

Portland Housing Bureau

Five-Year Financial Forecast

Overview

The Portland Housing Bureau (PHB) has a variety of funding sources for the provision of affordable housing in the City of Portland and throughout the region. 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 \$90-110 million to \$44-51 million rapidly. This is \$23-30 million less than forecast for FY 2013-14 and FY 2014-15 last year.

TIF availability drops from a short-term bubble of spending into a hole deeper than contemplated in the prior five-year forecast, stabilizing at end of the forecast – but at much lower than current levels due to a December reset of the tax increment resource forecast. As noted in the previous forecast, the TIF spending bubble has stretched 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 lower levels due to the increased scrutiny of federal budget deficits. The forecast assumes that the City will continue its commitment to \$4.2 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. These projections are driving the right-sizing of the delivery structure of the bureau; 8 positions eliminated in FY 2010-11, 10 more are anticipated in FY 2011-12, and perhaps 3-5 over the remaining four years of the forecast.

The following is a brief discussion of the outlook for these funding sources. It contains forward-looking statements that are subject to change by future policy direction by the City Council and/or bureau management. The table below shows the major funding resources and requirements for PHB. The forecast shows bureau funding stabilizing at a \$43-51 million level starting as soon as FY 2012-13 (factoring in that approximately \$11-13 million of the \$65 million in funding for that fiscal year will be project closeout payments). Details by funding source follow.

Resources	FY 2009-10 Actual	FY 2010-11 Revised	FY 2011-12 Base	FY 2011-12 Request	FY 2012-13 Forecast	FY 2013-14 Forecast	FY 2014-15 Forecast	FY 2015-16 Forecast
General Fund	12,413,178	10,591,991	6,971,822	11,535,464	11,751,624	11,966,276	12,208,021	12,455,289
Housing Inv. Fund	16,933,324	14,779,385	8,447,703	8,447,703	3,481,087	3,591,800	2,675,087	2,670,925
CDBG	10,415,650	18,056,622	12,993,786	12,490,287	10,212,087	10,199,087	10,187,087	10,173,087
HOME	6,349,896	7,610,029	4,959,522	5,504,696	4,710,196	4,701,696	4,700,696	4,696,696
Federal Grants	6,320,988	9,960,349	3,808,119	3,731,225	2,965,620	2,243,352	1,966,120	1,966,120
Tax Inc. Financing	45,382,259	53,643,784	54,411,444	53,852,334	31,734,551	11,049,784	19,695,116	12,309,749
Total	\$97,815,295	\$114,642,160	\$91,592,396	\$95,557,709	\$64,855,165	\$43,751,994	\$51,432,128	\$44,721,866
Requirements								
General Fund	12,413,178	10,591,991	6,971,822	11,535,464	11,751,624	11,966,276	12,208,021	12,455,289
Housing Inv. Fund	13,920,957	14,779,385	8,447,703	8,447,703	3,481,087	3,591,799	2,675,087	2,670,925
CDBG	10,415,650	18,056,622	12,993,786	12,490,286	10,212,087	10,199,087	10,187,087	10,173,087
HOME	6,349,896	7,610,029	4,959,522	5,504,696	4,710,196	4,701,696	4,700,696	4,696,696
Federal Grants	6,320,988	9,960,349	3,808,119	3,731,225	2,965,620	2,243,352	1,966,120	1,966,120
Tax Inc. Financing	45,382,259	53,643,784	54,411,444	53,852,334	31,734,551	11,049,784	19,695,116	12,309,749
Total	\$94,802,928	\$114,642,160	\$91,592,396	\$95,557,709	\$64,855,165	\$43,751,994	\$51,432,128	\$44,721,866

General Fund

Resources	FY 2009-10 Actual	FY 2010-11 Revised	FY 2011-12 Base	FY 2011-12 Request	FY 2012-13 Forecast	FY 2013-14 Forecast	FY 2014-15 Forecast	FY 2015-16 Forecast
Intergovernmental	68,716	75,000			-	-	-	-
Grant Indirect Charges	-	546,733	794,553	782,553	608,010	527,751	543,584	559,891
General Fund Discr.								
One-Time	6,275,120	3,469,326		3,668,300	2,731,666	1,776,299	811,825	(0)
Ongoing	6,056,721	5,978,061	6,177,269	7,084,611	8,411,948	9,662,225	10,852,612	11,895,398
Encumbrance c/o		522,871						
Miscellaneous	12,621							
Total	\$12,413,178	\$10,591,991	\$6,971,822	\$11,535,464	\$11,751,624	\$11,966,276	\$12,208,021	\$12,455,289

Requirements								
Personal Services	225,372	306,959	376,759	348,619	353,550	358,727	376,664	395,497
External/Internal M&S	1,042,477	773,618	1,141,363	1,130,403	1,150,503	1,165,026	1,179,985	1,195,392
Contracts								
Housing Access & Stabilization	4,184,702	5,991,140	5,453,700	6,388,142	7,515,905	8,166,223	9,329,547	10,344,200
One-Time	3,821,656	3,232,526		3,168,300	2,231,666	1,776,299	811,825	
Housing Prod. & Preservation	2,526,394							
One-Time	396,800	236,800						
Housing Access & Retention		50,948				500,000	510,000	520,200
One-Time				500,000	500,000			
Economic Opportunity	203,622							
Capital	12,155							
Total	\$12,413,178	\$10,591,991	\$6,971,822	\$11,535,464	\$11,751,624	\$11,966,276	\$12,208,021	\$12,455,289

Historical Look

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

General Fund Discretionary

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

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

As a result of the structural imbalance created in FY 2006-07, each subsequent annual budget submission included a substantial request for General Fund discretionary resources (sometimes ongoing, sometimes one-time) to fill the gap.

