



homeforward

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Fiscal Year 2022

Budget

January 1, 2022 through December 31, 2022

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Management Discussion

This document presents the planned activities and financial budget for Home Forward for the twelve-month period beginning January 1, 2022 and ending December 31, 2022 (FY22).

General Overview

The Federal Housing Act of 1937 authorized the creation of public housing authorities. Utilizing the 1937 Federal Housing Act, the Portland City Council established Home Forward (at that time, the Housing Authority of Portland) as a municipal corporation under the Oregon Revised Statutes in December 1941.

A nine-member Board of Commissioners governs Home Forward. Four appointments are recommended by the City of Portland, two by the City of Gresham, two by Multnomah County, and there is one resident commissioner. Home Forward is not financially dependent on nor considered a component unit of any of the above jurisdictions. The Executive Director is appointed by the Board and is responsible for the daily functioning of Home Forward.

Home Forward is one of only 39 public housing authorities in the country (out of more than 3,000) that have been selected by the U.S. Department of Housing and Urban Development (HUD) and approved by Congress to participate in the Moving to Work (MTW) program. Moving to Work is a long-term federal pilot program designed to learn whether public housing authorities can serve their communities better with more local discretion over funding allocation, policies, and procedures. Home Forward has been operating as a Moving to Work agency since April 1, 1999. The MTW designation allows for exemptions from certain federal requirements allowing the merger of Housing Choice Voucher & administrative funds and Public Housing Operating & Capital Funds into a single fund. This enables Home Forward to create and implement innovative programs across its five main mission-based business lines.

The main mission-based business lines are:

- **Development** – includes work on large-scale development projects such as 85 Stories (part of Home Forward's public housing preservation initiative) and improvement of our existing properties using capital grants, local grants, and mainstream financing products. Revenue for this group is generated from developer fees; fees which may be earned in one reporting period but paid in a different period.
- **Real Estate Properties** – Home Forward owns, manages, or is a partner in 111 properties with over 6,700 units. Of these, 45 properties with 3,452 units are owned through tax credit partnerships, of which Home Forward is the minority owner. This portfolio includes 4 properties and 67 units that will convert in FY22. The forecasted and budgeted results of these 45 properties are not included in this document.

For public housing properties, revenue is generated from two main sources: 1) HUD subsidies – based on a HUD-approved rate multiplied by the number of HUD-approved units multiplied by a proration rate, and 2) tenant revenue – rents collected from residents, which are driven by occupancy levels and by tenant income levels.

For affordable housing properties, revenue is mainly generated by tenant rents and impacted by occupancy levels and contractually allowed affordable rental rates based on unit size.

- **Real Estate Services** – includes Asset Management, Property Management, and Integrated Facilities Services for our affordable, master-leased, and public housing properties.

As part of Home Forward's current strategic plan, the Asset Management group now provides long-term planning services to Home Forward's entire real estate portfolio. Asset Management generates fee income and uses cash

flow generated from the real estate portfolio. The department also generates revenue from the oversight of affordable properties owned by our jurisdictional partners.

Home Forward's Property Management group is responsible for overseeing the daily operations, compliance, and maintenance at 43 properties (2,432 physical units). The group generates property management fees to cover its costs as well as uses cash flow generated from the real estate portfolio.

Integrated Facilities Services is Home Forward's specialized maintenance service including electrical work, plumbing, pest control, painting, and bulky waste hauling. Fees are earned based on billable services to Home Forward's real estate portfolio.

- Rent Assistance – includes traditional and non-traditional rent assistance programs. Traditional programs include federally designed Housing Choice Vouchers, Veterans Affairs Supportive Housing (VASH), Family Unification Program (FUP) Vouchers, Single Room Occupancy/Moderate Rehabilitation (SRO/MOD), and Shelter Plus Care. Non-traditional rent assistance programs include locally developed short, medium, and long-term rent assistance and rent assistance combined with partner services. Through these programs, Home Forward provides rent assistance to over 12,000 households on an annual basis. Rent Assistance also plays a significant role in the administering of Federal/State/Local COVID relief funds. These short-term initiatives began in FY 20 and will continue into the FY22 fiscal year.

The Housing Choice Voucher Program (Section 8) is the largest rent assistance program administered by Home Forward with funding determined by vouchers authorized, voucher utilization, and proration rates.

- Community Services – includes social and economic development programs for families, along with administration of community housing and service partnerships throughout Multnomah County. Programs include congregate supportive housing and family self-sufficiency programs. These programs are typically funded by cost reimbursement grants and property fees.

Budget Principles

The budget document provides greater context around where we are investing our resources to achieve the goals of ensuring the members of our community are housed.

This document presents comparative budget information in two formats, first in a Generally Accepted Accounting Principle (GAAP) format and second in a Funding Flow (simplified operating cash basis) format. It is important for the reader to understand this distinction, as certain revenue and expense items may be recorded in one fiscal year, while the cash involved impacts a different fiscal year (such as development fee revenue) or has no cash impact (such as depreciation expense). Additionally, this document only presents the results of Home Forward legal entity and does not include the budget of any blended or discretely presented units.

The budget was created with several guiding principles:

- Current year activities will be funded with current year revenue, business line reserves, allowable transfers from other programs, or agency-level reserves. In addition, any remaining funds will be assigned to reserves for specific purposes or to general reserves to address funding volatility.
- Because the life cycle of development projects spans several years, we monitor development performance to match that life cycle rather than using a single year snapshot.
- Revenues for the Housing Choice Voucher program and administration, Public Housing Operating Subsidy, and Public Housing Capital Grant are budgeted based on estimated calculations of rates and prorations as

determined from a combination of 2021 actual funding rates, congressional funding bill proposals, and a Fair Market Rent survey for the Portland area.

- Funds using MTW flexibility are aligned with strategic initiatives.
- Home Forward strives to meet the MTW requirement of serving substantially the same number of households as it would if it did not have MTW status.
- Funds from the sale of real estate are generally dedicated toward the acquisition, development, and/or preservation of real estate assets.

Budget Summary

Key Activities and Financial Highlights for Fiscal Year 22

(Please note numbers may differ slightly from source documents due to rounding)

Key activities planned for Fiscal Year 22 include:

- Development will provide development services to Baldwin PSH LP, 3000 Powell LP, 85 Stories and other projects. Development is projected to earn \$14.3 million in developer fees from Central Group LP, Dekum 2 LP, Baldwin PSH LP, 3000 Powell LP and Grace Peck Rehab projects.
- Public Housing will serve 369 households in 10 public housing properties given expected occupancy of 98%. The number of Public Housing units continues to decline as they convert to voucher based units through the RAD/Section 18 program, with 67 units converting during FY22 from 436 to 376 units.
- Properties in Home Forward's Affordable Portfolio will serve 6,117 households given the expected average occupancy rate of 97%. Home Forward-owned affordable properties are expected to serve 2,305 households, tax credit limited partnerships will serve 3,314 households, and master leased properties will serve 498 households.
- In FY16 Home Forward stopped pulling from the housing choice voucher waitlist due to the lack of federal funding to address the local rental crisis. Beginning in FY19 and through FY21 the housing choice voucher department began to pull names from waitlist. In FY22 we anticipate extinguishing the current waitlist and will need to open a new waitlist. Home Forward will complete its data migration to Yardi 7, a cloud-based version of its current ERP software program. This project will improve operations throughout the agency and will help streamline internal processes.

Financial highlights of the upcoming budget include:

- Annual operating revenues are projected to be \$269.3 million. This is mainly due to:
 - \$14.3 million in developer fee revenue from Central Group LP (\$4.1 million), Dekum 2 LP (\$3.1 million), Baldwin PSH LP (\$2.2 million), 3000 Powell LP (\$3.9 million) and Grace Peck Rehabilitation (\$1.0 million) projects.
 - Public Housing Operating Subsidy revenue of \$5.9 million (\$5.1 million of Operating Subsidy and \$776 thousand in Asset Repositioning Fee), which reflects reduced funding due to the 1,027 units that will have converted to Project-Based Voucher Subsidy. Federal funding is anticipated to increase by 1% for the upcoming budget year.
 - HUD funding for Housing Choice Vouchers is projected to increase by 5%.

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- Admin fees will increase \$324 thousand due to increased proration, offset by the ending of the some COVID relief programs.
 - Annual operating expenses are projected to be \$258.0 million. This is mainly due to:
 - Of the \$258.0 million in operating expenses, \$192.6 million represents rent assistance payments made directly to landlords on behalf of Home Forward participants. Backing out this activity, Home Forward's operating expenses would be \$65.4 million.
 - Personnel expenses will be \$30.2 million for the upcoming budget year.
 - Other administrative expenses will be \$10.8 million, primarily due to investment in Home Forward's information technology infrastructure of \$1.2 million including activity related to the YARDI upgrade, property management fees of \$1.2 million, third party payroll costs of \$2.3 million and costs related to safety patrols of \$531 thousand.
 - Other tenant services expense will be \$2.4 million, primarily due to \$901 thousand related to Congregate Housing Services Program (CHSP) and \$309 thousand for support services at Bud Clark Commons.
 - Other maintenance expenses will be \$8.0 million, primarily due to major maintenance projects at multiple affordable properties in FY21.
 - Based on the impact of items above, operating income is projected to be \$9.6 million.
 - Investment income is expected to yield \$160 thousand along with \$2.2 million in interest expense in FY22.
 - Capital contributions are estimated to be \$2.9 million for the year.
 - The combined impact yields an \$10.6 million increase in changes to net assets.

Impact on Funding Flow

As noted in the Budget Principles section, the agency presents its budget in a GAAP presentation and in a funding flow format. The standard expectation of the funding flow is that Home Forward programs (excluding development) will break even for the fiscal year, and that development activities will (at a minimum) break even over the course of the life of its various projects.

A funding flow summary by operating group is presented below:

Program Group	Operating Income/(Loss) after Overhead	Department Capital and Financing Uses	Non-Reserve Funding Flow Adjustments	Unrestricted Cash from Current Operations	Additions to Reserves	Other Reserve Transfers In/(Out) to Fund Current Activities	Net funding Flow
Rent Assistance	2,427,352	-	-	-	-	(2,427,352)	-
Public Housing Properties	1,114,778	-	1,149,976	-	90,933	(2,355,687)	-
Affordable Housing Properties	4,323,904	(113,293)	(4,158,129)	3,349,060	(818,371)	(2,583,171)	-
Asset Management	(2,149,983)	-	-	-	-	2,149,983	-
Property Management	(3,452,687)	-	9,090	-	-	3,443,597	-
Safety	(493,007)	-	-	-	-	493,007	-
Integrated Facilities Services	17,971	-	-	-	-	(17,971)	-
Community Services	(3,085,064)	-	(168,811)	465,584	-	2,788,291	-
Other	1,506,447	-	(970,750)	955,000	-	(1,490,697)	-
Program Group Total	209,711	(113,293)	(4,138,624)	4,769,644	(727,438)	-	-
Development	9,439,770	-	(14,500,040)	3,751,661	1,308,609	-	-
Total Agency	9,649,481	(113,293)	(18,638,664)	8,521,305	581,171	-	-

“Non-reserve funding flow adjustments” include add-backs for depreciation, offsets for allocated capital acquisitions and certain debt payments, property-level reserves, and increases/decreases related to the timing of affordable housing cash flows.

“Unrestricted Cash from Current Operations” reflect excess cash flow from the Affordable and Tax Credit properties after the operating income and any applicable debt service.

“Reserve transfers in” to fund current activities reflect the inflow of reserve funds to cover current year expenses. This activity translates to a reduction of agency reserves.

“Additions to reserves” reflect the transfer of remaining operating income into reserve accounts. Please note, the bracketed number in this column *does not* represent an outflow of agency cash, but rather an increase to agency reserves.

Net reserves are dedicated to the following identified purposes:

- \$1.3 million of collected development fee revenue is transferred to reserves. This is used to cover department operations and fund project costs that span multiple fiscal years.
- As part of a ten-year plan to ensure adequate reserve levels for Home Forward, \$200 thousand will be directed to an insurance reserve, \$776 thousand of asset repositioning fee generated from the 85 Stories initiative will be used for future capital activity, \$500 thousand will be contributed to a capital reserve for the Affordable portfolio. Home Forward Development Enterprises will fund this \$500 thousand on a one-time basis to help support operations.

Staffing Update

Home Forward staff provide services that are funded with agency resources (Home Forward legal entity) and resources from other legal entities, such as several tax credit partnerships. The breakout by funding resource and the change in budgeted full-time equivalents (FTEs) is:

Full-Time Equivalents (FTEs) by Funding Source			
	FY21 Budget	FY22 Budget	Increase / (Decrease)
Agency Funded	249.0	279.9	31.0
Other Legal Entity Funded	58.4	62.1	3.6
Total Agency-Managed Positions	307.4	342.0	34.6

Numbers may be off slightly due to rounding.

In total, full-time equivalent employees have increased by 39.2 FTE. A detailed reconciliation is found in the FTE Change Comparison Schedule attachment. While this budget reflects the FTEs of Home Forward, it does not include the financial impact of the 63 FTE that are paid by Home Forward but whose costs are reflected in the Tax Credit Portfolio.

Risks and Opportunities

As is the case every year, the level of Congressional appropriations determines federal funding. While this funding has been volatile over the last five years, there is extreme uncertainty as to what level of investment the federal government will continue to provide. Given the passage of several continuing resolutions, the latest of which expires February 18, 2022, and a lack of detailed information from the Congressional Appropriations bill, we have had to develop a budget with estimates of most of its major federal programs. The approach used was to base funding activity on preliminary congressional indicators (5% increase for HCV programs and 1% for Operating Subsidy), historical trends, to use program reserves as needed, and to prepare to implement budget revisions as soon as more accurate information is available.

For development projects, there is always the risk of delays in construction, but we are confident in the historical success of the Development team to monitor and manage projects to mitigate this risk. Additionally, the Development team monitors new funding opportunities and strategies for financing affordable housing.

The State of Oregon forecast indicates that state revenues are projected higher than the original forecast by 2%. This area will still be paid close attention to for potential impact to state and local grants, any COVID related relief programs and any PERS impact.

In addition to funding volatility, in any given year there is the potential for a weather-related incident/natural disaster that could affect most agency properties.

On behalf of our residents and program participants, Home Forward continues to seek opportunities to improve the housing and service delivery systems. As such, in any given year, there is the potential for new program development and implementation beyond the programs established with this budget.

Conclusion

For Fiscal Year 2022, Home Forward finds itself during a global pandemic. Home Forward will continue to deploy resources to minimize the impact of COVID 19 on residents, staff, and partners. Home Forward will continue its efforts on transitioning from a traditional public housing platform to the more responsive affordable housing platform. Home Forward will complete an upgrade of its ERP system which will improve operational efficiency. Lastly, Home Forward will maintain ongoing operations while continuing foundational work to address historic and systemic racism.

