



homeforward

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Fiscal Year 2019

Budget

January 1, 2019 through December 31, 2019

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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, 2019 and ending December 31, 2019 (FY 19). Home Forward is moving to a calendar year fiscal year with the first full year taking place in 2019.

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.

Home Forward is governed by a nine-member Board of Commissioners. 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 the City of Portland and is not considered a component unit of the City. 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 through the use of 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 110 properties with over 6,400 units. Of these, 35 properties with 2,863 units are owned through tax credit partnerships, of which Home Forward is the minority owner. The forecasted and budgeted results of these 35 properties are not included in this document.

For public housing, 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 all of Home Forward's real estate portfolio. Asset Management generates fee income as well as 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 42 properties. These 42 properties provide housing for 2,392 households. The group generates property management fees to cover its costs.

Integrated Facilities Services is Home Forward's specialized maintenance service including electrical work, plumbing, pest control, painting, and bulky waste hauling. Due to the need for large-scale capital replacements, Home Forward will phase out garbage and recycling for 2019. 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 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 short, medium, and long-term rent assistance and rent assistance combined with partner services. Home Forward provides rent assistance to over 11,000 households on an annual basis.

This year, Home Forward will add 124 Rental Assistance Demonstration (RAD) and Section 18 Vouchers. This is a result of the ongoing RAD/Section 18 subsidy conversion from Public Housing Operating Subsidy and Capital Grant funding to Project-Based Vouchers. RAD/Section 18 Voucher conversions have included 791 in 2017 and 112 in 2018.

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:

- All funds will be accounted for, meaning current year activities will be funded with current year revenue, business line reserves, allowable transfers from other programs, or agency-level reserves. Also, 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.

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- 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 2018 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 will be used only for the acquisition, development, and/or preservation of real estate assets.

Budget Summary

Key Activities and Financial Highlights for Fiscal Year 19

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

Key activities planned for Fiscal Year 19 include:

- Development will provide development services to Lloyd Housing LP. Development is projected to earn \$19.6 million in developer fee for the Lloyd, North Group, East Group, Central Group, Fountain Place, and SE Powell projects.
- Public Housing will serve 789 households in 17 public housing properties given the expected occupancy rate of 98%. This includes six months of the nine properties converting to RAD in 2019.
- Properties in Home Forward's Affordable Portfolio will serve 5,510 households given the expected average occupancy rate of 98%. Home Forward-owned affordable properties are expected to serve 2,360 households, tax credit limited partnerships will serve 2,648 households, and special needs properties will serve 502 households.
- There are no planned Year 15 Tax Credit Conversions for FY 19.
- The Rent Assistance department plans to have utilization at 91.3%. Actual utilization rates have fallen below planned levels due to lease-up challenges resulting from Portland's tight rental market and rising voucher costs. Unfortunately, federal funding has not been adequate to meet these housing costs. As a result, Home Forward has stopped pulling from the voucher waitlist and does not anticipate being able to pull from the waitlist during this fiscal year.
- Additionally, Home Forward will receive 236 units under Section 18 (112 from 2018 and 124 from 2019) as part of the conversion from public housing to a voucher funding stream.
- In support of the emerging "One" strategic plan, Community Services will begin to look at trauma, healing, and equity as integral components for meaningful engagement and service delivery, with the goal of extending services to support a greater number of Home Forward recipients.

