

City of Portland, Oregon

## FINANCIAL IMPACT STATEMENT For Council Action Items

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

1. Name of Initiator: Jacob Fox	2. Telephone No.: 503-823-6017	3. Bureau/Office/Dept. PHB 157/11
4a. To be filed (date) 11/10/2010	4b. Calendar (Check One) Regular <input checked="" type="checkbox"/> Consent <input type="checkbox"/> 4/5ths <input type="checkbox"/>	5. Date Submitted to FPD Budget Analyst: 10/29/2010

**1) Legislation Title:**

Authorizes supporting the Housing Authority of Portland application to the U.S. Department of Housing and Urban Development for a HOPE VI revitalization grant to redevelop the Hillsdale Terrace public housing project; (Resolution)

**2) Purpose of the Proposed Legislation:**

A pledge of support to the HAP application for a Hope VI revitalization grant from HUD.

**3) Revenue:**

Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If new revenue is generated please identify the source. No

**4) Expense:**

What are the costs to the City as a result of this legislation? What is the source of funding for the expense?

- While the City is making a commitment of \$5 million in the resolution, the final amount and composition of actual support will be determined by an intergovernmental agreement to be considered by the City Council after successful completion of the application process. Based upon current negotiations with HAP, PHB believes that the City's required commitment to the project will be fulfilled by budgeting approximately \$2.2 Mil of FY 2011-12 CDBG funding to the project. PHB anticipates that its proposed 2011-12 Budget will include adequate CDBG revenue to meet this commitment and that the resources needed for HDT will come from PHB funding budgeted for the development and rehabilitation of affordable housing.
- The difference between the \$5M authorized by the resolution and the actual, anticipated commitment of funds represents projected cost-savings and the probability of unanticipated revenue on other HAP projects that HAP has agreed to apply to meet the financial needs of HDT.
- This resolution and the commitment of PHB funding to HDT are consistent with PHB's priority for the development and rehabilitation of deeply affordable housing. Funding for this project would otherwise be spent on similar rental development projects that PHB would select through a forthcoming competitive allocation process.
- The commitment of funding at this time makes sense because of the opportunity for significant leverage through the HOPE VI grant that is not available to similarly situated projects that may present themselves to PHB through a competitive allocation process.

**Staffing Requirements:**

5) Will any positions be created, eliminated or re-classified in the current year as a result of this legislation? No

6) Will positions be created or eliminated in future years as a result of this legislation? No

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

**7) Change in Appropriations**

Fund	Center Code	Account	Amount	Project Fund	Project No.
Margaret Van Vliet, Director					

APPROPRIATION UNIT HEAD (Typed name and signature)