Operating Statement & Summary of Funding Flow

Operating Statement

Home Forward Fiscal Year 2022 Operating Statement

Operating Statement	FY 21 Budget	FY 22 Budget	Increase/ Decrease
Dwelling Rental	17,438,329	19,003,279	1,564,950
Non-dwelling Rental	2,509,452	3,798,641	1,289,189
HUD Subsidies -Housing Assistance	118,636,847	121,868,728	3,231,881
HUD Subsidies -Admin Fee	12,409,691	12,734,143	324,452
HUD Subsidies -Public Housing	7,773,627	5,929,567	(1,844,060)
HUD Grants	7,502,866	7,688,211	185,345
Development Fee Revenue, Net	7,934,429	14,322,624	6,388,195
State, Local & Other Grants	87,047,471	65,542,229	(21,505,242)
Other Revenue	18,208,658	18,397,966	189,308
Total Operating Revenues	279,461,370	269,285,389	(10,175,981)
Housing Assistance Payments	208,794,671	192,628,907	16,165,764
Administration	21,514,539	21,687,003	(172,464)
Administrative Personnel Expense	9,528,029	10,854,539	(1,326,510)
Other Admin Expenses	11,986,510	10,832,464	1,154,046
Tenant Services	5,540,606	6,038,847	(498,241)
Tenant Svcs Personnel Expense	3,197,657	3,617,854	(420,197)
Other Tenant Svcs Expenses	2,342,948	2,420,993	(78,045)
Program Expense	12,558,885	13,268,188	(709,303)
Maintenance	9,294,702	10,281,581	(986,879)
Maintenance Personnel Expense	2,179,648	2,491,181	(311,533)
Other Maintenance Expenses	7,115,054	7,790,400	(675,346)
Utilities	4,203,883	4,234,034	(30,151)
Total IA Expense	2,160	-	2,160
Depreciation	7,581,232	7,029,678	551,554
General	2,663,714	2,896,284	(232,570)
Total Operating Expenses	272,154,392	258,064,522	14,089,870
Operating Income (Loss)	7,306,977	11,220,867	3,913,890
Operating Income (Loss) after Overhead	7,306,977	11,220,867	3,913,890
Investment Income	215,607	159,896	(55,711)
Interest Expense	(2,473,834)	(2,159,305)	314,529
Gain (Loss) on Sale of Assets	-	(26,850)	(26,850)
Net Other Income (Expense)	(2,258,227)	(2,026,067)	232,160
HUD Nonoperating Contributions	3,873,777	2,997,312	(876,465)
Net Capital Contributions	3,873,777	2,997,312	(876,465)
Change in Net Position	8,922,526	12,192,112	3,269,586

Funding Flow Analysis

Home Forward Fiscal Year 2022 Funding Flow Analysis

<u>Funding Flow Analysis</u>	<u>FY 21 Budget</u>	<u>FY 22 Budget</u>	<u>Increase/ Decrease</u>
Funding Flow Analysis	\$ 9,460,851	\$ 11,220,867	\$ 1,760,016
Funding Flow Analysis	(9,460,851)	(11,220,867)	(1,760,016)
Final Funding Source or (Shortfall)	\$ -	\$ -	\$ -

Line-Item Analysis & Assumptions

Revenue

Dwelling Rental \$19.0 million

- Public Housing Portfolio will earn \$1.2 million and will continue to benefit from high occupancy rates.
- Affordable Housing Portfolio will earn \$22.8 million due to high occupancy rates.
- There is a projected elimination of \$5.0 million to reflect voucher holders living in our Affordable and Public Housing properties.
- To ensure the continuation of affordable housing options throughout the community, Project Based Vouchers will allow rent increases of up to 2% applied in FY22.

Non-dwelling Rental \$3.8 million

- Non-dwelling rental includes commercial rents, payments received from special needs master-leased properties, land lease revenue, cell tower revenue, and parking revenue.

HUD Subsidies - Housing Assistance \$121.9 million

- Due to expected continuing resolutions for a portion of the year, this funding is assumed to include a 5% funding increase and a projected proration level of 99.0%.
- RAD funding will be \$12.7 million for the 1,121 vouchers (903 converted in FY18, 124 converted in FY19, and 94 converted in FY21).
- Funding for the Section 18 Tenant Protection Vouchers will be \$5.5 million (579 units converted from Public Housing).
- The subsidies will fund 11,450 vouchers in the upcoming budget year.

HUD Subsidies – Administrative Fees \$12.8 million

- Administrative Fees for HUD housing assistance are budgeted based on funding appropriations and assumes 82% proration for FY22.
- Administrative Fee funding will benefit from incremental voucher awards for FUP, Mainstream, VASH and RAD conversions. The agency is also projecting to receive \$1.6 million in fee revenue related to the Emergency Housing Vouchers program and \$259 thousand related to the Local Voucher program.

HUD Subsidies - Public Housing \$5.9 million

- Funding includes \$776 thousand in Asset Repositioning Fees (ARF). ARF represents a temporary revenue stream (related to Section 18 conversions) to assist with the conversion of Public Housing to Tenant Protection Vouchers.
- \$377 thousand for carve-outs to support services and payment in lieu of taxes.

- The budget assumes that the Operating Subsidy proration will be 95%, based on current year actuals.

Development Fee Revenue \$14.3 million

- Accrued development fee revenue for the current year is projected for the following projects:

Project	Accrued Developer Fee Revenue (in thousands)
Central Group LP	\$4,127
Baldwin PSH LP	2,201
3000 Powell LP	3,880
Dekum Court Redevelopment	3,073
Grace Peck Rehabilitation	1,041
Total	\$14,322

State, Local & Other Grants \$65.5 million

Grant	FY21 Budget (in thousands)	FY22 Budget (in thousands)	Increase/ (Decrease)
Short-Term Rent Assistance			
Multnomah County	\$13,488	\$8,855	(\$4,634)
Homeless Family System of Care	2,690	7,102	4,412
City of Portland	2,609	1,831	(778)
State of Oregon	39,143	40	(39,102)
PILOT Revenue	237	244	7
Short-Term Rent Assistance Total	58,167	18,072	(40,095)
Medicaid – CHSP	592	677	84
Joint Office – Bud Clark Commons	492	533	41
Worksystems Grant	107	233	127
City of Portland Youth Grant	0	226	226
Long Term Rent Assistance	27,690	45,801	18,111
Total	\$87,047	\$65,542	(\$21,505)

Other Revenue \$18.4 million

Other Revenue	FY21 Budget (in thousands)	FY22 Budget (in thousands)	Increase/ (Decrease)
Portability Revenue	\$9,361	\$9,962	\$602
Integrated Facilities Services Fees	1,854	1,918	67
Property-Related Income – Community Services	921	927	7
Property-Related Income – Operations	727	687	(40)
Property-Related Income – Management & General Partner Fees	2,213	2,224	11
Home Forward Development Enterprises Contributions	536	533	(3)
Other Revenue	2,500	2,057	(443)
Fraud and Bad Debt Recovery	98	90	(24)
CARES Act	-	-	-
Total	\$18,209	\$18,398	\$189

Expense

Housing Assistance Payments \$192.6 million

- This includes Housing Assistance payments for the MTW Vouchers, RAD/Section 18 conversions, FUP Program, VASH program, Single Room Occupancy (SRO) program, Shelter Plus Care, MIF Initiatives, Long-Term Rent Assistance, Port-in vouchers, and vouchers for those housed in our Affordable Portfolio. This includes \$38.4 million in COVID related Rent Assistance programs that represent a one-time project.

Personnel Expense \$30.2 million

- Total full-time equivalents for agency-funded positions are budgeted to be 279.9. An additional 62.1 FTE are funded directly from tax credit limited partnerships and the expenses associated with these staff members are not included in this budget. Combined FTE are 342.0, a 34.6 FTE increase from the FY21 budget. The below expenses reflect only activity that will be recorded for Home Forward properties.

Personnel Expense	FY21 Budget (in millions)	FY22 Budget (in millions)	Increase/ (Decrease)
Administrative Personnel Expense	\$9.5	\$10.9	\$1.3
Tenant Services Personnel Expense	3.2	3.6	0.4
Program Expense	12.6	13.3	0.7
Maintenance Personnel Expense	2.2	2.5	0.3
Total	\$27.5	\$30.2	\$2.8

- Anticipated compensation increases and higher PERS expense are factored into the personnel expense budget.

Other Administrative Expense \$10.9 million

- The Affordable Housing portfolio is projected to have \$2.3 million in outside payroll expense, \$1.1 million in management fee expense and \$383 thousand in security patrol contracts.
- The Administration operating group has budgeted expenses of \$3.9 million due to \$808 thousand in software and licensing fees, \$567 thousand for consultant projects related to the Yardi upgrade, Strategic Plan development, and projects related to diversity and equity. This amount also includes several costs related to the hybrid work model and other agency

Other Tenant Services Expenses \$2.4 million

- Tenant services expense is projected to include \$1.9 million in contracted resident services.

Other Maintenance Expenses \$7.8 million

- Public housing properties are expected to have \$1.0 million in repairs and other maintenance activities.
- Affordable housing properties are expected to have \$6.5 million in repairs and other maintenance activities, \$187 thousand of which is budgeted at master-leased properties.
- New Market West is projected to have \$212 thousand in planned repairs and ongoing maintenance.

Utilities \$4.2 million

- Sewer and water rates are projected to rise 3% and 7% (respectively) while other rates continue to increase as well. Garbage and recycling services will be provided by local waste haulers.

Depreciation \$7.0 million

- Depreciation represents the non-cash write-down of the properties' physical assets, and reflects the units undergoing RAD/Section 18 conversions and the property conversions (listed in the Affordable Portfolio Commentary).

General \$2.9 million

- Insurance expenses will increase due to rising valuations and premium rates and are projected to be \$1.9 million.
- Bad debt expense is projected to be \$686 thousand based on historical debt.

Net Other Income (Expense)**Investment Income \$159 thousand**

- Investment income is projected to increase based upon higher interest rates than prior year estimates.
- Interest income on the notes related to the RAD/Section 18 conversions are projected to be \$216 thousand.

Interest Expense \$2.2 million

- Interest expense (\$2.2 million) is primarily due to debt at Fairview (\$366 thousand), Lovejoy (\$302 thousand), and Gretchen Kafoury (\$222 thousand).

Net Capital Contributions**HUD Capital Contributions \$3.0 million**

- \$3.0 million in capital projects is budgeted at public housing properties, including those undergoing a RAD/Section 18 conversion.

Operating and Administrative Segment Review

FY22 Operating Statement by Operating Group*

Operating Statement	Rent Assistance	Public Housing Portfolio	Affordable Portfolio	Asset Management	Property Management	Safety	Integrated Facilities	Development	Community Services	Administration	Real Estate Finance	Reserves	MIF	Elimination	Home Forward Total	
Dwelling Rental	\$ -	\$ 1,164,973	\$ 22,779,225	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4,940,919)	\$ 19,003,279
Non-dwelling Rental	-	3,120	1,744,416	-	-	-	-	-	40,255	1,405,860	608,356	-	-	-	(3,366)	3,798,641
HUD Subsidies -Housing Assistance	119,350,012	-	2,518,716	-	-	-	-	-	-	-	-	-	-	-	-	121,868,728
HUD Subsidies -Admin Fee	12,254,377	-	-	-	479,766	-	-	-	-	-	-	-	-	-	-	12,734,143
HUD Subsidies -Public Housing	-	4,776,210	-	-	169,000	-	-	-	208,146	-	776,211	-	-	-	-	5,929,567
HUD Grants	6,220,641	10,000	-	-	362,499	-	-	-	1,095,071	-	-	-	-	-	-	7,688,211
Development Fee Revenue, Net	-	-	-	-	-	-	-	14,322,624	-	-	-	-	-	-	-	14,322,624
State, Local & Other Grants	64,223,750	-	-	-	-	-	-	-	1,318,479	-	-	-	-	-	-	65,542,229
Other Revenue	10,012,415	31,256	744,807	854,951	2,345,960	19,945	1,897,896	1,571,386	1,290,746	-	-	-	-	-	(371,396)	18,397,966
Total IA Revenue	-	-	-	-	-	-	-	-	830,991	-	-	-	-	-	(830,991)	-
Total Operating Revenues	212,061,196	5,985,559	27,787,164	854,951	3,357,225	19,945	1,897,896	15,894,010	4,783,689	1,405,860	1,384,567	-	-	-	(6,146,672)	269,285,389
Housing Assistance Payments	196,972,853	-	960	-	-	-	-	-	-	-	-	-	-	-	(4,344,906)	192,628,907
Administrative Personnel Expense	708,651	-	-	573,796	805,306	333,494	58,828	1,026,305	426,038	6,922,120	-	-	-	-	-	10,854,539
Other Admin Expenses	697,280	473,840	4,982,974	73,693	254,141	42,591	34,233	199,481	537,441	3,843,615	-	-	-	-	(306,824)	10,832,464
Fees/overhead charged	460,093	-	-	46,452	3,567	-	3,567	74,962	-	75,313	-	-	-	-	(663,954)	-
Tenant Svcs Personnel Expense	56,724	-	-	15,677	114,960	-	-	321,995	3,035,839	-	72,659	-	-	-	-	3,617,854
Other Tenant Svcs Expenses	135,434	27,562	54,372	-	-	-	-	-	2,101,825	101,800	-	-	-	-	-	2,420,993
Program Expense	7,480,987	488,558	131,155	992,979	1,425,062	63,327	166,869	1,754,960	590,146	174,145	-	-	-	-	-	13,268,188
Maintenance Personnel Expense	-	628,454	96,589	-	643,545	56,981	1,008,631	-	-	56,981	-	-	-	-	-	2,491,181
Other Maintenance Expenses	-	986,147	-	-	(44,840)	4,979	100,926	-	-	212,814	-	-	-	-	-	7,790,400
Utilities	-	779,877	3,313,261	-	-	-	40,000	-	-	100,896	-	-	-	-	-	4,234,034
Total IA Expense	-	36,387	579,322	-	-	-	-	-	215,279	-	-	-	-	-	(830,988)	-
Depreciation	-	1,149,976	5,679,045	-	9,090	-	-	22,584	-	219,023	-	-	-	-	(50,040)	7,029,678
General	227,900	299,979	2,095,208	-	202,191	1,977	25,500	-	-	43,530	-	-	-	-	-	2,896,284
Total Operating Expenses	206,739,922	4,870,781	23,463,259	1,702,597	3,413,021	503,348	1,438,554	3,400,288	6,906,569	11,750,237	72,659	-	-	-	(6,196,712)	258,064,522
Operating Income (Loss)	5,321,274	1,114,778	4,323,904	(847,646)	(55,796)	(483,403)	459,342	12,493,722	(2,122,880)	(10,344,377)	1,311,908	-	-	-	50,040	11,220,867
Total Overhead Allocations	2,893,921	-	-	1,302,337	3,396,891	9,604	441,372	1,482,566	962,184	(10,488,876)	-	-	-	-	-	-
Operating Income (Loss) after Overhead	2,427,352	1,114,778	4,323,904	(2,149,983)	(3,452,687)	(493,007)	17,971	11,011,156	(3,085,064)	144,499	1,311,908	-	-	-	50,040	11,220,867
Reserve Funding	-	-	(6,511,000)	(850,000)	(56,200)	-	-	(748,289)	675,880	28,344	(2,902,821)	10,364,085	-	-	-	-
Operating Income (Loss) after Reserve Funding	2,427,352	1,114,778	(2,187,096)	(2,999,983)	(3,508,887)	(493,007)	17,971	10,262,867	(2,409,184)	172,843	(1,590,913)	10,364,085	-	-	50,040	11,220,867
Investment Income	-	-	155,384	4,512	-	-	-	-	-	-	-	-	-	-	-	159,896
Interest Expense	-	-	(2,159,305)	-	-	-	-	-	-	-	-	-	-	-	-	(2,159,305)
Net Other Income (Expense)	-	-	(2,030,579)	4,512	-	-	-	-	-	-	-	-	-	-	-	(2,026,067)
HUD Nonoperating Contributions	-	268,645	-	-	-	-	-	-	-	228,667	2,500,000	-	-	-	-	2,997,312
Reserve Funded Capital Contributions	-	-	2,696,025	-	-	-	-	200,000	-	-	11,356,759	(14,252,784)	-	-	-	-
Net Capital Contributions	-	268,645	2,696,025	-	-	-	-	200,000	-	228,667	13,856,759	(14,252,784)	-	-	-	2,997,312
Change in Net Position	\$ 2,427,352	\$ 1,383,423	\$ (1,521,650)	\$ (2,995,471)	\$ (3,508,887)	\$ (493,007)	\$ 17,971	\$ 10,462,868	\$ (2,409,183)	\$ 401,509	\$ 12,265,846	\$ (3,888,699)	\$ -	\$ -	\$ 50,040	\$ 12,192,112

*See attachments for larger version of this table. Numbers may vary slightly due to rounding.