Financial highlights of the upcoming budget include:

- Annual operating revenues are projected to be \$185.7 million. This is mainly due to:

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- \$19.6 million in developer fee revenue from Lloyd Housing (\$6.6 million), North Group (\$4.8 million), East Group (\$5.1 million), Central Group (\$1.0 million), Fountain Place Rehab (\$0.8 million) and Portland General Obligation (GO) Bond SE Powell project (\$1.3 million).
 - Public Housing Operating Subsidy revenue of \$7.3 million 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 two percent for the upcoming budget year.
 - HUD funding for Housing Choice Vouchers is projected to increase due to the RAD/Section 18 conversion (\$8.7 million) and four percent per voucher due to projected federal funding increases.
 - Admin fees will increase \$302 thousand due to additional funding received for the RAD/Section 18 vouchers, new VASH vouchers, and for the new mainstream vouchers.
 - Annual operating expenses are projected to be \$169.8 million. This is mainly due to:
 - The Rent Assistance department projects the utilization rate to be 91.3%. Actual utilization rates have fallen below planned levels due to lease-up challenges resulting from Portland's tight rental market and inadequate growth in federal funding to cover rising housing costs.
 - Personnel expenses will be \$24.1 million for the upcoming budget year.
 - Other administrative expenses will be \$7.4 million, primarily due to investment in Home Forward's information technology infrastructure of \$1.0 million with \$154 thousand in expenses related to the YARDI upgrade, property management fees of \$1.0 million, and costs associated with legal services of \$250 thousand.
 - Other tenant services expense will be \$2.0 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 \$8.3 million, primarily due to major maintenance projects at multiple affordable properties in FY 19.
 - Of the \$169.8 million in operating expenses, \$113.1 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 \$55.6 million.
 - Based on the impact of items above, operating income is projected to be \$15.8 million.
 - The combined impact yields a \$19.4 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 also 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	Additional 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	\$ (431,954)	\$ -	\$ 1,362	\$ -	\$ -	\$ 430,592	\$ -
Public housing properties	83,199	-	1,989,864	-	-	(2,073,063)	-
Affordable housing properties	5,453,895	(85,833)	(4,567,194)	2,040,900	(903,007)	(1,938,761)	-
Asset management	(1,639,265)	-	(496,924)	496,924	(300,000)	1,939,265	-
Property management	(1,618,465)	-	6,501	-	-	1,611,964	-
Safety	(290,578)	-	-	-	-	290,578	-
Integrated facilities services	52,718	-	5,089	-	(57,807)	-	-
Community services	(1,644,547)	-	(217,485)	432,646	-	1,429,386	-
Other	377,961	(124,911)	261,711	1,249,000	(73,800)	(1,689,961)	-
	<u>342,964</u>	<u>(210,744)</u>	<u>(3,017,076)</u>	<u>4,219,470</u>	<u>(1,334,614)</u>	<u>-</u>	<u>-</u>
Development	<u>15,478,831</u>	<u>-</u>	<u>(19,447,609)</u>	<u>5,269,004</u>	<u>(1,300,226)</u>	<u>-</u>	<u>-</u>
Total Agency	<u>\$ 15,821,795</u>	<u>\$ (210,744)</u>	<u>\$ (22,464,685)</u>	<u>\$ 9,488,474</u>	<u>\$ (2,634,840)</u>	<u>\$ -</u>	<u>\$ -</u>

“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:

- \$5.3 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, \$300 thousand will be directed to an insurance reserve, \$569 thousand will go to an agency level capital reserve, and \$194 thousand will be contributed to a general agency operating reserve.

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			
	FY 18 12-31-18 Budget	FY 19 Budget	Increase / (Decrease)
Agency Funded	251.2	245.0	(6.2)
Other Legal Entity Funded	36.4	45.4	9.0
Total Agency-Managed Positions	287.5	290.4	2.9

Numbers may be off slightly due to rounding.

In total, full-time equivalent employees have increased by 2.9 FTE due to positions relating to RAD/Section 18 conversions, training, and new grants. These are offset by the phasing out of the garbage business line and other staff reductions. A detailed reconciliation is found in the FTE Change Comparison Schedule attachment.

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 December 7, 2018, 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 (two percent increase), to use the Fair Market Rent Survey (four percent for HCV programs), historical trends, to use program reserves as needed, and to prepare to implement budget revisions as soon as more accurate information is available.

