

Portland Housing Bureau

FY 2013-2018 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.

Tax increment financing (TIF) availability drops from a bubble of spending from 2009 through 2014 at level of \$40-54 million to a new normal in the \$17-23 million range. This reflects a slight increase in available TIF funding over the forecast period due to a more positive revenue outlook in some urban renewal areas (URA). As noted in previous forecasts, the TIF spending bubble tends to stretch out due to project timing. Loan income for both the HIF and the major entitlement grant funds continues to decline over the period as well due loans paying off or restructures.

U.S. Department of Housing and Urban Development (HUD) entitlement grant amounts reflect an assumed 10% reduction in available funds for FY 2013-14. These grants are projected at these new lower levels, and flat over the forecast due to the increased scrutiny of federal budget deficits.

The forecast accounts for the conversion of bureau serial one-time funding (\$4.6 million) to ongoing funding starting in FY 2013-14, which gives the bureau an ongoing General Fund discretionary allocation of approximately \$11 million. However the \$4.6 million does not receive an annual COLA due an interpretation of the CBO.

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 while none in FY 2013-14 up to 4-8 more over the remaining four years of the forecast depending on competitive grant funding.

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Resources	Actual	Revised	Forecast	Forecast	Forecast	Forecast	Forecast
General Fund	11,661,692	11,757,365	11,325,384	11,591,940	11,910,838	12,103,565	12,297,150
Housing Investment Fund	4,317,099	3,226,673	2,728,070	2,352,806	2,248,301	2,229,741	2,215,963
CDBG	10,146,459	16,801,705	11,544,504	9,076,715	8,579,945	7,988,181	7,822,486
HOME	3,695,049	8,748,820	5,093,730	3,326,301	2,942,683	2,832,173	2,889,143
Federal Grants	3,804,261	7,242,648	3,868,152	3,307,649	3,198,648	2,198,649	2,198,649
Section 108	1,050,048	1,556,494	6,000,000	-	-	-	-
Tax Increment Financing	51,771,666	41,193,570	34,201,436	19,851,098	23,232,057	17,406,990	21,515,205
Headwaters	1,301,333	1,253,871	1,350,371	1,452,664	1,554,889	1,654,405	1,754,566
Total	\$ 87,747,606	\$ 91,781,146	\$ 76,111,647	\$ 50,959,172	\$ 53,667,363	\$ 46,413,704	\$ 50,693,163
Requirements							
General Fund	11,661,692	11,757,365	11,325,384	11,591,939	11,910,839	12,103,565	12,297,150
Housing Investment Fund	4,317,099	3,226,673	2,728,070	2,352,806	2,248,301	2,229,741	2,215,963
CDBG	10,146,459	16,801,705	11,544,504	9,076,715	8,579,945	7,988,181	7,822,486
HOME	3,695,049	8,748,820	5,093,730	3,326,301	2,942,683	2,832,173	2,889,143
Federal Grants	3,804,261	7,242,648	3,868,152	3,307,650	3,198,649	2,198,649	2,198,650
Section 108	1,050,048	1,556,494	6,000,000	-	-	-	-
Tax Increment Financing	51,771,665	41,193,569	34,201,436	19,851,098	23,232,059	17,406,990	21,515,205
Headwaters	1,301,333	1,253,871	1,350,371	1,452,664	1,554,889	1,654,405	1,754,566
Total	\$ 87,747,606	\$ 91,781,146	\$ 76,111,647	\$ 50,959,173	\$ 53,667,364	\$ 46,413,704	\$ 50,693,163

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 \$50 million starting in FY 2014-15; in FY 2013-14 if prior year carry forward funds are not counted. Details by funding source follow, as does the bureaus cost of service study.

Note that some fund summaries reflect unbudgeted working capital in order to show the movement of unused funds from one fiscal year to the next where it may be utilized.

General Fund

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2013-14	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Resources	Actual	Revised	Base	90 % Base	Request	Forecast	Forecast	Forecast	Forecast
Intergovernmental	75,000	75,000							
Grant Indirect Charges	577,454	479,536	405,923	405,923	405,923	395,779	409,552	361,385	376,201
General Fund Discretionary									
One-Time	4,332,310	4,909,753							
Ongoing	6,078,601	5,861,971	10,838,629	9,754,766	10,838,629	11,113,129	11,415,989	11,654,549	11,830,912
Encunbrance c/o	578,027	343,166							
Space Rental/Services	14,313	50,939	73,332	73,332	73,332	75,532	77,798	80,132	82,536
Miscellaneous	5,987	37,000	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Total	11,661,692	11,757,365	11,325,384	10,241,521	11,325,384	11,591,940	11,910,839	12,103,565	12,297,150
Requirements									
Personnel Services	429,517	294,863	548,314	548,314	548,314	582,067	553,882	576,591	600,231
External/Internal M&S	913,247	1,199,750	964,451	964,451	1,002,113	1,058,595	1,146,602	1,247,975	1,319,979
Contracts									
Planning, Policy & Communications			40,700	40,700	40,700	41,412	42,448	42,488	43,000
One-Time	10,643	139,400							
Housing Access & Stabilization	5,388,182	4,899,538	9,256,919	8,295,656	9,267,656	9,435,099	9,681,272	9,735,876	9,818,940
One-Time	4,684,784	4,723,814							
Housing Access & Retention			515,000	392,400	466,601	474,767	486,636	500,636	515,000
One-Time	235,319	500,000							
Total	\$11,661,692	\$11,757,365	\$11,325,384	\$10,241,521	\$11,325,384	\$11,591,939	\$11,910,839	\$12,103,565	\$12,297,150

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. In FY 2012-13, the City Council directed that \$4.6 million of this serial one-time funding be converted to ongoing for the future.

In terms of the bureau's original FY 2013-14 ongoing General Fund discretionary allocation of \$10.8 million, approximately \$9.5 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, and TIF Reimbursement Funds. The bureau levies an 81.75% 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. An additional resource is revenue from the Office of Equity for subletting space and some administrative services on PHBs floor in the Commonwealth Building. Future Look

For FY 2013-14, PHB still faces gaps in General Fund discretionary resources. These gaps could include:

1. The bureau made a number of shifts in staff funding due to both the conversion of formerly one-time General Fund to ongoing, and the need to free up CDBG Admin and Planning cap resources for sub-recipients administration costs and an increased focus on asset management. The shift of staffing costs to the General Fund was accomplished without impacting programs due to increases in indirect cost recovery resources and reductions in net operating costs.
2. In order to meet budget direction to submit a ninety percent General Fund base budget, PHB made reductions totally \$1,083,863. While add backs in this amount have been requested, it is not certain how much if any may be restored to the bureau budget

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. But the larger issue is that 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 few years in the area of homeless services as part of the 10 Year Reset. 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 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Resources	Actual	Revised	Request	Forecast	Forecast	Forecast	Forecast
Fund Balance	-	954,090	566,921	270,042	200,000	200,000	200,000
Charges for Services	377,552	555,674	322,275	328,720	345,326	352,233	359,277
Intergovernmental Revenues	199,915	138,500	139,894	144,319	148,921	150,092	151,286
Loan Payoffs/Property Sales	650,237	-	-	-	-	-	-
Interest	21,868	6,100	6,292	6,000	6,000	6,000	5,900
Working Capital	2,232,568	872,309	1,086,688	998,725	943,054	916,417	913,500
Program Income	834,959	700,000	606,000	605,000	605,000	605,000	586,000
Total	4,317,099	3,226,673	2,728,070	2,352,806	2,248,301	2,229,741	2,215,963
Requirements							
Personnel Services	668,829	896,135	1,044,561	931,251	917,383	897,741	931,425
External M&S	695,220	488,142	297,000	237,500	243,500	244,500	245,500
Transfers	322,001	288,774	217,742	141,000	71,000	74,000	77,000
Working Capital	2,631,049	1,453,622	1,068,767	943,055	916,418	913,500	862,037
Contingency	-	100,000	100,000	100,000	100,000	100,000	100,000
Total	4,317,099	3,226,673	2,728,070	2,352,806	2,248,301	2,229,741	2,215,962

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 PHB.

