



Commissioner Nick Fish
City of Portland

Date: January 31, 2011

To: Mayor Sam Adams
Commissioner Amanda Fritz
Commissioner Randy Leonard
Commissioner Dan Saltzman

CC: OMF Financial Planning Division

From: Commissioner Nick Fish and Director Margaret Van Vliet *NF*

Subject: FY 2011-2012 Portland Housing Bureau Requested Budget

We are pleased to submit the Requested Budget for Portland Housing Bureau (PHB).

In its first year of combined operations PHB has made progress aligning its programs, improving transparency and accountability, and ensuring its core mission is advanced in the face of declining resources. Our transformation into a highly effective bureau continues in the coming fiscal year, with implementation of a thoughtful and targeted three-year strategic plan and deeper collaboration with our partners in the public, private and civic sectors.

As you well know, the economic environment we face remains very challenging. Unemployment hovers at unacceptable levels, and people in poverty are struggling more than ever. The personal health of our residents is deteriorating. State and federal budgets, most critical to the community's safety net, are declining. Communities of color – already facing more intractable poverty – are disproportionately affected by the recession, further decreasing housing stability for marginalized communities.

The social safety net provided by the City of Portland has never been more important.

The budget presented here accounts for our significant drop in tax increment funds (TIF) and will result in the production and preservation of fewer affordable homes. But we have taken great care to seek out other resources, to combine our various funds sources in the most efficient manner possible, and to prioritize investments so they reflect community priorities.

As in past years, City General Fund is focused primarily on programs that help people prevent homelessness, or end their homelessness as quickly as possible. We continue to learn what strategies work best to keep those in poverty housed, and have strengthened our alignment with Multnomah County in particular to ensure the best possible deployment of scarce public funds.

Because federal stimulus funds are not allocated next year to support this suite of programs, we are proposing realignment – and a return to historic GF funding levels – to maintain continuity of critical services.

Despite the circumstances, PHB will enter the coming fiscal year with optimism. Thanks to your support, we are benefitting from a new Portland Housing Advisory Committee which assisted us with our budget review and is poised to provide guidance and advice as we face difficult trade-offs. Bud Clark Commons is slated to open in June, which will transform the lives of people who today may be sleeping outside and facing few choices. Construction of new apartments in South Waterfront and the preservation of properties housing vulnerable people will also help increase the supply of housing.

We are grateful for the support Council has shown for PHB since its formation, and look forward to discussing the budget with you in the coming months.