CITY OF
PORTLAND, OREGON
PORTLAND HOUSING BUREAU

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To: Mayor Charlie Hales
Commissioner Nick Fish
Commissioner Amanda Fritz
Commissioner Steve Novick
Commissioner Dan Saltzman

From: Traci Manning

RE: Portland Housing Bureau's Spring BMP Submittal

Date: March 31, 2014

The Portland Housing Bureau (PHB) has prepared the attached report for the Spring Budget Monitoring Process (BMP) as requested by the City Budget Office (CBO).

BUDGET ADJUSTMENT REQUESTS
PHB is requesting Council approval for the following seven decision packages.

1. **Severe Weather (HC_008)** – Increase appropriation in order to account for costs associated with the February severe weather event.

   Total Request: $58,000
   - $37,800 General Fund one-time
   - $20,200 savings on common area maintenance fees at Bud Clark Commons

2. **Rebudget Project Resources (HC_010)** – Reduce development project appropriations in current fiscal year in response to project timelines. Pending approval, these reductions will mirror corresponding increases in FY 2014/15 Approved Budget.

   Total Reduction: $12,121,958, including:
   - $ 3,300,000 – The Abigail (TIF River District)
   - $ 1,750,000 – King / Parks (TIF Interstate Corridor)
   - $ 1,591,721 – Glisan Commons (TIF Gateway District)
   - $ 1,425,000 – PCRI / Maggie Gibson (CDBG)
   - $ 1,476,000 – The Medford (TIF River District)
   - $ 1,075,000 – Vista de Rosas (HOME)
   - $ 794,173 – Grays Landing curtailment (TIF North Macadam)

3. **Rebudget Opportunity Funding (HC_014)** – Reduce opportunity funding appropriation in current fiscal year in coordination with anticipated increases to be offered in the FY 2014/15 Approved Budget. These resources will be budgeted for projects that have already been awarded or that come in through a future NOFA process.

Total Reduction: $33,325,126, including:

- $ 6,032,497 (CDBG grant)
- $ 7,424,000 (Section 108)
- $ 2,541,574 (HOME grant)
- $ 12,700,000 (TIF Convention Center)
- $ 2,486,239 (TIF Downtown Waterfront)
- $ 1,220,206 (TIF Interstate)
- $ 475,985 (TIF Lents)
- $ 100,000 (TIF River District)
- $ 344,625 (TIF South Park Blocks)

4. **New Revenues (HC_009)** – Increase appropriation in order to realize new revenue in support of PHB programs.

   Total Request: $158,284, including:

   - $72,557 - additional sale proceeds for Jefferson West (over earlier estimate of TIF program income to be generated from sale)
   - $60,000 - Multnomah County pass-through for east county homeless outreach

5. **Innovation Fund Award (HC_011)** – Increase appropriation to reflect innovation fund award for XML Data Sharing project

   Total Request: $48,000

6. **Spring BMP Carryover Request (HC_013)** – Request one-time $10,000 general fund reduction in bureau budget in order to carry forward resources for staff equity training in FY 2014/15.

   Total Reduction: $10,000

7. **Technical Adjustments (HC_012)** – Make a number of technical adjustments to the bureau's budget with no net increase or decrease at the fund level.

   Total Request: $0

REPORTING EXERCISES

The following three exercises are requested from bureaus during the Spring BMP.

1. **Current Year Budget Projections** – PHB forecasts that it will remain within budget across all bureau funds through the end of FY 2013/14.

2. **Current Year Budget Note Updates** – N/A. PHB had no budget notes for FY 2013/14.

3. **Decision Package Status Updates** – This report describes the status on FY 2013/14 decision package-funded activities, for which outcomes and spending have been as expected.

Should you have any questions about the PHB BMP submittal, please contact Mike Johnson (823-4176) or Paul Stewart (823-2389).

BUDGET AMENDMENT REQUEST

Portland Housing Bureau | PERIOD Spring BMP | FISCAL YEAR FY 2013-14

HC_008 - Severe Weather

PHB is requesting Council approve $58,000 general fund one-time to cover costs associated with the February severe weather event.

Dollar Amount:	$58,000
Type:	New Request
Resources:	General Fund Discretionary

HC_009 - New Revenues

PHB is requesting Council approval to increase appropriation in order to realize new revenue in support of PHB programs. The revenues are $72,557 of TIF program income and $60,000 from Multnomah County.

Dollar Amount:	$158,284
Type:	New Request
Resources:	New Revenues

HC_010 - Rebudget Project Resources

PHB is requesting Council approval to reduce development project appropriations in the current fiscal year in response to project timelines. Pending approval, these reductions will mirror corresponding increases in FY 14/15 Approved Budget.