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 PHB 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 PHB.

As the bureau looks to more aggressively restructure loans to ensure the long term viability of the City's affordable housing infrastructure, there is additional downward pressure on loan 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 for single (HOLTE) and multi-family properties (MULTE), taking the duties over from PDC and the Bureau of Planning and Sustainability in FY 2010-11. The LTE programs offer 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, both for-profit and not-for-profit.

A third program that is managed by bureau staff and that also indirectly makes housing more affordable is the Mortgage Credit Certificate Program (MCC). 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. In calendar year 2012 the bureau processed 68 certificates valued at approximately \$1.8 million over the life of the loans.

Fees are paid by applicants for the LTE, SDC, and MCC programs to cover some of 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 changes to those fees as well as those for the LTE programs in the near future. Fee structures are discussed in the Cost of Service section later in this document.

Limited Tax Exemption Administration – Single Family

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Resources	Actual	Revised	Request	Forecast	Forecast	Forecast	Forecast
Charges for Services	144,331	64,500	109,925	112,124	114,366	116,653	118,986
Interest		100					
Working Capital	43,740	76,576	18,708	18,708	18,126	16,933	20,303
Total	188,071	141,176	128,633	130,832	132,492	133,586	139,289
Requirements							
Personnel Services	43,403	56,968	43,425	45,205	47,059	43,783	45,578
External M&S							
Housing Access & Retention	68,092	65,500	66,500	67,500	68,500	69,500	70,500
Working Capital	76,576	18,708	18,708	18,126	16,933	20,303	23,211
Total	188,071	141,176	128,633	130,831	132,492	133,586	139,289

Limited Tax Exemption Administration – Multi-Family

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Resources	Actual	Revised	Request	Forecast	Forecast	Forecast	Forecast
Beginning Balance		6,100	7,961				
Charges for Services	32,232	47,380	58,250	59,415	70,635	72,048	73,489
Interest	82						
Working Capital	3,356	35,670	46,709	43,048	30,956	23,382	15,450
Total	35,670	89,150	112,920	102,463	101,591	95,430	88,939
Requirements							
Personnel Services		9,480	39,872	41,507	43,209	44,980	43,701
External M&S							
Housing Access & Retention		25,000	30,000	30,000	35,000	35,000	35,000
Working Capital	35,670	54,670	43,048	30,956	23,382	15,450	10,237
Total	35,670	89,150	112,920	102,463	101,591	95,430	88,938

System Development Charge Administration

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Resources	Actual	Revised	Request	Forecast	Forecast	Forecast	Forecast
Charges for Services	112,939	89,028	90,800	92,616	94,468	96,357	98,284
Working Capital	10,776	26,716	26,716	29,611	31,402	31,485	29,752
Interest	68		500	500	500	500	500
Total	123,783	115,744	118,016	122,727	126,370	128,342	128,536
Requirements							
Personnel Services	90,937	84,028	83,405	86,825	90,384	94,090	97,948
External M&S							
Housing Access & Retention	6,130	5,000	5,000	4,500	4,500	4,500	4,500
Working Capital	26,716	26,716	29,611	31,402	31,485	29,752	26,088
Total	123,783	115,744	118,016	122,727	126,369	128,342	128,536

Mortgage Credit Certificate Program Administration

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Resources	Actual	Revised	Request	Forecast	Forecast	Forecast	Forecast
Charges for Services	88,050	62,016	63,300	64,566	65,857	67,174	68,518
Local Shared Revenue							
Working Capital	72,781	127,862	127,862	111,290	92,914	72,634	50,344
Interest	642	500	500	500	500	500	400
Total	161,473	190,378	191,662	176,356	159,271	140,308	119,262
Requirements							
Personnel Services	27,374	62,046	74,872	77,942	81,137	84,464	87,927
External M&S							
Housing Access & Retention	6,237	470	5,500	5,500	5,500	5,500	5,500
Working Capital	127,862	127,862	111,290	92,914	72,634	50,344	25,835
Total	161,473	190,378	191,662	176,356	159,271	140,308	119,262

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.

Primary HIF

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Resources	Actual	Revised	Request	Forecast	Forecast	Forecast	Forecast
Beginning Balance	-	747,990	358,960	70,042	-	-	-
Interest	9,189	5,000	1,000	1,000	1,000	1,000	1,000
Other	6,650						
Loan Payoffs/Property Sales	650,237						
Program Income	834,959	700,000	606,000	605,000	605,000	605,000	586,000
Working Capital	1,255,032	673,241	123,699	53,657	28,401	32,180	63,229
Total	2,756,067	2,126,231	1,089,659	729,699	634,401	638,180	650,229
Requirements							
Personnel Services	462,555	576,546	688,218	560,298	531,221	500,951	521,490
External M&S	2,205	48,000					
Next Generation Loan Serv. & Asset Mgt. Sys	368,113	199,139					
Equity, Policy, & Communications	-		60,000				
Housing Production & Preservation		13,100					
Projects							
PCRI		443,000					
Jubilee		75,000					
Homeowner Access & Retention	179,962						
General Fund Overhead	67,666	288,774	217,742	141,000	71,000	74,000	77,000
Transfer to Headwaters	254,335						
Working Capital	1,421,231	482,672	123,699	28,401	32,180	63,229	51,739
Contingency							
Total	2,756,067	2,126,231	1,089,659	729,699	634,401	638,180	650,229

Internal Resources

Internal resources in the HIF consist of a couple 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 \$700,000, 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.

Risk Mitigation Pool

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Resources	Actual	Revised	Request	Forecast	Forecast	Forecast	Forecast
Beginning Balance		200,000	200,000	200,000	200,000	200,000	200,000
Interest	4,709		3,292	4,000	4,000	4,000	4,000
Working Capital	835,669	636,318	636,318	639,610	643,610	647,610	651,610
Total	840,378	836,318	839,610	843,610	847,610	851,610	855,610
Requirements							
External M&S							
Housing Development Finance	4,060	100,000	100,000	100,000	100,000	100,000	100,000
Working Capital	836,318	636,318	639,610	643,610	647,610	651,610	655,610
Contingency		100,000	100,000	100,000	100,000	100,000	100,000
Total	840,378	836,318	839,610	843,610	847,610	851,610	855,610

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 \$100,000 appropriation and a \$100,000 contingency should be sufficient annually. The remaining \$638,000 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, the bureau collects user fees from participating jurisdictions. The fee structure is discussed in the Cost of Service section later in this document.

