

Portland Housing Bureau

FY 2012-2017 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. In general, the challenge for PHB over the five-year forecast period is maintaining affordable housing delivery levels in the face of diminishing resources. The total resources available shrink from \$90 million to \$48 million rapidly. However, this is an improvement over the previous forecast, as revenues in some urban renewal areas show some stabilization over the out years of the forecast.

Tax increment financing (TIF) availability drops from a bubble of spending from 2009 through 2013 at level of \$40-60 million to a new normal in the \$17-18 million range. As noted in previous forecasts, the TIF spending bubble tends to stretch out due to project timing. Program income for both the HIF and the major entitlement grant funds continues to decline over the period as well, but not as dramatically. Again, the bubble can move as project timelines shift outward.

The future growth of the U.S. Department of Housing and Urban Development (HUD) entitlement is projected at new lower levels reflecting cuts to HOME of 28% and CDBG of 15%. Projections for these major funding sources are flat over the forecast due to the increased scrutiny of federal budget deficits. The forecast assumes that the City will continue its commitment to \$4.8 million in serial one-time General Fund resources, either as an ongoing or a continued one-time allocation. If not, bureau resources drop below the \$40 million mark. The reductions in TIF and federal funds have driven the right-sizing of both the delivery and administrative structure of the bureau; 8 positions eliminated in FY 2010-11, 10 in FY 2011-12, two in FY 2012-13, and perhaps 4-6 more over the remaining four years of the forecast.

The following is a brief discussion of the outlook for these and other funding sources. It contains forward-looking statements that are subject to change by future policy direction of the City Council and/or bureau management. Below is a table that shows the major funding resources and requirements for PHB. The forecast shows bureau funding stabilizing at approximately \$48 million starting as soon as FY 2013-14. Details by funding source follow.

	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
Resources	<u>Actual</u>	<u>Revised</u>	<u>Request</u>	<u>Forecast</u>	<u>Forecast</u>	<u>Forecast</u>	<u>Forecast</u>
General Fund	9,630,367	12,405,068	11,070,908	11,016,616	11,190,082	11,407,164	11,640,548
Housing Investment Fund	9,035,145	11,316,798	9,004,212	2,502,063	1,464,968	1,557,266	1,759,099
CDBG	13,106,574	17,315,746	12,591,569	9,935,611	9,239,229	9,610,949	8,671,558
HOME	6,256,871	9,857,936	6,310,054	3,952,717	3,858,447	3,732,105	3,605,474
Federal Grants	7,925,765	5,651,966	5,842,503	3,391,140	3,016,201	2,781,493	2,781,493
Tax Increment Financing	37,282,041	60,269,775	45,791,819	17,557,706	17,719,235	18,144,949	16,082,239
Headwaters	1,060,349	1,184,326	860,000	1,118,436	1,176,006	1,228,576	1,276,146
Total	\$ 84,297,112	\$ 118,001,614	\$ 91,471,065	\$ 49,474,289	\$ 47,664,167	\$ 48,462,502	\$ 45,816,557
Requirements							
General Fund	9,630,367	12,405,068	11,070,908	11,016,616	11,190,082	11,407,164	11,640,548
Housing Investment Fund	8,437,489	11,316,798	9,004,212	2,502,063	1,464,967	1,557,266	1,759,099
CDBG	13,106,574	17,315,746	12,591,569	9,935,611	9,239,229	9,610,949	8,671,558
HOME	5,139,510	9,857,936	6,310,054	3,952,717	3,858,447	3,732,105	3,605,474
Federal Grants	8,184,697	5,651,966	5,842,503	3,391,140	3,016,201	2,781,493	2,781,493
Tax Increment Financing	36,202,481	60,269,775	45,791,819	17,557,706	17,719,235	18,144,949	16,082,239
Headwaters	1,060,349	1,184,326	860,000	1,118,436	1,176,006	1,228,576	1,276,146
Total	\$ 81,761,467	\$ 118,001,614	\$ 91,471,065	\$ 49,474,289	\$ 47,664,167	\$ 48,462,502	\$ 45,816,557

General Fund

	FY 2010-11	FY 2011-12	FY 2012-13	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
Resources	Actual	Revised	Base	Request	Forecast	Forecast	Forecast	Forecast
Intergovernmental	75,000	75,000	-		-	-	-	-
Grant Indirect Charges	499,858	788,553	479,536	479,536	493,923	508,740	524,002	539,722
General Fund Discretionary								
One-Time	3,055,308	4,884,887		4,775,300	2,590,300	590,300	-	-
Ongoing	5,978,061	6,078,601	6,283,634	5,780,943	7,896,562	10,054,493	10,845,883	11,062,801
Encumbrance c/o		578,027						
Miscellaneous	22,140		35,129	35,129	35,832	36,548	37,279	38,025
Total	9,630,367	12,405,068	6,798,299	11,070,908	11,016,616	11,190,082	11,407,165	11,640,548
Requirements								
Personal Services	413,095	363,193	294,600	294,600	306,814	294,526	306,754	319,480
External/Internal M&S	441,343	1,124,286	1,220,690	1,220,690	1,354,135	1,351,047	1,375,913	1,401,532
Contracts								
Planning, Policy & Communications								
One-Time		150,000						
Housing Access & Stabilization	8,319,683	5,388,182	5,283,009	4,780,318	6,765,366	8,954,209	9,724,498	9,919,536
One-Time		5,129,407		4,275,300	2,090,300	90,300	-	
Housing Production & Preservation	285,469							
One-Time								
Housing Access & Retention	170,777					-	-	-
One-Time		250,000		500,000	500,000	500,000	-	
Total	\$9,630,367	\$12,405,068	\$6,798,299	\$11,070,908	\$11,016,616	\$11,190,082	\$11,407,164	\$11,640,548

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 one-time 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 2012-13, the bureau is requesting \$4.8 million in one-time General Fund, continuing the cycle of serial one-time funding of core programs (for specifics, see bureau request decision package submittals).

In terms of the bureau's existing ongoing General Fund discretionary allocation of \$6.2 million, approximately \$5.3 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 and Planning 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, Lead, NSP, and TIF Reimbursement, and Housing Investment Funds. The bureau levies a 75.35% 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. This rate may change during the budget process when OMF completes its review of bureau indirect rates. 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. A new resource for FY 2012-13 is revenue for the Office of Equity for subletting space on PHBs floor in the Commonwealth Building.

The forecast assumes that income from indirect charges to TIF and grant funds will decline noticeably. 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 won't happen, and adjustments to General Fund indirect costs will need to occur – with a goal of minimizing the impact on program funding.

