



CITY OF
PORTLAND, OREGON
PORTLAND HOUSING BUREAU

Charlie Hales, Mayor
Traci Manning, Director
421 SW 6th Avenue, Suite 500
Portland OR 97204
(503) 823-2375
Fax (503) 823-2387
www.portlandonline.com/PHB

PHB FY 2013-14 Requested Budget Summary

In FY 2013-14, the Portland Housing Bureau faces more than \$2.3 million in federal and local funding reductions. In developing the budget proposal, PHB was guided by:

1. Budget guidance from City Council, which can be found at <http://www.portlandoregon.gov/cbo/article/424356>
2. The PHB Budget Advisory Committee (BAC) met several times over three months and was made up of the Portland Housing Advisory Committee (PHAC) and two PHB staff.
3. The BAC took testimony from the public and current PHB contractors.

The BAC developed the following guiding principles in order to guide decision making about the budget.

- Retain the Strategic Plan's long-term investment priorities while acknowledging the current emergency needs of Portlanders given the devastating impacts of the national recession and retain services to vulnerable people experiencing homelessness.
- When making cuts, try not to dismantle the community's system capacity, including capacity at PHB in light of recent years' 37% reductions in staff.
- Ensure that budget decisions support increasing access to programs and funding for communities of color and reduce historical disparities in outcomes.
- Continue to support unique market opportunities that support PHB's investments in homeownership purchase and retention.
- Proactively tell the story of PHB investments and make time to educate new Council members about PHB priorities.

Strategic Plan and Core Services Approach

The Mayor and Council directed all City bureaus to develop a budget proposal equal to 90% of their current General Fund budget. Bureaus also had the opportunity to submit Add Packages ("Decision Packages") equal to the 10% General Fund reduction. For PHB, this reduction in General Fund was \$1,083,693. Additionally, because of federal funding rules about the proportion of Community Development Block Grant (CDBG) funding that can be spent on public services, PHB cut \$450,000 of CDBG funding for public services as part of the federal reduction (see below).

The chart below contains PHB's recommendations for FY 13-14 Budget reductions in General Fund and CDBG Public Services Cap together, to show total program impact. Reductions were made to preserve the investment priorities of PHB's Strategic Plan and the core services directly related to housing development or direct housing assistance.

Proposed General Fund and CDBG Public Service Cap Budget Reductions

Strategic Plan Priority	Description	GF Reduction	CDBG Public Service Cap Reduction	Total Reduction	Total Budget (All Funds) by Functional Area	Cut as % of Total Budget
Priority Two	Prevention: Reduce Short Term Rent Assistance		\$97,890	\$97,890	\$2,974,554	3%
	Supportive Housing: Reduce mental health outreach, Alcohol and Drug Free Communities, Community Engagement Program, family rent assistance, street outreach, youth transitional housing and the Bridgeview by 5%	\$173,300	\$23,860	\$197,160	\$5,095,802	4%
	Supportive Housing: Reduce Bud Clark Commons PSH by 10%	\$27,000		\$27,000		
Priority Three	Homebuyer Education and Counseling: Reduce education and counseling contracts, eliminate homeownership fairs	\$42,600	\$6,250	\$48,850	\$792,575	16%
	Foreclosure Prevention/Home Retention: Reduce homeownership retention program	\$80,000		\$80,000		
Priority Four	Emergency Services: Eliminate winter Recuperation Care, winter shelter and the Clark Center	\$449,000	\$322,000	\$771,000	\$4,504,598	19%
	Emergency Services: Reduce youth and other shelters by 5%	\$93,190		\$93,190		
	Access: Eliminate Housing Connections, Shared Housing, Rent Well Administration, Oregon Community Warehouse	\$215,773		\$215,773	\$824,126	27%
	Access: Reduce Rose City Resource Guide by 10%	\$3,000		\$3,000		
Total		\$1,083,863	\$450,000	\$1,533,863		

More than 30% of the PHB budget is made up of federal funding. PHB projects that our allocation of federal funds from HUD will be reduced up to 10% due to “sequestration”. The proposed budget includes projected cuts to CDBG by \$770,210 and HOME by \$292,039. We also projected a \$78,216 reduction to the Emergency Solutions Grant and \$109,072 reduction to Housing Opportunities for People with HIV/AIDS (HOPWA). PHB’s Requested Budget reflects cuts in each of these funds achieved through programmatic reductions based on PHB Strategic Plan priorities.