HMIS Local Match

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Resources	Actual	Revised	Request	Forecast	Forecast	Forecast	Forecast
Intergovernmental Revenues	199,915	138,500	139,894	144,319	148,921	150,092	151,286
Working Capital	11,214	106,676	106,676	102,801	97,645	92,193	82,812
Interest	528	500	1,000				
Total	211,657	245,676	247,570	247,120	246,566	242,285	234,098
Requirements							
Personnel Services	44,560	107,067	114,769	119,475	124,373	129,472	134,781
External M&S	60,421	31,933	30,000	30,000	30,000	30,000	30,000
Working Capital	106,676	106,676	102,801	97,645	92,193	82,812	69,317
Total	211,657	245,676	247,570	247,120	246,566	242,284	234,098

Program Income

Beginning in FY 2009-10, PHB began collecting all program income that is not grant-related in the HIF. In FY 2010-11, additional income streams came into the fund from the PDC HIF. These included loan fees, abatement fees, and loan income from the original HIF loans discussed earlier. HIF program income is used primarily to cover staff costs and special projects. The largest source of 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 loan income is that it is forecast to decline over time, due to restructures and loan payoffs. To that end, the bureau is planning to be more 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 2013-14. 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. This is an unpredictable occurrence, more prevalent recently with the sale of properties due to attractive interest rates. 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. 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 saw a 426% increase General Fund overhead charges for FY

2012-13. 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 the annual debt repayment, interest on the deferred developer fee, the debt service reserve, and the excess revenue reserve.

At this date it is unclear whether City Lights will generate significant 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 the payoff of the deferred developer fee at some point in the future (outside of the forecast period) as sufficient reserves are available. Staff continues to analyze options.

Resources	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
	Actual	Revised	Request	Forecast	Forecast	Forecast	Forecast
Working Capital	284,327	296,371	393,871	491,164	589,889	689,405	789,566
Net Operating Income - PDC	1,015,068	957,000	956,000	961,000	964,000	964,000	964,000
Interest	1,938	500	500	500	1,000	1,000	1,000
Total	1,301,333	1,253,871	1,350,371	1,452,664	1,554,889	1,654,405	1,754,566

Requirements							
External M&S	175						
Debt Service	786,748	797,086	796,293	799,861	802,570	801,925	795,530
Deferred Developer's Fee	190,987	34,699	34,699	34,699	34,699	34,699	34,699
Insurance		28,215	28,215	28,215	28,215	28,215	28,215
Working Capital	323,423	393,871	491,164	589,889	689,405	789,566	896,122
Total	1,301,333	1,253,871	1,350,371	1,452,664	1,554,889	1,654,405	1,754,566

Community Development Block Grant Fund

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Resources	Actual	Revised	Request	Forecast	Forecast	Forecast	Forecast
Carryover		8,101,606	3,758,905	1,302,616	862,346	348,082	197,887
Grants	8,098,204	\$7,701,777	6,931,599	6,931,599	6,931,599	6,931,599	6,931,599
ARRA	395,148						
Program Income	1,653,107	911,000	854,000	842,500	786,000	708,500	693,000
Encumbrance c/o							
Miscellaneous		87,322					
Total	10,146,459	16,801,705	11,544,504	9,076,715	8,579,945	7,988,181	7,822,486
Requirements							
Personnel Services	1,481,960	1,606,224	1,234,077	1,284,674	1,285,296	1,337,993	1,392,851
Indirect	421,875	479,536	320,345	333,479	347,152	361,385	376,201
External/Internal M&S	112,591	30,000	30,000	30,000	35,000	35,000	35,000
Contracts							
Housing Access & Stabilization	1,219,790	1,108,700	664,950	876,700	875,700	869,700	861,700
Planning, Policy & Communications	82,749	247,400	182,700	157,100	157,100	156,600	155,900
Housing Production & Preservation	30,000	150,281	130,000	130,000	130,000	130,000	130,000
Project & CHDO Support	149,137	-	-	-	-	-	-
Section 108 Repayment	405,546	495,000	495,000	495,000	495,000	495,000	495,000
Homeowner Access & Retention	1,398,534	1,384,361	1,198,750	1,004,000	1,003,200	1,001,200	998,200
BDS Inspections	-	-	-	-	-	-	-
Economic Opportunity	2,411,939	2,114,907	1,903,416	1,903,416	1,903,416	1,903,416	1,903,416
Projects							
Affordable Rental Housing			507,650	2,000,000	2,000,000	1,500,000	1,300,000
Butte		190,706					
Sawash/Tisitlal	33,671						
Kehillah		275,000					
Hatfield	840,865	5,862					
Otesha	307,090	1,078,642					
Park/Lexington		2,626,181					
Bronough			1,500,000				
PCRI Restructure			1,525,000				
Stephens Creek		1,250,000	550,000				
ARRA							
Otesha	82,314						
Taggart	235,352						
PCRI-4Properties	76,187						
Working Capital	856,859	3,758,905	1,302,616	862,346	348,082	197,887	174,218
Total	10,146,459	16,801,705	11,544,504	9,076,715	8,579,945	7,988,181	7,822,486

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 led 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 these funds were expended by fall 2012 deadline.

Currently, HUD is operating under a continuing resolution until March, at which time department funds will be sequestered unless Congress takes further action on the federal 2012-13 budget. PHB has assumed a 10% reduction in federal entitlement grants funds for the FY 2013-14 (when the HUD 2012-13 funds will be available to grantees).

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. Also found under the administration and planning cap are administrative activities under contract with area service delivery agencies. Under the public service cap, several eligible homeless services activities and homebuyer assistance are funded.

Program Income

CDBG program income has been in decline from highs of approximately \$2-5 million in the past 15 years. Loan income is currently approximately \$900,000, boosted by income from four Section 108 loans. PHB and HUD use program income figures from the HUD tracking system for the purposes of cap calculations.

This resource is also forecast to go down over time due to restructures and loan payoffs, which impacts staffing 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 BuMP, Request, and Approved budget processes 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 three federal fiscal years, including the 10% cut assumed in PHBs FY 2013-14 budget. The forecast assumes no growth in the entitlement from that point through the rest of the forecast. In addition, Loan income is forecast to continue to decline.

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. This assumes that remaining loans made from Section 108 proceeds are hard debt, which would throw off loan 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. Approximately \$7.2 million in projects have been completed. Remaining funds may be offered through a NOFA in the future.

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Resources	Actual	Revised	Request	Forecast	Forecast	Forecast	Forecast
Working Capital	564,226	292,750					
Loan Proceeds	400,000	1,263,744	6,000,000				
Program Income	85,822						
Total	1,050,048	1,556,494	6,000,000	-	-	-	-
Requirements							
External M&S							
Housing Production & Preservation							
Projects							
Villa De Suenos	86,976						
Upshur	-	41,500					
Briarwood	257,930	65,453					
Los Jardines	375,459	24,541					
Walnut Park	36,933						
Working Capital	292,750						
Affordable Rental Housing		1,425,000	6,000,000				
Total	1,050,048	1,556,494	6,000,000	-	-	-	-

HOME

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Resources	Actual	Revised	Request	Forecast	Forecast	Forecast	Forecast
Carryover	294,696	5,036,967	2,259,080	494,951	126,333	20,823	91,793
Grants	2,988,619	2,920,389	2,628,350	2,628,350	2,628,350	2,628,350	2,628,350
Pre Dev Loan		92,664					
Service Charges & Fees	1,401	1,500					
Program Income	410,333	697,300	206,300	203,000	188,000	183,000	169,000
Encumbrance c/o							
Total	\$3,695,049	\$8,748,820	\$5,093,730	\$3,326,301	\$2,942,683	\$2,832,173	\$2,889,143
Requirements							
Personnel Services	367,388	362,300	374,122	337,411	351,245	261,546	272,269
External/Internal M&S							
Contracts							
Housing Access & Stabilization	365,997	436,080	395,000	402,900	410,958	419,177	427,561
Housing Production & Preservation	104,212						
CHDO Support	255,264	125,000	131,400	131,400	131,400	131,400	131,400
Projects							
Loan Servicing/Asset Mgmt System	206,983	228,846					
PCRI - Scattered Big10	26,246	359,424					
Providence House			375,000				
Elliot/Cook Phase I	-	975,000					
Firland	1,000,000						
Rockwood	111,134						
Hawthorne East				1,500,000			
Ainsworth Court	1,257,825	142,175					
Greenview		2,815,034					
Glisan Commons			880,000				
Affordable Rental Housing			2,000,000	400,000	1,500,000	1,400,000	1,500,000
Gresham Funds		997,324	389,000	389,000	389,000	389,000	389,000
Multnomah County Funds		143,557	139,257	139,257	139,257	139,257	139,257
Working Capital		2,164,080	409,951	26,333	20,823	91,793	29,656
Total	\$3,695,049	\$8,748,820	\$5,093,730	\$3,326,301	\$2,942,683	\$2,832,173	\$2,889,143

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.