Also, we are still assessing the long-term impact of the reduction of corporate taxes on Low-Income Housing Tax Credit (LIHTC) pricing. The reduction in the corporate tax rate from 35% to 21% reduces the tax loss benefits of LIHTC investments, which may cause a reduction in pricing for tax credit properties. This reduction may impact Home Forward by requiring more internal funds or higher levels of debt to develop future properties or even cause planned real estate deals to be delayed for an extended period. 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 for 2019-2021 indicates a budget surplus, which will have positive implications for Home Forward. An increase in PERS liability is reflected in the budget and will be an ongoing factor for years to come.

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

Conclusion

Home Forward's FY 19 budget was developed with the context that our community continues to experience a major shortage in housing that is affordable. We continue to work with the federal government, jurisdictional partners, and the investment community to focus on increasing the number of units of affordable housing in our region and preserving those already in existence. Only through joint efforts will we be able to ensure the members of our community have homes.

Operating Statement & Summary of Funding Flow

Operating Statement

<u>Operating Statement</u>	<u>FY 19 Budget</u>
Dwelling Rental	18,945,472
Non-dwelling Rental	2,405,318
HUD Subsidies -Housing Assistance	102,395,667
HUD Subsidies -Admin Fee	7,677,951
HUD Subsidies -Public Housing	7,278,177
HUD Grants	5,896,690
Development Fee Revenue, Net	19,569,585
State, Local & Other Grants	10,041,210
Other Revenue	11,743,487
Total Operating Revenues	185,953,557
PH Subsidy Transfer	-
Housing Assistance Payments	113,099,480
Administration	15,265,603
Administrative Personnel Expense	7,846,727
Other Admin Expenses	7,418,876
Fees/overhead charged	-
Tenant Services	4,769,689
Tenant Svcs Personnel Expense	2,766,431
Other Tenant Svcs Expenses	2,003,258
Program Expense	10,766,745
Maintenance	11,246,890
Maintenance Personnel Expense	2,689,754
Other Maintenance Expenses	8,557,136
Utilities	4,677,533
Total IA Expense	-
Depreciation	8,461,068
General	1,844,752
Impairment Charge	-
Total Operating Expenses	170,131,761
Operating Income (Loss)	15,821,796
Total Overhead Allocations	-
Operating Income (Loss) after Overhead	15,821,795
Investment Income	197,411
Interest Expense	(2,669,132)
Gain (Loss) on Sale of Assets	(790,186)
Net Other Income (Expense)	(3,261,907)
HUD Nonoperating Contributions	6,822,707
Net Capital Contributions	6,822,707
Change in Net Position	19,382,595

Funding Flow Analysis

<u>Funding Flow Analysis</u>	<u>FY 19 Budget</u>
Funding Flow Analysis	\$ 15,821,795
Funding Flow Analysis	(15,821,795)
Final Funding Source or (Shortfall)	\$ -

Line Item Analysis & Assumptions

Revenue

Dwelling Rental \$19.0 million

- Public Housing Portfolio earns \$2.8 million and will continue to benefit from high occupancy rates.
- Affordable Housing Portfolio earns \$16.2 million due to high occupancy rates and rate increases (capped at five percent) except for Project-Based Vouchers (two percent increase).

Non-dwelling Rental \$2.4 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 \$102.4 million

- Assumed to include a four percent funding increase due to House/Senate FY 19 bills and the Fair Market Rent (FMR) survey conducted by Washington State University.
- This reflects a projected proration level of 99.7%.
- RAD funding will be \$8.7 million for the 1,027 vouchers (791 converted in CY 17, 112 converted in CY 18, and 124 are expected to convert CY 19)
- The subsidies will fund 11,929 vouchers in the upcoming budget year.

HUD Subsidies – Administrative Fees \$7.7 million

- Administrative Fees for HUD Housing Assistance are budgeted based on funding appropriations and assumes 76% proration for FY 19.
- Administrative Fee funding will benefit from the RAD/Section 18 conversion of 112 units, resulting in \$77 thousand in funding for the budget year.