Future Look

For FY 2012-13, PHB still faces gaps in General Fund discretionary resources. These gaps could include:

1. The forecast assumes approval of converting \$2 million in serial one-time General Fund to ongoing in FY 2013-14, and steps through the full conversion by the end of the forecast period. If this conversion plan cannot be followed, the bureau will still be relying on serial one-time funding.
2. The bureau made reductions of approximately \$310,000 in ongoing General Fund discretionary resources just to meet the FY 2012-13 allocation. This short fall was caused by primarily by reduced indirect cost recovery (due to prior staff cuts), but increases in OMF and City Attorney interagencies (due to two year lags in staffing metrics used for some interagencies) . Approximately \$140,500 of this reduction was made through staff recommendations as part of a cross functional team process that included all bureau staff. Reductions included two vacant positions, travel and training, supplies, and some interagencies. Staff costs were also shifted to other funding sources. The remainder of the reduction came from \$114,200 in cuts to Homeless Services programs.

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 bureaus' equity agenda. Outside of urban renewal areas, General Fund dollars are a potential tool to provide these non-“bricks and sticks” services Citywide. But the larger issue is that non-General Fund resources are declining, and the City needs to consider the development of other affordable housing resources.

It should be noted that PHB expects to significantly improve alignment with Multnomah County and Home Forward over the next five years in the area of homeless services. These three jurisdictions invest considerable local, state and federal resources in programs designed to end people's homelessness. With ongoing collaboration and shared analysis, PHB and its partner jurisdictions hope to both improve outcomes for people and ensure the best possible use of public funds.

Housing Investment Fund

	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
Resources	Actual	Revised	Request	Forecast	Forecast	Forecast	Forecast
Beginning Balance	808,005	1,220,772	437,819	1,361,852	367,078	446,602	656,162
Charges for Services	322,306	304,504	213,908	218,962	224,787	231,128	237,600
Intergovernmental Revenues	53,225	123,800	138,500	141,350	145,804	150,436	151,637
Loan Proceeds	4,704,000	8,313,777	7,424,985	-	-	-	-
Loan Payoffs/Property Sales	353,435	665,000	-	-	-	-	-
Interest	883	10,000	6,100	7,499	6,499	8,300	11,300
Local Shared Revenue	1,732,860	-	-	-	-	-	-
Program Income	1,060,431	678,945	782,900	772,400	720,800	720,800	702,400
Total	9,035,145	11,316,798	9,004,212	2,502,063	1,464,968	1,557,266	1,759,099
Requirements							
Personal Services	739,098	727,370	891,134	807,350	840,242	799,481	832,020
External M&S	5,579,819	9,347,911	7,727,888	1,300,520	300,540	300,561	296,966
Transfers	2,118,572	67,666	288,774	290,000	145,000	70,000	72,000
Contingency	-	1,173,851	96,416	100,193	178,185	386,224	556,113
Total	8,437,489	11,316,798	9,004,212	2,502,063	1,464,967	1,557,266	1,759,098

The Housing Investment Fund (HIF) has been reorganized for a more transparent look at broad range of bureau services. For FY 2012-13, the primary HIF fund is being focused on the collection of program income for use in future affordable housing development as a means of offsetting future declines in TIF resources.

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. The City Council allocated 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 that is now merged with the City HIF. A significant portion of the funds were packaged into loans.

Loan Portfolio

The portfolio of loans in the HIF is currently valued at approximately \$20 million. The discounted value is estimated to be about \$6 million. The following discussion gives insight not only into the HIF loan portfolio, but also the bureaus entire portfolio in general. The CDBG, HOME, and URA funds contain the other portions of the bureau loan portfolio.

The HIF 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 loan payments back to the HIF.

Equity gap loans differ from grants in that grants cannot be used in projects that also use tax credits. Cash flow loans, like equity gap loans, make payments to the HIF only when there are net revenues after paying all expenses and other debt service. These types of loans contribute to the highly discounted value of the portfolio. They also limit the program income that accrues back to the HIF.

As the bureau looks to more aggressively restructure loans to ensure the long term viability of the City's affordable housing infrastructure, there will potentially be additional downward pressure on program income.

Indirect Programs

The City Council further directed that a Development Fee (SDC) Waiver program for affordable housing be implemented within the resources of the HIF, a program now administered by PHB. The program is intended to assist developers by reducing their costs when building affordable housing, exempting them from paying SDCs levied by the City when they build residential housing units meeting program requirements. PHB also manages the Limited Tax Exemption Program (LTE) for single and multi-family properties, taking the duties over from PDC and the Bureau of Planning and Sustainability in FY 2010-11. The LTE program offers eligible homebuyers who purchase newly constructed homes in certain parts of Portland a ten-year limited property tax exemption. In addition, similar exemptions are offered on multi-family properties.

A third program that is managed by bureau staff and that also indirectly makes housing more affordable is the Mortgage Credit Certificate Program (MCC). A MCC is an IRS-approved tax credit, which reduces homeowners federal income taxes as long as they keep the loan and continuously occupy the home as their principal residence. The maximum amount of the MCC tax credit equals 20 percent of the annual mortgage interest paid on the homebuyer's first mortgage loan. The bureau has processed 158 certificates valued at approximately \$5.7 million over the life of the loans through December 2011.

Fees are paid by applicants for the LTE, SDC, and MCC programs to cover the cost of administration. Sub-funds within the HIF track the income that pays County recording fees and staffing costs for programs. Adjustments to SDC fees were made July 1, 2010, and PHB will be looking at fees for the LTE program in FY 2012-13.

Limited Tax Exemption Administration – Single Family

	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
Resources	<u>Actual</u>	<u>Revised</u>	<u>Request</u>	<u>Forecast</u>	<u>Forecast</u>	<u>Forecast</u>	<u>Forecast</u>
Beginning Balance			57,868	58,957	60,011	61,133	62,328
Charges for Services	114,574	115,304	64,500	65,790	67,106	68,448	69,817
Interest	26		100				
Total	114,600	115,304	122,468	124,747	127,117	129,581	132,145
Requirements							
Personal Services	9,080	50,844	56,968	59,247	61,617	64,081	66,645
External M&S							
Housing Access & Retention	62,707	64,460	65,500	65,500	65,500	65,500	65,500
Total	71,787	115,304	122,468	124,747	127,117	129,581	132,145

Limited Tax Exemption Administration – Multi-Family

	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
Resources	<u>Actual</u>	<u>Revised</u>	<u>Request</u>	<u>Forecast</u>	<u>Forecast</u>	<u>Forecast</u>	<u>Forecast</u>
Beginning Balance			6,100	6,479	6,874	7,284	7,610
Charges for Services	3,050		3,380	3,380	3,380	3,380	3,380
Total	3,050	-	9,480	9,859	10,254	10,664	10,990
Requirements							
Personal Services			9,480	9,859	10,254	10,664	10,990
External M&S							
Housing Access & Retention							
Total	-	-	9,480	9,859	10,254	10,664	10,990

System Development Charge Administration

	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
Resources	Actual	Revised	Request	Forecast	Forecast	Forecast	Forecast
Charges for Services	99,442	140,600	89,028	91,910	95,425	99,081	102,883
Interest	142			500	500	500	500
Total	99,584	140,600	89,028	92,410	95,925	99,581	103,383
Requirements							
Personal Services	85,625	109,152	84,028	87,389	90,885	94,520	98,301
External M&S							
Housing Access & Retention	3,929	31,448	5,000	5,020	5,040	5,061	5,082
Total	89,554	140,600	89,028	92,409	95,925	99,581	103,383

