



CITY OF
PORTLAND, OREGON
PORTLAND HOUSING BUREAU

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To: City Council

From: Kurt Creager

RE: Portland Housing Bureau's Fall BMP Submittal

Date: Monday, September 28, 2015

The Portland Housing Bureau (PHB) is pleased to submit its Fall Budget Monitoring Process (BMP) report. The following represents the key highlights.

GENERAL FUND REQUESTS

PHB is requesting Council allocate new one-time general fund resources for the following three critical needs. Additional detail is available in the content of PHB's BMP submission materials.

- 1. Housing Choice Voucher Success Fund (\$425,000):** PHB is requesting one-time general fund resources to support several targeted interventions made in partnership with Home Forward to increase the success rate of Portland's housing choice (i.e., Section 8) voucher program in preventing homelessness. Home Forward will match the City's investment for these Housing Choice Voucher Success efforts which will help reduce homelessness and families at risk of homelessness.
- 2. North / Northeast Home Retention (\$500,000):** PHB is requesting one-time general fund resources to prevent displacement and support vulnerable homeowners in retaining their homes in North & Northeast Portland. This would supplement the \$850,000 one-time general fund resources allocated by Council in the FY 2015-16 Adopted Budget and would provide home repair assistance to between 50 and 60 homeowners living in the N/NE study area, but outside the Interstate URA.
- 3. Nexus Study (\$130,000):** PHB is requesting one-time general fund resources to complete a nexus study on the link between residential and commercial development, the development of low wage jobs, and the subsequent demand for affordable housing. The study is called for in the draft 2035 Comprehensive Plan and will also examine the feasibility of assessing a linkage fee to support the development of affordable housing. The amount requested is based upon research of other cities (e.g., Seattle, San Diego, San Francisco, etc.) that have recently conducted such studies.

OTHER BUDGET ADJUSTMENT REQUESTS

PHB routinely requires Council authorization for several types of budget adjustments in the Fall Supplemental process. In FY 2015-16, these include:

- 1. Rebudget Grant and TIF Resources to FY 2015-16 (\$2.3M):** For two reasons, PHB typically requests to rebudget unspent non-general fund resources in the Fall BMP. First and foremost, it is not possible to predict with 100% accuracy when loans for the development of affordable housing will

close and how construction will proceed. PHB errs on the side of including in the budget any funds that might be required before fiscal year end. In the new fiscal year, those funds not yet expended by development projects are then carried forward to the new fiscal year. Second, the bureau administers multi-year grants. Estimates of spending in any given fiscal year generally vary from actuals, requiring rebudgeting of resources into the new fiscal year. In both cases, PHB will program the resources to support the same goals as previously directed by Council.

2. **Rebudget FY 2015-16 Grant and TIF Resources Forward in Forecast (\$16.2M):** For the sake of transparency, PHB budgets all funding being made available for development of affordable housing in each year's Notice of Funding Availability (NOFA) cycle. This Fall BMP request to rebudget resources into future fiscal years will true up the current PHB budget with final decisions on those resources to be made available in the upcoming October NOFA.
3. **Increase Non-General Fund Appropriation (\$1.7M):** PHB is requesting an increase to budgeted grant, TIF and other local non-general fund appropriations. The majority of this request pulls forward Interstate TIF resources (from out-years of the forecast) into FY 2015-16 for two activities: \$700,000 of the Mayor's \$20M N/NE Interstate TIF allocation for home retention activities; and \$800,000 TIF set-aside allocation for the New Meadows affordable housing project.
4. **Budget Innovation Fund Award (\$150,000):** PHB is requesting Council approval to budget a cash transfer from the general fund for an approved Innovation Fund project, *Improving Access to Affordable Housing*, which would replace the expiring Housing Connections tool.
5. **Technical Adjustments (\$0):** PHB is requesting Council approval for a number of budget adjustments that represent no net change to the bureau budget.

STATUS REPORTING REQUIREMENTS

The Fall BMP requires bureaus to perform several status-reporting exercises. The first explains variances between the FY 2014-15 budget and actual expenditures and revenues. The second requirement is for year-end budgetary performance measures, along with explanation of significant variances. The final requirement is for a status update on FY 2014-15 decision packages. Details are available in the content of PHB's BMP submission materials.

Should you have any questions about the PHB BMP submittal, please contact Leslie Goodlow at 823-4160 or Mike Johnson at 823-4176.