HUD Subsidies - Public Housing \$7.3 million

- The budget assumes that the Operating Subsidy proration will be 88% the next budget year.
- Operating Subsidy is reduced to reflect 1,027 units which have converted to RAD/Section 18 in FY 19. The conversion transfers the Operating Subsidy to HUD Subsidies Housing Assistance.

Development Fee Revenue \$19.6 million

- Projected for the following projects:

Project	Accrued Developer Fee Revenue (in thousands)
Lloyd Housing LP	\$6,600
East Group LP	5,100
North Group LP	4,800
SE Powell (GO Bond Project)	1,300
Central Group LP	1,000
SE Powell (GO Bond Project)	800
Total	<u>\$ 19,600</u>

State, Local & Other Grants \$10.0 million

Grant	FY 19 Budget (in thousands)
Short-Term Rent Assistance	
Multnomah County	\$ 5,414
Homeless Family System of Care	2,589
City of Portland	640
PILOT Revenue	218
United Way	86
Short-Term Rent Assistance Total	<u>8,947</u>
Medicaid – CHSP	500
Joint Office – Bud Clark Commons	428
Worksystems Grant	95
State of Oregon CIP	62
City of Portland Youth Grant	9
Total	<u><u>\$ 10,041</u></u>

Other Revenue \$11.4 million

Other Revenue	FY 19 Budget (in thousands)
Portability Revenue	\$ 6,269
Integrated Facilities Services Fees	1,787
Property-Related Income – Community Services	811
Property-Related Income – Operations	743
Property-Related Income – Management & General Partner Fees	498
Home Forward Development Enterprises Contributions	977
Other Revenue	206
Fraud and Bad Debt Recovery	158
Total	<u><u>\$ 11,449</u></u>

Expense

Housing Assistance Payments \$113.1 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.

Personnel Expense \$24.1 million

- Total full-time equivalents for agency-funded positions are budgeted to be 245.0. An additional 45.4 FTE are funded directly from tax credit limited partnerships. Combined FTE are 290.4, a 2.9 FTE increase from the FY 18 12-31-18 budget.

Personnel Expense	FY 19 Budget (in millions)
Administrative Personnel Expense	\$ 7.9
Tenant Services Personnel Expense	2.8
Program Expense	10.8
Maintenance Personnel Expense	2.7
Total	<u><u>\$ 24.2</u></u>

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

Other Administrative Expense \$7.4 million

- The Affordable Housing portfolio is projected to have \$2.0 million in outside payroll expense and \$1.3 million in management fee expense.
- The Public Housing portfolio is projected to incur \$806 thousand in property management fees.
- The Administration operating group has budgeted expenses of \$2.1 million due to \$543 thousand in software and licensing fees, \$154 thousand for the YARDI upgrade, and \$234 thousand for consultant projects related to the YARDI upgrade and other agency projects.

Other Tenant Services Expenses \$2.0 million

- Tenant services expense is projected to include \$1.6 million in contracted resident services.

Other Maintenance Expenses \$8.6 million

- Public housing properties are expected to have \$2.3 million in projects.
- Affordable housing properties are expected to have \$6.1 million in projects, \$185 thousand of which is budgeted at master-leased properties.
- New Market West is projected to have \$190 thousand in planned repairs.

Utilities \$4.7 million

- Sewer rates are rising while rates continue to decrease for gas and fuel. Starting in FY 19, garbage and recycling services will be provided by local waste haulers.

Depreciation \$8.5 million

- Depreciation represents the non-cash write-down of the properties' physical assets, and reflects the units undergoing RAD/Section 18 conversions.

General \$1.8 million

- General liability insurance expenses will increase due to rising premium rates and are projected to be \$1.1 million.
- Bad debt expense is projected to be \$255 thousand based on historical debt.

Net Other Income (Expense)

Investment Income \$197 thousand

- Investment income is projected to increase based upon higher interest rates.
- Interest expense (\$2.7 million) is primarily due to debt at Fairview (\$382 thousand), Lovejoy (\$335 thousand), and Rockwood Station (\$160 thousand).