Mortgage Credit Certificate Program Administration

	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
Resources	Actual	Revised	Request	Forecast	Forecast	Forecast	Forecast
Charges for Services	69,850	48,600	57,000	57,882	58,876	60,219	61,520
Local Shared Revenue	83,640						
Interest	247		500				
Total	153,737	48,600	57,500	59,882	62,876	66,019	69,320
Requirements							
Personal Services	79,894	46,068	57,030	59,882	62,876	66,019	69,320
External M&S							
Housing Access & Retention	1,212	2,532	470	-	-	-	-
Total	81,106	48,600	57,500	59,882	62,876	66,019	69,320

Section 108

In the spring of 2009, the Council approved \$15 million of borrowing from HUD under the Section 108 program. The focus of the funding is the preservation of existing affordable housing. This line of credit is backed by the City's CDBG entitlement (and secondarily by the City General Fund). Current policy is for no more than 25% of the bureau's 2008-09 CDBG commitment (equaling approximately \$500,000) to affordable rental housing be used as a principle and interest repayment source. The CDBG forecast reflects that figure.

Approximately \$7.2 million in projects have closed or are in the process of closing. Many of these financial assistance packages fall into the equity gap or cash flow types; therefore program income will be low. This means that CDBG will be making the repayments to HUD. CDBG capacity is at the \$500,000 limit. The bureau will need to review future projects to either identify better program income arrangements, or look to committing more CDBG long term (20-30 years). In last year's forecast, that additional amount was estimated at another \$500,000. Remaining Section 108 funding has been set aside to complete the preservation of several expiring Section 8 projects in the city. In the event that all of the funding is not needed for these preservation projects, it will be offered through a NOFA in the future.

	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
Resources	Actual	Revised	Request	Forecast	Forecast	Forecast	Forecast
Charges for Services	35,390						
Loan Proceeds	4,704,000	8,313,777	7,424,985				
Program Income	20,494						
Total	4,759,884	8,313,777	7,424,985	-	-	-	-
Requirements							
External M&S							
Housing Production & Preservation	14,258						
Projects							
Villa De Suenos	1,413,024	86,976					
Uptown	700,000						
Upshur	373,500	41,500					
Halsey	648,725						
Briarwood	1,115,617	323,383					
Los Jardines	-	400,000					
Roselyn	33,006						
Walnut Park		36,933					
Affordable Rental Housing		7,424,985	7,424,985				
Total	4,298,130	8,313,777	7,424,985	-	-	-	-

Primary HIF

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.

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, City Lights, Housing Revolving Loan – all PDC managed), but one project born of these programs remains – Headwaters, which has been moved to its own fund and is discussed later.

Internal Resources

Internal resources in the HIF consist of a number of reserves which are earmarked for a specific purpose.

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.

PHB combined and no longer fully appropriates these two reserves. The cash is tracked separately in a sub fund. As both are a risk mitigation pool, and have the same original funding source, there is not a need to track in separate funds. In addition, past usage has shown that a \$120,000 appropriation and an \$80,000 contingency should be sufficient annually. The remaining \$600,000 reserve can remain in fund balance.

PHB has developed a growing local match for the McKinney HMIS grant, which is providing additional resources for the staffing of the program. The program provides homeless data collection services statewide.

	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
Resources	Actual	Revised	Request	Forecast	Forecast	Forecast	Forecast
Beginning Balance	808,005	1,220,772	373,851	1,296,416	300,193	378,185	586,224
Interest		10,000	5,000	1,000	1,000	1,000	1,000
Local Shared Revenue	1,649,220						
Loan Payoffs/Property Sales	353,435	665,000					
Program Income	1,039,937	678,945	782,900	772,400	720,800	720,800	702,400
Total	3,850,597	2,574,717	1,161,751	2,069,816	1,021,993	1,099,985	1,289,624
Requirements							
Personal Services	518,184	470,987	576,561	479,623	498,808	443,761	461,511
External M&S	1,590	66,060					
Next Generation Loan Serv. & Asset Mgt. Sys	25,600	416,153					
Housing Access & Stabilization		200,000	200,000	200,000	200,000	200,000	200,000
Housing Production & Preservation	2,754						
Projects							
Sawash	29,240						
Bellrose	50,000						
Rosewood	187,301						
Clifford	253,725						
Eastgate	198,417						
Affordable Rental Housing				1,000,000			
Homeowner Access & Retention	465,214	180,000					
General Fund Overhead		67,666	288,774	290,000	145,000	70,000	72,000
TIF Working Capital Transfer	2,118,572						
Contingency	-	1,173,851	96,416	100,193	178,185	386,224	556,113
Total	3,850,597	2,574,717	1,161,751	2,069,816	1,021,993	1,099,985	1,289,624

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 tried to conservative in how much ongoing staff cost to plan against this income stream and the forecast reflects declining Personal Services usage of HIF resources after FY 2012-13. This downward trend is tempered somewhat by the potential of original HIF loans being paid off, and the City being repaid a portion of principle. While this has not been an uncommon occurrence, it is unpredictable. The forecast notes, but 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. However, the bureau is experiencing a significant cost increase via General Fund overhead charges. This increase is driven by a change in overhead metrics from one based upon use of services to one based primarily on budget size and secondarily on staffing. This change was made to fit the Council-approved City financial policy that overhead charges be “predictable and equitable”. Because of pass-through payments related to a PDC first-mortgage program (that has since been cancelled) and Section 108 disbursements recently, the HIF sees a 426% increase General Fund overhead charges. As

the spike in HIF expenditures passes further into history, the forecast assumes a moderation in these charges.

Headwaters

One City Lights project, the Headwaters – a multi-income property, was completed. The project was executed by PDC. Rental income is collected by a property management firm, income net of property management costs is collected by PDC and transferred to PHB and held in reserve. This reserve covers annual debt repayment, the debt service reserve, and the excess revenue reserve.

At this date it is unclear whether City Lights will generate tangible excess revenue from the Headwaters project. The bureau is conservatively estimating positive excess revenue generation at this point in the forecast. This scenario also assumes the calling of Series B bonds and payment of the deferred developer fee at some point in the future outside of the forecast period as sufficient reserves are available (staff is currently analyzing options).