Currently, HUD is operating under a continuing resolution until March, at which time department funds will be sequestered unless Congress takes further action on the federal 2012-13 budget. PHB has assumed a 10% reduction in federal entitlement grants funds for the FY 2013-14 (when the HUD 2012-13 funds will be available to grantees).

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 \$206,000, down from about \$500,000 in FY 2007-08. PHB and HUD use program income figures from the HUD tracking system for the purposes of cap calculations.

The bureau currently budgets HOME program income less conservatively as the administration cap usage have been traditionally been low 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 is critical as HOME is one of the few resources available to PHB outside of URAs.

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 BuMP, Request, and Approved budget processes 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 reductions in HOME entitlement funding each of the last three federal fiscal years, including the 10% cut assumed in PHBs FY 2013-14 budget. The forecast assumes no growth in the entitlement from that point through the rest of the forecast. In addition, Loan 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 a second phase allocations for HOPWA, and these additional funds are reflected in the forecast for HOPWA.

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, and funds were expended by fall 2012 deadline.

HOPWA

Resources	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
	Actual	Revised	Request	Forecast	Forecast	Forecast	Forecast
Grants	1,321,867	1,557,845	1,448,773	1,090,649	981,649	981,649	981,649
Encumbrance c/o	140,893	374,483					
Total	1,462,760	1,932,328	1,448,773	1,090,649	981,649	981,649	981,649

Requirements							
Personnel Services	46,453	74,766	75,051	59,528	33,969	35,361	35,881
External M&S							
Housing Access & Stabilization	1,416,307	1,857,562	1,373,722	1,031,121	947,680	946,288	945,768
Total	1,462,760	1,932,328	1,448,773	1,090,649	981,649	981,649	981,649

ESG

Resources	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
	Actual	Revised	Request	Forecast	Forecast	Forecast	Forecast
Grants	449,036	1,277,205	703,940	703,940	703,940	703,940	703,940
Total	449,036	1,277,205	703,940	703,940	703,940	703,940	703,940

Requirements							
Personnel Services	30,785	88,742	57,762	60,130	62,596	59,957	62,415
External M&S							
Housing Access & Stabilization	418,251	1,188,463	646,178	643,810	641,344	643,983	641,525
Total	449,036	1,277,205	703,940	703,940	703,940	703,940	703,940

HPRRP-ARRA

Resources	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
	Actual	Revised	Request	Forecast	Forecast	Forecast	Forecast
Grants	82,148	85,836					
Total	82,148	85,836	-	-	-	-	-

Requirements							
External M&S							
Housing Access & Stabilization	82,148	85,836					
Total	82,148	85,836	-	-	-	-	-

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 has re-applied for lead funds in the fall 2012 federal funding process, and anticipates up to \$3 million over three years if approved. The forecast assumes grant approval; budget adjustments will need to be made if the bureau does not receive the grant.

The Healthy Homes Grant will end in the spring of 2014. The Neighborhood Stabilization Program (NSP), a homeownership assistance grant, is in its second phase. The program does throw off income from property sales that helps extend its work. 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 from partner agencies 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 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
	Actual	Revised	Request	Forecast	Forecast	Forecast	Forecast
09 Grant	1,020,317	1,495,024					
12 Grant			1,000,000	1,000,000	1,000,000		
Total	1,020,317	1,495,024	1,000,000	1,000,000	1,000,000	-	-

Requirements							
Personnel Services	205,263	209,561	231,390	240,646	250,271		
External M&S							
Housing Access & Retention	815,054	1,285,463	706,310	697,054	687,329		
Indirect			62,300	62,300	62,400		
Total	1,020,317	1,495,024	1,000,000	1,000,000	1,000,000	-	-

Healthy Homes

Resources	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
	Actual	Revised	Request	Forecast	Forecast	Forecast	Forecast
Resources							
Grants	146,343	642,619	202,379				

Requirements							
Personnel Services	61,798	104,473	82,272		-	-	-
Indirect			23,278				
External M&S	84,545	538,146	96,829				
Housing Access & Retention							
Total	146,343	642,619	202,379	-	-	-	-

NSP

Resources	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
	Actual	Revised	Request	Forecast	Forecast	Forecast	Forecast
Grants	(39,661)	807,330					
Program Income	172,210	468,000					
Total	132,549	1,275,330	-	-	-	-	-

Requirements							
Personnel Services	1,651	49,188					
External M&S							
Housing Access & Retention	130,898	1,226,142					
Total	132,549	1,275,330	-	-	-	-	-

McKinney – OTIS

Resources	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
	Actual	Revised	Request	Forecast	Forecast	Forecast	Forecast
Grants	262,828	271,986	271,986	271,986	271,986	271,986	271,986
Total	262,828	271,986	271,986	271,986	271,986	271,986	271,986

Requirements							
Personnel Services	4,849	6,150	6,914	7,197	6,452	6,716	6,991
External M&S							
Housing Access & Stabilization	257,979	265,836	265,072	264,789	265,534	265,270	264,995
Total	262,828	271,986	271,986	271,986	271,986	271,986	271,986

McKinney - HMIS

Resources	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
	Actual	Revised	Request	Forecast	Forecast	Forecast	Forecast
Grants	248,280	241,074	241,074	241,074	241,074	241,074	241,074
Total	248,280	241,074	241,074	241,074	241,074	241,074	241,074

Requirements							
Personnel Services	174,019	166,026	172,792	179,876	171,636	178,674	170,384
External M&S	74,261	75,048	68,282	61,198	69,438	62,400	70,690
Total	248,280	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 continues to experience 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 caused a 791% in General Fund overhead charges in FY 2012-13, and another 49% increase in FY 2013-14. While these charges will moderate as TIF spending reverts to a new normal, it will be a cost of doing business for the bureau.

Staffing charged to the various TIF funds is increasing as a reflection of several projects anticipated as a result of the 2012 NOFA, and proportionally fewer federally funded projects.