Gain (Loss) on Sale of Assets \$790 thousand

- The offsetting budgeted loss on sale of assets represents reductions in the “book” value of assets reported when undepreciated assets are replaced during renovation activities.
 - In the next budget, Fairview Oaks (\$621 thousand), Gretchen Kafoury (\$120 thousand), Lovejoy Station (\$156 thousand) are expected to experience write-offs connected with renovations.

Net Capital Contributions**HUD Capital Contributions \$6.8 million**

- \$6.8 million in capital projects is budgeted at public housing properties, including those undergoing a RAD/Section 18 conversion.

Operating and Administrative Segment Review

FY 19 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	Elimination	Home Forward Total
Dwelling Rental	\$ -	\$ 2,781,021	\$ 21,065,620	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4,901,169)	\$ 18,945,472
Non-dwelling Rental	-	115,203	1,665,098	-	-	-	-	-	36,468	424,890	588,550	-	(424,890)	2,405,318
HUD Subsidies -Housing Assistance	99,450,964	-	2,944,703	-	-	-	-	-	-	-	-	-	-	102,395,667
HUD Subsidies -Admin Fee	7,677,951	-	-	-	-	-	-	-	-	-	-	-	-	7,677,951
HUD Subsidies -Public Housing	-	6,901,032	-	-	169,000	-	-	-	208,146	-	-	-	-	7,278,177
HUD Grants	3,899,754	-	-	-	626,825	-	-	-	1,370,111	-	-	-	-	5,896,690
Development Fee Revenue, Net	-	-	-	-	-	-	-	19,569,585	-	-	-	-	-	19,569,585
State, Local & Other Grants	8,947,029	-	62,000	-	-	-	-	-	1,032,181	-	-	-	-	10,041,210
Other Revenue	6,411,171	99,140	931,077	954,808	2,191,877	-	1,786,674	-	885,819	179,000	-	-	(1,696,079)	11,743,487
Total IA Revenue	77,576	-	-	17,690	92,622	-	-	45,574	618,482	-	-	-	(851,943)	-
Total Operating Revenues	126,464,444	9,896,396	26,668,498	972,498	3,080,324	-	1,786,674	19,615,159	4,151,206	603,890	588,550	-	(7,874,082)	185,953,557
PH Subsidy Transfer	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing Assistance Payments	118,143,060	-	-	-	-	-	-	-	-	-	-	-	(5,043,579)	113,099,480
Administrative Personnel Expense	341,151	-	-	258,687	305,419	153,755	85,796	523,960	186,689	5,991,268	-	-	-	7,846,727
Other Admin Expenses	505,056	1,068,860	4,476,070	68,611	295,738	33,800	33,836	191,100	157,553	2,141,921	-	-	(1,553,669)	7,418,876
Fees/overhead charged	330,785	-	-	35,082	2,564	-	2,564	53,894	-	-	-	-	-	(424,890)
Tenant Svcs Personnel Expense	76,380	-	-	-	-	-	-	260,544	2,429,507	-	-	-	-	2,766,431
Other Tenant Svcs Expenses	179,925	43,966	9,647	-	-	-	-	-	1,684,500	85,220	-	-	-	2,003,258
Program Expense	5,081,629	1,115,031	132,946	816,570	1,245,748	20,186	199,208	1,480,740	530,712	143,977	-	-	-	10,766,745