FY22 Funding Flow Analysis by Operating Group*

Home Forward Fiscal Year 2022 Operating Statement by Operating Group

	Rent Assistance	Public Housing Portfolio	Affordable Portfolio	Asset Management	Property Management	Safety	Integrated Facilities	Development	Community Services	Administration	Real Estate Finance	Reserves	MIF	Elimination	Home Forward Total
Operating Income (Loss) after Overhead	\$ 2,427,352	\$ 1,114,778	\$ 4,323,904	\$ (2,149,983)	\$ (3,452,687)	\$ (493,007)	\$ 17,971	\$ 11,011,156	\$ (3,085,064)	\$ 144,499	\$ 1,311,908	\$ -	\$ -	\$ 50,040	\$ 11,220,867
Real Estate Portfolio															
Affordable Housing Properties Operating Activity	-	-	(9,482,072)	-	-	-	-	-	-	-	-	-	-	-	(9,482,072)
Revenue from Properties to Home Forward	-	-	(855,103)	-	-	-	-	-	(368,812)	-	-	-	-	-	(1,223,915)
Unrestricted Cash to HAP	-	-	3,349,060	-	-	-	-	-	465,584	-	955,000	-	-	-	4,769,644
Net Replacement Reserve Activity (New Market West)	-	-	-	-	-	-	-	-	-	(98,000)	-	-	-	-	(98,000)
Net Replacement Reserve Activity (Special Needs)	-	-	(218,370)	-	-	-	-	-	-	-	-	-	-	-	(218,370)
Developer Fee - Impact to Funding Flow															
Developer Fee Revenue	-	-	-	-	-	-	-	(14,322,624)	-	-	-	-	-	-	(14,322,624)
Developer Fee - Cash to HAP(Net)	-	-	-	-	-	-	-	3,751,661	-	-	-	-	-	-	3,751,661
Financing/Investment Activity															
Principal & Interest - Special Needs	-	-	(113,293)	-	-	-	-	-	-	-	-	-	-	-	(113,293)
Principal & Interest - New Market West	-	-	-	-	-	-	-	-	-	(265,522)	-	-	-	-	(265,522)
Capital Acquisitions															
Fleet Vehicle	-	-	-	-	-	-	-	-	-	(228,667)	-	-	-	-	(228,667)
Fleet Vehicle Reserve Funding	-	-	-	-	-	-	-	-	-	228,667	-	-	-	-	228,667
Non-Cash Operating Activity															
Depreciation Expense	-	1,149,976	5,679,045	-	9,090	-	-	22,584	-	219,023	-	-	-	(50,040)	7,029,678
Special Purpose Reserve Activity															
Inter Departmental Reserve Transfers	(2,427,352)	(2,355,687)	(2,583,171)	2,149,983	3,443,597	493,007	(17,971)	-	2,788,291	-	(1,490,697)	-	-	-	-
Agency Initiatives	-	-	-	-	-	-	-	(1,571,386)	-	-	-	1,571,386	-	-	-
Future Agency Initiatives	-	-	-	-	-	-	-	-	-	-	-	(1,571,386)	-	-	(1,571,386)
Integrated Facility Services Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HFDE Funding Affordable Portfolio Reserve	-	-	500,000	-	-	-	-	-	-	-	-	-	-	-	500,000
DCR Operating Reserve	-	-	-	-	-	-	-	1,308,609	-	-	-	-	-	-	1,308,609
Affordable Portfolio Reserve	-	-	(500,000)	-	-	-	-	-	-	-	-	-	-	-	(500,000)
Workforce Initiative Funding	-	-	-	-	-	-	-	(200,000)	200,000	-	-	-	-	-	-
85 Stories Asset Repositioning Fee Reserve	-	-	-	-	-	-	-	-	-	-	(776,211)	-	-	-	(776,211)
Insurance Reserve	-	(100,000)	(100,000)	-	-	-	-	-	-	-	-	-	-	-	(200,000)
Capital Fund Program Contribution	-	190,933	-	-	-	-	-	-	-	-	-	-	-	-	190,933
Funding Source or (Shortfall)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Department Reserve Activity															
Final Funding Source or (Shortfall)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

* See attachments for larger version of this table. Numbers may vary slightly due to rounding.

FY22 Staffing Summary by Operating Group

Home Forward

Fiscal Year 2022 Full-Time Equivalent Changes by Operating Group

	Rent Assistance	Public Housing Portfolio	Affordable Portfolio	Asset Management	Property Management	Safety	Integrated Facilities	Development	Community Services	Administration	Agency Funded	Limited Partnerships	Agency Managed
FY 2021 Budgeted FTE	72.9	16.4	1.8	10.6	23.3	3.5	10.7	22.1	39.4	48.4	249.0	58.4	307.4
FY 2022 Budgeted FTE	86.1	14.1	1.6	10.9	31.1	3.5	10.7	22.3	42.9	56.7	279.9	62.1	342.0
Changes	13.2	(2.3)	(0.2)	0.4	7.8	-	-	0.2	3.6	8.3	31.0	3.6	34.6

Rental Assistance Demonstration (RAD) and Section 18 Conversions

Home Forward will continue to convert Public Housing Units to Project-Based Section 8 funding through HUD's RAD conversion and Section 18 disposition. RAD conversions involve the transfer of Operating Subsidy and Capital Fund to a Project-Based Section 8 Voucher funding. RAD conversions are intended to be revenue neutral. Section 18 disposition replaces the Operating Subsidy and Capital Fund with a Tenant Protection Voucher and allows for the receipt of Asset Repositioning Fee (ARF) and Replacement Housing Factor (RHF) for Section 18 transactions. These results in increased funding for the agency, but not all properties qualified for the Section 18 disposition. The RAD conversion process began with The Jeffrey, Martha Washington, Bud Clark Commons, and Madrona Place on November 1, 2017.

Home Forward will earn admin fee (currently \$81 per voucher per month) on all RAD/Section 18 converted units. The properties that are projected to be impacted in the upcoming budget cycle are presented below. The North Group reflects the full twelve months in the Tax Credit Limited Partnership and the East Group reflects six months in the Tax Credit Limited Partnership. The voucher activity for these deals is reflected in the Rent Assistance operating group.

Future Expected Conversions			
Property	Units Converted	Conversion Type	RAD Group
South Group LP			
Carlton Court	24	RAD	South Group LP
Demar Downs	18	RAD	South Group LP
Lexington Court	20	RAD	South Group LP
Holgate House	80	RAD	South Group LP
Ruth Haefner Plaza	73	RAD	South Group LP
Celilo Court	28		
Total South Group LP Conversions	243		
Group 9			
Carlton Court	70	RAD	South Group LP
Demar Downs	32	RAD	South Group LP
Lexington Court	24	RAD	South Group LP
Total Group 9 Conversions	126		

Budget Commentary – Rent Assistance

Summary Budget Data	FY21 Budget	FY22 Budget	Increase/ (Decrease)
Operating Revenue	\$ 228,597,879	\$ 212,061,196	\$ (16,536,683)
Operating Expense	223,340,960	206,739,922	(16,601,038)
Operating Income Before OH	5,256,919	5,321,274	64,355
Allocated Overhead	2,506,907	2,893,921	387,014
Operating Income After OH	2,750,012	2,427,352	(322,660)
Funding Flow Activity	1,489,223	2,427,352	938,129
Funding Required or (Contributed) for Current Agency Activities	\$ (1,489,223)	\$ (2,427,352)	\$ (938,129)
Total Budgeted FTE	72.9	86.1	13.2

Rent Assistance Key Assumptions

Housing Assistance Payments for the agency are projected to be \$196.9 million, a \$15.9 million increase from last year. \$4.3 million in housing assistance payments are related to Local Blended Subsidy payments to Home Forward consolidated properties and as such are eliminated in the consolidated operating statement. HAP expenses are broken down by individual program in the table below. Homeless Initiatives include Short-Term Rent Assistance (STRA) and Shelter Plus Care (SPC).

Program Cost/Expenses	Average Utilized Vouchers	Average Voucher Cost	Total HAP Expense
MTW Vouchers	7,801	\$875.75	\$81,980,931
COVID-Related Assistance	6,064	6,329.00	38,377,289
Homeless Initiatives	2,210	919.99	24,398,037
RAD	1,121	944.22	12,701,592
Portability (Port-In)	811	970.89	9,448,679
VASH	674	855.01	6,915,302
Section 18 TPV RAD	584	786.12	5,509,128
SRO/MOD RAD	382	887.51	4,068,348
FUP	207	1,032.92	2,565,761
LBS	284	705.66	2,404,902
Emergency Housing Vouchers	200	991.94	2,380,650

Program Cost/Expenses	Average Utilized Vouchers	Average Voucher Cost	Total HAP Expense
Long-Term Rent Assistance	346	560.70	2,324,652
Portability (Port-Out)	156	1,019.87	1,909,200
Mainstream	96	940.32	1,083,243
SRO/MOD	130	468.04	730,140
Flexible Rent Assistance		N/A	100,000
MTW Funded Rent Assistance	20	312.50	75,000
Subtotal: Gross HAP Expense			196,972,853
Less: Eliminations*		N/A	(4,344,906)
Total HAP Expense	21,085		192,628,907

* Elimination activity represents housing assistance payments for voucher holders in our Affordable and Tax Credit properties

Administrative fees for administering vouchers are \$12.0 million, representing no change from last year as administrative fees for new programs were offset by a reduction in COVID emergency related assistance .

Home Forward is continuing to administer additional COVID pandemic emergency related assistance to over 6,000 households. In the second year of program administration, funding for FY22 is projected to be \$38.4 million. This critical assistance serves households and landlords throughout Oregon and provides emergency rental relief through several Federal, State, and Local funding awards, including the Coronavirus Aid, Relief, and Economic Security (CARES) Act, American Rescue Plan, Oregon Emergency Rental Assistance Program, and the Emergency Rental Assistance Program.

In addition to COVID related assistance, Home Forward received an allocation of Emergency Housing Vouchers (EHV) starting in July 2021. 476 vouchers were awarded as authorized by the American Rescue Plan. Emergency Housing Vouchers are special purpose Housing Choice Vouchers. Emergency Housing Vouchers are to serve individuals and families who are experiencing homelessness; at risk of experiencing homelessness; fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking; or were recently homeless and for whom providing rental assistance will prevent the family's homelessness or having high risk of housing instability. EHV are limited in duration and will not be renewed at attrition beginning October 2023. Voucher issuance and leasing of EHV started in 2021 and will continue in 2022.

To assist with the waitlist pulls, additional voucher awards, and emergency COVID-related assistance, Total Budgeted FTE is increasing by 13.2 FTE.

Rent Assistance Major Programs/Initiatives/Activities and Estimated Budget Impact

Housing Choice Vouchers - \$151.3 million

- The Housing Choice Voucher (HCV) program is the federal government's major program for assisting very low-income families, seniors, and people with disabilities to afford decent, safe, and sanitary housing in the private market. Since housing assistance is provided on behalf of the family or individual, participants search for their own housing in the private market, including single-family homes, townhouses, and apartments. Home Forward administers several distinct HCV programs:

- Moving to Work (MTW) Vouchers - \$82.0 million

Home Forward manages 8,418 Moving to Work Vouchers.

Home Forward began to pull from the Housing Choice Voucher waitlist during fiscal year 2019 and continued waitlist pulls during fiscal year 2021. Ending the FY21 year, a total of 2,239 households were pulled from the HCV waitlist, ending 2020 with 761 households remaining on the waitlist. In 2022, the HCV waitlist, last opened in 2016, will be exhausted and a new waitlist opening is planned to populate a new waiting list. In addition, Home Forward will make significant adjustments to payment standards for the second year. These adjustments will result in an incremental increase to housing assistance payments. Housing assistance payments also experienced an increase due to the elimination of minimum rent. Over 800 households received an immediate reduction in rent starting in November 2021 as a result of the policy change for minimum rent, this resulted in a higher housing assistance payment and increase in utility reimbursements. Home Forward anticipates a utilization of 94.4% for the FY22 year.

Tenant-Based attrition (vouchers returned) is projected to be 25 vouchers per month. The \$82.0 million in program expense is a \$77 thousand increase from the prior year, due to increased utilization, waitlist pulls, and projected rent increases.

- Homeless Initiatives - \$24.4 million

In addition to federally funded HCV, Home Forward receives grant funding and collaborates with community service providers to offer Short-Term Rent Assistance (STRA). Serving approximately 500 households per month, STRA provides limited housing assistance to households in Multnomah County that are experiencing homelessness or are at risk of homelessness. Home Forward also manages Shelter Plus Care grants, serving approximately 495 households per month. Shelter Plus Care provides rent assistance and supportive services to people with disabilities who are experiencing homelessness.

The \$24.4 million in program expenses is an \$8.4 million increase from the prior year due to increased funding for STRA, primarily due to large increases in Community Development Block Grants and increased funding in Shelter Plus Care.

- RAD - \$12.7 million

Home Forward administers 1,121 Rental Assistance Demonstration (RAD) vouchers – prior Public Housing buildings that converted to a Project-Based Voucher subsidy under the HCV program. Converting Public Housing buildings to an HCV subsidy allows the units to receive HCV admin fee and converts the subsidy to fall under the HCV program.

See the Rental Assistance Demonstration (RAD) and Section 18 Conversions section for additional details on RAD conversions.

- Portability (Port-In) - \$9.4 million

Portability, a major component of the Housing Choice Voucher program, allows voucher holders to move to other areas where Public Housing Agencies operate an HCV program. There are two types of portability: port-in, where a household moves to Home Forward's jurisdiction, and port-out, where a Home Forward participant moves to another PHA's jurisdiction.

Under port-in regulations, Home Forward is defined as the receiving housing authority and receives households from the initial housing authority. The receiving housing authority has the option to bill expenses, both housing assistance payments and a prorated administrative fee, to the initial housing authority.

Home Forward anticipates administering four new port-in vouchers per month in FY22 for an average per month of 807 vouchers. Home Forward exercises portability billing and receives reimbursement for HAP and admin fee expenses from the initial housing authority for port-in vouchers.

- VASH - \$6.9 million

Home Forward administers 1,045 VASH Vouchers in partnership with the Department of Veterans Affairs. Utilization of these vouchers is anticipated to be 71% as the additional 115 vouchers awarded in 2020 continue to be issued and leased. \$6.9 million in VASH program expense is a \$15 thousand increase from the prior year, due to new increment awards and increased voucher utilization.

- SRO/MOD RAD - \$4.1 million

Home Forward administers 382 RAD vouchers converted from former single room occupancy/moderate rehabilitation (SRO/MOD) properties owned by community service providers. The conversion of the properties allows for the units to continue to receive HCV admin fee and converts the subsidy from funding under the McKinney-Vento Homeless Assistance Act to a Project-Based subsidy.

The \$4.1 million in program expense for this subset of RAD conversions is a \$68 thousand increase from the prior year, due to OCAF funding increases.

See the Rental Assistance Demonstration (RAD) and Section 18 Conversions section for additional details on RAD conversions.

- Section 18 TPV RAD - \$5.5 million

Home Forward manages 429 Section 18 tenant protection vouchers (TPV) – former Public Housing buildings converted under RAD. Converting Public Housing buildings to a tenant protection subsidy allows the units to receive HCV admin fee and converts the subsidy to fall under the HCV program. Section 18 conversions also allow for the receipt of Asset Repositioning Fees (ARF).

RAD Section 18 conversions have a budget impact of \$5.5 million, an increase of \$1.6 million from the prior year due to additional conversions.

See the Rental Assistance Demonstration (RAD) and Section 18 Conversions section for additional details on RAD conversions.

- FUP - \$2.6 million

Home Forward manages 244 FUP Vouchers. Utilization of these vouchers is anticipated to be 87% as vouchers continue to be leased with little turnover. \$2.6 million in FUP program expense is a \$420 thousand increase from the prior year, due to increased voucher utilization and increased per unit costs.

- Portability (Port-Out) - \$1.9 million

Portability, a major component of the Housing Choice Voucher program, allows voucher holders to move to other areas where Public Housing Agencies operate an HCV program. There are two types of portability: port-in, where a household moves to Home Forward's jurisdiction, and port-out, where a Home Forward participant moves to another PHA's jurisdiction.

Under port-out regulations, Home Forward is defined as the initial housing authority and households lease under administration of the receiving housing authority. The receiving housing authority has the option to bill expenses, both housing assistance payments and a prorated administrative fee, back to Home Forward.