Unfortunately, the gap has been filled primarily with additional one-time funds. For FY 2009-10, the City Council filled some of the gap with \$1 million in ongoing funds; these funds, however, were earmarked for future operating costs of the Resource Access Center (RAC). And \$4.3 million in ongoing need was still funded with one-time General Fund discretionary resources. In FY 2010-11, the bureau again requested \$4.2 million in ongoing resources; the bureau received only \$2.5 million of that request in one-time funds, had to address another \$1.1 million of the request with bureau resources (carryover, HIF, and CDBG), and received \$1,000,000 for a new homeless services initiative.

For FY 2010-11, the bureau is requesting \$3.6 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 addition, there is a request for \$1 million in ongoing funding as the result of the end of the HPRP stimulus grant. The bureau used this grant to replace long standing serial one-time funds.

In terms of the bureau's existing ongoing General Fund discretionary allocation of \$6.2 million, approximately \$5.5 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 includes 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, 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 is up from the current year rate of 52.2%. The change reflects bureau analysis that identified errors in the previous calculation and takes into account the new bureau structure. These charges offset the indirect costs (not staffing costs, which are charged directly) not attributable to the General Fund, while keeping those costs in one accounting area for ease of tracking and administration.

The forecast assumes that income from indirect charges to TIF 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 2011-12, PHB will still face gaps in General Fund discretionary resources. These gaps could include:

1. The forecast assumes approval of converting \$1 million in serial one-time General Fund to ongoing, 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. As noted above, in both FY 2009-10 and 2010-11, PHB is used a portion of the HPRP-ARRA stimulus grant to backfill short-term rent assistance funding previously funded with serial one-time General Fund. Of the total \$4.2 million grant, \$1 million is being used in each fiscal year for this backfill purpose. Without a similar non-City resource, the bureau would need an additional \$1 million of General Fund discretionary to backfill this gap. The bureau has submitted a decision package for the \$1 million.

3. Costs for the RAC. While the \$1.2 million cost for day center operations was a concern last year, this has been mitigated somewhat through contract negotiations. PHB has identified a gap over two years that will be addressed in a decision package submitted by the Commissioner's Office.
4. The bureau is making a \$92,658 reduction in ongoing General Fund discretionary resources, cutting across Shelter and Emergency Services contracts, and recognizing savings from staffing reductions necessitated by multi-fund resource loss.

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 Housing Authority of Portland 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

Resources	FY 2009-10 Actual	FY 2010-11 Revised	FY 2011-12 Base	FY 2011-12 Request	FY 2012-13 Forecast	FY 2013-14 Forecast	FY 2014-15 Forecast	FY 2015-16 Forecast
Beginning Balance	2,468,669	3,012,367	974,762	974,762	1,091,394	1,197,704	288,128	337,934
Charges for Services	-	298,266	260,800	260,800	268,132	272,293	276,382	280,502
Intergovernmental Revenues	-	38,922	50,319	50,319	52,835	55,477	58,251	61,163
Loan Proceeds	2,401,061	7,519,343	5,079,596	5,079,596	-	-	-	-
Interest	35,743	45,000	10,000	10,000	10,000	10,000	10,000	10,000
Bond Proceeds	10,296,675	-	-	-	-	-	-	-
Local Shared Revenue	465,782	1,525,000	-	-	-	-	-	-
Headwaters	775,294	1,362,952	1,364,826	1,364,826	1,364,826	1,364,826	1,364,826	1,364,826
Program Income	490,100	977,535	707,400	707,400	693,900	691,500	677,500	616,500
Total	\$16,933,324	\$14,779,385	\$8,447,703	\$8,447,703	\$3,481,087	\$3,591,800	\$2,675,087	\$2,670,925

Requirements								
Personal Services	296,415	761,173	797,657	723,425	747,096	766,611	799,192	833,401
External M&S	2,401,061	10,349,578	5,989,918	5,989,918	891,291	1,889,973	888,721	887,231
Loan/Bond Payments	11,223,481	775,300	775,300	775,300	775,300	775,300	775,300	775,300
Transfers	-	2,118,572	67,666	67,666	69,696	71,787	73,940	76,159
Contingency	-	774,762	817,162	891,394	997,704	88,128	137,934	98,834
Total	\$13,920,957	\$14,779,385	\$8,447,703	\$8,447,703	\$3,481,087	\$3,591,800	\$2,675,087	\$2,670,925

The Housing Investment Fund (HIF) has been reorganized for a more transparent look at broad range of bureau services. For FY 2011-12, 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 the Metro 2040 plan and provide gap financing for housing projects that fulfilled the goals of the Livable City Housing Initiatives and the strategies developed by the Livable City Housing Council.

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

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

These allocations totaled \$34.6 million over the five year period. The funds were almost exclusively transferred to PDC for housing development and retention programs. These funds were tracked in a PDC Housing Investment Fund 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 regular loan payments back to the HIF. 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 low discounted value of the portfolio. They also limit the program income that accrues back to the HIF.

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), 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 processed 96 certificates valued at approximately \$3.8 million over the life of the loans in FY 09-10.