Dollar Amount:	($12,121,958)
Type:	Carryover Request
Resources:	Internal Transfer

HC_011 - Innovation Fund

PHB is requesting Council approval to increase appropriation to reflect innovation fund award for XML Data Sharing project.

Dollar Amount:	$48,000
Type:	New Request
Resources:	General Fund Discretionary

HC_012 - Technical Adjustments

PHB is requesting Council approval for a number of technical adjustments to the bureau's budget with no net increase or decrease at the fund level.

Dollar Amount:	$0
Type:	Technical Adjustment
Resources:	Internal Transfer

BUDGET AMENDMENT REQUEST

Portland Housing Bureau | PERIOD Spring BMP | FISCAL YEAR FY 2013-14

HC_013 - Spring BMP Carryover Request

PHB is requesting Council approval for a one-time $10,000 general fund reduction in order to allow PHB to carry forward resources for staff equity training.

Dollar Amount:	($10,000)
Type:	Carryover Request
Resources:	General Fund Discretionary

HC_014 - Rebudget Opportunity Funding

PHB is requesting Council approval to reduce opportunity funding appropriation in the current fiscal year in coordination with anticipated increases to be offered in the FY 14/15 Approved Budget. These resources will be budgeted for projects that have already been awarded or that come in through a future NOFA process.

Dollar Amount:	($33,325,126)
Type:	Carryover Request
Resources:	Internal Transfer

Business Area Projection Report
General Fund

	Spring BMP Revised Budget	FY 2013-14 YTD Actuals Thru AP8	Spring BMP Year-End Projection	% of Projected Actuals to Revised Bud
Portland Housing Bureau				
EXPENDITURES				
Personnel Services	$495,382	$315,900	$476,394	96%
External Materials and Services	$12,140,398	$5,503,826	$12,066,979	99%
Internal Materials and Services	($283,333)	($330,377)	($283,333)	100%
TOTAL EXPENDITURES	**$12,352,447**	**$5,489,349**	**$12,260,040**	**99%**
REVENUES				
Charges for Services	$0	$0	$0	0%
Intergovernmental Revenues	$198,000	$0	$198,000	100%
Interagency Revenue	$75,332	$49,724	$75,332	100%
Miscellaneous	$20,200	($8,033)	($8,033)	-40%
General Fund Discretionary	$12,058,915	$0	$11,994,741	99%
TOTAL REVENUES	**$12,352,447**	**$41,691**	**$12,260,040**	**99%**

Bureau Projection Narrative

Bureaus are required to provide narrative explaining and major object category variances exceeding 10%.

[Miscellaneous Revenues] – PHB's activity in this major object category projects to be negative $8,033 due to a $28,000 write-off. This write-off was related to overstated revenues accrued during the conversion from IBIS to SAP and according to OMF Accounting's determination, it was necessary debit a budgetary revenue account in the course of clearing this overstated accrual. The $20,000 of actual miscellaneous revenue is a refund (common area maintenance fees from Bud Clark Commons) being used to partly fund the bureau's severe weather decision package request in the Spring BMP.

Fund Projection Report
Portland Housing Bureau

	Spring BMP Revised Budget	FY 2013-14 YTD Actuals Thru AP8	Spring BMP Year-End Projection	% of Projected Actuals to Revised Bud
Housing Investment Fund				
EXPENDITURES				
Unappropriated Fund Balance	$120,000	$0	$0	0%
Personnel Services	$978,154	$622,118	$944,011	97%
External Materials and Services	$621,229	$223,620	$503,765	81%
Fund Transfers - Expense	$217,742	$145,161	$217,742	100%
Contingency	$119,795	$0	$0	0%
TOTAL EXPENDITURES	**$2,056,920**	**$990,899**	**$1,665,518**	**81%**
REVENUES				
Budgeted Beginning Fund Balance	$892,851	$0	$366,974	41%
Charges for Services	$345,780	$211,498	$288,855	84%
Intergovernmental Revenues	$161,689	$109,825	$161,689	100%
Fund Transfers - Revenue	$48,000	$0	$48,000	100%
Miscellaneous	$608,600	$602,545	$800,000	131%
TOTAL REVENUES	**$2,056,920**	**$923,869**	**$1,665,518**	**81%**

Fund Projection Narrative

Bureaus are required to provide narrative explaining and major object category variances exceeding 10%.

[External M&S] – PHB's activity in this major object category projects to be $117,000 over budget. This is due savings and delays in spend-down associated with the EPIC resource development budget; Redwoods Apartments; reduced MULTE activity; HDS system implementation.