Federal Funding Reductions

Strategic Plan Investment Priority	Description	Total Reduction	Federal Fund
Priority One	Rental Housing Development: Preservation, rehabilitation and new construction of affordable housing.	\$292,039	HOME
Priority Two	Prevention: Reduce Short Term Rent Assistance	\$97,890*	CDBG
	Prevention: Rent Assistance, Emergency Shelter	\$78,216	ESG
	Supportive Housing: Reduce supportive housing and services for people with mental health issues at the Bridgeview by 5%	\$23,860*	CDBG
	Supportive Housing: Housing for People with HIV/AIDS	\$109,072	HOPWA
Priority Three	Homeownership/Foreclosure Prevention: Education & Counseling	\$6,250*	CDBG
Priority Four	Emergency Services: Eliminate funding to support the Clark Center emergency shelter for homeless men	\$322,000*	CDBG
Other Expenditures	Economic Opportunities: Pass through to Portland Development Commission	\$211,491	CDBG
Administration and Support		\$108,687	CDBG
Total		\$1,249,505	

**Also included in chart on page 2, Proposed General Fund and CDBG Public Service Cap Budget Reductions*

PHB is continuing to seek efficiencies in administration and staffing to ensure that we balance the need to efficiently deliver resources with providing oversight to ensure maximum impact and compliance with funding requirements. PHB currently manages 92 sub-recipient contracts with partners to deliver its mission. Program reductions and eliminations first impact staffing levels in those organizations.

PHB is recommending the realignment of a vacant Senior Manager position to become a non-management, represented staff. We also submitted the elimination of two intern positions. This more modest reduction follows significant changes to staffing since PHB was established in 2009 by merging the former Housing Department at the Portland Development Commission and the former Bureau of Housing and Community Development. Foreseeing significant reductions in future funding, the bureau made adjustments to staffing levels ahead of this year's budget. Staffing levels have been cut by nearly 37% since PHB's establishment and further reductions in staff would compromise PHB's ability to meet the needs of our community partners and to meet compliance requirements by HUD. The chart below details the staffing changes since 2009.

PHB Staffing Changes Since 2009

PHB	November 2009 Merger	FY 2010-11 Adopted	FY 2011-12 Adopted	FY 2012-13 Adopted	FY 2013-14 Requested	Merger to 13-14 Request
Total Budget	\$105,055,300	\$101,424,100	\$117,642,300	\$102,678,300	\$70,036,000	\$(35,019,300)
% Change	•	-3.6%	13.8%	-14.6%	-46.6%	-50%
Total FTEs	75	67	57	54.9	54.9	(20.1)
% Change	•	-11.9%	-17.5%	-3.8%	0.0%	-36.6%

Alignment with BAC Guiding Principles

PHB's recommended budget aligns with the BAC's principles with regards to the priorities laid out in the PHB Strategic Plan, with cuts proportional to the investment priorities. The approach tried to minimize impacts on system capacity as well as emergency services, however those impacts could not be altogether avoided because of the large reductions needed to balance the budget.

Equity Lens

PHB prioritized reductions and add backs that would support our equity agenda. We recommended minimizing cuts to programs that have high levels of service to families from communities of color and programs in which we partner with culturally specific providers such as the Minority Homeownership Assistance Collaborative, consisting of culturally specific homeownership organizations working to close the minority homeownership gap. As part of our commitment to ending discrimination in housing, PHB does not recommend any reductions to programs that support Fair Housing education, outreach and enforcement.

