<b>Requirements</b>							
Personal Services	181,632	3,156,426	3,099,402	2,371,043	1,813,848	1,387,593	1,061,509
External M&S	226,840						
Internal M&S	456,402	1,150,467	1,207,491	923,731	706,654	540,590	413,552
Capital							
<b>North Macadam URA</b>							
H10543 Affordable Veterans Housing	270,000	17,530,000	17,530,000	1,650,000	-	-	-
H10544 Block 33 Mixed Use Afford Rental Housing	10,000	-	-	-	-	-	-
H89030 Affordable Rental Housing	-	-	-	-	-	-	8,250,000
<i>URA Subtotal</i>	<i>\$280,000</i>	<i>\$17,530,000</i>	<i>\$17,530,000</i>	<i>\$1,650,000</i>	<i>\$0</i>	<i>\$0</i>	<i>\$8,250,000</i>
<b>Downtown Waterfront URA</b>							
H80039 333 Oak	500,000	-	-	-	-	-	-
H89030 Affordable Rental Housing	-	-	-	1,000,000	-	-	-
<i>URA Subtotal</i>	<i>\$500,000</i>	<i>\$0</i>	<i>\$0</i>	<i>\$1,000,000</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>
<b>Central Eastside URA</b>							
H80045 Hooper Center	75,000	-	-	-	1,925,000	-	-
H80046 CES Clifford Apartments Rehab	2,300,000	850,000	850,000	-	-	-	-
H89030 Affordable Rental Housing	-	-	-	400,000	500,000	900,000	-
<i>URA Subtotal</i>	<i>\$2,375,000</i>	<i>\$850,000</i>	<i>\$850,000</i>	<i>\$400,000</i>	<i>\$2,425,000</i>	<i>\$900,000</i>	<i>\$0</i>
<b>River District URA</b>							
Multi-Family Rental Housing							
H32138 Pearl Family Housing	12,000,000	7,000,000	7,000,000	-	-	-	-
Fairfield Apartments	470,000	930,000	930,000	430,000	430,000	430,000	430,000
H37937 Access Center - Afford	16,200,000	13,500,000	13,500,000	-	-	-	-
H37938 Blanchet House Redev	265,000	1,885,000	1,885,000	-	-	-	-
H37940 New Avenues for Youth	1,200,000	-	-	-	-	-	-
H80036 Yards at Union Station	-	4,400,000	4,400,000	-	-	-	-
H80037 Grove Apartments	100,000	75,000	75,000	75,000	75,000	-	-
H89030 Affordable Rental Housing (HSP)	500,000	-	-	-	-	4,000,000	9,000,000
<i>URA Subtotal</i>	<i>\$30,735,000</i>	<i>\$27,790,000</i>	<i>\$27,790,000</i>	<i>\$505,000</i>	<i>\$505,000</i>	<i>\$4,430,000</i>	<i>\$9,430,000</i>
<b>Gateway Regional Center URA</b>							
H89035 Homeownership Development	400,000	-	-	-	200,000	200,000	200,000
H89030 Affordable Rental Housing	2,525,000	500,000	500,000	2,000,000	1,850,000	625,000	900,000
<i>URA Subtotal</i>	<i>\$2,925,000</i>	<i>\$500,000</i>	<i>\$500,000</i>	<i>\$2,000,000</i>	<i>\$2,050,000</i>	<i>\$825,000</i>	<i>\$1,100,000</i>
<b>Lents Town Center URA</b>							
H32110 122nd and Pardee	115,000	-	-	-	-	-	-
H33418 New Homeowner Dev	-	-	-	600,000	-	-	-
H33438 ROSE/PCLT Homeownership	117,000	-	-	-	-	-	-
H33441 Dahlia Commons Homeownership	745,000	-	-	-	-	-	-
H33442 Habitat for Humanity #3	280,000	-	-	-	-	-	-
H32117 Cambrian Park	200,000	-	-	-	-	-	-
H60010 Foster School Housing Dev	-	-	-	-	-	1,000,000	-
H89015 Rental Rehabilitation Projects	200,000	200,000	200,000	-	-	-	-
H89030 Affordable Rental Housing	-	1,475,000	1,475,000	3,200,000	3,000,000	2,000,000	1,000,000
H89031 The Glen	3,200,000	-	-	-	-	-	-
H89032 Beyer Court Apartments	50,000	-	-	-	-	-	-