[Beinning Fund Balance] – Due to greater-than-budgeted projected program income revenues and some underspending, the bureau will have less need to draw down beginning year cash resources.

[Miscellaneous] – Program income associated with the HIF loan portfolio project to significantly exceed budget. This is dues to loan payoffs, which by nature are difficult to anticipate.

Business Area Projection Report
Federal Grants Fund

	Spring BMP Revised Budget	FY 2013-14 YTD Actuals Thru AP8	Spring BMP Year-End Projection	% of Projected Actuals to Revised Bud
Portland Housing Bureau				
EXPENDITURES				
Personnel Services	$694,220	$385,592	$593,333	85%
External Materials and Services	$4,873,270	$2,316,457	$4,324,270	89%
Internal Materials and Services	$62,300	$53,591	$62,300	100%
Contingency	$1,884	$0	$0	0%
TOTAL EXPENDITURES	**$5,631,674**	**$2,755,641**	**$4,979,903**	**88%**
REVENUES				
Charges for Services	$0	$21	$21	0%
Intergovernmental Revenues	$5,631,674	$2,572,244	$4,979,811	88%
Miscellaneous	$0	$71	$71	0%
TOTAL REVENUES	**$5,631,674**	**$2,572,336**	**$4,979,903**	**88%**

Bureau Projection Narrative

Bureaus are required to provide narrative explaining and major object category variances exceeding 10%.

[Personnel Services] - PHB projects to have approximately $100,000 of savings in personnel services for two reasons. First, the 2013 lead grant start date was delayed by HUD. Second, the position funded by the continuum of care grant will be filled later in the fiscal year than originally anticipated.

[External M&S] - PHB projects to have approximately $550,000 of savings in this major object category. This undespending is due to the delayed start date on the 2013 lead grant; underspending on the 2009 lead grant; delays in acquisition-rehab activities on the NSP-3 grant.

[Intergovernmental Revenues] - PHB projects to bill less than originally anticipated because grant-funded activities are spending less than budgeted -- and, thus, the City bills less for grant reimbursement.

Fund Projection Report
Portland Housing Bureau

	Spring BMP Revised Budget	FY 2013-14 YTD Actuals Thru AP8	Spring BMP Year-End Projection	% of Projected Actuals to Revised Bud
Community Development Block Grant Fund				
EXPENDITURES				
Personnel Services	$1,274,355	$838,073	$1,246,865	98%
External Materials and Services	$6,767,623	$3,406,760	$6,486,814	96%
Internal Materials and Services	$401,653	$328,438	$401,653	100%
Bond Expenses	$645,000	$634,053	$634,053	98%
Contingency	$13,251	$0	$0	0%
TOTAL EXPENDITURES	**$9,101,882**	**$5,207,324**	**$8,769,385**	**96%**
REVENUES				
Charges for Services	$10,000	$4,493	$9,000	90%
Intergovernmental Revenues	$6,622,822	$3,287,852	$6,560,385	99%
Bond and Note	$0	$0	$0	0%
Miscellaneous	$2,169,060	$1,400,746	$2,200,000	101%
TOTAL REVENUES	**$8,801,882**	**$4,693,091**	**$8,769,385**	**100%**

Fund Projection Narrative

Bureaus are required to provide narrative explaining and major object category variances exceeding 10%. Thus, no narrative is required for this fund.

Fund Projection Report
Portland Housing Bureau

	Spring BMP Revised Budget	FY 2013-14 YTD Actuals Thru AP8	Spring BMP Year-End Projection	% of Projected Actuals to Revised Bud
HOME Grant Fund				
EXPENDITURES				
Personnel Services	$362,951	$187,784	$285,291	79%
External Materials and Services	$4,433,212	$1,676,639	$4,339,612	98%
Contingency	$0	$0	$0	0%
TOTAL EXPENDITURES	**$4,796,163**	**$1,864,423**	**$4,624,903**	**96%**
REVENUES				
Charges for Services	$1,000	$776	$900	90%
Intergovernmental Revenues	$4,557,922	$1,289,272	$4,204,003	92%
Bond and Note	$0	$0	$0	0%
Miscellaneous	$237,241	$354,526	$420,000	177%
TOTAL REVENUES	**$4,796,163**	**$1,644,575**	**$4,624,903**	**96%**

Fund Projection Narrative

Bureaus are required to provide narrative explaining and major object category variances exceeding 10%.

[Personnel Services] – PHB projects to underspend this category in FY 2013-14 primarily due to vacancies in several senior-level positions funded in part by HOME.