Fees are paid by applicants for the LTE, SDC, and MCC to cover the cost of administering the programs. 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 2011-12.

Limited Tax Exemption Administration

Resources	FY 2009-10 Actual	FY 2010-11 Revised	FY 2011-12 Base	FY 2011-12 Request	FY 2012-13 Forecast	FY 2013-14 Forecast	FY 2014-15 Forecast	FY 2015-16 Forecast
Charges for Services		119,666	71,600	71,600	73,032	74,493	75,982	77,502
Total		\$119,666	\$71,600	\$71,600	\$73,032	\$74,493	\$75,982	\$77,502
Requirements								
Personal Services		89,666	50,844	50,844	53,386	56,056	58,858	61,801
External M&S								
Housing Access & Retention		30,000	20,756	20,756	19,646	18,437	17,124	15,701
Total		\$119,666	\$71,600	\$71,600	\$73,032	\$74,493	\$75,982	\$77,502

System Development Charge Administration

Resources	FY 2009-10 Actual	FY 2010-11 Revised	FY 2011-12 Base	FY 2011-12 Request	FY 2012-13 Forecast	FY 2013-14 Forecast	FY 2014-15 Forecast	FY 2015-16 Forecast
Charges for Services		140,600	140,600	140,600	144,700	145,000	145,000	145,000
Total		\$140,600	\$140,600	\$140,600	\$144,700	\$145,000	\$145,000	\$145,000
Requirements								
Personal Services		110,600	109,152	109,152	114,610	115,000	115,000	115,000
External M&S								
Housing Access & Retention		30,000	31,448	31,448	30,090	30,000	30,000	30,000
Total		\$140,600	\$140,600	\$140,600	\$144,700	\$145,000	\$145,000	\$145,000

Mortgage Credit Certificate Program Administration

Resources	FY 2009-10 Actual	FY 2010-11 Revised	FY 2011-12 Base	FY 2011-12 Request	FY 2012-13 Forecast	FY 2013-14 Forecast	FY 2014-15 Forecast	FY 2015-16 Forecast
Charges for Services		38,000	48,600	48,600	50,400	52,800	55,400	58,000
Total		\$38,000	\$48,600	\$48,600	\$50,400	\$52,800	\$55,400	\$58,000
Requirements								
Personal Services		27,024	46,068	46,068	48,371	50,790	53,329	55,996
External M&S								
Housing Access & Retention		10,976	2,532	2,532	2,029	2,010	2,071	2,004
Total		\$38,000	\$48,600	\$48,600	\$50,400	\$52,800	\$55,400	\$58,000

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 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 nearing 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.

The balance of PHB's 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 future years. It is possible that a couple of the projects listed in the current year will not move forward.

Resources	FY 2009-10 Actual	FY 2010-11 Revised	FY 2011-12 Base	FY 2011-12 Request	FY 2012-13 Forecast	FY 2013-14 Forecast	FY 2014-15 Forecast	FY 2015-16 Forecast
Loan Proceeds	2,401,061	7,519,343	5,079,596	5,079,596				
Total	\$2,401,061	\$7,519,343	\$5,079,596	\$5,079,596				
Requirements								
External M&S								
Housing Production & Preservation			5,079,596	5,079,596				
Projects								
Villa De Suenos		1,700,000						
Uptown		700,000						
Upshur		415,000						
Halsey		650,000						
Briarwood		1,254,404						
Los Jardines		400,000						
Roselyn	796,994	33,006						
McCoy		830,000						
Bronaugh		1,500,000						
Walnut Park	1,604,067	36,933						
Total	\$2,401,061	\$7,519,343	\$5,079,596	\$5,079,596				

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

One City Lights project, the Headwaters – a multi-income property – was completed. The project was executed by PDC. Rental income, debt repayment, and property management costs for the property are now made from a separate fund, but reported here for continuity. The debt service reserve is held in the HIF.

At this date it is unclear whether City Lights will generate tangible net income from the Headwaters project. The bureau is conservatively estimating a break-even scenario at this point. The break-even scenario also assumes the calling of Series A bonds as cash flow is available. A risk factor in the last forecast has been mitigated, as Multnomah County will not treat the property as taxable.

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 recently had expenditures. It is anticipated that funds will continue to be drawn down until fully expended.

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

The other reserve is debt related and unappropriated, the largest (\$250,000) being for the Headwaters City Lights project as noted above.

Program Income

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

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

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

Future Look

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

PHB could use a sub fund in the HIF as an operating fund, and as such there is the potential to point the bureaus' General Fund discretionary allocation to the HIF, similar to what is done with other bureaus. This concept would need further analysis by the bureau and OMF.