**Tax Increment Financing**

	<b>FY 2009-10 Revised</b>	<b>FY 2010-11 Base</b>	<b>FY 2010-11 Request</b>	<b>FY 2011-12 Forecast</b>	<b>FY 2012-13 Forecast</b>	<b>FY 2013-14 Forecast</b>	<b>FY 2014-15 Forecast</b>
<b>Lents Town Center URA - Continued</b>							
H89033 Bush Street Modular Apartments	25,000	-	-	-	-	-	-
H32131 REACH Home Rehabilitation	125,000	125,000	125,000	150,000	150,000	-	-
H89010 Home Repair Projects	344,901	250,000	250,000	300,000	300,000	550,000	300,000
H37930 Scat Site Home Rehab & Subs HAP	1,308,473	-	-	-	-	-	-
H89020 Home Buyer Assistance	1,243,435	500,000	500,000	400,000	700,000	800,000	700,000
<i>URA Subtotal</i>	<i>\$7,953,809</i>	<i>\$2,550,000</i>	<i>\$2,550,000</i>	<i>\$4,650,000</i>	<i>\$4,150,000</i>	<i>\$4,350,000</i>	<i>\$2,000,000</i>
<b>South Park Blocks URA</b>							
Multi-Family - Rental Housing							
H12027 Jefferson West Apartments	86,000	86,000	86,000	86,000	-	-	-
H12035 Martha Washington	4,650,000	-	-	-	-	-	-
H12036 Admiral Apartments	2,050,000	-	-	-	-	-	-
H12037 Chaucer	2,000,000	-	-	-	-	-	-
H34510 SPB Section 8 Preservation	775,000	839,591	839,591	2,790,000	1,000,000	900,000	-
H34525 University Place	5,148,725	-	-	-	-	-	-
<i>URA Subtotal</i>	<i>\$14,709,725</i>	<i>\$925,591</i>	<i>\$925,591</i>	<i>\$2,876,000</i>	<i>\$1,000,000</i>	<i>\$900,000</i>	<i>\$0</i>
<b>Convention Center URA</b>							
H19032 King/Parks Affordable Housing	500,000	625,000	625,000	625,000	-	-	-
H80003 Lloyd Cascadian Phase II	3,000	3,000	3,000	-	-	-	-
H80010 Fremont Housing	140,000	-	-	-	-	-	-
H80026 Grant Warehouse - Affordable Housing	400,000	1,600,000	1,600,000	4,500,000	-	-	-
H80002 MFH - 2nd and Wasco	5,000	5,000	5,000	-	-	-	-
H80042 OCC Miracles Club	2,500,000	785,000	785,000	-	-	-	-
H80043 Rose Qtr Afford Rental Housing	1,244,100	-	-	-	-	-	-
H89030 Affordable Rental Housing	-	-	-	-	-	-	-
H89049 McCoy Apartments Rehab	500,000	-	-	-	-	-	-
<i>URA Subtotal</i>	<i>\$5,292,100</i>	<i>\$3,018,000</i>	<i>\$3,018,000</i>	<i>\$5,125,000</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>
<b>Interstate URA</b>							
H34606 Killingsworth Block	-	5,013,047	5,013,047	1,415,940	-	-	-
H38712 Woolsey Corner Homeownership Dev	870,000	200,000	200,000	-	-	-	-
H89035 Homeownership Development	-	-	-	-	500,000	500,000	500,000
H89046 PCRI Home Ownership Development	800,000	300,000	300,000	-	-	-	-
H89030 Affordable Rental Housing	100,000	1,850,000	1,850,000	-	-	3,000,000	1,500,000
H61009 Ainsworth Court Rehab	-	1,400,000	1,400,000	-	-	-	-
H89047 Bridge Meadows	1,500,000	250,000	250,000	-	-	-	-
H19018 Interstate Redevelopment	250,000	-	-	-	-	-	-
H37914 Housing Policy/Planning	5,000	5,000	5,000	5,000	5,000	5,000	5,000
H89010 Home Repair Projects	500,000	500,000	500,000	500,000	500,000	500,000	500,000
H89045 Home Rehab and Retention	100,000	100,000	100,000	100,000	100,000	100,000	-
H37932 HAP Afford Ownership/Rehab	-	938,576	938,576	-	-	-	-
H89020 Home Buyer Assistance	500,000	500,000	500,000	500,000	500,000	500,000	500,000
<i>URA Total</i>	<i>\$4,625,000</i>	<i>\$11,056,623</i>	<i>\$11,056,623</i>	<i>\$2,520,940</i>	<i>\$1,605,000</i>	<i>\$4,605,000</i>	<i>\$3,005,000</i>
<b>All URA Total</b>	<b>69,395,634</b>	<b>64,220,214</b>	<b>64,220,214</b>	<b>20,726,940</b>	<b>11,735,000</b>	<b>16,010,000</b>	<b>23,785,000</b>
Contingency		2,118,572	2,118,572	2,118,572	2,118,572	2,118,572	2,118,572
<b>Total</b>	<b>\$70,260,508</b>	<b>\$70,645,679</b>	<b>\$70,645,679</b>	<b>\$26,140,285</b>	<b>\$16,374,073</b>	<b>\$20,056,756</b>	<b>\$27,378,632</b>