Port-out vouchers are projected to average 156 per month with little changes in new port-outs each month. Most receiving housing authorities chose to bill Home Forward for vouchers leased in their jurisdiction under portability.

- Mainstream - \$1.1 million

Home Forward manages 229 Mainstream Vouchers, with 100 new vouchers awarded in 2021 under the CARES Act. Utilization of these projected vouchers is projected to be 70% as Mainstream continues its lease-up process with the new voucher increment.

The \$1.1 million in program expenses is a \$40 thousand increase from the prior year due to new increment awards and increased voucher utilization.

- SRO/MOD - \$730 thousand

Coordinated under the Continuum of Care (CoC) Program, the SRO/MOD provides rental assistance in connection with the moderate rehabilitation of residential properties that contain upgraded single occupancy units for individuals who are homeless. The program is designed to move people into the permanent housing phase within the Continuum of Care.

Home Forward continues to manage 130 SRO/MOD units that have not converted under RAD. The \$730 thousand in program expense is unchanged from the prior year.

COVID-Related Assistance – \$38.4 million

- Home Forward will continue to administer the Emergency Rental Assistance Program (ERAP) in FY22. ERAP is coordinated through an expanded partners network of Short-Term Rent Assistance (STRA) program providers who work and refer households eligible for emergency assistance to cover rent, rent arrears, and utility payments as a result of the COVID-19 pandemic.

Moving to Work (MTW) Initiatives - \$3.4 million

- As a Moving to Work agency, Home Forward funding flexibility to operate a variety of local programs to provide additional housing and services that, align with our strategic plan. MTW Initiatives include Local Blended Subsidy and Flexible Rent Assistance, detailed above, among other programs such as:
 - Local Blended Subsidy (LBS) - \$2.4 million

LBS enhances funding for certain MTW Section 8 and RAD properties to subsidize units reserved for families earning 80% or below of area median income. These units may be new construction, rehabilitated, or existing housing. LBS has been utilized for 284 units at three properties. This includes 130 units at Bud Clark Commons, 45 units at Madrona Place, and 109 units at Stephens Creek Crossing (64 units at Stephens Creek North and 45 units at Stephens Creek South). \$2.4 million in LBS funding is a \$726 thousand increase from the prior year.

- Short-Term Rent Assistance (STRA) - \$919 thousand

Home Forward will provide short to medium-term rent assistance and leverage support at community schools with the goal of improving academic outcomes and housing stability. In combination with program-based assistance, Home Forward sets aside a pool of flexible rent assistance funds to serve targeted populations, in partnership with one or more local service providers who ensure that the families have access to the supportive services or resources they need to be stable and successful. \$919 thousand in funding is unchanged from the prior year.

- VASH Security Deposit - \$28 thousand

Home Forward offers security deposit assistance to participants leasing up with Veterans Affairs Supportive Housing (VASH) vouchers, a key support to finding housing for veterans and increasing utilization of our VASH vouchers. \$28 thousand in program expense is a decrease of \$16 thousand from the prior year due to projected voucher utilization.

- Flexible Rent Assistance - \$105 thousand

Flexible rent assistance helps participants with various barriers to housing including applications, bad debt, security deposits, expungement fees, and other financial assistance to aid the leasing process. Flexible rent assistance is paired with a Housing Search Advocates program works with participants to: 1) develop individualized housing search plans which include addressing any housing barriers such as past evictions or bad credit; 2) meet directly with landlords and applicants/participants to navigate the application and leasing process, including filing appeals of denials and accommodations for special needs; 3) stay informed of the available housing inventory and maintain strong landlord relationships; and 4) help support households in understanding Home Forward's rules and processes. \$105 thousand in funding is unchanged from the prior year.

- The remainder of MIF activity can be found in the Moving to Work Initiative Schedule included in the attachments. Additional MIF expenses to support services and safety may be funded in accordance with Home Forward's approved single fund flexibility and approved 2020 MTW Plan.

Personnel Expenses - \$8.2 million

- Personnel expenses of \$8.2 million for FY22 support 71 FTE within Rent Assistance. This represents an increase of \$862 thousand from the prior year, due to added FTE and planned compensation increases.

Budget Commentary – Public Housing Portfolio

Summary Budget Data	FY21 Budget	FY22 Budget	Increase/ (Decrease)
Operating Revenue	\$ 6,805,305	\$ 5,985,559	\$ (819,746)
Operating Expense	5,625,829	4,870,781	(755,048)
Operating Income Before OH	1,179,475	1,114,778	(64,697)
Allocated Overhead	-	-	-
Operating Income After OH	1,179,475	1,114,778	(64,697)
Funding Flow Activity	1,942,173	2,355,687	413,514
Funding Required or (Contributed) for Current Agency Activities	\$ (1,942,173)	\$ (2,355,687)	\$ (413,514)
Total Budgeted FTE	16.4	14.1	(2.3)

The Public Housing Portfolio includes the budget activity for 17 traditional public housing properties and 14 property-level staff. Home Forward's public housing stock provides an important resource to the community by providing housing in 436 rentable units throughout Multnomah County. The unit count in Public Housing continues to decline as properties are converted to RAD and Section 18 funding. Property staff focus on the management and maintenance of the properties and work towards preserving the aging housing stock.

In FY22, staff will continue to integrate maintenance, property management, inspections, and services with the goal of improving efficiencies and reducing turnover time.

Public Housing Key Assumptions

Public Housing Portfolio Operating Subsidy Assumptions		
	FY21 Annualized Actuals	FY22 Budget
Physical Units in Public Housing Portfolio*	645	436
Subsidized Units in Public Housing Portfolio	644	436
Eligibility Per Unit Per Month	\$1,170	\$1,370
Eligibility Per Unit Per Month Per Month (Excluding ARF)	991	1,169
Proration	95.86%	95%
Proration Per Unit Per Month**	\$950	\$1,110
Total Subsidy*	\$5,678,142	\$4,776,210

*As of January 1st, of the respective year. Units expected to convert to RAD/Section 18 in 2022 are reported in the Public Housing portfolio. The new total will be 369 units post conversion.

**Less Carve-outs for PILOT, GOALS, and ARF.

Four properties are expected to convert to RAD/Section 18 in FY22, resulting in a total subsidy decrease at Public Housing Properties. The per unit subsidy is expected to increase due to the increase in utility funding and the trend of increased proration from HUD. The four properties converting are Chateau, Cora Park, Dekum Court, and the Scattered Sites.

Households Served – occupancy is assumed at 98%.

Public Housing Major Revenue and Expense Items

Operating Revenue is \$6.0 million, down \$820 thousand from FY21. \$596 thousand of reduced revenue is due to properties converting to RAD in FY22, offset by \$200 thousand in increased revenue at remaining PH properties. The primary sources of Operating Revenue are:

- Dwelling Rental is \$1.16 million, a decrease of \$151 thousand. \$363 thousand due to loss of the dwelling rent from RAD/Section 18 conversions. This is partially offset by projected rent increases of \$168 thousand at the remaining PH properties.
- HUD Subsidies for public housing is \$4.8 million, a decrease of \$619 thousand.
- Non-dwelling rental is \$3 thousand from commercial rental income. This is a decrease of \$1 thousand.
- Other revenue from laundry and other fees is \$31 thousand, a decrease of \$59 thousand.

Operating Expenses are \$4.9 million, down \$755 thousand from FY21. \$924 thousand of reduced expense is due to RAD/Section 18 conversions. This is offset by \$181 thousand in increased expenses at the remaining PH properties. The primary drivers of Operating Expenses are:

- Administration is \$474 thousand, decreased \$104 thousand. Administration includes \$336 thousand in property management fees charged by the Property Management department.
- Maintenance is \$1.60 million, down \$268 thousand. Maintenance includes \$628 thousand in Maintenance Personnel Expense and \$986 in Other Maintenance Expenses. The overall decrease in expense is due to the converting properties; there is \$118 thousand of increased expense in remaining PH properties. \$59 thousand of increased expense is due to non-recurring maintenance, and \$20 thousand of increased expense is due to personnel.
- Program Expense is \$489 thousand, which covers personnel expenses and temporary help at properties. This is reduced \$225 thousand from FY21. Remaining PH properties are seeing an increase of \$82 thousand in expense due to staffing reorganizations.
- Tenant Services are \$28 thousand, increased \$18 thousand.
- Utilities are \$780 thousand, decreased \$156 thousand from FY21. Remaining PH properties are seeing a \$46 thousand increase in rates.
- Depreciation is \$1.1 million, decreased \$67 thousand.
- General Expenses of \$300 thousand includes \$264 thousand in insurance costs including \$35 thousand in additional costs due to rate increases.
- All personnel expenses include planned compensation increases.

Agency Overhead is charged through Property Management and is allocated to Public Housing Portfolio through the property management fee.

Public Housing Funding Required for Current Agency Activities

The Public Housing Portfolio provides \$1.1 million in projected cash flow for agency and property needs. \$100 thousand from operations will be contributed to an Insurance Reserve.

- HUD Nonoperating Contributions include \$269 thousand for development at Celilo Court.

Budget Commentary – Affordable Housing Portfolio

Summary Budget Data	FY21 Budget	FY22 Budget	Increase/ (Decrease)
Operating Revenue	\$ 26,913,456	\$ 27,787,164	\$ 873,708
Operating Expense	22,596,502	23,463,259	866,757
Operating Income Before OH	4,316,954	4,323,904	6,950
Allocated Overhead	-	-	-
Operating Income After OH	4,316,954	4,323,904	6,950
Funding Flow Activity	2,053,542	2,583,171	529,629
Funding Required or (Contributed) for Current Agency Activities	\$ (2,053,542)	\$ (2,583,171)	\$ (529,629)
Total Budgeted FTE	1.8	1.6	(0.2)

The Affordable Housing Portfolio consists of 55 properties with 2,860 units throughout Multnomah County, financed by private debt, public debt, and tax credit funding.

The Affordable Housing Portfolio consists of non-public housing properties owned directly by Home Forward (26 properties) and 29 properties with master leases (with local service providers). 21 of the 26 properties are managed by external property management companies. The FTE for this operating group is only 1.6, since much of the FTE are at the external property management companies. For the externally managed properties, \$2.3 million in personnel expenses are on the Home Forward financials, but the FTE are not included in the Home Forward head count. Also, the operating results for the 3,486 (including planned RAD/Section 18 conversion) tax credit units are not reflected in the Home Forward operating budget.

The Affordable Housing Portfolio is a major contributor of revenue to the agency through cash flow from mature properties. The major challenge for the Affordable Housing Portfolio in the upcoming year is balancing the agency's need for cash flow while completing much needed capital improvements at several aging sites. Rising insurance costs and the transition to RAD/Section 18 funding will be other issues in the upcoming fiscal year.

Affordable Housing Key Assumptions

The average budgeted occupancy is 97% consistent with actual property performance.

There are no expected Year 15 Tax Credit conversions planned for FY22.

Property Name	Units	Revenue	Expenses	Net Change
Cecelia	131	1,588,287	1,860,073	(271,786)
Haven	44	519,150	717,569	(198,419)
Total	175	\$2,107,437	\$2,577,646	(\$470,205)

Affordable Housing Major Programs/Initiatives/Activities and Estimated Budget Impact

Insurance premiums are projected to be \$1.5 million (\$154 thousand increase) as property valuations and premium rates continue to rise.

\$6.5 million in maintenance projects including the following large projects:

- Madrona (Decking)
- Rosenbaum (Roof and Hot Water Supply)
- Fairview (Interior Work)
- Yards at Union Station (Interior Work)
- Grace Peck (Interior Work)
- Unthank Plaza (Interior Work)

Affordable Housing Major Revenue and Expense Items

Operating Revenues are budgeted to be \$27.8 million; an \$873 thousand dollar increase from FY21. The below comments highlight the major trends.

- Dwelling rental is projected to be \$22.8 million, an increase of \$1.7 million of which \$2.1 million is attributable to Cecelia and Haven not converting as planned in FY21. The rental increases in FY22 from high occupancy rates is offset by income losses due to COVID 19 and a pause on rental increases.

Operating Expenses are projected to be \$23.6 million, a \$866 thousand increase from prior budget year.

- Utilities are projected to be \$3.3 million, an increase of \$188 thousand from previous budget, due to rate increases for all utilities.
- Depreciation is budgeted at \$5.7 million, a decrease of \$421 thousand from previous budget.
- Management fees for third party-managed properties are expected to be \$1.1 million.
- Third party-managed properties have budgeted \$2.3 million in payroll expense, roughly flat from the previous budget.

Affordable Housing Funding Required for Current Agency Activities

- Of the \$4.9 million in unrestricted cash that the agency will receive, \$3.4 million is recognized in the Affordable Housing Portfolio.

-
- Funding a \$500 thousand, Real Estate Capital Reserve is part of a ten-year plan to address future capital needs within the Affordable Housing Portfolio. Home Forward Development Enterprises will fund this on a one-time basis for FY22.
 - \$100 thousand from operations will be contributed to an Insurance Reserve.

Budget Commentary – Asset Management

Summary Budget Data	FY21 Budget	FY22 Budget	Increase/ (Decrease)
Operating Revenue	\$ 871,114	\$ 854,951	\$ (16,163)
Operating Expense	1,638,331	1,702,597	64,266
Operating Income Before OH	(767,217)	(847,646)	(80,429)
Allocated Overhead	1,149,045	1,302,337	153,292
Operating Income After OH	(1,916,262)	(2,149,983)	(233,721)
Funding Flow Activity	(1,873,312)	(2,149,983)	(276,671)
Funding Required or (Contributed) for Current Agency Activities	\$ 1,873,312	\$ 2,149,983	\$ 276,671
Total Budgeted FTE	10.6	10.9	0.4

The Asset Management group is responsible for overseeing the performance of the entire Home Forward portfolio with the following breakdown. This represents the unit mix after the North Group and East Group have completed their RAD/Section 18 conversion in FY21.

Portfolio Type	Properties	Units
Public Housing	12	396
Special Needs	31	498
Affordable	26	2,401
Tax Credit	42	3,432
Total	111	6,727

Asset Management Key Assumptions

Asset Management is maintaining its staff level at 8 FTE, there is no change for FY22.

The Asset Management group, also, provides asset management services to properties owned by jurisdictional partners.

Asset Management Major Revenue and Expense Items

Operating Revenues of \$871 thousand, an increase of \$96 thousand from previous budget. The revenue consists of \$154 thousand in Asset Management Fees from jurisdictional partners and \$716 thousand for Home Forward Asset Management fees.

Operating Expenses of \$1.7 million is a \$32 thousand increase from FY21, mainly comprised of personnel expenses.

Asset Management Funding Required for Current Agency Activities

The Asset Management department needs \$2.1 million to fully fund all planned operations, an increase of \$74 thousand from prior budget year.

Budget Commentary – Property Management

Summary Budget Data	FY21 Budget	FY22 Budget	Increase/ (Decrease)
Operating Revenue	\$ 3,235,039	\$ 3,357,225	\$ 122,186
Operating Expense	2,591,227	3,413,021	821,794
Operating Income Before OH	643,812	(55,796)	(699,608)
Allocated Overhead	2,920,059	3,396,891	476,832
Operating Income After OH	(2,276,247)	(3,452,687)	(1,176,440)
Funding Flow Activity	(2,201,287)	(3,443,597)	(1,242,310)
Funding Required or (Contributed) for Current Agency Activities	\$ 2,201,287	\$ 3,443,597	\$ 1,242,310
Total Budgeted FTE	23.3	31.1	7.8

Property Management is the service department for Home Forward’s self-managed properties. The Property Management group is responsible for overseeing the compliance and maintenance at 46 properties. These properties provide housing for 2,439 households and reflect the RAD/Section 18 conversions.

Subsidy Type*	Properties
Public Housing	9
Special Needs	3
Tax Credit	32
Affordable	2
Total Properties Managed	46

*Subsidy type reflects 4 properties moving to the Tax Credit Portfolio.