Proposed Decision Packages

The Requested Budget includes reductions of \$1,083,863 in General Fund and Decision Packages totaling \$1,083,863.

The BAC recommended that PHB follow the priorities of the Strategic Plan that reflect long term goals; however, they also recommended that PHB acknowledge the current needs of Portlanders given the devastating impacts of the national recession. PHB's General Fund request packages propose adding back funding to support programs that provide immediate services to vulnerable people experiencing housing instability and homelessness.

Consistent with the PHB Strategic Plan, PHB is also requesting support for homebuyer education and counseling and homeownership retention programs. These services are targeted to minority communities, helping them to access new homeownership opportunities and maintain current homeownership, particularly at a time when housing prices and interest rates are low. PHB hopes to continue several successful programs carried out in partnership with community-based nonprofits such as the Minority Homeownership Assistance Collaborative, to overcome gaps in minority homeownership and foreclosure rates. These funds will be leveraged with other PHB resources - notably TIF in at least two URA's and certain federal funds to provide the down payment assistance to a subset of households that receive homebuyer education and counseling. Home repair, foreclosure prevention, homeownership education and counseling programs also support community development and neighborhood stabilization and anti-displacement goals.

PHB Requested Decision Packages

Name	Description	Amount
Keep the Clark Center Open	Restore funding to keep the 90 bed men's Clark Center Shelter open	\$424,650
Preserve the Safety Net	Provide funding to provide winter Recuperation Care, winter shelter and the youth shelter.	\$331,050
Permanent Housing and Access for Vulnerable Populations	Provide funding for programs that support permanent housing outreach, placement, services and stabilization for vulnerable people. Programs include mental health outreach and housing placement, street outreach, housing placement and retention, Alcohol and Drug Free Communities, family rent assistance, Rose City Resource Guide, Rent Well, youth transitional housing, and Community Engagement Program.	\$216,300
Stabilize Families: Prevent foreclosure	Provide funding for programs that build the pipeline of potential homebuyers from communities of color and help homeowners retain their home.	\$74,241
OMF/IA	OMF/IA Add back	\$37,622
Total		\$1,083,863

Primarily due to federal funding cuts, a portion of the reductions are not included in the Decision Packages. There are some programs that we do not recommended to be added back because they are less core to PHB's mission. The chart below summarizes the reductions not contained in PHB's requested add package.

PHB Recommended Permanent Reductions

Strategic Plan Investment Priority	Program Description	Amount
Priority One	Prevention: Reduce Short Term Rent Assistance	\$97,890
Priority Two	Supportive Housing: Bud Clark Commons Permanent Supportive Housing	\$27,000
	Supportive Housing: Reduce funding for Bridgeview by 5%	\$23,860
Priority Three	Homeownership Education and Foreclosure Prevention: Eliminate Homebuyer Retention Program funding for citywide program expansion	\$46,609
	Homeownership Education and Foreclosure Prevention: Eliminate Homebuyer Fairs	\$8,000
Priority Four	Emergency Services: Reduce shelters by 5%	\$108,490
	Access: Eliminate funding for Oregon Community Warehouse	\$23,500
	Access: Eliminate funding for Shared Housing program	\$89,000
	Access: Reduce Rent Well Administration funding by 50%	\$33,273
	Access: Eliminate support of Housing Connections website	\$30,000
Total		\$503,832

Below is a sample of the impacts that result because of PHB's recommended permanent cuts that are not reflected in the Decision Packages:

- 65 households will not receive rent assistance
- 356 households will not get assisted with household furnishings
- 168 people will not get housed through home shares
- 300 people will not graduate from Rent Well with landlord guarantees
- 45 households outside of North and Northeast Portland will not receive case management to help retain their homes
- 20 homeless people will not receive shelter and support
- 300 homeless people not receive basic services
- 150 homeless people will not be connected to supportive services
- 30 homeless people will not be placed into permanent housing
- 964 families from communities of color will not attend culturally specific homeownership fairs