Resources	FY 2009-10 Actual	FY 2010-11 Revised	FY 2011-12 Base	FY 2011-12 Request	FY 2012-13 Forecast	FY 2013-14 Forecast	FY 2014-15 Forecast	FY 2015-16 Forecast
Beginning Balance	2,468,669	3,012,367	974,762	974,762	1,091,394	1,197,704	288,128	337,934
Interest	35,743	45,000	10,000	10,000	10,000	10,000	10,000	10,000
Bond Proceeds	10,296,675							
Local Shared Revenue	465,782	1,525,000						
Headwaters	775,294	1,362,952	1,364,826	1,364,826	1,364,826	1,364,826	1,364,826	1,364,826
Program Income	490,100	977,535	707,400	707,400	693,900	691,500	677,500	616,500
Total	\$14,532,263	\$6,922,854	\$3,056,988	\$3,056,988	\$3,160,120	\$3,264,030	\$2,340,454	\$2,329,260
Requirements								
Personal Services	296,415	494,961	541,274	467,042	477,894	489,289	513,753	539,441
External M&S			66,060	66,060	50,000	50,000	50,000	50,000
Next Generation Loan Servicing/Asset Mgt. System		400,000						
Housing Access & Stabilization		863,500	200,000	200,000	200,000	200,000	200,000	200,000
Housing Production & Preservation								
Headwaters								
Debt	775,294	775,300	775,300	775,300	775,300	775,300	775,300	775,300
Operating		587,652	589,526	589,526	589,526	589,526	589,526	589,526
Projects								
Sawash		29,240						
Clifford		253,725						
Eastgate		125,142						
Affordable Rental Housing						1,000,000		
Housing Access & Retention	10,296,675	500,000						
General Fund Overhead			67,666	67,666	69,696	71,787	73,940	76,159
TIF Working Capital Transfer		2,118,572						
General Bond Fund Transfer	151,512							
Contingency		774,762	817,162	891,394	997,704	88,128	137,934	98,834
Total	\$11,519,896	\$6,922,854	\$3,056,988	\$3,056,988	\$3,160,120	\$3,264,030	\$2,340,454	\$2,329,260

Housing and Community Development Fund

Resources	FY 2009-10 Actual	FY 2010-11 Revised	FY 2011-12 Base	FY 2011-12 Request	FY 2012-13 Forecast	FY 2013-14 Forecast	FY 2014-15 Forecast	FY 2015-16 Forecast
Carryover			2,275,000	2,275,000				
Grants	8,791,806	13,792,509	10,077,986	9,574,487	9,574,087	9,574,087	9,574,087	9,574,087
ARRA	826,589	1,899,998						
Program Income	776,315	600,000	640,800	640,800	638,000	625,000	613,000	599,000
Encumbrance c/o		1,764,115						
Miscellaneous	20,940							
Total	\$10,415,650	\$18,056,622	\$12,993,786	\$12,490,287	\$10,212,087	\$10,199,087	\$10,187,087	\$10,173,087

Requirements								
Personal Services	1,239,070	2,107,709	2,215,484	1,780,920	1,769,966	1,758,464	1,846,388	1,938,707
Indirect		405,571	706,562	564,928	512,380	527,751	543,584	559,891
External/Internal M&S	141,522	223,339	173,880	173,880	179,096	184,469	190,003	195,703
General Fund Overhead					200,669	413,378	425,779	438,553
Contracts								
Housing Access & Stabilization	1,118,057	1,484,989	1,369,750	1,369,750	1,397,145	1,410,746	1,438,961	1,484,070
Housing Prod. & Preservation	2,898,710	564,024	205,000	205,000	175,000	175,000	175,000	175,000
Project & CHDO Support		465,467	428,200	428,200	300,000	100,000	-	-
Section 108 Repayment	3,856	516,128	400,000	400,000	500,000	500,000	500,000	500,000
Housing Access & Retention	1,161,048	2,028,881	1,699,000	1,699,000	1,732,980	1,767,640	1,802,992	1,839,052
BDS Inspectors	124,176	225,600	225,600	-	-	-	-	-
Economic Opp.	2,902,622	3,218,159	2,845,310	2,703,245	2,703,245	2,703,245	2,703,245	2,703,245
Projects								
Affordable Rental Housing		1,982,906	450,000	890,364	741,606	658,394	561,135	338,865
Butte Hotel		190,706						
Sawash/Tisitlal		243,145						
Kehillah			275,000	275,000				
Hatfield		846,727						
Otesha		153,273						
Hillsdale Terrace			2,000,000	2,000,000				
ARRA								
Economic Opp.	192,799	507,212						
Affordable Rental Housing		132,226						
Hewitt Place	501,564	297,053						
Taggart		301,750						
The Glen/Bellrose		707,306						
Arbor Glen		86,677						
PBOT GF Swap (09-10)		1,500,000						
Total	\$10,415,650	\$18,056,622	\$12,993,786	\$12,490,286	\$10,212,087	\$10,199,087	\$10,187,087	\$10,173,086

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 PHB will complete spending in FY 2010-11.

Caps

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

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

Coming in FY 2012, the City will begin charging General Fund overhead to the CDBG Fund (estimated at \$200,000 in FY 2012-13, increasing to \$400,000 plus in future years. This will put additional pressure on the administration and planning cap in addition to reducing funds available for program delivery. The bureau has built headspace into the administration and planning cap in anticipation of this future cost.

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 \$640,000, down from about \$1.1 million in FY 2007-08. There is an interesting lag between the HUD tracking system and the City financial system in terms of program income. However, the receipt of program income directly to PHB – effective as of the July 1 transition of PDC Housing to PHB – allows 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. With the decline in TIF resources, the bureau will need to allocate more resources to affordable housing development projects – in FY 2011-12 over \$400,000 in resources freed up through staffing reductions are being set aside for this purpose. The bureau will focus on setting aside CDBG to use in

years where TIF resources are scarce; there, however, 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 BMP and the 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 built its FY 2011-12 Request Budget on the assumption that the 2011-12 entitlement allocation will be five percent *less* than the current year. 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 \$2 million in CDBG funds for the HAP Hillsdale Terrace Hope VI project. These funds are currently reserved and will be carried over in the spring BuMP. 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 \$500,000 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 generate 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