Overall, the Property Management group supervises 107.41 FTE. 61 of those staff are budgeted in tax credit properties, and their operating results are excluded. The operating activity for the tax credit properties is reported outside of the Property Management budget, but their associated overhead costs are included in this department. Another 14 staff are budgeted at the traditional public housing properties, and the associated costs are within the Public Housing Portfolio budget. The 31 staff captured in this budget include management, compliance, and maintenance staff who provide peer training and backfill services.

In FY 18, Property Management supported the first public housing properties converting to RAD (Rental Assistance Demonstration) and continues to provide support for properties undergoing conversions. Please refer to the RAD conversion section for more information.

Property Management Key Assumptions

FTEs – Property Management increase 7.8 FTE from the prior year in maintenance and program staff. There is an increased need to maintenance and program staff at the department level to support and backfill site operations staff. These staff are assigned to the department but will bill most of their time to Home Forward managed properties. It is anticipated that there will be an increased need for program and maintenance staff as the Covid-19 pandemic restrictions are lifted.

- 4 Limited term maintenance staff. Maintenance needs are expected to increase due to increased inspections and requests following the Covid-19 pandemic.
- 1 Maintenance Foreman to provide supervision for floating staff and training for all maintenance staff.
- 1 Floating property manager.
- 1 Senior Property Manager

Property Management Major Programs/Initiatives/Activities and Estimated Budget Impact

Property Management will provide support for the remaining public housing properties pending future conversions of RAD/Section 18 applications. There are four properties expected to convert during FY21. Chateau, Cora Park, and Scattered Sites will undergo RAD conversion to tax credit partnerships. Dekum Court will undergo Section 18 conversion. A total of 67 units will be converted.

Property Management Major Revenue and Expense Items

Operating Revenue is \$3.4 million, up \$122 thousand from FY21. The major contributors to Operating Revenue are:

- Public Housing HUD Subsidies are \$169 thousand, and this funds the Payment in Lieu of Taxes (PILOT).
- Other Revenue is \$2.35 million and includes property management fees where the fees are being charged to properties instead of being charged overhead.
 - Property Management fees are \$1.89 million, up \$31 thousand over FY21.
 - \$416 thousand from the Public Housing Portfolio.
 - \$1.36 million from tax credit property management fees.
 - An ongoing contribution from Home Forward Development Enterprises to cover a portion of the lost overhead and administrative expenses is \$451 thousand. The contribution relates to the first phase of the 85 stories conversions.
- HUD Subsidies are \$480 thousand from Rent Assistance Section 8 Admin. This administrative fee is earned on RAD conversions and will provide compliance on tax credit reviews.
- HUD Grants are \$362 thousand from the Capital Fund Program grant, an increase of \$18 thousand.

Operating Expense is \$3.41 million, an increase of \$822 thousand from FY21. The major drivers of Operating Expenses are:

- Administration Expenses is \$1.06 million, an increase of \$429 thousand from FY21.

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- \$805 thousand is in Administrative Personnel Expense, a \$475 thousand increase that includes planned compensation increases and new FTE.
 - \$254 thousand is in Other Admin Expenses, a decrease of \$46 thousand.
 - Program Expense is \$1.43 million, which covers personnel expenses and temporary help. This is up \$201 thousand and includes planned compensation increases FTE increases.
 - Maintenance Expenses are \$599 thousand, primarily in Maintenance Personnel Expenses for floating and on-call staff. This is an increase of \$431 thousand due primarily to FTE increases as well as planned compensation.
 - General Expenses are \$211 thousand, comprised mainly of PILOT, and increase of \$22 thousand.

Property Management Funding Required for Current Agency Activities

The Property Management Department requires \$3.4 million to fully fund all planned operations. This is an increase of \$1.24 million from FY21.

Budget Commentary – Safety

Summary Budget Data	FY21 Budget	FY22 Budget	Increase/ (Decrease)
Operating Revenue	\$ 19,364	\$ 19,945	\$ 581
Operating Expense	483,469	503,348	19,879
Operating Income Before OH	(464,105)	(483,403)	(19,298)
Allocated Overhead	13,452	9,604	(3,848)
Operating Income After OH	(477,557)	(493,007)	(15,450)
Funding Flow Activity	(462,481)	(493,007)	(30,526)
Funding Required or (Contributed) for Current Agency Activities	\$ 462,481	\$ 493,007	\$ 30,526
Total Budgeted FTE	3.5	3.5	-

The Safety department coordinates Home Forward’s property and staff safety awareness and training, implements new safety initiatives, and oversees the agency safety committee. The overarching objective is to utilize a proactive approach in reducing losses, with a focus on providing safe and comfortable homes for residents, and a safe and inviting workplace for employees. The Safety group identifies potential risks to properties and operations, develops strategies to mitigate risks, and delivers safety and compliance training to Home Forward staff.

Safety Key Assumptions

- FTEs – Safety Group FTE shows no change from FY21.

Safety Major Programs/Initiatives/Activities and Estimated Budget Impact

Staff will conduct physical assessments of properties and make safety and training recommendations. This will include:

- Tracking and ensuring compliance with various occupational, safety laws, regulations, and hazardous materials, and
- Creating and implementing safety policies and an emergency management plan to guide agency departments and staff.
- Environmental safety at properties.

Safety Major Revenue and Expense Items

Revenue increased slightly by \$581 to \$20 thousand revenue for safety inspection fees.

Operating Expenses are \$503 thousand, an increase of \$20 thousand over FY21. The primary drivers of Operating Expenses are expected to be:

- \$454 thousand in Personnel Expense, an increase of \$15 thousand from compensation increases.

-
- \$43 thousand in other administrative expenses, an increase of \$9 thousand from FY21. This includes consultants, educational materials, and training.
 - \$7 thousand for materials, transportation, and general expense, a decrease of \$1 thousand from FY21.
 - All personnel expenses include planned compensation increases.

Safety Funding Required for Current Agency Activities

The Safety Department requires \$493 thousand to fully fund all planned operations.

Budget Commentary – Integrated Facilities Services

Summary Budget Data	FY21 Budget	FY22 Budget	Increase/ (Decrease)
Operating Revenue	\$ 1,834,728	\$ 1,897,896	\$ 63,168
Operating Expense	1,427,640	1,438,554	10,914
Operating Income Before OH	407,088	459,342	52,254
Allocated Overhead	373,106	441,372	68,266
Operating Income After OH	33,982	17,971	(16,011)
Funding Flow Activity	73,636	17,971	(55,665)
Funding Required or (Contributed) for Current Agency Activities	\$ (73,636)	\$ (17,971)	\$ 55,665
Total Budgeted FTE	10.7	10.7	-

Integrated Facilities Services is the operating group for Home Forward’s specialized maintenance services. Services include electrical work, plumbing, pest control, painting, and bulky waste hauling (Trades). Home Forward-managed properties utilize Integrated Facilities Services based on need and are billed for services provided.

Integrated Facilities Services Key Assumptions

FTEs – Integrated Facilities Services staff levels remain flat from FY21.

Integrated Facilities Services Major Programs/Initiatives/Activities and Estimated Budget Impact

Integrated Facilities Services (IFS) strives to operate as a self-sustaining business unit. Trades billing on an hourly basis provide services at rates that are competitive with market rates.

Integrated Facilities Services Major Revenue and Expense Items

Revenue is \$1.90 million, an increase of \$63 thousand from FY21. All Revenue is forecasted to come from service fees charged to properties.

Operating Expenses are \$1.44 million, an increase of \$11 thousand from FY21. The major drivers of Operating Expenses are expected to be:

- Maintenance Personnel Expense is \$1.01 million, a \$17 thousand increase.
- Program Personnel Expense in support of department administration is \$167 thousand, a \$2 thousand increase.
- Administrative Personnel Expense is \$59 thousand, a \$14 thousand increase.
- All personnel expenses include planned compensation increases.

-
- Other Maintenance Expenses are \$101 thousand and include materials and vehicle expenses. This is a \$12 thousand decrease from FY21. There was a one time expense for equipment budgeted in FY21 that will not be repeated in FY22.
 - Utilities are \$40 thousand for waste transfer station fees, the same as FY21.

Integrated Facilities Services Funding Required for Current Agency Activities

Integrated Facilities Services contributes \$18 thousand to the agency. This is a decrease of \$56 thousand.

Budget Commentary – Development & Community Revitalization

Summary Budget Data	FY21 Budget	FY22 Budget	Increase/ (Decrease)
Operating Revenue	\$ 7,997,342	\$ 14,322,624	\$ 6,325,282
Operating Expense	3,435,936	3,400,288	(35,648)
Operating Income Before OH	4,561,406	10,922,336	6,360,930
Allocated Overhead	1,301,496	1,482,566	181,070
Operating Income After OH	3,259,909	9,439,770	6,179,861
Funding Flow Activity	-	-	-
Funding Required or (Contributed) for Current Agency Activities	\$ -	\$ -	\$ -
Total Budgeted FTE	22.1	22.3	0.2

The Development and Community Revitalization (DCR) department undertakes development of new affordable rental housing, plus acquisition and rehabilitation of existing affordable housing properties. As part of its development and rehabilitation efforts, DCR is also responsible for structuring the financing that supports these construction activities. Relocation services are provided as necessary in support of various development and rehabilitation projects. The department earns Developer Fees to support the costs of current and future development activity.

- Active Projects: 11
- Active Projects Total Budget: \$348.3 million
- Staff FTE FY22: 22

Development and Community Revitalization Key Assumptions

- Staffing is budgeted to increase 1 FTE from FY21 for a new Project Manager.
- The department will continue to utilize inter-agency transfers to reflect staffing costs capitalized in real properties or transferred from other departments.

Developer Fees Accrued and Received FY22 (amounts in millions)			
Project	Project Budget	Accrued Developer Fee Revenue	Developer Fee Cash to be Received
Fountain Place 2 LP	\$33.1	\$0.0	\$1.8
Central Group LP	83.8	4.1	0.0
Baldwin PSH LP	24.0	2.2	0.0
3000 Powell LP	83.8	3.9	0.0
Dekum Court Redevelopment	82.7	3.1	1.5
Grace Peck Rehabilitation	35.9	1.0	0.4
Total	\$343.3	\$14.3	\$3.7

Development and Community Revitalization Major Programs/Initiatives/Activities and Estimated Budget Impact

- FP 2 LP Rehabilitation Project – This 106-year-old building is a historic structure that adds design and character to the downtown corridor. It provides 80 affordable housing options to extremely low-income households. This rehabilitation project will make the property seismically and structurally sound for the years to come. This project utilizes four percent Low-Income Housing Tax Credits, bond funds, OHCS grant, and reserve funds. Construction finance closed in March 2020 and construction began in April 2020. The project completion schedule is March 2022.

Fountain Place (In millions)	FY 20	FY21	FY22	Total
Total Project Sources and Uses	\$14.8	\$16.6	\$1.7	\$33.1

- Central Group LP (also known as 85 Stories Group 7) – This group consists of four properties: Dahlke Manor, Fir Acres, Stark Manor, and Eastwood Court. This tax credit partnership utilizes four percent Low-Income Housing Tax Credits, bond funds, and reserve funds. Construction finance closed in May 2021 and construction began in June 2021. The project completion schedule is July 2022.

Central Group (In millions)	FY21	FY22	FY 23	Total
Total Project Sources and Uses	\$55.8	\$22.9	\$5.1	\$83.8

- **Baldwin PSH LP** – This redevelopment project will provide safe shelter for 60 formerly homeless individuals. Home Forward in collaboration with Urban League of Portland will render support and stability for people of color experiencing chronic homelessness. This tax credit partnership utilizes four percent Low-Income Housing Tax Credits, PHB Metro Housing bond funds, OHCS PSH Capital fund, grants, and reserve funds. Construction finance closed in September 2021 and construction began in October 2021. The project completion schedule is October 2022.

Baldwin PSH (In millions)	FY21	FY22	FY 23	Total
Total Project Sources and Uses	\$8.5	\$12.3	\$3.2	\$24.0

- **3000 Powell LP** - Home Forward and the City of Portland, acting through the Portland Housing Bureau (PHB) have entered into an intergovernmental agreement (IGA) to which Home Forward will provide development services in the construction of 206 new housing units. The site is located in SE Powell Boulevard and consists of two adjacent parcels. Home Forward owns one parcel and PHB owns the other parcel. Home Forward will serve as developer and owner, serving as General Partner of the Low-Income Housing Tax Credit partnership. This tax credit partnership utilizes four percent Low-Income Housing Tax Credits, Portland Housing Bond funds, and reserve funds. Construction finance closed in November 2021 and construction began in December 2021. The project completion schedule is December 2023.

3000 Powell (In millions)	FY21	FY22	FY 23	FY 24	FY 25	Total
Total Project Sources and Uses	\$19.4	\$32.0	\$25.6	\$1.2	\$5.6	\$83.8

- **Dekum Court Redevelopment** – This redevelopment project is divided into two phases. Phase 1 is a mixed-use new construction of 47 housing units. The households occupying the existing 40 public housing units will move-in to the newly constructed property. Phase 2 is to demolish the existing property and construct additional 141 housing units. This tax credit partnership will utilize four percent Low-Income Housing Tax Credits, Oregon Metro Bond Proceeds, and reserve funds. Construction finance is scheduled to close March 2022 and construction to begin in April 2022. The project completion schedule is December 2024.

Dekum Court (In millions)	FY22	FY 23	FY 24	FY 25	FY 26	Total
Total Project Sources and Uses	\$24.6	\$29.1	\$22.4	\$5.4	\$1.2	\$82.7

- **Grace Peck Terrace Rehabilitation Project** – This 41-year-old, six story single building provides 95 one-bedroom affordable housing units to low-income households. The rehabilitation project will make the property structurally sound for generations to come. This project will utilize four percent Low-Income Housing Tax Credits, bond funds and reserve funds. Construction finance is scheduled to close in September 2022 and construction will begin in October 2022. The project completion schedule is December 2023.

Grace Peck Terrace (In millions)	FY22	FY 23	FY 24	Total
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Total Project Sources and Uses	\$18.0	\$14.6	\$3.3	\$35.9
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- Property Tax Exemption Project – Consistent with our current Strategic Plan and an Inter-governmental (IGA) with the City of Gresham, Home Forward is utilizing its statutory right to property tax exemption to assist in the financing of an affordable housing development in Gresham’s Rockwood neighborhood. The IGA requires the development receiving the property tax exemption to make a payment in lieu of taxes. City of Gresham receives \$600 thousand (60%) and Home Forward receives \$400 thousand (40%) of the \$1 million payment.
- Capital Improvement Projects – There are five capital improvement projects in FY22. The total budget for these projects is \$5.0 million, utilizing the HUD capital fund grant, properties’ operation, and reserves funds.

Projects	Project Budget (in millions)	Estimated Project Completion
Celilo Court Security Upgrade	\$0.3	December 2022
Slavin Court Lead Testing	\$0.0	December 2022
Kelly Place Elevated Decks	\$0.3	January 2022
Sequoia Square Elevated Decks	\$4.2	June 2023
Schiller Way Elevated Decks	\$0.2	January 2022
Total	\$5.0	

Development and Community Revitalization Major Revenue and Expense Items

- Operating Revenue increased \$6.3 million from FY21 Budget. The increase is primarily due to:
 - Developer Fee earnings increases \$6.4 million from FY21. In FY22, DCR will earn \$14.3 million in developer fees from the following projects:

Developer Fees (in millions)		
Projects	Total	FY22
FP 2 LP	\$4.6	\$0.0
Central Group LP	8.0	4.1
Baldwin PSH LP	2.6	2.2
3000 Powell LP	6.0	3.9
Dekum Court Redevelopment	9.6	3.1
Grace Peck Rehabilitation	6.9	1.0
Total	\$37.7	\$14.3

Other Revenue increases \$1.6 million from FY21. In FY22, an increase of \$400 thousand from City of Gresham (IGA) property tax exemption earnings, a \$1.2 million increase from the Hazelwood Property Tax Exemption` and a decrease \$12 thousand from FY21 administrative fee earnings from City of Portland General Obligation Bond.