	FY 2010-11	FY 2011-12	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
Resources	Actual	Adopted	Revised	Request	Forecast	Forecast	Forecast	Forecast
Beginning Balance	-	284,326	284,326		227,936	290,506	348,076	400,646
Net Operating Income - PDC	1,060,568	814,728	900,000	859,500	890,000	885,000	880,000	875,000
Fund Transfers				-			-	
Interest	(219)			500	500	500	500	500
Total	1,060,349	1,099,054	1,184,326	860,000	1,118,436	1,176,006	1,228,576	1,276,146

Requirements								
External M&S	729		169,642	62,914	30,844	30,844	30,844	30,844
Debt Service	775,294	786,748	786,748	797,086	797,086	797,086	797,086	797,086
GFOH		1,828	-					
Contingency	284,326	310,478	227,936		290,506	348,076	400,646	448,216
Total	1,060,349	1,099,054	1,184,326	860,000	1,118,436	1,176,006	1,228,576	1,276,146

Community Development Block Grant Fund

	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
Resources	Actual	Revised	Request	Forecast	Forecast	Forecast	Forecast
Carryover		7,485,118	3,807,551	1,172,593	488,211	912,931	51,540
Grants	9,589,402	9,031,902	\$7,720,018	7,720,018	7,720,018	7,720,018	7,720,018
ARRA	1,503,740	157,926					
Program Income	1,499,402	640,800	1,064,000	1,043,000	1,031,000	978,000	900,000
Encumbrance c/o	484,131						
Miscellaneous	29,899						
Total	13,106,574	17,315,746	12,591,569	9,935,611	9,239,229	9,610,949	8,671,558
Requirements							
Personal Services	2,069,619	1,775,863	1,590,049	1,553,651	1,615,797	1,530,429	1,591,646
Indirect	377,365	564,928	479,536	493,923	508,740	524,002	539,722
External/Internal M&S	223,339	156,095	55,984	55,750	56,000	56,500	57,000
General Fund Overhead					-	-	-
Contracts							
Housing Access & Stabilization	1,891,125	1,344,485	1,105,100	1,127,202	1,149,746	1,172,741	1,196,196
Planning, Policy & Communications			223,400	227,868	232,425	237,074	241,815
Housing Production & Preservation	303,270	205,000	150,000	150,000	150,000	150,000	137,417
Project & CHDO Support	625,827	149,300	-	-	-	-	-
Section 108 Repayment	551,549	495,000	495,000	495,000	495,000	495,000	495,000
Homeowner Access & Retention	831,760	1,632,405	1,205,000	1,229,100	1,253,682	1,278,756	1,297,855
BDS Inspections	225,600	-	-	-	-	-	-
Economic Opportunity	2,804,791	2,376,034	2,114,907	2,114,907	2,114,907	2,114,907	2,114,907
Projects							
Affordable Rental Housing		500,000	3,500,000	2,000,000	750,000	2,000,000	1,000,000
Butte	-	190,706					
Sawash/Tisitlal	198,061	22,258					
Taggart		237,238					
Kehillah		75,000	200,000				
Hatfield	-	846,727					
Otesha	-	1,279,230					
Hillsdale Terrace		1,500,000	300,000				
ARRA							
Economic Opportunity	498,210						
Affordable Rental Housing	22,117	-					
		82,314					
Hewitt Place	177,574	-					
Taggart	64,533						
PCRI-4Properties	631,319	75,612					
Arbor Glen	110,515						
PBOT Transfer	1,500,000						
Contingency		3,807,551	1,172,593	488,211	912,931	51,540	
Total	13,106,574	17,315,746	12,591,569	9,935,611	9,239,229	9,610,949	8,671,558

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 has lead the bureau in the past 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, and it is likely spending of these funds will be completed in FY 2011-12 (they must be spent by fall of 2012).

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 and consulting services. Under the public service cap, several eligible homeless services activities, homebuyer assistance, and weatherization are funded. Also found under the public service cap are several activities under contract with area agencies for their Economic Opportunity program.

Program Income

CDBG program income has been in decline from highs of approximately \$2-5 million in the past 15 years. Program income is currently approximately \$1,100,000, boosted by more regular cash flow loan payments and income from two Section 108 loans. There is an interesting lag between the HUD tracking system and the City financial system in terms of program income. However, the receipt of program income directly to PHB has allowed for better tracking and forecasting. HUD uses the figures from their tracking system for the purposes of cap calculations. This resource is also forecast to go down moderately over time, which impacts staff and program delivery spending.

Program Delivery

PHB funds program delivery staff under CDBG. 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. The bureau will focus on setting aside CDBG to use in years where TIF resources are scarce; however there will be less future flexibility in using CDBG funds for other programs while maximizing resources for affordable housing development projects.

Carryover

The CDBG fund has a long history of carryover due to the ebb and flow of housing project schedules. The bureau has tightened both budgeting and schedule estimates, as well as being more diligent about whether all prior year entitlement funds have been accessed. Carryover of appropriations will still need to occur, but the bureau will use the spring BuMP and the Request and Approved Budget to be more transparent about those changes.

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. The bureau has seen reductions in CDBG entitlement funding each of the last two federal fiscal years, including the 15% cut impacting PHBs FY 2012-13 budget. The forecast assumes no growth in the entitlement from that point through the rest of the forecast. In addition, program income is forecast to continue to decline.

In terms of future obligations, the bureau has committed up to \$1.8 million in CDBG funds for the HAP Hillsdale Terrace Hope VI project. These funds are currently reserved and will be substantially disbursed in FY 2011-12, with the remainder carried over. 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 20-30 years with CDBG funds. There are a number of variables involved that will impact the ultimate annual payment, including interest rates, type of loan, and when funds are drawn on the loan. For planning purposes, the bureau is assuming \$495,000 annually once the full loan is expended. This assumes that the remainder of the loans from Section 108 proceeds is of the normally amortizing variety, which would throw off program income that could be used in lieu of CDBG for repayment to HUD. If not, further CDBG (up to another \$500,000) would be committed long term to debt repayment.

HOME

	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
Resources	Actual	Revised	Request	Forecast	Forecast	Forecast	Forecast
Beginning Balance		5,455,232	3,090,919	733,582	642,212	530,370	408,439
Grants	5,225,229	4,039,704	\$2,893,635	2,893,635	2,893,635	2,893,635	2,893,635
Program Income	1,031,642	363,000	325,500	325,500	322,600	308,100	303,400
Encumbrance c/o							
Total	\$6,256,871	\$9,857,936	\$6,310,054	\$3,952,717	\$3,858,447	\$3,732,105	\$3,605,474
Requirements							
Personal Services	363,476	384,077	381,272	238,000	247,520	234,896	244,292
External/Internal M&S							
Contracts							
Housing Access & Stabilization	379,396	436,971	395,000	402,605	410,657	418,870	427,248
Housing Production & Preservation							
CHDO Support	180,486	148,700	400,000	144,700	144,700	144,700	144,700
Projects							
Loan Servicing/Asset Mgmt System	12,977	372,829					
PCRI - Scattered Big10		355,670					
Providence House		-	375,000				
MLK Fargo		975,000					
Firland		1,000,000					
Rockwood	1,000,199	111,314					
Villa De Suenos	1,125,000						
Briarwood	757,215	50,000					
Ainsworth Court	526	1,399,474					
Affordable Rental Housing	-	500,000	3,500,000	2,000,000	2,000,000	2,000,000	2,000,000
Gresham Funds	1,320,235	884,482	392,500	392,500	392,500	392,500	392,500
Multnomah County Funds		148,500	132,700	132,700	132,700	132,700	132,700
Contingency		3,090,919	733,582	642,212	530,370	408,439	264,035
Total	\$5,139,510	\$9,857,936	\$6,310,054	\$3,952,717	\$3,858,447	\$3,732,105	\$3,605,474

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 has tended 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 \$325,000, 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. However, the receipt of program income directly to PHB has allowed for better tracking and forecasting. 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. This resource is also forecast to go down moderately over time, which impacts staff and program delivery spending.