Maintenance Personnel Expense	-	1,367,969	90,806	-	218,089	51,354	961,536	-	-	-	-	-	-	2,689,754
Other Maintenance Expenses	-	2,340,810	5,954,953	-	(35,356)	2,500	104,007	-	-	190,222	-	-	-	8,557,136
Utilities	-	1,582,077	2,937,455	-	-	-	49,684	-	-	108,316	-	-	-	4,677,533
Total IA Expense	301,108	-	464,243	340,969	323,307	21,417	12,399	293,287	183,055	(1,087,841)	-	-	(851,943)	-
Depreciation	1,362	1,989,863	5,926,979	-	6,501	-	5,089	121,976	-	264,115	95,142	-	50,040	8,461,068
General	38,400	304,620	1,221,504	-	181,000	-	16,681	-	-	82,543	4	-	-	1,844,752
Impairment Charge	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	124,998,856	9,813,196	21,214,603	1,519,918	2,543,011	283,012	1,470,801	2,925,501	5,172,016	7,919,741	95,146	-	(7,824,042)	170,131,761
Operating Income (Loss)	1,465,588	83,199	5,453,895	(547,420)	537,313	(283,012)	315,873	16,689,658	(1,020,810)	(7,315,851)	493,404	-	(50,040)	15,821,796
Total Overhead Allocations	1,897,542	-	-	1,091,845	2,155,778	7,566	263,154	1,210,827	623,736	(7,250,447)	-	-	-	-
Operating Income (Loss) after Overhead	(431,954)	83,199	5,453,895	(1,639,265)	(1,618,465)	(290,578)	52,718	15,478,831	(1,644,547)	(65,404)	493,404	-	(50,040)	15,821,795
Reserve Funding	-	-	(1,063,106)	-	43,800	6,417	(57,807)	(1,540,886)	464,426	-	(191,373)	2,338,529	-	-
Operating Income (Loss) after Reserve Funding	(431,954)	83,199	4,390,789	(1,639,265)	(1,574,665)	(284,161)	(5,089)	13,937,945	(1,180,121)	(65,404)	302,031	2,338,529	(50,040)	15,821,795
Investment Income	-	-	188,615	-	-	-	-	-	-	144	8,652	-	-	197,411
Interest Expense	-	-	(2,558,930)	-	-	-	-	-	-	(110,202)	-	-	-	(2,669,132)
Amortization	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment in Partnership Valuation Charge	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain (Loss) on Sale of Assets	-	-	(900,186)	-	-	-	110,000	-	-	-	-	-	-	(790,186)
Chg in Derivative Contract Value	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Other Income (Expense)	-	-	(3,270,501)	-	-	-	110,000	-	-	(110,058)	8,652	-	-	(3,261,907)
HUD Nonoperating Contributions	-	-	-	-	-	-	-	-	-	-	6,822,707	-	-	6,822,707
Net Capital Contributions	-	-	40,000	-	-	-	-	800,000	-	-	6,822,707	(840,000)	-	6,822,707
Other Equity Changes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change In Net Position	\$ (431,954)	\$ 83,199	\$ 1,160,288	\$ (1,639,265)	\$ (1,574,665)	\$ (284,161)	\$ 104,911	\$ 14,737,945	\$ (1,180,121)	\$ (175,462)	\$ 7,133,390	\$ 1,498,529	\$ (50,040)	\$ 19,382,595