[Miscellaneous] – Program income associated with the HOME loan portfolio projects to significantly exceed budget. This is dues to loan payoffs, which by nature are difficult to anticipate.

Fund Projection Report
Portland Housing Bureau

	Spring BMP Revised Budget	FY 2013-14 YTD Actuals Thru AP8	Spring BMP Year-End Projection	% of Projected Actuals to Revised Bud
Tax Increment Financing Reimbursement Fund				
EXPENDITURES				
Personnel Services	$2,382,012	$1,377,283	$2,058,886	86%
External Materials and Services	$13,583,255	$5,281,775	$13,269,071	98%
Internal Materials and Services	$903,812	$602,376	$903,812	100%
Fund Transfers - Expense	$869,739	$579,826	$869,739	100%
Contingency	$90,085	$0	$0	0%
TOTAL EXPENDITURES	**$17,828,903**	**$7,841,260**	**$17,101,508**	**96%**
REVENUES				
Budgeted Beginning Fund Balance	$0	$0	$0	0%
Charges for Services	$26,000	$17,956	$24,700	95%
Intergovernmental Revenues	$13,455,755	$8,567,066	$12,402,848	92%
Fund Transfers - Revenue	$7,012	$0	$7,012	100%
Bond and Note	$466,948	$0	$466,948	100%
Miscellaneous	$3,873,188	$1,490,976	$4,200,000	108%
TOTAL REVENUES	**$17,828,903**	**$10,075,998**	**$17,101,508**	**96%**

Fund Projection Narrative

Bureaus are required to provide narrative explaining and major object category variances exceeding 10%.

[Personnel Services] - PHB projects significant TIF personnel underspending in FY 2013/14. This is due to the fact that Housing Investment, Production & Preservation Team staff have been working on this fiscal year on more federally-funded (rather than TIF-funded) projects than originally anticipated.

Fund Projection Report
Portland Housing Bureau

	Spring BMP Revised Budget	FY 2013-14 YTD Actuals Thru AP8	Spring BMP Year-End Projection	% of Projected Actuals to Revised Bud
Headwaters Apartment Complex Fund				
EXPENDITURES				
Unappropriated Fund Balance	$0	$0	$23,312	
External Materials and Services	$80,324	$175	$80,234	100%
Bond Expenses	$796,293	$255,646	$796,293	100%
Contingency	$24,676	$0	$0	0%
TOTAL EXPENDITURES	**$901,293**	**$255,821**	**$899,839**	**100%**
REVENUES				
Intergovernmental Revenues	$898,000	$483,065	$896,839	100%
Miscellaneous	$3,293	$1,996	$3,000	91%
TOTAL REVENUES	**$901,293**	**$485,061**	**$899,839**	**100%**

Fund Projection Narrative

Bureaus are required to provide narrative explaining and major object category variances exceeding 10%. Thus, no narrative is required for this fund.

Portland Housing Bureau - FY 2013-14 Spring BMP

Decision Package Status Update

Decision Package / Description	FTE	GF Ongoing	GF One Time	Other Rev	Total	Status Update
ADOPTED BUDGET - REDUCTIONS						
HC_01 - Federal Entitlement Grant Sequestration - PHB projects that its allocation of federal funds from HUD will be reduced up to 10% due to "sequestration" and PHB's Requested Budget reflected cuts achieved through programmatic reductions based on PHB Strategic Plan priorities.	-	-	-	(1,249,505)	(1,249,505)	PHB had projected $1.25M in cuts to Federal funding in the FY 2014/15 budget. Late in the budget process, PHB learned it would actually see a $187k increase in funding, due to a 6% increase in the CDBG allocation. This allowed the bureau to restore funding to many services it had anticipated cutting.
HC_08 - PERS Savings	-	(130,182)	-	-	(130,182)	PERS savings identified have been taken from recouped from bureau budgets.
HC_09 - STRA One-Time Savings - The County has indicated that it will be backfilling $500k of the City's commitment ot STRA in this fiscal year.	-	-	(500,000)	-	(500,000)	This adjustment was made budgetarily and subsequently reflected in the overall IGA with Multnomah County.
HC_10 - Youth Transitional Housing Conversion to One-Time - Shifts $500k of Multnomah county passthrough to one-time	-	(500,000)	500,000	-	-	This adjustment was made budgetarily and subsequently reflected in the overall IGA with Multnomah County.
HC_11 - Eliminate Interagency with Commissioners Office	-	(30,000)	-	-	(30,000)	This interagency has been eliminated.