Program Delivery

PHB funds program delivery staff working on HOME funded projects from CDBG funds per HUD recommendation. The bulk of HOME funds are used for affordable housing development. The availability for this use will become critical as TIF resources dwindle.

Carryover

The HOME fund also has a long history of carryover due to the ebb and flow of housing project schedules. The bureau has tightened both budgeting and schedule estimates, as well as being more diligent about whether all prior year entitlement funds have been accessed. Carryover of appropriations will still need to occur, but the bureau will use the spring BuMP and the Request and Approved Budgets to be more transparent about those changes.

Future Look

HOME is subject to the same uncertainty at the federal level as CDBG. The bureau has seen a substantial reduction in HOME entitlement funding (28%) impacting PHBs FY 2012-13 budget. The forecast assumes no growth in the entitlement from that point through the rest of the forecast. In addition, program income is forecast to continue to decline.

Federal Grants

Entitlements

PHB receives two other, smaller entitlement grants – the Emergency Solutions 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. The bureau has received second phase allocations for these grants, and these additional funds are reflected in the forecast beginning in the current year for HOPWA, and in FY 2012-13 for ESG.

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 (HPRRP). This was a one-time allocation of funds, but the bureau is spending the funds over two fiscal years.

HOPWA

Resources	FY 2010-11 Actual	FY 2011-12 Revised	FY 2012-13 Request	FY 2013-14 Forecast	FY 2014-15 Forecast	FY 2015-16 Forecast	FY 2016-17 Forecast
Grants	1,556,489	1,503,025	1,766,241	1,766,241	1,531,533	1,296,824	1,296,824
Encumbrance c/o							
Total	1,556,489	1,503,025	1,766,241	1,766,241	1,531,533	1,296,824	1,296,824

Requirements							
Personal Services	30,764	34,677	68,298	71,030	55,271	38,882	40,437
External M&S							
Housing Production & Preservation	403,123	124,000					
Housing Access & Stabilization	1,122,602	1,344,348	1,697,943	1,695,211	1,476,261	1,257,942	1,256,387
Total	1,556,489	1,503,025	1,766,241	1,766,241	1,531,532	1,296,824	1,296,824

ESG

Resources	FY 2010-11 Actual	FY 2011-12 Revised	FY 2012-13 Request	FY 2013-14 Forecast	FY 2014-15 Forecast	FY 2015-16 Forecast	FY 2016-17 Forecast
Grants	493,438	440,264	971,609	971,609	971,609	971,609	971,609
Total	493,438	440,264	971,609	971,609	971,609	971,609	971,609

Requirements							
Personal Services	19,375	15,320	42,996	42,996	42,996	42,996	42,996
External M&S							
Housing Access & Stabilization	437,091	424,944	928,613	928,613	928,613	928,613	928,613
Total	456,466	440,264	971,609	971,609	971,609	971,609	971,609

HPRRP-ARRA

Resources	FY 2010-11 Actual	FY 2011-12 Revised	FY 2012-13 Request	FY 2013-14 Forecast	FY 2014-15 Forecast	FY 2015-16 Forecast	FY 2016-17 Forecast
Grants	2,047,735	163,497					
Total	2,047,735	163,497	-	-	-	-	-

Requirements							
Personal Services	57,464						
External M&S							
Housing Access & Stabilization	2,110,890	163,497					
Total	2,168,354	163,497	-	-	-	-	-

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 into FY 2012-13. The bureau anticipates re-applying for lead funds in the fall 2012 federal funding process. The newest grant is the Healthy Homes Grant, being spent in collaboration with Multnomah County over three fiscal years. The Neighborhood Stabilization Program (NSP), a homeownership assistance grant has been spent over the past two fiscal years, and another award has been made for FY 2011-12. As in the prior forecast, it is assumed that there will be some carryover of NSP funds into FY 2012-13.

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 as a match 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.

Lead

Resources	FY 2010-11 Actual	FY 2011-12 Revised	FY 2012-13 Request	FY 2013-14 Forecast	FY 2014-15 Forecast	FY 2015-16 Forecast	FY 2016-17 Forecast
Grants	816,271	2,181,674	1,344,588				
Total	816,271	2,181,674	1,344,588	-	-	-	-

Requirements							
Personal Services	264,202	265,142	213,802		-	-	-
External M&S							
Housing Access & Retention	604,861	1,734,380	1,130,786				
Indirect	122,493	182,153					
Total	991,556	2,181,674	1,344,588	-	-	-	-

Healthy Homes

Resources	FY 2010-11 Actual	FY 2011-12 Revised	FY 2012-13 Request	FY 2013-14 Forecast	FY 2014-15 Forecast	FY 2015-16 Forecast	FY 2016-17 Forecast
Grants	8,659	441,341	418,429	140,230			

Requirements							
Personal Services	3,669	91,221	68,201	71,611		-	-
External M&S	4,990	350,120	350,228	68,619			
Housing Access & Retention							
Total	8,659	441,341	418,429	140,230	-	-	-

NSP

Resources	FY 2010-11 Actual	FY 2011-12 Revised	FY 2012-13 Request	FY 2013-14 Forecast	FY 2014-15 Forecast	FY 2015-16 Forecast	FY 2016-17 Forecast
Grants	2,504,084	301,962	807,330				
Program Income		107,143					
Total	2,504,084	409,105	807,330	-	-	-	-

Requirements							
Personal Services	68,891	57,632	49,188		-	-	-
External M&S							
Housing Access & Retention	2,435,193	310,000	758,142				
Indirect		41,473					
Total	2,504,084	409,105	807,330	-	-	-	-

McKinney – OTIS

	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
Resources	<u>Actual</u>	<u>Revised</u>	<u>Request</u>	<u>Forecast</u>	<u>Forecast</u>	<u>Forecast</u>	<u>Forecast</u>
Grants	270,717	271,986	271,986	271,986	271,986	271,986	271,986
Total	270,717	271,986	271,986	271,986	271,986	271,986	271,986

Requirements							
Personal Services	7,134	6,220	6,370	6,370	6,370	6,370	6,370
External M&S							
Housing Access & Stabilization	263,583	265,766	265,616	265,616	265,616	265,616	265,616
Total	270,717	271,986	271,986	271,986	271,986	271,986	271,986

McKinney - HMIS

	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
Resources	<u>Actual</u>	<u>Revised</u>	<u>Request</u>	<u>Forecast</u>	<u>Forecast</u>	<u>Forecast</u>	<u>Forecast</u>
Grants	228,372	241,074	241,074	241,074	241,074	241,074	241,074
Total	228,372	241,074	241,074	241,074	241,074	241,074	241,074

Requirements							
Personal Services	153,883	166,585	166,026	166,026	166,026	166,026	166,026
External M&S	74,489	74,489	75,048	75,048	75,048	75,048	75,048
Fund Transfer							
Total	228,372	241,074	241,074	241,074	241,074	241,074	241,074

Tax Increment Financing

Tax Increment Financing (TIF) is not new to either the City or to housing development. TIF funds for housing will be expended by PHB, which will then be reimbursed by PDC, net of program income received by the bureau. PHB receives the program income directly, because the City now holds all of the affordable housing loans. 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 the fund summary below, and will be allocated based upon the direct expenses. The General Fund section discussed how indirect costs are allocated. 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 location restrictions also put pressure on the bureaus' less restrictive funding sources when opportunities arise that cannot be fully addressed with TIF.