Resources	FY 2009-10 Actual	FY 2010-11 Revised	FY 2011-12 Base	FY 2011-12 Request	FY 2012-13 Forecast	FY 2013-14 Forecast	FY 2014-15 Forecast	FY 2015-16 Forecast
Beginning Balance				775,000				
Grants	5,959,275	4,596,522	4,596,522	4,366,696	4,366,696	4,366,696	4,366,696	4,366,696
Program Income	390,621	370,000	363,000	363,000	343,500	335,000	334,000	330,000
Encumbrance c/o		2,643,507						
Total	\$6,349,896	\$7,610,029	\$4,959,522	\$5,504,696	\$4,710,196	\$4,701,696	\$4,700,696	\$4,696,696

Requirements								
Personal Services	368,931	389,725	398,537	381,449	388,021	394,923	414,669	435,402
External/Internal M&S		10,010						
Contracts								
Housing Access & Stabilization	471,349	370,000	394,000	394,000	401,880	409,918	418,116	426,478
Housing Prod. & Preservation	4,341,796							
CHDO Support	267,450	195,700	148,700	148,700	148,700	148,700	148,700	148,700
Projects								
PCRI - Scattered Sites		192,785						
Rockwood		1,111,333						
Villa De Suenos		1,125,000						
Briarwood		807,215						
Affordable Rental Housing	322,233	1,602,218	3,305,385	3,867,647	3,058,722	3,035,284	3,006,339	2,973,244
Gresham Funds	578,137	1,657,561	564,400	564,400	564,390	564,390	564,390	564,390
Multnomah Co. Funds		148,482	148,500	148,500	148,482	148,482	148,482	148,482
Contingency								
Total	\$6,349,896	\$7,610,029	\$4,959,522	\$5,504,696	\$4,710,195	\$4,701,696	\$4,700,696	\$4,696,696

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 no 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 \$370,000, 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 – effective as of the July 1 transition of PDC Housing to PHB – allows 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. The FY 2011-12 Request Budget includes an additional \$775,000 of prior year allocation. These were categorized as administrative in prior years, but never billed. The bureau has worked HUD to release these funds for affordable housing development.

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 BMP and the Approved Budget to be more transparent about those changes.

Future Look

HOME is subject to the same uncertainty at the federal level as CDBG. The bureau built its FY 2011-12 Request Budget on the assumption that the 2011-12 entitlement allocation will be five percent *less* than the current year. The forecast assumes no growth in the entitlement from that point through the rest of the forecast.

Federal Grants

Entitlements

PHB receives two other, smaller entitlement grants – the Emergency Shelter grant (ESG) and Housing for People With AIDS (HOPWA). They are formula based and subject to a similar allocation timeline process as HOME and CDBG. In FY 2009-10, the City received an additional \$4.2 million in ESG formula funds under ARRA with the Housing Placement and Rapid Re-housing Program (HPRRP). This was a one-time allocation of funds, but the bureau is spent the funds over two fiscal years. As noted in the General Fund section, \$2.1 million of these funds were used to backfill long standing serial one-time General Fund resources for short-term rent assistance services.

HOPWA

Resources	FY 2009-10 Actual	FY 2010-11 Revised	FY 2011-12 Base	FY 2011-12 Request	FY 2012-13 Forecast	FY 2013-14 Forecast	FY 2014-15 Forecast	FY 2015-16 Forecast
Grants	1,201,082	1,252,939	1,088,055	1,033,652	1,033,652	1,033,652	1,033,652	1,033,652
Encumbrance c/o		521,468						
Total	\$1,201,082	\$1,774,407	\$1,088,055	\$1,033,652	\$1,033,652	\$1,033,652	\$1,033,652	\$1,033,652
Requirements								
Personal Services	27,866	32,910	11,223	11,223	11,784	12,373	12,992	13,642
External M&S								
Housing Prod. & Preservation	257,281	556,220						
Housing Access & Stabilization	915,935	1,185,277	1,076,832	1,022,429	1,021,868	1,021,279	1,020,660	1,020,011
Total	\$1,201,082	\$1,774,407	\$1,088,055	\$1,033,652	\$1,033,652	\$1,033,652	\$1,033,652	\$1,033,653

ESG

Resources	FY 2009-10 Actual	FY 2010-11 Revised	FY 2011-12 Base	FY 2011-12 Request	FY 2012-13 Forecast	FY 2013-14 Forecast	FY 2014-15 Forecast	FY 2015-16 Forecast
Grants	459,652	441,899	441,899	419,408	419,408	419,408	419,408	419,408
Total	\$459,652	\$441,899	\$441,899	\$419,408	\$419,408	\$419,408	\$419,408	\$419,408
Requirements								
Personal Services	20,744	21,308	23,732	23,732	24,919	26,165	27,473	28,846
External M&S								
Housing Access & Stabilization	438,908	420,591	418,167	395,676	394,489	393,244	391,935	390,562
Total	\$459,652	\$441,899	\$441,899	\$419,408	\$419,408	\$419,409	\$419,408	\$419,408

HPRP-ARRA

Resources	FY 2009-10 Actual	FY 2010-11 Revised	FY 2011-12 Base	FY 2011-12 Request	FY 2012-13 Forecast	FY 2013-14 Forecast	FY 2014-15 Forecast	FY 2015-16 Forecast
Grants	1,835,944	2,222,195						
Total	\$1,835,944	\$2,222,195						
Requirements								
Personal Services	14,175	70,296						
External M&S								
Housing Access & Stabilization	1,821,769	2,151,899						
Total	\$1,835,944	\$2,222,195						

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 newest 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. PHB anticipates receiving another award but has not included this resource in the forecast because details and funding negotiations are not complete. As in the prior forecast, it is assumed that there will be some carryover of NSP funds (to be identified in the Spring BMP) into FY 2011-12.