TIF Reimbursement Fund

Resources							
Tax Increment	2,039,465	2,175,528	3,095,153	3,303,487	3,242,723	3,122,863	3,060,166
Other							
Float							
Total	2,039,465	2,175,528	3,095,153	3,303,487	3,242,723	3,122,863	3,060,166
Requirements							
Personnel Services - Direct Staff	976,754	843,445	1,143,483	1,192,500	1,227,500	1,235,000	1,285,000
Personnel Services - Indirect Staff	930,799	889,059	1,322,352	1,428,618	1,539,242	1,498,251	1,559,679
General Fund Overhead	73,771	584,235	869,739	900,000	700,000	615,000	450,000
Bureau Indirect	1,034,895	702,234	903,062	974,869	1,003,481	1,009,613	1,050,488
<i>Staff & Indirect Subtotal</i>	<i>\$ 3,016,219</i>	<i>\$ 3,018,973</i>	<i>\$ 4,238,636</i>	<i>\$ 4,495,987</i>	<i>\$ 4,470,223</i>	<i>\$ 4,357,863</i>	<i>\$ 4,345,166</i>
Total	\$ 2,039,465	\$ 2,175,528	\$ 3,095,153	\$ 3,303,487	\$ 3,242,723	\$ 3,122,863	\$ 3,060,166

Tax Revenue Forecast – Future Look

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 changed to a 200% coverage ratio on future long-term debt issuances in response to the financial markets. For FY 2013-14 and beyond, this reset is holding, and in fact in some URAs (primarily River District, Interstate, and Gateway) the resource outlook has improved slightly. In addition, increment is beginning to collect in the new Education URA. The TIF portion of the PHB budget for FY 2013-14 is approximately \$34 million. This is the end a bubble of funding that stabilizes over the life of the five year life of the forecast to \$19-23 million, which will challenge the bureau in maintaining the supply of affordable housing delivery products. The next TIF funding challenge will come beyond the range of this forecast as many URAs lose their ability to

sell more debt in the early 2020's. The bureau will need to re-evaluate service delivery for affordable housing as that time approaches, much as it did at the time of the merger.

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
	Actual	Revised	Forecast	Forecast	Forecast	Forecast	Forecast
Central Eastside URA							
Resources							
Beginning Balance	47,481	0	27,478	24,041	91,861	68,891	2,219
Loan Income	2,798	3,200	3,200	3,200	3,200	3,200	3,200
Tax Increment		62,430	37,466	1,015,429	2,638,003	88,917	91,719
Other							
<i>Central Eastside URA Total</i>	<i>\$50,279</i>	<i>\$65,630</i>	<i>\$68,144</i>	<i>\$1,042,670</i>	<i>\$2,733,064</i>	<i>\$161,008</i>	<i>\$97,138</i>
Requirements							
Personnel Services - Direct Staffing	16,282	10,659	11,898	40,000	100,000	45,000	30,000
Indirect Costs (Staffing and Overhead)	33,997	27,493	32,205	110,809	264,173	113,789	64,919
H89030 Affordable Rental Housing				800,000	2,300,000		
Working Capital		27,478	24,041	91,861	68,891	2,219	2,219
<i>Central Eastside URA Total</i>	<i>\$50,279</i>	<i>\$65,630</i>	<i>\$68,144</i>	<i>\$1,042,670</i>	<i>\$2,733,064</i>	<i>\$161,008</i>	<i>\$97,138</i>
Convention Center URA							
Resources							
Beginning Balance	15,274	0	830,252	593,224	181,447	61,861	36,145
Predev Loan Payoffs/Property Sales	1,563,882	1,000,000					
Loan Income	67,745	62,500	62,500	62,500	62,500	62,500	62,500
Tax Increment	976,536	1,057,986	11,176,364	276,122	-	-	-
<i>Convention Center URA Total</i>	<i>\$2,623,437</i>	<i>\$2,120,486</i>	<i>\$12,069,116</i>	<i>\$931,846</i>	<i>\$243,947</i>	<i>\$124,361</i>	<i>\$98,645</i>
Requirements							
Personnel Services - Direct Staffing	58,755	76,234	207,159	125,000	50,000	25,000	25,000
Indirect Costs (Staffing and Overhead)	122,681	196,633	560,733	346,277	132,086	63,216	59,536
Land Purchase Repayment	752,660						
H80003 Lloyd Cascadian Phase II	28,242	8,667	4,000	3,000			
Land Purchase Repayment	811,222						
H80002 MFH - 2nd and Wasco	6,511	8,700	4,000				
H80042 OCC Miracles Club	362,752	-	-	-	-	-	-
H89030 Affordable Rental Housing	-	1,000,000	10,700,000	276,122			
H89049 McCoy Apartments Rehab	480,614	-	-	-	-	-	-
Working Capital		830,252	593,224	181,447	61,861	36,145	14,109
<i>Convention Center URA Total</i>	<i>\$2,623,437</i>	<i>\$2,120,486</i>	<i>\$12,069,116</i>	<i>\$931,846</i>	<i>\$243,947</i>	<i>\$124,361</i>	<i>\$98,645</i>
Downtown Waterfront URA							
Resources							
Beginning Balance	121,282	537,031	1,086,122	9,542	12,865	2,235	434,374
Loan Income	631,146	658,500	658,500	658,500	658,500	658,500	658,500
Tax Increment			517,400	1,717,345	-	-	-
Other	4,288	3,000	5,000	4,500	4,000	3,000	3,000
<i>Downtown Waterfront URA Total</i>	<i>\$756,716</i>	<i>\$1,198,531</i>	<i>\$2,267,022</i>	<i>\$2,389,887</i>	<i>\$675,365</i>	<i>\$663,735</i>	<i>\$1,095,874</i>
Requirements							
Personnel Services - Direct Staffing	-	17,436	69,462	100,000	75,000	65,000	65,000
Indirect Costs (Staffing and Overhead)	-	44,973	188,018	277,022	198,130	164,361	154,794
H89030 Affordable Rental Housing	-	310,000	2,000,000	2,000,000	400,000		800,000
H20001 Butte Hotel	100,000	50,000					
Working Capital	537,031	776,122	9,542	12,865	2,235	434,374	76,080
Program Income Repayment	119,685						
<i>Downtown Waterfront URA Total</i>	<i>\$756,716</i>	<i>\$1,198,531</i>	<i>\$2,267,022</i>	<i>\$2,389,887</i>	<i>\$675,365</i>	<i>\$663,735</i>	<i>\$1,095,874</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 as soon as FY 2014-15.

- 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 \$10 million for affordable housing that is in the bureaus current NOFA process.
- 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 to approximately \$4 million over the next two fiscal years.