The bureau is experiencing a significant cost increase via General Fund overhead charges applied to the TIF fund. This increase is driven by a change in overhead metrics from one based upon use of services to one based primarily on budget size and secondarily on staffing. This change was made to fit the Council-approved City financial policy that overhead charges be "predictable and equitable". The bubble of housing development spending in the TIF fund is causing a 791% in General Fund overhead charges. While these charges will moderate as TIF spending reverts to a new normal, it will be a substantial cost of doing business that the bureau not direct related to the cost of services.

TIF Reimbursement Fund

	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
Resources	Actual	Revised	Request	Forecast	Forecast	Forecast	Forecast
Beginning Balance		280,611					
Fund Transfers							
Tax Increment	265,513	1,758,854	2,171,181	2,039,959	1,876,355	1,786,131	1,760,512
Float	2,118,572						
Total	\$ 2,384,085	\$ 2,039,465	\$ 2,171,181	\$ 2,039,959	\$ 1,876,355	\$ 1,786,131	\$ 1,760,512
Requirements							
Personal Services - Direct Staff	1,200,405	1,194,943	887,835	805,902	810,000	777,000	743,000
Personal Services - Indirect Staff	897,296	930,799	884,712	832,712	866,020	800,661	800,661
General Fund Overhead		73,771	584,235	600,000	400,000	400,000	400,000
Bureau Indirect	1,486,789	1,034,895	702,234	607,247	610,335	585,470	559,851
<i>Staff & Indirect Subtotal</i>	<i>\$ 3,584,490</i>	<i>\$ 3,234,408</i>	<i>\$ 3,059,016</i>	<i>\$ 2,845,861</i>	<i>\$ 2,686,355</i>	<i>\$ 2,563,131</i>	<i>\$ 2,503,512</i>
Float	2,118,572	-	-	-	-	-	-
Total	\$ 2,384,085	\$ 2,039,465	\$ 2,171,181	\$ 2,039,959	\$ 1,876,355	\$ 1,786,131	\$ 1,760,512

Tax Revenue Forecast

After PDC and OMF took a hard look at tax revenue forecasts in 2011, resources for most URAs had been reset downward. The reason for the reset was a decline in property values where the real market value of more properties is coming within 70% of assessed value. In addition, OMF wants to use a 200% coverage ratio on future long-term debt issuances in response to the financial markets. For FY 2012-13 and beyond, this reset is holding, and in fact in some URAs (primarily River District and Interstate) the resource outlook has improved slightly. In addition, a final bond issuance in the Convention Center URA has provided an unanticipated resource.

Future Look

The TIF portion of the PHB budget for FY 2010-13 is in the \$40-60 million range annually. This is a bubble of funding that shrinks dramatically over the life of the forecast (to \$17-18 million), which will challenge the bureau in maintaining the supply of affordable housing delivery products.

	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
	<u>Actual</u>	<u>Revised</u>	<u>Request</u>	<u>Forecast</u>	<u>Forecast</u>	<u>Forecast</u>	<u>Forecast</u>
Central Eastside URA							
Resources							
Loan Income	2,711	2,100	2,100	2,100	2,100	2,100	2,100
Tax Increment	842,842	74,268	40,776	35,843	1,080,812	2,646,344	82,137
Other	(755)						
<i>Central Eastside URA Total</i>	<i>\$844,798</i>	<i>\$76,368</i>	<i>\$42,876</i>	<i>\$37,943</i>	<i>\$1,082,912</i>	<i>\$2,648,444</i>	<i>\$84,237</i>
Requirements							
Personnel Services - Direct Staffing	19,075	28,214	12,444	10,745	25,000	45,000	25,000
Indirect Costs (Staffing and Overhead)	29,448	48,154	30,432	27,199	57,912	103,444	59,237
H80046 CES Clifford Apartments Rehab	796,275	-	-	-	-	-	-
H80045 Hooper Center							
H89030 Affordable Rental Housing	-				1,000,000	2,500,000	
Convention Center URA							
Resources							
Beginning Balance	-	44,634	0	(0)	(0)	(0)	(0)
Predev Loan Payoffs/Property Sales	300,000	1,563,882	1,000,000				
Loan Income	86,393	62,400	62,400	62,400	62,400	62,400	62,400
Tax Increment	3,459,172	976,536	9,323,779	476,687			
Other	(3,708)						
<i>Convention Center URA Total</i>	<i>\$3,841,857</i>	<i>\$2,647,452</i>	<i>\$10,386,179</i>	<i>\$539,087</i>	<i>\$62,400</i>	<i>\$62,400</i>	<i>\$62,400</i>
Requirements							
Personnel Services - Direct Staffing	129,818	78,398	78,019	84,917	15,500	16,000	16,500
Indirect Costs (Staffing and Overhead)	104,751	133,806	190,794	214,948	35,906	36,780	39,096
H19032 King/Parks Affordable Housing	135,664	-	-	-	-	-	-
Land Purchase Repayment		752,660					
H80003 Lloyd Cascadian Phase II	2,590	21,500	8,667				
H80010 Fremont Housing	-	-	-	-	-	-	-
H80026 Grant Warehouse - Affordable Housing	263,664	-	-	-	-	-	-
Land Purchase Repayment		811,222					
H80002 MFH - 2nd and Wasco	13,085	6,500	8,700				
H80042 OCC Miracles Club	2,564,744	362,752	-	-	-	-	-
H80043 Rose Qtr Afford Rental Housing	-	-	-	-	-	-	-
H89030 Affordable Rental Housing		-	10,100,000	239,222	10,994	9,620	6,804
H89049 McCoy Apartments Rehab	582,907	480,614	-	-	-	-	-
<i>Convention Center URA Total</i>	<i>\$3,797,223</i>	<i>\$2,647,452</i>	<i>\$10,386,180</i>	<i>\$539,087</i>	<i>\$62,400</i>	<i>\$62,400</i>	<i>\$62,400</i>
Downtown Waterfront URA							
Resources							
Beginning Balance		121,282	42,639	926,802	9,904	85,807	644,126
Loan Income	868,109	482,600	604,800	604,800	604,800	604,800	604,800
Tax Increment		-		517,400	1,717,345		
Other	3,054	3,000	3,000	3,000	3,000	3,000	3,000
<i>Downtown Waterfront URA Total</i>	<i>\$871,163</i>	<i>\$606,882</i>	<i>\$650,439</i>	<i>\$2,052,002</i>	<i>\$2,335,049</i>	<i>\$693,607</i>	<i>\$1,251,926</i>
Requirements							
Personnel Services - Direct Staffing		3,000	17,436	40,240	45,000	15,000	25,000
Indirect Costs (Staffing and Overhead)		5,120	42,639	101,858	104,242	34,481	59,237
H89030 Affordable Rental Housing	-	-		1,900,000	2,100,000		1,100,000
H20001 Butte Hotel		100,000					
Contingency		379,077	590,364	9,904	85,807	644,126	67,689
Program Income Repayment	749,881	119,685					
<i>Downtown Waterfront URA Total</i>	<i>\$749,881</i>	<i>\$606,882</i>	<i>\$650,439</i>	<i>\$2,052,002</i>	<i>\$2,335,049</i>	<i>\$693,607</i>	<i>\$1,251,926</i>