Portland Housing Bureau - FY 2013-14 Spring BMP

Decision Package Status Update

Decision Package / Description	FTE	GF Ongoing	GF One Time	Other Rev	Total	Status Update
ADOPTED BUDGET - BUREAU ADDS						
HC_04 - Keep the Clark Center Open - The Clark Center is a 90-bed shelter for single homeless men. The program, operated by Transition Projects, provides shelter to 688 homeless men annually, assisting them in finding permanent housing and stability.	-	424,650	-	-	424,650	Funds are fully contracted withTransition Projects. Activities are 75% complete. Client-level outcome data was received through end of second quarter (12/2013), and progress toward full contracted outcomes is on track. Third quarter outcomes data (through 3/2014) expected April 30.
HC_05 - Preserve the Safety Net - Provide funding for critical emergency services (e.g., Youth Shelter, Winter Recuperation Care, Winter Shelter) to vulnerable homeless populations (i.e., women and medically vulnerable individuals.)	-	331,050	-	-	331,050	Funds are fully contracted with three nonprofit providers and Multnomah County. Activities are 75% complete. Client-level outcome data was received through end of second quarter (12/2013), and progress toward full contracted outcomes is on track. Third quarter outcomes data (through 3/2014) expected April 30.
HC_06 - Permanent Housing & Access for Vulnerable Populations - Provide funding for programs that support permanent housing outreach, placement, services and stabilization for vulnerable people.	-	216,300	-	-	216,300	Funds are fully contracted with five nonprofit providers and Multnomah County. Activities are 75% complete. Client-level outcome data was received through end of second quarter (12/2013), and progress toward full contracted outcomes is on track. Third quarter outcomes data (through 3/2014) expected April 30.
HC_07 - Stabilize Families and Prevent foreclosure - Provide funding for programs that build the pipeline of potential homebuyers from communities of color and help homeowners retain their home.	-	74,201	-	-	74,201	General fund resources have been contracted to three community-based homeownership partners who have provided homeownership access and retention services to 553 households through December 31, 2013. 320 (58%) of households receiving services were from communities of color. The 553 households break down as follows: 273 households received homeownership education and counseling services; 280 households received foreclosure prevention services.

Portland Housing Bureau - FY 2013-14 Spring BMP

Decision Package Status Update

Decision Package / Description	FTE	GF Ongoing	GF One Time	Other Rev	Total	Status Update
FY 2013/14 FALL BMP PACKAGES						
HC_01 - Immediate Options on Homelessness	-	-	1,900,000	-	1,900,000	Funds are fully contracted with four nonprofit providers and Multnomah County under two separate initiatives (Women Into Housing Now [WIHN] and Home Start). For WIHN: - Activities began in October 2013, and are more than 50% complete. - Client-level outcome data were received through end of first full quarter (12/2013), and monthly updates indicate that providers have already exceeded full annualized outcome goals. For Home Start: - Activities began in January 2014, and are approximately 20% complete. First full-quarter outcome data (through 3/2014) are expected April 30, but monthly updates indicate that providers are already 19% toward meeting annual outcome goals.

Portland Housing Bureau - FY 2013-14 Spring BMP

Decision Package Status Update

Decision Package / Description	FTE	GF Ongoing	GF One Time	Other Rev	Total	Status Update
HC_02 - Rebudget Prior Year Resources	-	-	-	9,303,359	9,303,359	This Fall BMP rebudgeted $9.3M of prior year Federal and TIF resources into FY 2013-14 budget : - $3.4M was carried forward for active affordable housing projects. - $3.6M was carried forward for award during a future NOFA process - $736k was rebudgeted to be contrated with subrecipients, including $247k for PDC economic opportunity - $371k was rebudgeted for single-family home repair and homebuyer assistance on loans committed but not fully disbursed in the prior year. PHB expects 90% or more of this funding to spend down in FY 2013/14.
HC_03 - General Fund Encumbrance Carryover	-	-	6,307	-	6,307	These resources were carried forward to cover contractual obligations for a homebuyer fair and for PDC housing supports services. Funds have spent down 100%.
HC_04 - Beginning Fund Balances	-	-	-	154,000	154,000	These fund balance resources were appropriated to support fee-supported programs in the bureau. In both programs, the business cycles do not follow the city fiscal year and as such, require that prior fiscal year surplus be appropriated and spent in the new fiscal year.
HC_05 - New Revenues	-	-	-	2,447,639	2,447,639	This $2.4M in non-general fund resources support single-family acquisition activities; outreach to persons experiencing homelessness in East County; and building resources for the 2013 NOFA. PHB expects these funds to be fully spent down or committed by fiscal year-end.