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 2009-10 Actual	FY 2010-11 Revised	FY 2011-12 Base	FY 2011-12 Request	FY 2012-13 Forecast	FY 2013-14 Forecast	FY 2014-15 Forecast	FY 2015-16 Forecast
Grants	1,348,806	1,840,230	1,333,000	1,333,000	666,500			
Total	\$1,348,806	\$1,840,230	\$1,333,000	\$1,333,000	\$666,500			
Requirements								
Personal Services	82,189	280,005	280,838	265,142	139,199			
External M&S								
Housing Access & Retention	1,266,617	1,414,062	870,009	885,706	431,671			
Indirect		146,163	182,153	182,153	95,630			
Total	\$1,348,806	\$1,840,230	\$1,333,000	\$1,333,000	\$666,500			

Healthy Homes

Resources	FY 2009-10 Actual	FY 2010-11 Revised	FY 2011-12 Base	FY 2011-12 Request	FY 2012-13 Forecast	FY 2013-14 Forecast	FY 2014-15 Forecast	FY 2015-16 Forecast
Grants		\$56,692	333,000	333,000	333,000	\$277,232		
Total		\$56,692	333,000	333,000	333,000	\$277,232		
Requirements								
Personal Services		11,076	88,308	88,308	88,308	77,232		
External M&S								
Housing Access & Retention		45,616	244,692	244,692	244,692	200,000		
Total		\$56,692	\$333,000	\$333,000	\$333,000	\$277,232		

NSP

Resources	FY 2009-10 Actual	FY 2010-11 Revised	FY 2011-12 Base	FY 2011-12 Request	FY 2012-13 Forecast	FY 2013-14 Forecast	FY 2014-15 Forecast	FY 2015-16 Forecast
Grants	965,068	2,569,023	99,105	99,105				
Program Income		542,843						
Total	\$965,068	\$3,111,866	\$99,105	\$99,105				
Requirements								
Personal Services	203,655	79,402	57,632	57,632				
External M&S								
Housing Access & Retention	761,413	3,032,464						
Indirect			41,473	41,473				
Total	\$965,068	\$3,111,866	\$99,105	\$99,105				

McKinney - OTIS

McKinney – HMIS

Tax Increment Financing

	FY 2009-10 Actual	FY 2010-11 Revised	FY 2011-12 Base	FY 2011-12 Request	FY 2012-13 Forecast	FY 2013-14 Forecast	FY 2014-15 Forecast	FY 2015-16 Forecast
Resources								
Intergovernmental	849,999							
Fund Transfers	344,143	2,118,572	-	-	-	-	-	-
Loan Payoffs/Property Sales			5,659,500	5,659,500	1,800,000			
Loan Income			1,119,700	1,119,700	1,119,700	1,119,700	1,119,700	1,119,700
Tax Increment	44,189,239	51,525,212	47,252,244	46,683,134	28,434,851	9,550,084	18,195,416	10,810,049
Other	(1,122)		380,000	380,000	380,000	380,000	380,000	380,000
Total	\$45,382,259	\$53,643,784	\$54,411,444	\$53,842,334	\$31,734,551	\$11,049,784	\$19,695,116	\$12,309,749