- Total Operating Expense decreases \$35 thousand from FY21 budget

Development and Community Revitalization Funding Required for Current Agency Activities

The cash to Home Forward highlights the cyclical nature of projects where developer fees are earned and paid over the next fiscal years. The project lifecycle of the department is exhibited by:

- Fountain Place 2 rehabilitation project will generate \$4.6 million in developer fee over multiple fiscal years. The first installment of \$800 thousand was paid at the close of construction finance in March 2020. The second installment of \$500 thousand is due at construction completion scheduled in March 2022. The third installment of \$846 thousand is due at conversion scheduled in September 2022. The fourth installment of \$475 thousand is due upon receipt of Form 8609 by the Limited Partner scheduled in October 2022. The final installment of \$1.1 million is due in April 2023. The remaining unpaid developer fee of \$947 thousand will be paid out of the limited partnership cash flow from operations and proceeds available for distribution from capital transactions.
- Central Group (85 Stories Group 7) rehabilitation project will generate \$8.0 million in developer fee over multiple fiscal years. The first installment of \$1.2 million was paid at the close of construction finance in May 2021. The second and third installment of \$4.3 million are due at project completion and upon receipt of IRS Form 8609 by the Limited Partner scheduled in April 2023. The remaining unpaid developer fee of \$2.5 million will be paid out of the limited partnership cash flow from operations and proceeds available for distribution from capital transactions.
- Baldwin PSH Redevelopment project will generate \$2.6 million in developer fee over multiple fiscal years. The first installment of \$246 thousand was paid at the close of construction finance in September 2021. The second installment of \$517 thousand is due at construction completion and the receipt of Federal Energy Credit Cost Certification scheduled in January 2023. The third and fourth installments of \$728 thousand is due upon receipt of certificate of occupancy, final certification of the project eligible basis and receipt of IRS Form 8609 by the Limited Partner scheduled in July 2023. The remaining unpaid developer fee of \$1.1 million will be paid out of the limited partnership cash flow from operations and proceeds available for distribution from capital transactions.
- 3000 Powell projects will generate \$6.0 million in developer fee over multiple fiscal years. The first installment of \$1.0 million was paid at the close of construction finance in November 2021. The second installment of \$1.0 million is due to be paid at conversion scheduled in November 2024. The final installment of \$1.7 million is due upon receipt of Form 8609 by the Limited Partner scheduled in February 2025. The remaining unpaid developer fee of \$2.3 million will be paid out of the limited partnership cash flow from operations and proceeds available for distribution from capital transactions.
- Dekum Court Redevelopment project is projected generate \$9.6 million in developer fee over multiple fiscal years. The first installment of \$1.5 million is due at the close of construction finance scheduled in March 2022.
- Grace Peck Terrace project is projected to generate \$6.9 million in developer fee over multiple fiscal years. The first installment of \$394 thousand is due at the close of construction finance scheduled in September 2022.

Budget Commentary – Community Services

Summary Budget Data	FY21 Budget	FY22 Budget	Increase/ (Decrease)
Operating Revenue	\$ 4,865,935	\$ 4,783,689	\$ (82,246)
Operating Expense	6,189,083	6,906,569	717,486
Operating Income Before OH	(1,323,148)	(2,122,880)	(799,732)
Allocated Overhead	822,599	962,184	139,585
Operating Income After OH	(2,145,748)	(3,085,064)	(939,316)
Funding Flow Activity	(1,944,792)	(2,788,291)	(843,499)
Funding Required or (Contributed) for Current Agency Activities	\$ 1,944,792	\$ 2,788,291	\$ 843,499
Total Budgeted FTE	39.4	42.9	3.6

The Community Services department provides services for Home Forward residents, utilizing both in-house staff and contractors. In FY22, the Community Services team will continue to play a pivotal role in the coordination and delivery of services at 51 Home Forward properties throughout Multnomah County. The group plans to deliver services to approximately 3,000 residents, providing around 15,000 service interactions. Through intentional alignment with community partners, the department will work holistically with both individual and family systems to further their goals of social, emotional, academic, and economic advancement and well-being.

This summary includes the services budgets for Home Forward’s three HOPE VI developments (Humboldt Gardens, Stephens Creek Crossing and New Columbia), Bud Clark Commons, 85 Stories - Phase I, and programs and services to residents at traditional affordable housing and public housing properties.

Community Services Key Assumptions

FTEs – Community Services shows a net increase of 3.6 FTE. This includes:

- 1 Floating Resident and Community Services Coordinator.
- 1 Resident and Community Services Coordinator.
- 1 Goals Intern.
- .5 Youth Employment Services Coordinator. Program extended and additional grant money is available to increase staff.

Community Services Major Programs/Initiatives/Activities and Estimated Budget Impact

Barrier Reduction and Opportunity Funds: \$62 thousand is proposed in Moving to Work Initiative funds (MIF) to continue implementing strategies to:

- Increase independence for seniors and individuals with disabilities,

-
- Provide short-term respite care for individuals impacted by violence, and
 - To provide opportunities for economic advancement at family properties.

Neighbor 2 Neighbor: \$27 thousand is proposed in MIF to award grants for resident-led programs that foster a sense of community.

Service staff will continue to support residents during the RAD/Section 18 conversions.

Community Services Major Revenue and Expense Items

Operating Revenue is \$4.78 million, down \$82 thousand from FY21. The major contributors to Operating Revenue are:

- Non-dwelling rental is \$40 thousand from Land Lease revenue at Humboldt.
- HUD Subsidies -Public Housing of \$208 thousand fund \$57 thousand in the GOALS program, and \$151 thousand in services at Dahlke, Holgate, Medallion, Ruth Haefner, Schrunk, and Williams.
- HUD grants are \$1.1 million, a decrease of \$216 thousand. \$82 decrease due to the end of the family services grant and decreases at other grants as indicated.
 - \$566 thousand for the Family Self-Sufficiency program, a decrease of \$53 thousand.
 - \$390 thousand from senior/disabled support services (CHSP), a decrease of \$86 thousand due to the conversion of Dahlke from public housing to Section 18.
 - \$138 thousand from Stephens Creek Crossing endowment programs, an increase of \$6 from FY21.
- State, Local & Other Grants are \$1.3 million, an increase of \$127 thousand.
 - \$593 thousand in Medicaid Revenue from senior/disabled support services (CHSP), an increase of \$84 thousand due to increased Medicaid rates and participation.
 - \$533 thousand from the City of Portland for Bud Clark Commons programs, an increase of \$41 thousand.
 - \$109 thousand in Family Services, an increase of \$2 thousand.
- Other Revenue and IA Revenue of \$2.1 million combined, an increase of \$5 thousand from
 - Program Fees from properties of \$1.58 million, an increase of \$75 thousand from FY21 due to planned compensation increases and increased contract expenses.
 - Tenant Fees are \$197 thousand for Congregate Housing Services Program (CHSP) participant fees, a decrease of \$16 thousand due to the conversion of Dahlke.
 - \$263 thousand in revenue from contracts, an increase of \$5 thousand. Contracts serve the Ellington Apartments and Clackamas County.
 - \$82 thousand ongoing contribution from HFDE for replacement of the ROSS family grant at properties that have converted to RAD/Section 18.

Operating Expenses are \$6.9 million, an increase of \$717 thousand from FY21. The primary drivers of Operating Expenses are:

- Administrative Expense of \$963 thousand and increase of 550 thousand from FY21.
 - Personnel Expenses are \$426 thousand, an increase of \$173 thousand due to increased FTE and planned compensation increases.
 - Other Admin Expenses of \$537 thousand, an increase of \$376 thousand.
 - \$200 for High Rise Stabilization funds to increase support at High Rise properties.
 - \$170 thousand to fund the Workforce Initiative project. This project is funded from the Development department.
- Tenant Services expense is \$5.1 million.
 - Direct Community Services, Program Supplies, Contract Tenant Services, and other related expenses are \$2.1 million. This is an increase of \$69 thousand primarily due to a \$58 thousand increase in contracted services.
 - Tenant Services Personnel Expense is \$3.0 million, an increase of 228 thousand, which includes budgeted benefits and payroll increases, as well as additional FTE.
- Program Personnel Expense is \$590 thousand, an increase of \$16 thousand.
- Personnel expenses include planned compensation increases.
- Inter-Agency expense is \$215 thousand for Community Services department administration fee. This is an increase of \$4 thousand, reflecting increased programmatic expenses.

Community Services Funding Required for Current Agency Activities

The Community Services department needs \$2.8 million to fully fund all planned operations, an increase of \$843 thousand. Service initiatives will be funded through Single Fund Flexibility.

Budget Commentary – Administration

Summary Budget Data	FY21 Budget	FY22 Budget	Increase/ (Decrease)
Operating Revenue	\$ 834,500	\$ 1,405,860	\$ 571,360
Operating Expense	10,224,289	11,750,237	1,525,948
Operating Income Before OH	(9,389,789)	(10,344,377)	(954,588)
Allocated Overhead	(9,086,663)	(10,488,876)	(1,402,213)
Operating Income After OH	(303,125)	144,499	447,624
Funding Flow Activity	-	-	-
Funding Required or (Contributed) for Current Agency Activities	\$ -	\$ -	\$ -
Total Budgeted FTE	48.4	56.7	8.3

The Administration group provides management and administrative support to Home Forward’s operating departments. The group consists of Information Technology, Accounting/Finance, Purchasing, Human Resources, Executive, Training, and Communications.

In addition, this group includes activities for several agency wide initiatives focused on research and developing new program opportunities to further the Agency’s mission.

Administration Key Assumptions

FTEs – the Admin group shows a net increase of 8.3 FTE:

- Increases:
 - 1 Director of Talent and Organizational Development
 - 1 Human Resources Business Partner
 - 1 Accountant
 - 1 Policy Analyst
 - 1 Equity Analyst
 - 1 Legal Position (to help with eviction related activity)
 - 1 IT Security Analyst
 - 1 Organizational Development Coordinator

Administration Major Programs/Initiatives/Activities and Estimated Budget Impact

Software Upgrade and Migration - \$279 thousand

During the year, Home Forward will work on upgrading its primary estate software platform to YARDI Voyager 7s. The new system will be a cloud-based service and will allow Home Forward to take advantage of the newer functionality and features only available on the cloud platform, including improved navigation tools and a customized user interface. The upgrade also allows Home Forward to stay supported as YARDI discontinues their support of previous versions of Voyager. The anticipated completion of conversion is expected to be during the first half of FY22. In addition to better functionality, the new system will help with rent calculations, agency training and payments.

Home Forward will also invest in improved data storage and network recovery options.

Resident Legal Services and Expungement Partnership - \$137 thousand. Metropolitan Public Defenders provides legal services to residents and participants to reduce barriers related to criminal records. The program aims to increase housing and economic opportunity. Funding is provided to MPD to provide applicants and participants with legal services (legal services include expungement services, legal navigation, and attorney consultations). \$137 thousand in services is an increase of \$68 thousand from the prior year, due to increased program usage and additional planned HCV waitlist pulls.

Administration Major Revenue and Expense Items

Operating Revenue will be \$1.4 million

- Rental Income for New Market West (NMW) will be \$594 thousand.
- Other Revenue of \$240 thousand to cover \$162 thousand of IT expenses related to teleworking, and \$78 thousand related to other teleworking needs. These funds will be covered by funds from the CARES Act.

Operating Expenses are budgeted at \$11.7 million.

- Personnel costs will be \$7.1 million. These costs reflect an increase of over 8 FTE as described, planned compensation increases, and a higher PERS liability.
- Expenses for software, data working, and equipment maintenance and upgrades will be \$861 thousand. Software licensing will be \$807 thousand, primarily for Microsoft and Yardi licenses. The remaining expense will be to maintain and replace information technology equipment.
- Consulting expenses will be \$567 thousand primarily due to the upgrade and migration to YARDI Voyager 7s and the Home Forward website maintenance and upgrade. Other consulting expenses include \$125 thousand for the strategic plan development and \$25 thousand for improving diversity and equity outcomes in the agency.
- There will be \$212 thousand for maintenance needs and utilities at New Market West.
- There will be \$167 thousand in Agency Initiatives and Tenant Administration including \$137 thousand for Resident Legal Services and Expungement partnership and \$28 thousand for community engagement grants.
- Home Forward will spend to \$343 thousand to purchase 9 vehicles for the fleet using Asset Reposition Fee funding.

Budget Commentary – Real Estate Finance

Summary Budget Data	FY21 Budget	FY22 Budget	Increase/ (Decrease)
Operating Revenue	\$ 2,661,652	\$ 1,384,567	\$ (1,277,085)
Operating Expense	88,263	72,659	(15,604)
Operating Income Before OH	2,573,388	1,311,908	(1,261,480)
Allocated Overhead	-	-	-
Operating Income After OH	2,573,388	1,311,908	(1,261,480)
Funding Flow Activity	1,546,460	1,490,697	(55,763)
Funding Required or (Contributed) for Current Agency Activities	\$ (1,546,460)	\$ (1,490,697)	\$ 55,763
Total Budgeted FTE	-	-	-

The Real Estate Finance group captures the financing activity for Home Forward. It allows for greater transparency by isolating the financing activities from the operating activities of the agency. The activity includes land lease revenues, cell tower arrangements and omnibus loans issued in conjunction with real estate activity.

Real Estate Finance Major Revenue and Expense Items

RAD and Section 18 Conversions Asset Repositioning Fee Revenue:

- Dahlke \$565 thousand

West and the Woods Limited Partnerships:

- Land lease revenue is \$301 thousand.

Stephens Creek Crossing:

- Land lease revenue is \$161 thousand.

Real Estate Finance will contribute \$955 thousand in unrestricted cash to the agency.

Attachments

Summary of Moving to Work Initiative Funds

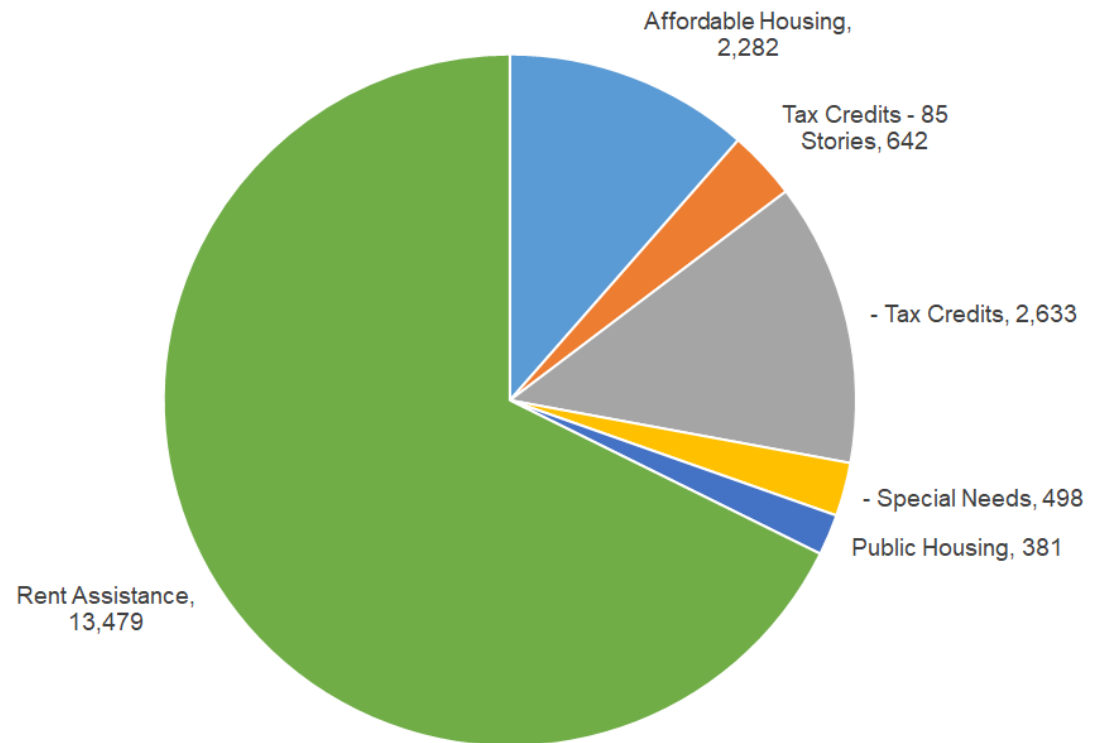
Initiative	Description	First Year	FY21 Budget	FY22 Budget
STRA Funding	In collaboration with community partners, provide limited housing assistance to eligible households in Multnomah County who are at risk of eviction, are newly homeless, or are experiencing immediate crises in their housing.	FY 12	\$ 937,714	\$ 919,452
<i>Alder School</i>	<i>Home Forward will provide short to medium-term rent assistance and leverage school support at Alder school with the goal of improved academic outcomes and housing stability.</i>	<i>FY 14</i>	<i>501,325</i>	<i>499,119</i>
<i>New Doors/NAFY</i>	<i>Shared housing model for former or transitioning foster care youth who are experiencing homelessness or at risk of homelessness. Leverages service dollars from Multnomah County.</i>	<i>FY 14</i>	<i>30,512</i>	<i>30,517</i>
<i>Earl Boyles Housing Partnership</i>	<i>Home Forward will provide short to medium-term rent assistance and leverage school support at Earl Boyles School with the goal of improved academic outcomes and housing stability.</i>	<i>FY 17</i>	<i>249,463</i>	<i>246,754</i>
<i>Economic Opportunity Program</i>	<i>Home Forward will provide support along with Worksource and Human Solutions to aid unstably housed or homeless households who are successfully engaged in Worksource training or employment programs.</i>	<i>FY 17</i>	<i>156,414</i>	<i>143,063</i>
Expungement Partnership	Working with community partner Metropolitan Public Defender to support Home Forward residents with the following: criminal record expungements; consultation to meet ongoing obligations to the courts; recurring events in the community to provide drop-in expungement and consultation services.	FY 17	136,500	137,446
Worksystems Liaison	Funds an agreement with Worksystems for residents in pursuit of economic advancement products.	FY 17	47,250	24,938
Barrier Reduction and Opportunities	Combines initiatives to promote asset building, short-term respite care for resident impacted by community violence and assists senior and disabled population age-in-place by maintain their quality of life.	FY 12	62,402	64,402