Tax Increment Financing (TIF) is not new to either the City or to housing development. However, the management of TIF expenditures by a City bureau is very new. TIF funds for housing will be expended by PHB, which will then be reimbursed by PDC. Affordable housing funding in urban renewal areas (URAs) is driven by the 30% Housing set-aside passed by the City Council in 2006.

### Structure

PHB has set up a series of funds to be able to track direct costs by URA. Indirect costs are collected in another fund, and will be allocated based upon the direct expenses. The General Fund section discussed how indirect costs are allocated. Indirect staffing was allocated on the guiding principle of moderation, due the lack of actual information on the amount of time existing PHB staff will spend on TIF-related activities and a desire to minimize the need for TIF resources. In all cases, these positions are also allocated to several of PHB's non-TIF resources.

### Restrictions

TIF is not very different from many of PHBs' grant sources in that it has restrictions on use in terms of type of expense. In addition there are restrictions in terms of location. The TIF restrictions, however, are new ones that the bureau will need to be familiar with. These restrictions will also put pressure on the bureaus' less restrictive funding sources when opportunities arise that cannot be fully addressed with TIF.

### Future Look – The Bubble

The TIF portion of the PHB budget for FY 2010-11 is a very robust \$64 million in project dollars. This is a bubble of funding that shrinks over the life of the forecast, which will challenge the bureau not only in terms of staffing levels but in maintaining the supply of affordable housing delivery products. As resources reappear at the end of the forecast period, they are not at levels seen currently.

- South Park Blocks – this URA is expiring. Portions of it may re-appear as part of a new central city URA.
- Downtown Waterfront – this URA is also expiring, though portions were amended to the River District URA and other portions could end up as part of a central city URA.
- Convention Center - another expiring URA, though portions could end up in the Interstate URA.
- North Macadam/South Waterfront – while a newer URA, increment growth has only recently picked up, and affordable housing spending has lagged. There are resources available in the short-term, and at the tail end of the forecast period – but a multi-year gap of little to no funding for several years.
- River District – this URA has a substantial number of projects in development for FY 2010-11, but as is the case in North Macadam there is a quiet period before resources begin developing again in the out years of the forecast.
- Central Eastside – a URA with minimal available resources, funding available for affordable housing is equally minimal throughout the forecast.
- Gateway – another URA with minimal resources for affordable housing throughout the forecast.
- Lents – one of two neighborhood URAs that has resources available consistently through the forecast period. However they are not the large amounts one sees in the River District or North Macadam.
- Interstate – the other neighborhood URA that shows sustainable funding for affordable housing projects through the life of the forecast.

Because of the nature of housing projects, the term of the projects can often stretch over more fiscal years than originally forecast. There is potential that some of the large bubble of projects in FY 2010-11 could extend into FY 2011-12, widening the bubble – but the overall effect is the same, just with a slightly softer landing.