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

FY 19 Funding Flow Analysis 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	Elimination	Home Forward Total
Operating Income (Loss) after Overhead	\$ (431,954)	\$ 83,199	\$ 5,453,895	\$ (1,639,265)	\$ (1,618,465)	\$ (290,578)	\$ 52,718	\$ 15,478,831	\$ (1,644,547)	\$ (65,404)	\$ 493,404	\$ -	\$ (50,040)	\$ 15,821,795
Real Estate Portfolio														
Affordable Housing Properties Operating Activity	-	-	(10,494,174)	-	-	-	-	-	-	-	-	-	-	(10,494,174)
Revenue from Properties to Home Forward	-	-	-	(496,924)	-	-	-	-	(217,485)	-	(147,586)	-	-	(861,995)
Unrestricted Cash to HAP	-	-	2,040,900	496,924	-	-	-	-	432,646	-	1,249,000	-	-	4,219,470
Net Replacement Reserve Activity (New Market West)	-	-	-	-	-	-	-	-	-	(73,800)	-	-	-	(73,800)
Net Replacement Reserve Activity (Special Needs)	-	-	(139,901)	-	-	-	-	-	-	-	-	-	-	(139,901)
Developer Fee - Impact to Funding Flow														
Developer Fee Revenue	-	-	-	-	-	-	-	(19,569,585)	-	-	-	-	-	(19,569,585)
Developer Fee - Cash to HAP(Net)	-	-	-	-	-	-	-	5,269,004	-	-	-	-	-	5,269,004
Financing/Investment Activity														
Investment Income - Unrestricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal & Interest - Special Needs	-	-	(85,833)	-	-	-	-	-	-	-	-	-	-	(85,833)
Principal & Interest - New Market West	-	-	-	-	-	-	-	-	-	(124,911)	-	-	-	(124,911)
Capital Acquisitions														
IT Equipment and Software	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fleet Vehicle	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-Cash Operating Activity														
Depreciation Expense	1,362	1,989,863	5,926,979	-	6,501	-	5,089	121,976	-	264,115	95,142	-	50,040	8,461,068
Operating Activity Funded by Cash Reserves														
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MIF Initiative Reserve Activity														
MTW Special Initiates Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MTW - Local Blended Subsidy (LBS)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MTW - Single Fund Flexibility	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MTW Administration	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Excess Section 8 - LBS	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special Purpose Reserve Activity														
Inter Departmental Reserve Transfers	430,592	(2,073,063)	(1,938,761)	1,939,265	1,611,964	290,578	-	-	1,429,385	-	(1,689,960)	-	-	-
Agency Initiatives	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Integrated Facility Services Reserve	-	-	-	-	-	-	(57,807)	-	-	-	-	-	-	(57,807)
DCR Operating Reserve	-	-	-	-	-	-	-	(1,300,226)	-	-	-	-	-	(1,300,226)
Affordable Portfolio Reserve	-	-	(569,053)	-	-	-	-	-	-	-	-	-	-	(569,053)
Insurance Reserve	-	-	-	(300,000)	-	-	-	-	-	-	-	-	-	(300,000)
Agency Operating Reserve	-	-	(194,053)	-	-	-	-	-	-	-	-	-	-	(194,053)
Final Funding Source or (Shortfall)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

FY 19 Staffing Summary 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 2018 12-31-18 YE Budgeted FTE	65.2	39.9	2.0	9.0	18.5	0.8	13.4	17.0	32.9	52.5	251.2	36.4	287.5
FY 2019 Budgeted FTE	64.0	30.2	1.5	8.0	20.6	1.9	11.8	18.0	36.8	52.2	245.0	45.4	290.4
Changes	(1.2)	(9.7)	(0.5)	(1.0)	2.1	1.1	(1.6)	1.0	4.0	(0.3)	(6.1)	9.0	2.9

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 Section 18 transactions. This results in increased funding for the agency, but not all of our properties qualified for the Section 18 disposition. The process began with the conversion of the Wests and Woods on September 1, 2013.

Home Forward will earn admin fee (currently \$68 per voucher per month) on all of the 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 for the same duration as above.

Properties Converted in FY 18 12-31-2018				
Property	Units Converted	Conversion Type	Conversion Date	RAD Group
Camelia Court	14	RAD	11/28/2018	North Group LP
Eliot Square	30	RAD	11/28/2018	North Group LP
Maple Mallory	48	RAD	11/28/2018	North Group LP
Bel Park	10	RAD	11/28/2018	North Group LP
Winchell Court	10	RAD	11/28/2018	North Group LP
RAD Conversions	112			
Tamarack	120	Section 18	11/28/2018	North Group LP
Schrunk	118	Section 18	11/28/2018	North Group LP
Section 18 Conversions	238			
Total North Group LP Conversions	350			