Initiative	Description	First Year	FY21 Budget	FY22 Budget
Neighbor 2 Neighbor	A grant program for resident groups from our public or affordable housing communities. Resident groups submit applications for grant funds to improve their community livability and reinforce community values.	FY 12	28,350	28,380
Local Blended Subsidy (LBS)	LBS uses a blend of MTW Section 8 and public housing operating funds to subsidize rental units. Leveraging subsidy allows for a more adequate revenue stream and increases the number of households that can be served. Funds will pay for the LBS implementation costs.	FY 12	1,511,428	2,011,272
VASH Security Deposit	Initiative addresses a serious barrier to successful use of VASH Vouchers by providing security deposits for homeless veterans leasing units requiring deposits.	FY 12	43,895	28,073
Landlord Incentive Fund	Attract new landlords and units in low poverty areas to the Housing Choice Voucher program. Eligible units must be in zip codes considered low-poverty areas and not have had a Housing Choice Voucher tenant in the prior 24 months.	FY 13	35,700	35,700
Domestic Violence Transfer Funds	In collaboration with other MTW-authorized housing authorities and the local domestic violence service system, implement an inter-jurisdictional transfer program to assist participants who are victims of domestic violence relocate to cities outside Multnomah County. Home Forward will provide up to \$2,000 in relocation assistance for up to five households per year.	FY 13	10,500	10,500
Flexible Rent Assistance	Flexible rent assistance helps participants with various barriers to housing including applications, bad debt, security deposits, expungement fees, and other financial assistance to aid the leasing process.	FY 20	105,000	105,000
Strategic Plan Consultant	Consulting services to assist with the design and implementation of the new strategic plan.	FY 20	125,000	125,000
Tenant Education	A program designed to help our tenants better understand the rental process.	FY 16	85,357	85,357
Nesika Illahee	Locally funded rent assistance for Nesika Illahee.	FY21	-	78,750

Initiative	Description	First Year	FY21 Budget	FY22 Budget
Total – MTW Initiatives			\$ 3,190,530	\$ 3,652,239

FY22 Estimated Households Served by Category

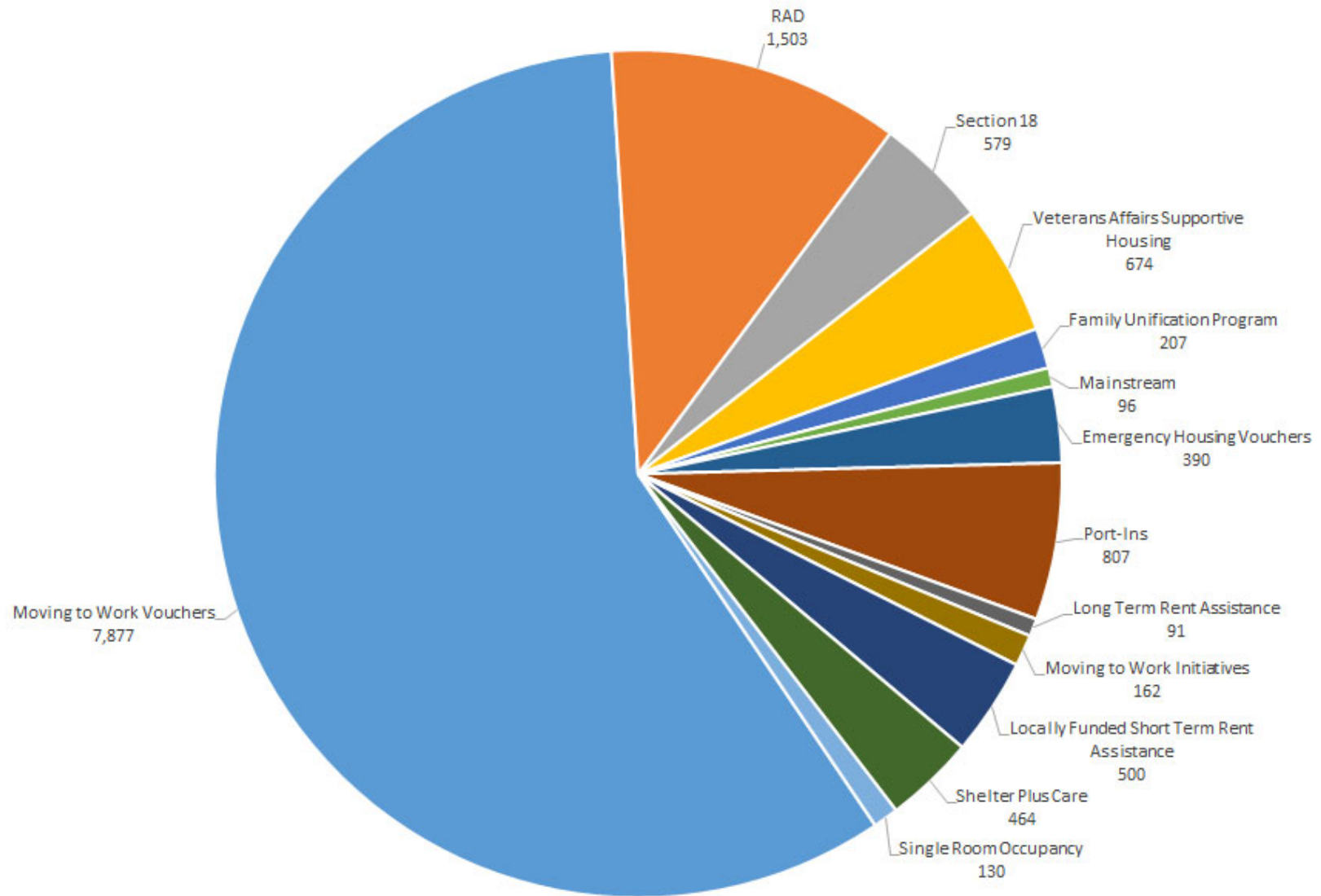
Category	Households Served	Percent
Affordable Housing	2,282	11%
Special Needs	498	3%
Tax Credits - 85 Stories	642	3%
Tax Credits	2,633	13%
Public Housing	381	2%
Rent Assistance	13,479	68%
Total	19,915	
Rent Assistance Occupying Affordable Housing / Tax Credit Units	-3,784	-23%
Unduplicated Total	16,131	100%



*Rent Assistance Occupying Affordable Units represents voucher holders that live within our Affordable and Tax Credit properties. The 3,784 represents residents already included in the Rent Assistance / Affordable Housing / Tax Credit Portfolios. An adjustment is made to provide an unduplicated total.

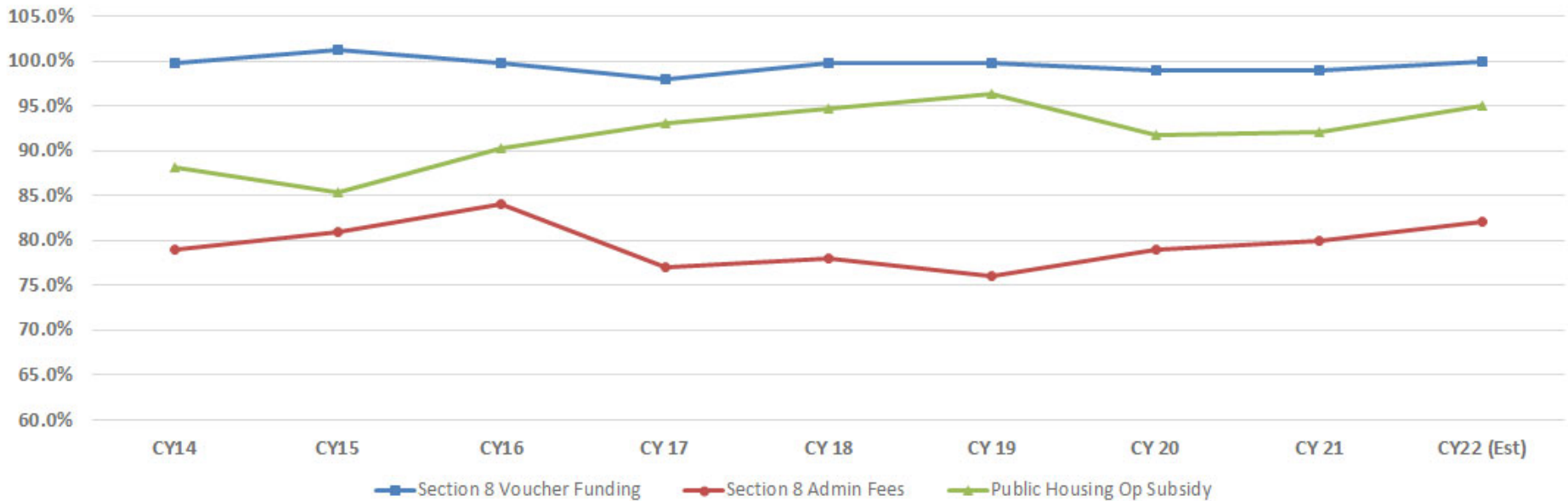
This includes the impact of RAD/Section 18 conversions.

FY22 Estimated Rent Assistance Households Served by Category



Subsidy Proration Trends

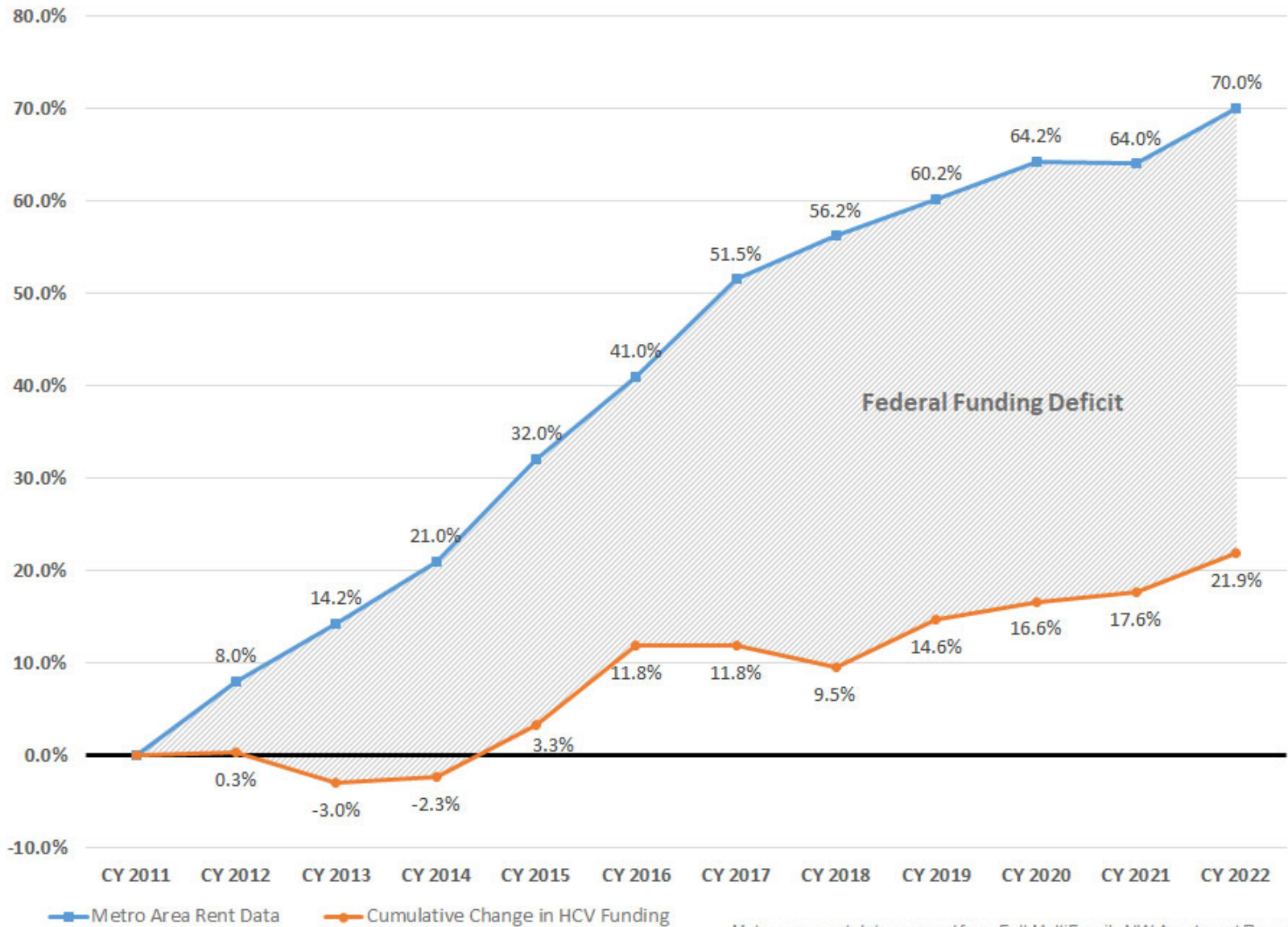
Subsidy Proration Trends ^{1 2}									
Actual Funding Year	CY 14	CY 15	CY 16	CY 17	CY 18	CY 19	CY 20	CY 21	CY 22 (Est)
Home Forward Budget Year	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2018 12/31 YE	FY 2020	FY21	FY22
Section 8 Voucher Funding	99.7%	101.2%	99.9%	98.0%	99.7%	99.7%	99.0%	99.0%	100.0%
Section 8 Admin Fees	79.0%	81.0%	84.0%	77.0%	78.0%	76.0%	79.0%	80.0%	82.0%
Public Housing Operating Subsidy	88.1%	85.4%	90.2%	93.1%	94.7%	96.3%	91.7%	92.0%	95.0%



¹ Proration represents the percentage of full funding under HUD's program formula. Percentages below 100% represent inadequate federal budget appropriations based on HUD's program formulas.

² Admin Fee CY 21 estimates are equal to the CY 20 actual award. CY 21 Operating Subsidy is based upon a 5-year trend of actual proration.