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
	Actual	Revised	Requested	Forecast	Forecast	Forecast	Forecast
Gateway Regional Center URA							
Resources							
Beginning Balance	31,496	0	-	-	-	-	-
Predev Loan Payoffs/Property Sales		956,974	1,350,000				
Loan Income	123	-	-	-	-	-	-
Tax Increment	928,970	3,571,552	1,083,689	765,915	238,712	231,361	1,438,702
Other	158,398	1,062					
<i>Gateway Regional Center URA Total</i>	<i>\$1,118,987</i>	<i>\$4,529,588</i>	<i>\$2,433,689</i>	<i>\$765,915</i>	<i>\$238,712</i>	<i>\$231,361</i>	<i>\$1,438,702</i>
Requirements							
Personnel Services - Direct Staffing	73,350	91,522	75,993	70,000	65,000	65,000	70,000
Indirect Costs (Staffing and Overhead)	153,155	236,066	205,696	193,915	171,712	164,361	166,702
H89030 Affordable Rental Housing	-	-	-	500,000			1,200,000
H20017 Ventura Park	84,570	400,000					
H89034 Gateway/Glisan	807,689	3,800,000	2,150,000	-			
H20035 Property Management	223	2,000	2,000	2,000	2,000	2,000	2,000
Working Capital							
<i>Gateway Regional Center URA Total</i>	<i>\$1,118,987</i>	<i>\$4,529,588</i>	<i>\$2,433,689</i>	<i>\$765,915</i>	<i>\$238,712</i>	<i>\$231,361</i>	<i>\$1,438,702</i>
Interstate URA							
Resources							
Beginning Balance	249,832	0	-	122,306	144,348	35,743	-
Intergovernmental	916,711						
Fund Transfers							
Predev Loan Payoffs/Property Sales	1,795,745	510,000					
Loan Income	11,867	6,800	8,300	8,300	8,300	8,300	8,300
Tax Increment	1,725,844	7,357,943	4,288,012	2,218,595	2,193,527	2,625,055	4,727,598
Other	(1,873)						
<i>Interstate URA Total</i>	<i>\$4,698,126</i>	<i>\$7,874,743</i>	<i>\$4,296,312</i>	<i>\$2,349,201</i>	<i>\$2,346,175</i>	<i>\$2,669,098</i>	<i>\$4,735,898</i>
Requirements							
Personnel Services - Direct Staffing	244,648	155,480	235,786	240,000	250,000	275,000	315,000
Indirect Costs (Staffing and Overhead)	510,826	401,035	638,220	664,853	660,432	694,098	750,158
H34606 Killingsworth Block	181,000	669,000	-	-	-	-	-
H19032 King/Parks Affordable Housing	22,399	1,613,712					
Land Purchase	752,660						
H80026 Grant Warehouse - Affordable Housing							
Land Purchase	811,222						
H80042 Miracles Club	171,391						
H89049 McCoy Apartments Rehab	538,585	136,991					
H89046 PCRI Homeownership Development	20,125	-	-	-	-	-	-
H20027 PCRI Scattered Sites Big 10	73,684	193,533					
H89030 Affordable Rental Housing	-		1,300,000	300,000	400,000	700,000	2,600,000
Lifeworks	-	3,200,000		-	-	-	-
Beech Street		300,000	1,000,000				
Redwood/Jubilee		100,000					
H89047 Bridge Meadows	71,073	-	-	-	-	-	-
H38711 Rivergate	6	18,891					
H89010 Home Repair Projects	411,976	555,685	500,000	500,000	500,000	500,000	500,000
H37932 HAP Afford Ownership/Rehab	479,948	-	-	-	-	-	-
H89020 Home Buyer Assistance	408,583	530,416	500,000	500,000	500,000	500,000	500,000
Working Capital			122,306	144,348	35,743		70,740
<i>Interstate URA Total</i>	<i>\$4,698,126</i>	<i>\$7,874,743</i>	<i>\$4,296,312</i>	<i>\$2,349,201</i>	<i>\$2,346,175</i>	<i>\$2,669,098</i>	<i>\$4,735,898</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, with more coming online at the end of the forecast period.
- Interstate – This URA has seen some improvement in funds available for affordable housing. There is a project currently underway, but there are still some funds available through the forecast period, especially at the end..

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
	Actual	Revised	Requested	Forecast	Forecast	Forecast	Forecast
Lents Town Center URA							
Resources							
Beginning Balance	61,605	0	-	21,485	48,033	62,551	76,720
Intergovernmental	1,388,870						
Predev Loan Payoffs/Property Sales	1,294,525	540,000					
Loan Income	40,832	13,100	13,100	13,100	13,100	13,100	13,100
Tax Increment	2,594,177	3,491,233	2,154,283	2,888,599	3,475,433	2,165,584	5,202,515
Other							
<i>Lents Town Center URA Total</i>	<i>\$5,380,009</i>	<i>\$4,044,333</i>	<i>\$2,167,383</i>	<i>\$2,923,184</i>	<i>\$3,536,566</i>	<i>\$2,241,235</i>	<i>\$5,292,335</i>
Requirements							
Personnel Services - Direct Staffing	255,602	151,111	226,045	230,000	240,000	245,000	250,000
Indirect Costs (Staffing and Overhead)	533,698	389,766	611,853	637,151	634,015	619,515	595,363
H33441 Dahlia Commons/Svaboda	1,710,306	90,000	-	-	-	-	-
H20031 Beyer Court	330,991	141,178	-	-	-	-	-
H20032 Firland	627,351	486,649					
H20033 PCRI/Scat Site89/Ellis	4,345	54,468					
H89030 Affordable Rental Housing	-	500,000	300,000	1,000,000	1,600,000	300,000	3,400,000
H89031 Bellrose Station	459,494						
H20023 Kah Sahn Chako Haws	19	1,221,147					
H89010 Home Repair Projects	347,139	500,000	500,000	500,000	500,000	500,000	500,000
H37930 Scat Site Home Rehab & Subs HAP	645,358	-	-	-	-	-	-
H89020 Home Buyer Assistance	465,706	500,000	500,000	500,000	500,000	500,000	500,000
H20035 Property Management		10,014	8,000	8,000			
Working Capital			21,485	48,033	62,551	76,720	46,972
<i>Lents Town Center URA Total</i>	<i>\$5,380,009</i>	<i>\$4,044,333</i>	<i>\$2,167,383</i>	<i>\$2,923,184</i>	<i>\$3,536,566</i>	<i>\$2,241,235</i>	<i>\$5,292,335</i>
North Macadam URA							
Resources							
Beginning Balance	233,780	0	-	-	9,799	28,415	25,481
Intergovernmental	174,992						
Tax Increment	6,521,689	11,218,642	1,437,077	94,629	100,555	1,661,714	3,479,730
Other							
<i>North Macadam URA Total</i>	<i>\$6,930,461</i>	<i>\$11,218,642</i>	<i>\$1,437,077</i>	<i>\$94,629</i>	<i>\$110,354</i>	<i>\$1,690,129</i>	<i>\$3,505,211</i>
Requirements							
Personnel Services - Direct Staffing	88,402	73,098	17,718	22,500	22,500	75,000	85,000
Indirect Costs (Staffing and Overhead)	184,584	188,544	47,959	62,330	59,439	189,648	202,423
H10543 Grays Landing	6,657,475	10,957,000	1,371,400	-	-	-	-
H89030 Affordable Rental Housing	-	-	-	-	-	1,400,000	3,100,000
Working Capital				9,799	28,415	25,481	117,788
<i>North Macadam URA Total</i>	<i>\$6,930,461</i>	<i>\$11,218,642</i>	<i>\$1,437,077</i>	<i>\$94,629</i>	<i>\$110,354</i>	<i>\$1,690,129</i>	<i>\$3,505,211</i>

- Lents – There is some improvement in this URA as well, with significant funds becoming available in FY 2014-15.
- 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 until the end of the forecast period.