Requirements								
Personal Services - Direct Staff	886	2,332,782	1,194,943	1,002,871	928,015	796,765	836,603	878,433
Personal Services - Indirect Staff	276,167		1,047,458	922,886	919,030	964,982	1,013,231	1,063,892
General Fund Overhead			73,771	73,771	75,984	78,264	80,612	83,030
Bureau Indirect	568,121	1,512,532	1,287,361	1,034,895	941,309	849,674	887,171	926,394
<i>Staff & Indirect Subtotal</i>	<i>\$ 845,174</i>	<i>\$ 3,845,314</i>	<i>\$ 3,603,533</i>	<i>\$ 3,034,423</i>	<i>\$ 2,864,338</i>	<i>\$ 2,689,684</i>	<i>\$ 2,817,616</i>	<i>\$ 2,951,749</i>
North Macadam URA								
Housing Production & Preservation								
H10543 Affordable Veterans Housing	118,865	7,100,000	5,300,000	5,300,000	11,427,113	-	-	-
H89030 Affordable Rental Housing	-	-	-	-	-	-	-	-
<i>URA Requirements Subtotal</i>	<i>\$118,865</i>	<i>\$7,100,000</i>	<i>\$5,300,000</i>	<i>\$5,300,000</i>	<i>\$11,427,113</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>
Downtown Waterfront URA								
Housing Production & Preservation								
H89030 Affordable Rental Housing	297,666	2,000	1,000,000	1,000,000	-	-	2,200,000	-
Program Income Repayment					482,600	482,600		482,600
<i>URA Subtotal</i>	<i>\$297,666</i>	<i>\$2,000</i>	<i>\$1,000,000</i>	<i>\$1,000,000</i>	<i>\$482,600</i>	<i>\$482,600</i>	<i>\$2,200,000</i>	<i>\$482,600</i>
Central Eastside URA								
Housing Production & Preservation								
H80046 CES Clifford Apartments Rehab	2,353,725	796,275	-	-	-	-	-	-
H80045 Hooper Center	2,000,000							
H89030 Affordable Rental Housing	2,321	-	-	-				2,800,000
Program Income Repayment			2,100	2,100	2,100	2,100	2,100	2,100
<i>URA Subtotal</i>	<i>\$4,356,046</i>	<i>\$796,275</i>	<i>\$2,100</i>	<i>\$2,100</i>	<i>\$2,100</i>	<i>\$2,100</i>	<i>\$2,100</i>	<i>\$2,800,000</i>
River District URA								
Housing Production & Preservation								
H32138 The Ramona	12,012,508	7,000,000	-	-	-	-	-	-
H12030 Fairfield Apartments	44,441	930,000	380,000	380,000	380,000	380,000	380,000	380,000
H37938 Blanchet House Redev	215,605	2,000,000	3,000,000	3,000,000				
H89030 Affordable Rental Housing	105,843	-	492,919	492,919	-	4,000,000	9,000,000	3,500,000
H37937 Bud Clark Commons	3,323,466	10,329,607	16,046,927	16,046,927	-	-	-	-
H37940 New Avenues for Youth	1,191,305	9,190	-	-	-	-	-	-
H80036 Yards at Union Station	592,622	-	4,400,000	4,400,000	-	-	-	-
<i>URA Subtotal</i>	<i>\$17,485,790</i>	<i>\$20,268,797</i>	<i>\$24,319,846</i>	<i>\$24,319,846</i>	<i>\$380,000</i>	<i>\$4,380,000</i>	<i>\$9,380,000</i>	<i>\$3,880,000</i>
Gateway Regional Center URA								
Housing Production & Preservation								
H20017 Ventura Park		21,000	79,000	79,000	300,000			
H89034 Gateway/Glisman	1,978,381	25,000	2,400,000	2,400,000	5,500,000	-	-	-
Housing Access & Retention								
H89020 Home Buyer Assistance					100,000	100,000		
<i>URA Subtotal</i>	<i>\$1,978,381</i>	<i>\$46,000</i>	<i>\$2,479,000</i>	<i>\$2,479,000</i>	<i>\$5,900,000</i>	<i>\$100,000</i>	<i>\$0</i>	<i>\$0</i>
Lents Town Center URA								
Housing Production & Preservation								
H32117 Cambrian Park Rental Housing	202,277	-	-	-	-	-	-	-
H32110 122nd & Pardee	115,231							
H33441 Dahlia Commons/Svaboda	42,736	446,000	1,354,000	1,354,000	-	-	-	-
H33442 Habitat for Humanity #3	209,092	27,709	-	-	-	-	-	-
H89015 Rental Rehabilitation Projects	-	200,000	-	-	-	-	-	-
H89030 Affordable Rental Housing	25,000	-	3,000,000	3,000,000	250,000	250,000	1,000,000	250,000
H89031 The Glen	1,840,468	1,498,764						
H20023 Holgate House		725,000	197,398	197,398				