- Central Eastside – A URA with minimal available resources, funding available for affordable housing has further improved from the prior forecast, with higher-than-anticipated amount occurring sooner.
- Convention Center - An expiring URA, some portions moved to the Interstate URA via a boundary change in 2011. A final bond sale has produced an additional \$9.1 million for affordable housing in FY 2012-13.

- Downtown Waterfront – This URA is also expiring. There is approximately \$2.2 million allocated for affordable housing, but the URA also has a healthy amount of program income that will boost the amount of funds for affordable housing.

	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
	Actual	Revised	Request	Forecast	Forecast	Forecast	Forecast
Gateway Regional Center URA							
Resources							
Beginning Balance		31,496	(0)	(0)	(0)	0	0
Predev Loan Payoffs/Property Sales			900,000				
Loan Income		250	-	-	-	-	-
Tax Increment	92,570	1,598,733	4,197,337	90,282	1,153,406	54,780	57,596
Other	(14)	(200)					
<i>Gateway Regional Center URA Total</i>	<i>\$92,556</i>	<i>\$1,630,279</i>	<i>\$5,097,337</i>	<i>\$90,282</i>	<i>\$1,153,406</i>	<i>\$54,780</i>	<i>\$57,596</i>
Requirements							
Personnel Services - Direct Staffing	35,600	42,959	91,522	25,000	15,500	16,000	16,500
Indirect Costs (Staffing and Overhead)	17,975	73,320	223,815	63,282	35,906	36,780	39,096
H89030 Affordable Rental Housing	-	-	-	-	1,100,000	-	-
H20017 Ventura Park	-	100,000	300,000				
H89034 Gateway/Glisan	7,485	1,414,000	4,480,000	-	-		
H20035 Property Management			2,000	2,000	2,000	2,000	2,000
<i>Gateway Regional Center URA Total</i>	<i>\$61,060</i>	<i>\$1,630,279</i>	<i>\$5,097,337</i>	<i>\$90,282</i>	<i>\$1,153,406</i>	<i>\$54,780</i>	<i>\$57,596</i>
Net	\$ 31,496	\$ (0)	\$ (0)	\$ (0)	\$ 0	\$ 0	\$ 0
Interstate URA							
Resources							
Beginning Balance		350,412	0	(0)	(0)	0	(0)
Predev Loan Payoffs/Property Sales	2,434,996	1,500,000	510,000				
Loan Income	26,289	10,100	10,100	10,100	10,100	10,100	10,100
Tax Increment	2,974,568	5,532,822	5,372,973	4,225,529	1,586,868	1,583,675	2,663,793
Other	(152)						
<i>Interstate URA Total</i>	<i>\$5,435,701</i>	<i>\$7,042,922</i>	<i>\$5,893,073</i>	<i>\$4,235,629</i>	<i>\$1,596,968</i>	<i>\$1,593,775</i>	<i>\$2,673,893</i>
Requirements							
Personnel Services - Direct Staffing	299,645	259,275	165,358	180,000	180,000	180,000	200,000
Indirect Costs (Staffing and Overhead)	12,588	442,517	404,379	455,629	416,968	413,775	473,893
H34606 Killingsworth Block	-	850,000	-	-	-	-	-
H19032 King/Parks Affordable Housing		510,000	1,123,336				
Land Purchase		752,660					
H80026 Grant Warehouse - Affordable Housing							
Land Purchase		811,222					
H80042 Miracles Club		171,384					
H89049 McCoy Apartments Rehab		679,368					
H38712 Woolsey Corner Homeownership Dev	480,858	-	-	-	-	-	-
H89046 PCRI Home Exeter/Fessenden	605,808	20,000	-	-	-	-	-
H20027 PCRI Scattered Sites 2 (NOFA)	-	237,115					
H89030 Affordable Rental Housing	-	-	3,200,000	2,600,000	-	-	1,000,000
H89047 Bridge Meadows	1,140,140	103,509	-	-	-	-	-
H38711 Rivergate	192,501	19,250					
H89010 Home Repair Projects	479,010	688,778	500,000	500,000	500,000	500,000	500,000
H37932 HAP Afford Ownership/Rehab	1,600,393	646,991	-	-	-	-	-
H89020 Home Buyer Assistance	274,346	850,853	500,000	500,000	500,000	500,000	500,000
<i>Interstate URA Total</i>	<i>\$5,085,289</i>	<i>\$7,042,922</i>	<i>\$5,893,073</i>	<i>\$4,235,629</i>	<i>\$1,596,968</i>	<i>\$1,593,775</i>	<i>\$2,673,893</i>

- Gateway – The bulk of available funds are committed to a project currently underway, but by FY 2014-15 there may be additional funds available for affordable housing.
- Interstate – This URA has seen some improvement in funds available for affordable housing. There is a substantial block of funds (currently in the bureaus NOFA process), but there is still a drop off in available funds until the last year of the forecast.