	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
	Actual	Revised	Forecast	Forecast	Forecast	Forecast	Forecast
River District URA							
Resources							
Beginning Balance	66,066	-	-	48,438	198,601	30,794	100,694
Intergovernmental	545,166						
Predev Loan Payoffs/Property Sales	779,990	80,000					
Loan Income	539,125	558,300	558,300	558,300	558,300	558,300	558,300
Tax Increment	23,895,763	4,219,174	6,060,004	8,003,673	11,496,038	8,008,406	3,327,233
Other							
<i>River District URA Total</i>	<i>\$25,826,110</i>	<i>\$4,857,474</i>	<i>\$6,618,304</i>	<i>\$8,610,411</i>	<i>\$12,252,939</i>	<i>\$8,597,500</i>	<i>\$3,986,227</i>
Requirements							
Personnel Services - Direct Staffing	166,088	146,614	214,436	275,000	315,000	325,000	325,000
Indirect Costs (Staffing and Overhead)	346,792	378,167	580,430	761,810	832,145	821,806	773,972
H32138 The Ramona	547,758	-	-	-	-	-	-
H12030 Fairfield Apartments	(3,918)	65,000	50,000	50,000	50,000	50,000	
H37938 Blanchet House Redev	4,028,478						
H89030 Affordable Rental Housing	-	1,000,000	5,700,000	7,300,000	11,000,000	7,300,000	2,700,000
H37937 Bud Clark Center	17,338,700	-	-	-	-	-	-
H80036 Yards at Union Station	3,407,377	1,766,693	-	-	-	-	-
Medford	-	1,476,000					
H20035 Property Management	(5,165)	25,000	25,000	25,000	25,000		
Working Capital			48,438	198,601	30,794	100,694	187,255
<i>River District URA Total</i>	<i>\$25,826,110</i>	<i>\$4,857,474</i>	<i>\$6,618,304</i>	<i>\$8,610,411</i>	<i>\$12,252,939</i>	<i>\$8,597,500</i>	<i>\$3,986,227</i>
South Park Blocks URA							
Resources							
Beginning Balance	(11,929)	3,447,508	-	151,676	199,214	272,028	350,496
Intergovernmental	303,880						
Predev Loan Payoffs/Property Sales	3,548,581	110,000					
Loan Income	339,855	254,900	254,900	254,900	254,900	254,900	254,900
Tax Increment	193,315	1,464,233	2,252,710				
Other	13,839	7,500		-			
<i>South Park Blocks URA Total</i>	<i>\$4,387,541</i>	<i>\$5,284,141</i>	<i>\$2,507,610</i>	<i>\$406,576</i>	<i>\$454,114</i>	<i>\$526,928</i>	<i>\$605,396</i>
Requirements							
Personnel Services - Direct Staffing	73,627	121,291	55,556	55,000	50,000	50,000	50,000
Indirect Costs (Staffing and Overhead)	153,733	312,850	150,378	152,362	132,086	126,432	119,073
H12027 Jefferson West Apartments	69,804	50,000	50,000	-	-	-	-
H12036 Admiral Apartments	818	-	-	-	-	-	-
H12037 Chaucer	532,024		-	-	-	-	-
H34510 SPB Section 8 Preservation	-						
H20038 Park Tower Preservation	-	1,400,000	2,100,000				
H20037 Lexington Apartments Preservation							
H20036 1200 Tower Preservation	110,027	3,400,000					
Working Capital	3,447,508		151,676	199,214	272,028	350,496	436,323
<i>South Park Blocks URA Total</i>	<i>\$4,387,541</i>	<i>\$5,284,141</i>	<i>\$2,507,610</i>	<i>\$406,576</i>	<i>\$454,114</i>	<i>\$526,928</i>	<i>\$605,396</i>
Education URA							
Resources							
Beginning Balance							
Predev Loan Payoffs/Property Sales							
Loan Income							
Tax Increment		-	336,779	413,133	492,771	626,648	715,451
Working Capital				227,688	8,864	33,131	30,418
<i>Education URA Total</i>	<i>\$0</i>	<i>\$0</i>	<i>\$336,779</i>	<i>\$640,821</i>	<i>\$501,635</i>	<i>\$659,779</i>	<i>\$745,869</i>
Requirements							
Personnel Services - Direct Staffing			29,430	35,000	60,000	65,000	70,000
Indirect Costs (Staffing and Overhead)			79,660	96,958	158,504	164,361	166,702
H12027 Jefferson West Apartments							
H89030 Affordable Rental Housing				500,000	250,000	400,000	400,000
Working Capital			227,688	8,864	33,131	30,418	109,167

- River District – This URA has a substantial number of projects completed over the past two fiscal years, but resource growth and anticipated privately financed development in the URA has boosted the funds available for affordable rental housing significantly throughout the forecast. Up to \$11 million is under consideration in the bureaus current NOFA process..
- South Park Blocks – This URA is expiring. However, loan payoffs have bolstered remaining funds and program income in the URA to allow work on additional Preservation projects.
- Education – The newest URA, initial tax increment collections are allowing the bureau to continue planning work for future projects.

Cost of Service Study – February 2013

Introduction

In compliance with the City of Portland's Comprehensive Financial Management Policy 2.06, the Portland Housing Bureau (PHB) has completed an initial cost of service study for those programs in the bureau whose operations are supported by fees.

Indirect Programs

PHB's Indirect Programs provide indirect financial assistance in the form of tax and development fee exemptions and credits in order to promote development of and access to affordable homeownership and rental housing. The bureau defines affordability in relation to Median Family Income (MFI). The cost of the financial assistance is foregone revenue.

PHB incurs expenses in the course of administering these programs, primarily in the form of staff salaries, benefits and indirect costs. The bureau charges fees to the customers (most often low income residents) accessing and benefitting from these programs in order to offset the costs of service delivery.

Limited Tax Exemptions

PHB administers Limited Tax Exemption (LTE) programs that encourage the construction and preservation of affordable housing. There are three such programs:

- Homebuyer Opportunity Limited Tax Exemption (HOLTE) – A 10-year property tax exemption for residential structural improvements (up to 100% MFI for a family of four)
- Multiple-Unit Limited Tax Exemption (MULTE) – A 10-year property tax exemption for multi-unit structural improvements (minimum 20% of units at 60% MFI or below)
- Non-Profit Low Income Housing Limited Tax Exemption (NPLTE) – Full property tax exemptions for non-profit organizations that own low-income rental properties (only for units at 60% or below)

System Development Charge Exemptions

PHB administers System Development Charge (SDC) programs that assist developers by exempting them from residential SDC's charged by Water, Parks, Transportation and Environmental Services. There are two such programs:

- Homeownership SDC Exemption Program – Exemptions available only for home purchased by homebuyers at 100% MFI for a family of four
- Rental SDC Exemption Program – Exemptions available only for units rented to tenants at 60% MFI or below

Mortgage Credit Certificate Program

PHB offers low and moderate income households (up to 115% of 100% MFI for a family of four depending on household size) in Portland the opportunity to get an ongoing federal tax credit through a Mortgage Credit Certificate (MCC) -- an IRS-approved tax credit that reduces federal income taxes owed as long as the homebuyers keep their loan and continuously occupy the home as their principal residence.

Cost Recovery

As described above, each of these programs charges fees intended to offset the costs of service delivery. The table below summarizes projected annual costs of each program and the proportion recovered from the fees charged.

	Cost (Gross)	Fees (Gross)	Fees (Pass-Through)	Fees (Net)	Cost (Net)	% Recovered
HOLTE	116,235	107,750	(74,500)	33,250	82,985	29%
MULTE	46,847	55,000	(30,000)	25,000	21,847	53%
NPLTE	39,774	3,250	-	3,250	36,524	8%
SDC Homeownership	148,114	103,500	(8,520)	94,980	53,134	64%
SDC Rental	27,213	4,600	-	4,600	22,613	17%
MCC	90,239	54,425	(666)	53,759	36,480	60%
Total	468,421	328,525	(113,686)	214,839	253,582	46%

As the table above illustrates, none of these programs is projected to recover 100% of its costs.

Loan Origination Fees

PHB allocates the majority of its budget to providing financial assistance to developers and private citizens in order to promote the development of affordable rental housing and access to affordable homeownership. Most of this financial assistance comes in the form of loans.

Loan origination fees are standard practice in the private sector lending industry. Most commonly, a loan origination fee represents a specific percentage of the value of the total loan (e.g., one percent, one half of one percent).