Cumulative Change in HCV Funding vs. Cumulative Change in Metro Area Apartment Rent



Metro area rent data sourced from Fall MultiFamily NW Apartment Report

FTE Change Comparison Schedule

Full-Time Equivalents (FTEs) by Funding Source			
	FY21 Budget	FY22 Budget	Increase / (Decrease)
Agency Funded	249.0	279.9	31.0
Other Legal Entity Funded	58.4	62.1	3.6
Total Agency-Managed Positions	307.4	342.0	34.6

Numbers may be off slightly due to rounding.

FY22 Summary of FTE Changes	
Accountant	1.0
Compliance Specialist	1.0
Director of Talent & Organizational Development	1.0
Equity Staff	1.0
Floating Assistant Property Manager	1.0
Floating Property Manager	1.0
Floating Resident & Community Services Coordinator	1.0
HR Business Partner	1.0
Intern	1.0
Legal Position	1.0
LT Maintenance Generalist	2.0
LT Maintenance Mechanic	2.0
Maintenance Mechanic Foreman	1.1
Office Assistant II	2.0
Organizational Development	1.0
Policy Staff	1.0
Program Supervisor	1.0
Project Manager	1.0
Property Accountant	1.0
Rent Assistance Services Coordinator	3.0
Rent Assistance Specialist	3.0
Rent Assistance Specialist (L)	1.0

FY22 Summary of FTE Changes	
Resident & Community Services Coordinator LT	1.0
Resident Specialist	0.8
Security Analyst	1.0
Senior Property Manager	1.0
Support Specialist	2.0
Training/Onboarding Coordinator	1.0
Tax Credit Compliance Coordinator	1.0
Youth Employment Service Coordinator	0.5
Total New Positions	37.4
All Other Changes	-2.8
Net Increase (Decrease) in FTE	34.6

Acronym Key

85 Stories: Multi-year development initiative to change the subsidy structure for ten hi-rise public housing apartment communities to leverage equity and debt to make needed capital repairs to deteriorating building systems.

ACOP: Admission and Condition Operating Plan – document that establishes guidelines for determining public housing eligibility and occupancy.

AH: Affordable Housing – properties owned in whole or in part by Home Forward that are managed by outside management companies.

ARF: Asset Repositioning Fee – Temporary subsidy to aid in the disposition of Public Housing units. The subsidy continues for two years and is tied to Operating Subsidy. The first year is funded at 75% of Operating Subsidy and the second year is funded at 50% of Operating Subsidy.

CHSP: Congregate Housing Services Program

Congregate Care: Programs that provide services to help senior and disabled residents maintain their independence.

CSS: Community & Supportive Services – community services tied to a HOPE VI property.

CY: Calendar Year – the year running from January 1 to December 31 (as opposed to fiscal year).

DCR: Development and Community Revitalization – Home Forward’s department for managing rehabilitation, redevelopment, and new construction of Home Forward properties; DCR is also a financial acronym that stands for Debt Coverage Ratio, which is used to measure annual debt payments compared to a property’s operating income.

DDTF: Demolition or Disposition Transitional Funding – a five-year limited duration continuation of the Capital Fund to assist with the modernization and development of Public Housing units.

FSS: Family Self-Sufficiency – HUD programs that seek to increase the skills of participants and enable them to obtain employment.

FTE: Full-Time Equivalent – a measure of how many full-time employees and organization has that is arrived at by adding all positions, including those that are part-time.

FUP: Family Unification Program – a HUD Section 8 Voucher program focused on reuniting youth with their families.

FY: Fiscal Year – the 12-month accounting year; Home Forward’s fiscal year runs from April 1 to March 31 (as opposed to calendar year).

GOALS: Greater Opportunities to Advance, Learn and Succeed – a Home Forward program that provides Section 8 and public housing clients with five years of supportive services as they work toward economic independence.

HAP: Housing Assistance Payment – amount of money Section 8 pays to a landlord on behalf of the tenant.

HCV: Housing Choice Voucher

HFDE: Home Forward Development Enterprises

HUD: US Department of Housing and Urban Development

IA: Inter-Agency Revenue/Expense – direct cost transfer between departments and operating groups.

LIHTC: Low-Income Housing Tax Credit – program created by HUD in 1986 to provide tax credits for the acquisition, rehabilitate, or new construction of rental housing targeted to lower-income households.

LP: Limited Partnership

MIF: MTW Initiatives Fund – Home Forward funding source for significant initiatives, funded from flexible funds.

MOD: Moderate Rehabilitation

MTW: Moving to Work – a national program authorized by Congress and administered by HUD that allows certain regulatory flexibilities to some 30 participating housing authorities.

NOFA: Notice of Funding Availability

PERS: Public Employee Retirement System

PH: Public Housing – Home Forward owned and operated subsidized housing supported by HUD funding.

PHB: Portland Housing Bureau

PILOT: Payment In Lieu of Taxes – payments negotiated with local municipalities to cover city services normally funded by property taxes. Currently, contracts provide for reinvestment of these funds into Short-Term Rent Assistance.

RAD: Rental Assistance Demonstration – HUD program to preserve public housing properties by converting them to project-based section 8 allowing housing authorities leverage public and private debt to reinvest in public housing stock.

ROSS: Resident Opportunities and Self Sufficiency Grant Program – HUD program that funds staff to coordinate community resources with public housing residents' needs.

Shelter Plus Care: a federal rent assistance program for homeless persons with disabilities provided in connection with supportive services funded from sources outside the program.

SRO: Single Room Occupancy

STRA: Short-Term Rent Assistance – a program administered by Home Forward that disperses funding from public sector partners to agencies that aid families experiencing homelessness or in danger of losing their housing.

Towers: Group of four properties originally in the Public Housing Portfolio that was converted to site-based Section 8 in September 2013. The four properties are Gallagher Place, Hollywood East, Northwest Towers and Sellwood Center.

VASH: Veterans Affairs Supportive Housing – Section 8 Vouchers for homeless veterans referred by Veterans Affairs.

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FY22 Operating Statement by Operating Group

Operating Statement	Rent Assistance	Public Housing Portfolio	Affordable Portfolio	Asset Management	Property Management	Safety	Integrated Facilities	Development	Community Services	Administration	Real Estate Finance	Reserves	MIF	Elimination	Home Forward Total
Dwelling Rental	\$ -	\$ 1,164,973	\$ 22,779,225	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4,940,919)	\$ 19,003,279
Non-dwelling Rental	-	3,120	1,744,416	-	-	-	-	-	40,255	1,405,860	608,356	-	-	(3,366)	3,798,641
HUD Subsidies -Housing Assistance	119,350,012	-	2,518,716	-	-	-	-	-	-	-	-	-	-	-	121,868,728
HUD Subsidies -Admin Fee	12,254,377	-	-	-	479,766	-	-	-	-	-	-	-	-	-	12,734,143
HUD Subsidies -Public Housing	-	4,776,210	-	-	169,000	-	-	-	208,146	-	776,211	-	-	-	5,929,567
HUD Grants	6,220,641	10,000	-	-	362,499	-	-	-	1,095,071	-	-	-	-	-	7,688,211
Development Fee Revenue, Net	-	-	-	-	-	-	-	14,322,624	-	-	-	-	-	-	14,322,624
State, Local & Other Grants	64,223,750	-	-	-	-	-	-	-	1,318,479	-	-	-	-	-	65,542,229
Other Revenue	10,012,415	31,256	744,807	854,951	2,345,960	19,945	1,897,896	1,571,386	1,290,746	-	-	-	-	(371,396)	18,397,966
Total IA Revenue	-	-	-	-	-	-	-	-	830,991	-	-	-	-	(830,991)	-
Total Operating Revenues	212,061,196	5,985,559	27,787,164	854,951	3,357,225	19,945	1,897,896	15,894,010	4,783,689	1,405,860	1,384,567	-	-	(6,146,672)	269,285,389
Housing Assistance Payments	196,972,853	-	960	-	-	-	-	-	-	-	-	-	-	(4,344,906)	192,628,907
Administrative Personnel Expense	708,651	-	-	573,796	805,306	333,494	58,828	1,026,305	426,038	6,922,120	-	-	-	-	10,854,539
Other Admin Expenses	697,280	473,840	4,982,974	73,693	254,141	42,591	34,233	199,481	537,441	3,843,615	-	-	-	(306,824)	10,832,464
Fees/overhead charged	460,093	-	-	46,452	3,567	-	3,567	74,962	-	75,313	-	-	-	(663,954)	-
Tenant Svcs Personnel Expense	56,724	-	-	15,677	114,960	-	-	321,995	3,035,839	-	72,659	-	-	-	3,617,854
Other Tenant Svcs Expenses	135,434	27,562	54,372	-	-	-	-	-	2,101,825	101,800	-	-	-	-	2,420,993
Program Expense	7,480,987	488,558	131,155	992,979	1,425,062	63,327	166,869	1,754,960	590,146	174,145	-	-	-	-	13,268,188
Maintenance Personnel Expense	-	628,454	96,589	-	643,545	56,981	1,008,631	-	-	56,981	-	-	-	-	2,491,181
Other Maintenance Expenses	-	986,147	-	-	(44,840)	4,979	100,926	-	-	212,814	-	-	-	-	7,790,400
Utilities	-	779,877	3,313,261	-	-	-	40,000	-	-	100,896	-	-	-	-	4,234,034
Total IA Expense	-	36,387	579,322	-	-	-	-	-	215,279	-	-	-	-	(830,988)	-
Depreciation	-	1,149,976	5,679,045	-	9,090	-	-	22,584	-	219,023	-	-	-	(50,040)	7,029,678
General	227,900	299,979	2,095,208	-	202,191	1,977	25,500	-	-	43,530	-	-	-	-	2,896,284
Total Operating Expenses	206,739,922	4,870,781	23,463,259	1,702,597	3,413,021	503,348	1,438,554	3,400,288	6,906,569	11,750,237	72,659	-	-	(6,196,712)	258,064,522
Operating Income (Loss)	5,321,274	1,114,778	4,323,904	(847,646)	(55,796)	(483,403)	459,342	12,493,722	(2,122,880)	(10,344,377)	1,311,908	-	-	50,040	11,220,867
Total Overhead Allocations	2,893,921	-	-	1,302,337	3,396,891	9,604	441,372	1,482,566	962,184	(10,488,876)	-	-	-	-	-
Operating Income (Loss) after Overhead	2,427,352	1,114,778	4,323,904	(2,149,983)	(3,452,687)	(493,007)	17,971	11,011,156	(3,085,064)	144,499	1,311,908	-	-	50,040	11,220,867
Reserve Funding	-	-	(6,511,000)	(850,000)	(56,200)	-	-	(748,289)	675,880	28,344	(2,902,821)	10,364,085	-	-	-
Operating Income (Loss) after Reserve Funding	2,427,352	1,114,778	(2,187,096)	(2,999,983)	(3,508,887)	(493,007)	17,971	10,262,867	(2,409,184)	172,843	(1,590,913)	10,364,085	-	50,040	11,220,867
Investment Income	-	-	155,384	4,512	-	-	-	-	-	-	-	-	-	-	159,896
Interest Expense	-	-	(2,159,305)	-	-	-	-	-	-	-	-	-	-	-	(2,159,305)
Net Other Income (Expense)	-	-	(2,030,579)	4,512	-	-	-	-	-	-	-	-	-	-	(2,026,067)
HUD Nonoperating Contributions	-	268,645	-	-	-	-	-	-	-	228,667	2,500,000	-	-	-	2,997,312
Reserve Funded Capital Contributions	-	-	2,696,025	-	-	-	-	200,000	-	-	11,356,759	(14,252,784)	-	-	-
Net Capital Contributions	-	268,645	2,696,025	-	-	-	-	200,000	-	228,667	13,856,759	(14,252,784)	-	-	2,997,312
Change In Net Position	\$ 2,427,352	\$ 1,383,423	\$ (1,521,650)	\$ (2,995,471)	\$ (3,508,887)	\$ (493,007)	\$ 17,971	\$ 10,462,868	\$ (2,409,183)	\$ 401,509	\$ 12,265,846	\$ (3,888,699)	\$ -	\$ 50,040	\$ 12,192,112

* Numbers may vary slightly due to rounding

FY22 Funding Flow Analysis by Operating Group*

Home Forward															
Fiscal Year 2022 Operating Statement by Operating Group															
	Rent Assistance	Public Housing Portfolio	Affordable Portfolio	Asset Management	Property Management	Safety	Integrated Facilities	Development	Community Services	Administration	Real Estate Finance	Reserves	MIF	Elimination	Home Forward Total
Operating Income (Loss) after Overhead	\$ 2,427,352	\$ 1,114,778	\$ 4,323,904	\$ (2,149,983)	\$ (3,452,687)	\$ (493,007)	\$ 17,971	\$ 11,011,156	\$ (3,085,064)	\$ 144,499	\$ 1,311,908	\$ -	\$ -	\$ 50,040	\$ 11,220,867
Real Estate Portfolio															
Affordable Housing Properties Operating Activity	-	-	(9,482,072)	-	-	-	-	-	-	-	-	-	-	-	(9,482,072)
Revenue from Properties to Home Forward	-	-	(855,103)	-	-	-	-	-	(368,812)	-	-	-	-	-	(1,223,915)
Unrestricted Cash to HAP	-	-	3,349,060	-	-	-	-	-	465,584	-	955,000	-	-	-	4,769,644
Net Replacement Reserve Activity (New Market West)	-	-	-	-	-	-	-	-	-	(98,000)	-	-	-	-	(98,000)
Net Replacement Reserve Activity (Special Needs)	-	-	(218,370)	-	-	-	-	-	-	-	-	-	-	-	(218,370)
Developer Fee - Impact to Funding Flow															
Developer Fee Revenue	-	-	-	-	-	-	-	(14,322,624)	-	-	-	-	-	-	(14,322,624)
Developer Fee - Cash to HAP(Net)	-	-	-	-	-	-	-	3,751,661	-	-	-	-	-	-	3,751,661
Financing/Investment Activity															
Principal & Interest - Special Needs	-	-	(113,293)	-	-	-	-	-	-	-	-	-	-	-	(113,293)
Principal & Interest - New Market West	-	-	-	-	-	-	-	-	-	(265,522)	-	-	-	-	(265,522)
Capital Acquisitions															
Fleet Vehicle	-	-	-	-	-	-	-	-	-	(228,667)	-	-	-	-	(228,667)
Fleet Vehicle Reserve Funding	-	-	-	-	-	-	-	-	-	228,667	-	-	-	-	228,667
Non-Cash Operating Activity															
Depreciation Expense	-	1,149,976	5,679,045	-	9,090	-	-	22,584	-	219,023	-	-	-	(50,040)	7,029,678
Special Purpose Reserve Activity															
Inter Departmental Reserve Transfers	(2,427,352)	(2,355,687)	(2,583,171)	2,149,983	3,443,597	493,007	(17,971)	-	2,788,291	-	(1,490,697)	-	-	-	-
Agency Initiatives	-	-	-	-	-	-	-	(1,571,386)	-	-	-	1,571,386	-	-	-
Future Agency Initiatives	-	-	-	-	-	-	-	-	-	-	-	(1,571,386)	-	-	(1,571,386)
Integrated Facility Services Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HFDE Funding Affordable Portfolio Reserve	-	-	500,000	-	-	-	-	-	-	-	-	-	-	-	500,000
DCR Operating Reserve	-	-	-	-	-	-	-	1,308,609	-	-	-	-	-	-	1,308,609
Affordable Portfolio Reserve	-	-	(500,000)	-	-	-	-	-	-	-	-	-	-	-	(500,000)
Workforce Initiative Funding	-	-	-	-	-	-	-	(200,000)	200,000	-	-	-	-	-	-
85 Stories Asset Repositioning Fee Reserve	-	-	-	-	-	-	-	-	-	-	(776,211)	-	-	-	(776,211)
Insurance Reserve	-	(100,000)	(100,000)	-	-	-	-	-	-	-	-	-	-	-	(200,000)
Capital Fund Program Contribution	-	190,933	-	-	-	-	-	-	-	-	-	-	-	-	190,933
Funding Source or (Shortfall)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Department Reserve Activity															
Final Funding Source or (Shortfall)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

* Numbers may vary slightly due to rounding.