	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
	Actual	Revised	Request	Forecast	Forecast	Forecast	Forecast
Lents Town Center URA							
Resources							
Beginning Balance		117,333	0	0	0	0	(0)
Predev Loan Payoffs/Property Sales	1,430,000	1,000,000					
Loan Income	99,079	5,700	8,700	8,700	8,700	8,700	8,700
Tax Increment	2,911,937	6,728,606	1,597,534	1,665,905	2,899,798	4,477,818	1,684,269
Other	(1,599)	400					
<i>Lents Town Center URA Total</i>	<i>\$4,439,417</i>	<i>\$7,852,039</i>	<i>\$1,606,234</i>	<i>\$1,674,605</i>	<i>\$2,908,498</i>	<i>\$4,486,518</i>	<i>\$1,692,969</i>
Requirements							
Personnel Services - Direct Staffing	263,576	255,602	173,138	185,000	268,000	268,000	200,000
Indirect Costs (Staffing and Overhead)	573,423	436,248	423,405	468,286	620,819	616,066	473,893
H33441 Dahlia Commons/Svaboda	38,214	2,134,300	-	-	-	-	-
H33442 Habitat for Humanity #3	20,094	-	-	-	-	-	-
H20031 Beyer Court	-	330,872	-	-	-	-	-
H20032 Firland		1,114,000					
H20033 PCRI/Scat Site89/Ellis		88,882					
H89030 Affordable Rental Housing	-	-			1,000,000	2,600,000	
H89031 The Glen	1,306,710	462,359					
H20023 Holgate House	-	1,076,147					
H89010 Home Repair Projects	339,276	678,008	500,000	500,000	500,000	500,000	500,000
H37930 Scat Site Home Rehab & Subs HAP	1,508,154	807,000	-	-	-	-	-
H89020 Home Buyer Assistance	272,637	468,621	500,000	510,000	510,000	500,000	510,000
H20035 Property Management			9,691	11,319	9,679	2,453	9,076
<i>Lents Town Center URA Total</i>	<i>\$4,322,084</i>	<i>\$7,852,039</i>	<i>\$1,606,234</i>	<i>\$1,674,605</i>	<i>\$2,908,498</i>	<i>\$4,486,519</i>	<i>\$1,692,969</i>
North Macadam URA							
Resources							
Beginning Balance		207,451	0	(0)	0	0	(0)
Predev Loan Payoffs/Property Sales	329,464						
Tax Increment	3,170,045	9,362,572	9,959,182	1,320,626	69,646	72,572	1,711,626
Other	10,675						
<i>North Macadam URA Total</i>	<i>\$3,510,184</i>	<i>\$9,570,023</i>	<i>\$9,959,182</i>	<i>\$1,320,626</i>	<i>\$69,646</i>	<i>\$72,572</i>	<i>\$1,711,626</i>
Requirements							
Personnel Services - Direct Staffing	174,343	123,914	76,662	20,000	21,000	22,000	45,000
Indirect Costs (Staffing and Overhead)	3,009	211,490	187,475	50,625	48,646	50,573	106,626
H10543 Affordable Veterans Housing	3,125,381	9,234,619	9,695,045	1,250,000	-	-	-
H89030 Affordable Rental Housing	-	-	-	-	-	-	1,560,000
<i>North Macadam URA Total</i>	<i>\$3,302,733</i>	<i>\$9,570,023</i>	<i>\$9,959,182</i>	<i>\$1,320,625</i>	<i>\$69,646</i>	<i>\$72,573</i>	<i>\$1,711,626</i>

- Lents – There is some improvement in this URA as well, with a more positive blip in FY 2014-16.
- North Macadam/South Waterfront – While a newer URA, increment growth has only recently picked up, and has been used for debt to cover the costs of the Block 49 affordable housing project. After the completion of that project, there is no funding for affordable housing for several years.

	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
	<u>Actual</u>	<u>Revised</u>	<u>Request</u>	<u>Forecast</u>	<u>Forecast</u>	<u>Forecast</u>	<u>Forecast</u>
River District URA							
Resources							
Beginning Balance	157,601	250,377	(0)	(0)	(0)	(0)	0
Loan Income	587,144	426,562	421,000	394,400	394,400	394,400	394,400
Tax Increment	14,144,133	25,740,826	4,780,312	5,060,004	7,950,133	7,979,751	7,994,492
Other	(4,148)						
<i>River District URA Total</i>	<i>\$14,884,730</i>	<i>\$26,417,765</i>	<i>\$5,201,312</i>	<i>\$5,454,404</i>	<i>\$8,344,533</i>	<i>\$8,374,151</i>	<i>\$8,388,892</i>
Requirements							
Personnel Services - Direct Staffing	188,798	158,525	148,401	160,000	190,000	200,000	200,000
Indirect Costs (Staffing and Overhead)		270,562	362,911	405,004	440,133	459,751	473,893
H32138 The Ramona	6,542,242	547,758	-	-	-	-	-
H12030 Fairfield Apartments	22,705		65,000	64,400	64,400	64,400	65,000
H37938 Blanchet House Redev	143,743	4,002,250					
H89030 Affordable Rental Housing	-	60,000	3,600,000	4,800,000	7,650,000	7,650,000	7,650,000
H37937 Bud Clark Center	7,692,176	17,978,670	-	-	-	-	-
H37940 New Avenues for Youth	9,190	-	-	-	-	-	-
H80036 Yards at Union Station	4,025	3,400,000	1,000,000	-	-	-	-
H20035 Property Management	31,474		25,000	25,000			
<i>River District URA Total</i>	<i>\$14,634,353</i>	<i>\$26,417,765</i>	<i>\$5,201,312</i>	<i>\$5,454,404</i>	<i>\$8,344,533</i>	<i>\$8,374,151</i>	<i>\$8,388,893</i>
South Park Blocks URA							
Resources							
Beginning Balance		(11,929)	3,589,968				
Predev Loan Payoffs/Property Sales		3,552,826		1,800,000			
Loan Income	566,351	133,000	158,700	158,700	158,700	158,700	158,700
Tax Increment	2,800,311	750,148	3,204,517	192,428			
Other	26,469	2,000	2,000	2,000	7,124		
<i>South Park Blocks URA Total</i>	<i>\$3,393,131</i>	<i>\$4,426,045</i>	<i>\$6,955,185</i>	<i>\$2,153,128</i>	<i>\$165,824</i>	<i>\$158,700</i>	<i>\$158,700</i>
Requirements							
Personnel Services - Direct Staffing	88,687	80,643	124,855	100,000	50,000	15,000	15,000
Indirect Costs (Staffing and Overhead)	132,986	137,637	305,330	253,127	115,824	34,481	35,542
H12027 Jefferson West Apartments	39,998	86,000	50,000	50,000	-	-	-
H12035 Martha Washington	429,858	-	-	-	-	-	-
H12036 Admiral Apartments	314,346	-	-	-	-	-	-
H12037 Chaucer	2,083,563	531,797	-	-	-	-	-
H34510 SPB Section 8 Preservation	-	3,589,968	3,075,000	1,750,000		109,219	108,158
H34525 James Hawthorne	315,622	-	-	-	-	-	-
H20038 Park Tower Preservation		-					
H20037 Lexington Apartments Preservation							
H20036 1200 Tower Preservation			3,400,000				
<i>South Park Blocks URA Total</i>	<i>\$3,405,060</i>	<i>\$4,426,045</i>	<i>\$6,955,185</i>	<i>\$2,153,127</i>	<i>\$165,824</i>	<i>\$158,700</i>	<i>\$158,700</i>

- River District – This URA has a substantial number of projects winding up development for FY 2010-12, but resource growth and anticipated privately financed development in the URA has boosted the funds available for affordable rental housing significantly throughout the forecast. FY 2012-13 includes reprogramming construction savings from the Bud Clark Commons project (\$1.4 million).
- South Park Blocks – This URA is expiring. However the bureau also received a substantial (\$3.5 million) loan payoff in FY 2011-12 that will bolster remaining funds and program income in the URA.