In PHB's multi-family housing program, PHB at times charges a percentage loan origination fee. This fee, however, is not applied to all projects. Often, a determination is made that the project cannot afford the additional cost of an origination fee to the overall project financing structure. In PHB's down payment assistance program, PHB charges a standard \$500 loan origination fee.

Cost Recovery

Regarding the multi-family housing program, since an origination fee is a percentage of the total loan amount, the fee cannot be driven directly by the cost of underwriting and processing the loan. First, the level of effort does not necessarily scale according to the size of the loan; for example, many of the same underwriting, legal, closing and construction management requirements exist regardless of the amount loaned to the borrower. And second, funding source-specific requirements alter the equation. For instance, a federally funded loan for \$1 million requires a higher level of effort than a similarly sized non-federally funded loan.

Regarding the down payment assistance program, the question of cost recovery is simpler but is pre-empted by another fact. Loan origination fees on down payment assistance loans are funded entirely by PHB; therefore, none of these costs are recovered from an external source.

HMIS User Fees

PHB manages a homeless management information system (HMIS) as part of the HUD McKinney grant it receives. This reporting system is utilized by government and non-profit agencies state-wide. User fees are charged to the user agencies and, in combination with the McKinney grant, funds pay for license fees and bureau staff time that is involved with management of the system, the data, and training. Funds are also reserved for software updates and hardware replacement.

The expansion to a state-wide system began in FY 2011-12, and fees were developed to recover costs. Cost recovery is scaled to the total number of users in the system as well as the needs of the individual agency and the grant funding. Due to the grant funding component, the fees are not set for full cost recovery. Between the grant and user fees, the program is self-sufficient.

Cost Recovery

Users pay actual seat license fees as set by the vendor. Fees to the bureau are flat rate based upon vendor charges and the pool of users. These fees will adjust annually based upon cost increases from the vendor and changes to pool of users. Fees for per hour services were set initially at \$175, reflective of fees the vendor charges for service. Actual cost per hour plus bureau indirect for staff providing the service came to \$176.18. Exhibit A shows a sample pricing table for a larger sized agency.

FY 2013-14 will be the first year that the bureau is collecting full year fees from all participants, allowing for a check-in review of rates and their cost recovery, as well as some initial actual data on staff time incurred.

Next Steps

PHB will incorporate this analysis into ongoing processes focused on assessing what fee structure would be appropriate to support these activities going forward. These processes will consider and attempt to answer these questions:

Indirect Programs

- What is the capacity of clients to absorb fee increases?
- What is value of the benefit received vs. the size of the fee itself?
- Might a tiered, partially-refundable fee structure be appropriate? (e.g., where a portion of a total fee could be refunded if an application failed to progress through a key step in the process)
- What (if any) subsidy to these programs is appropriate given what the programs achieve in increasing affordable housing in the city?

Loan Origination Fees

- What restrictions exist on charging fees when staff time and indirect costs are already reimbursed from a particular funding source (e.g., grants)?
- Is there value to collecting an origination fee when PHB provides the borrower the funding for both the loan and the fee?
- How do loan origination fees fit into the long-term vision for the financial stability of PHB's multi-family housing program? Is a different fee structure appropriate?

Exhibit A

Sample Pricing Table and Notes:

ROCC (OHCS)							10/8/2012
New ServicePoint Licenses		2					
Existing ServicePoint Licenses		124					
ART AdHoc Licenses		0					
ART Viewer Licenses		28					
		Rate	Quantity	Amount	Pro-Rated If applicable	Total Due	
CMIS/HMIS Access							
CMIS/HMIS Standard Set Up ¹	One Time Fee Per "CoC" ¹⁰	\$4,000.00	0	\$0.00	--	N/A	
CMIS/HMIS Annual Support ²	Annual Fee**	\$175.00	120	\$21,000.00	100%	\$21,000.00	
CMIS/HMIS Annual Support ²	Annual Fee** [Online Sept]	\$175.00	4	\$700.00	83%	\$583.31	
CMIS/HMIS Annual Support ²	Annual Fee** [Online Oct]	\$175.00	2	\$350.00	75%	\$262.50	
CMIS/HMIS Customization ³ /Training ⁴	Per Hour	\$175.00	0	TBD	--	TBD	
ServicePoint License Purchase ⁵	One Time Fee	\$200.00	2	\$400.00	--	\$400.00	
ServicePoint Annual Access Fee ⁶	Annual Fee*	\$175.00	120	\$21,000.00	100%	\$21,000.00	
ServicePoint Annual Access Fee ⁶	Annual Fee** [Online Sept]	\$175.00	4	\$700.00	83%	\$583.31	
ServicePoint Annual Access Fee ⁶	Annual Fee** [Online Oct]	\$175.00	2	\$350.00	75%	\$262.50	
ART Ad Hoc License ⁷	Annual Fee***	\$200.00	0	\$0.00	--	\$0.00	
ART Report Viewer License ⁸	Annual Fee***	\$100.00	28	\$2,800.00	--	\$2,800.00	
System Administration ⁹	Annual Fee*	TBD	TBD	TBD	--	TBD	
<p>ServicePoint Access Includes:</p> <ul style="list-style-type: none"> Bowman Dedicated Server Service AIRS Taxonomy License, Integration & Update Fee SSL Certificate Annual Fee ServicePoint Training Site Annual License & Maintenance Fee Premium Disaster Recovery ServicePoint Source Code Escrow Annual Fee Public Key Infrastructure (PKI) Solution Maintenance 							
Total Fees:				\$47,300.00	Adjusted	\$46,891.62	
<p>Sept 2012 Vendor costs will increase 4.11%</p> <p>All fees are per "Parent Provider", "Lead Organization", or "Continuum of Care" unless otherwise noted</p> <p>All footnotes are inclusive but not limited to:</p> <p>1 - Lead Organization Level; Provider programs created per HUD data standards; Local administrator user account; Initial "Train the Trainer" training. Pricing is subject to complexity and scale, pricing is subject to [3] HMIS Customizations.</p> <p>2 - Ongoing administrative support for local administrator and "Train the Trainer" training for System enhancements. [Minimum of \$3500 per year]</p> <p>3 - Customizations in the way of Assessments, Screens, New Programs, Reporting, etc...</p> <p>4 - Webinar training; Train the Trainer, New End User, other requested training</p> <p>5 - Each user must have a dedicated non-shared license to access ServicePoint</p> <p>6 - Annual software, maintenance and access fee for all users required (Cost of ServicePoint)</p> <p>ART is used for creating custom reports using fields from ServicePoint</p> <p>7 - This Advanced Reporting Tool (ART) license allows user to develop reports</p> <p>8 - This ART license allows user to view created reports, there are no development capabilities.</p> <p>9 - System Administration subject to negotiation* would be applied to the appropriate "Subsidiary Account"</p> <p>Software maintenance includes periodic enhancements made to the system by Bowman Systems</p> <p>Other - Data Clean up and Data Entry is the responsibility of the Service Provider or Lead Organization</p> <p>Data Integration is currently not available. Future Data Integration plans will be developed. Data integrations services will have a fee (yet to be determined)</p>							
<p>*PHB HMIS IGA and Contract years begin on July 1. Initial IGA or contract "annual" fees will be pro-rated for mid year starts.</p> <p>** CMIS/HMIS Annual Support minimum invoice cost \$3500 annually.</p> <p>*** ART licenses are not pro-rated, as they have their purchase price included in the first year.</p>							