	FY 2009-10 Actual	FY 2010-11 Revised	FY 2011-12 Base	FY 2011-12 Request	FY 2012-13 Forecast	FY 2013-14 Forecast	FY 2014-15 Forecast	FY 2015-16 Forecast
Lents Town Center URA								
H32131 REACH Home Rehabilitation	125,000	125,000	-	-	-	-	-	-
H37930 Scat Site Home Rehab & Subs HAP	62,612	893,000	1,522,500	1,522,500	-	-	-	-
Housing Access & Retention								
H89010 Home Repair Projects	72,548	295,571	450,000	450,000	450,000	550,000	300,000	450,000
H89020 Home Buyer Assistance	1,075,412	709,930	400,000	400,000	700,000	800,000	700,000	700,000
<i>URA Subtotal</i>	<i>\$3,770,376</i>	<i>\$4,920,974</i>	<i>\$6,923,898</i>	<i>\$6,923,898</i>	<i>\$1,400,000</i>	<i>\$1,600,000</i>	<i>\$2,000,000</i>	<i>\$1,400,000</i>
South Park Blocks URA								
Housing Production & Preservation								
H12027 Jefferson West Apartments	45,498	86,000	86,000	86,000	86,000	-	-	-
H12035 Martha Washington	4,185,844	465,000	-	-	-	-	-	-
H12036 Admiral Apartments	2,084,438	370,000	-	-	-	-	-	-
H12037 Chaucer	-	2,000,000	650,000	650,000	-	-	-	-
H34510 SPB Section 8 Preservation	439	-	2,023,600	2,023,600			-	-
H34525 James Hawthorne	4,562,053	317,000	-	-	-	-	-	-
Park Tower			-	-	4,860,000			
Lexington				1,620,000	1,620,000			
1200						2,670,000		
Program Income Repayment							133,000	133,000
<i>URA Subtotal</i>	<i>\$10,878,272</i>	<i>\$3,238,000</i>	<i>\$4,379,600</i>	<i>\$4,379,600</i>	<i>\$7,616,000</i>	<i>\$133,000</i>	<i>\$133,000</i>	<i>\$133,000</i>
Convention Center URA								
Housing Production & Preservation								
H19032 King/Parks Affordable Housing	86,467	150,000	1,686,467	1,686,467	-	-	-	-
H80003 Lloyd Cascadian Phase II	3,000	-	-	-	-	-	-	-
H80026 Grant Warehouse - Affordable Housing	302,421	275,000	-	-	-	-	-	-
H80002 MFH - 2nd and Wasco	8,657	-	-	-	-	-	-	-
H80042 OCC Miracles Club	530,294	3,148,000	-	-	-	-	-	-
H80043 Rose Qtr Afford Rental Housing	1,160,865	89,000	-	-	-	-	-	-
H89049 McCoy Apartments Rehab	60,545	990,000	750,000	750,000	-	-	-	-
Program Income Repayment					62,400	62,400	62,400	62,400
<i>URA Subtotal</i>	<i>\$2,152,249</i>	<i>\$4,652,000</i>	<i>\$2,436,467</i>	<i>\$2,436,467</i>	<i>\$62,400</i>	<i>\$62,400</i>	<i>\$62,400</i>	<i>\$62,400</i>
Interstate URA								
Housing Production & Preservation								
H34606 Killingsworth Block	12,156	-	850,000	850,000	-	-	-	-
H38712 Woolsey Corner Homeownership Dev	2,349	480,857	-	-	-	-	-	-
H34612 Crown Motel Affordable Housing	615,190							
H89035 Homeownership Development	-	-	-	-	500,000	500,000	500,000	-
H89046 PCRI Home Exeter/Fessenden	474,204	625,796	-	-	-	-	-	-
H20027 PCRI Scattered Sites 2 (NOFA)		400,000						
H89030 Affordable Rental Housing	195,652	250,000	-	-	-	-	1,500,000	-
H61009 Ainsworth Court Rehab	-	1,400,000	-	-	-	-	-	-
H89047 Bridge Meadows	431,278	1,318,722	-	-	-	-	-	-
H238711 Rivergate		211,750						
H37932 HAP Afford Ownership/Rehab	53,599	767,000	2,017,000	2,017,000	-	-	-	-
Housing Access & Retention								
H89010 Home Repair Projects	134,715	500,000	500,000	500,000	500,000	500,000	500,000	500,000
H89045 Home Rehab and Retention	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
H89020 Home Buyer Assistance	1,136,154	601,727	500,000	500,000	500,000	500,000	500,000	-
<i>URA Total</i>	<i>\$3,155,297</i>	<i>\$6,655,852</i>	<i>\$3,967,000</i>	<i>\$3,967,000</i>	<i>\$1,600,000</i>	<i>\$1,600,000</i>	<i>\$3,100,000</i>	<i>\$600,000</i>
<i>All URA Total</i>	<i>44,192,942</i>	<i>47,679,898</i>	<i>50,807,911</i>	<i>50,807,911</i>	<i>28,870,213</i>	<i>8,360,100</i>	<i>16,877,500</i>	<i>9,358,000</i>
Float	344,143	2,118,572	-	-	-	-	-	-
Total	\$ 45,382,259	\$ 53,643,784	\$ 54,411,444	\$ 53,842,334	\$ 31,734,551	\$ 11,049,784	\$ 19,695,116	\$ 12,309,749
Net	0	-	-	-	-	-	-	-

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 another fund, 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.

December Forecast Reset

In December, PDC announced that in consultation with OMF, the forecasts for most URAs had been reset downward. The reason for the reset is 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. This dramatically changed the TIF outlook for PHB; where last year's forecast saw TIF resources stabilizing in the out years in the \$20-27 million range, this new forecast has out year TIF resources in the \$10-19 million range. The impact on the various URAs is noted below.

Future Look

The TIF portion of the PHB budget for FY 2010-12 is in a steady \$45-50 million range as in FY 2009-10 and 2010-11. This is a bubble of funding that shrinks dramatically over the life of the forecast – first to \$30 million, then to \$11-12 million – which will challenge the bureau in maintaining the supply of affordable housing delivery products. As resources reappear at the end of the forecast period, they are not at levels seen in the last five years.

- **South Park Blocks** – This URA is expiring. Portions of it may re-appear as part of a new central city URA, but that discussion is on hold. The bureau is in discussions with PDC over remaining funds in the URA; the forecast lists estimates for three projects (and thus reflects double-budgeting, but there is not sufficient funding for all three).
- **Downtown Waterfront** – This URA is also expiring, though portions were amended to the River District URA and other portions could end up as part of a central city URA (again, on hold). There is approximately \$3 million allocated for affordable housing, but these funds are also in discussion with PDC.
- **Convention Center** – This is another expiring URA, though portions could end up in the Interstate URA. There appear to be additional funds available in the URA, but the amount available for affordable housing is unknown.
- **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.
- **River District** – This URA has a substantial number of projects winding up development for FY 2010-12, but there is a quiet period before resources begin developing again in the out years of the forecast.
- **Central Eastside** – A URA with minimal available resources, funding available for affordable housing is non-existent until the final year of the forecast – on a positive, it is a higher-than-anticipated amount.
- **Gateway** – Like North Macadam, after the funds in the next two years of the forecast are spent (currently in RFP), there are no funds available for affordable housing throughout the forecast.

- **Lents** – Lents sees a \$5 million reduction in out-year resources from the previous forecast. Resources are minimal after the funds in the next two years of the forecast are spent (currently in RFP), though there is a positive blip in FY 2014-15.
- **Interstate** – Interstate sees a \$4 million reduction in out-year resources from the previous forecast. Resources are minimal after FY 2011-12, though there is a positive blip in FY 2014-15.