Properties Expected to Convert in FY 19

Property	Units Converted	Conversion Type	Conversion Date	RAD Group
Alderwood	20	RAD	6/30/2019	East Group LP
Hunters Run	10	RAD	6/30/2019	East Group LP
Tillicum South	12	RAD	6/30/2019	East Group LP
Harold Lee Village	10	RAD	6/30/2019	East Group LP
Floresta	20	RAD	6/30/2019	East Group LP
Powellhurst	34	RAD	6/30/2019	East Group LP
Tillicum North	18	RAD	6/30/2019	East Group LP
RAD Conversions	124			
Medallion Apts.	90	Section 18	6/30/2019	East Group LP
Williams Plaza	101	Section 18	6/30/2019	East Group LP
Section 18 Conversions	191			
Total East Group LP Conversions	315			

Budget Commentary – Rent Assistance

Summary Budget Data	FY 19 Budget
Operating Revenue	\$ 126,464,444
Operating Expense	124,998,856
Operating Income Before OH	1,465,588
Allocated Overhead	1,897,542
Operating Income After OH	(431,954)
Funding Flow Activity	(430,592)
Funding Required or (Contributed) for Current Agency Activities	\$ 430,592
Total Budgeted FTE	64.0

Key Assumptions

Home Forward partnered with housing authorities in Vancouver, Washington, as well as Clackamas and Washington Counties in Oregon, and the Portland Housing Bureau to commission a Fair Market Rent (FMR) survey performed by Washington State University. This survey will be formally submitted to HUD in December 2018. Preliminary results show an increase in the Portland-Hillsboro-Vancouver Metropolitan Statistical Area (MSA) rents by approximately seven percent. The combination of the FMR increase and House and Senate FY 2019 Bills for HUD funding are contributing to a projected funding increase of four percent from 2018's level.

Housing Choice Voucher Housing Assistance Payments for HCV are projected to be \$118.1 million, broken down by individual program in the table below. Other programs include Short-Term Rent Assistance (STRA), Shelter Plus Care (SPC), Local Blended Subsidy (LBS), and portability payments from other housing authorities.

Program Cost/Expenses	Average Utilized Vouchers	Average Voucher Cost	Total HAP Expense
MTW Vouchers	7,537	\$ 854.64	\$ 77,296,924
VASH	725	765.35	6,658,528
FUP	92	939.69	1,037,418
RAD	936	772.65	8,678,364
Section 18 TPV	320	775.44	2,977,700
SRO/MOD	512	438.30	2,692,906
Other	1,807	867.05	18,801,220
Total Vouchers	11,929		\$ 118,143,060

Administrative fees per voucher are \$6.6 million for FY 19, including additional fees for new voucher awards.

Home Forward has received two additional awards for Fiscal Year 2019: VASH award of 159 additional vouchers which will be effective March 2019, and 99 Mainstream (Non-Elderly/Disabled) Vouchers which will be effective January 2019. The award of 99 Mainstream Vouchers represents Home Forward's largest award ever for this program.

Total Budgeted FTE is decreasing by 1.2 FTE.

Major Programs/Initiatives/Activities and Estimated Budget Impact

Housing Choice Vouchers – \$88.1 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 are able to find their own housing, including single-family homes, townhouses and apartments. Home Forward manages four distinct HCV programs:

- Moving to Work (MTW) Vouchers - \$71.9 million

Home Forward manages 8,517 Moving to Work Vouchers. Due to ongoing funding constraints, utilization of these vouchers for FY 19 is anticipated to be 89.5%. Even though we expect additional funding, the additional funding will not be enough to significantly increase utilization. Tenant-Based attrition (vouchers returned) is projected to be 21 vouchers per month. To the extent that actual attrition is higher than the budgeted rate, Home Forward will look at starting to pull from the Housing Choice Voucher waitlist to ensure we are serving as many households as possible, given our current funding constraints. In addition, Home Forward will likely need to adjust payment standards to adjust for the increase in fair market rents. These adjustments will result in an incremental increase to housing assistance payments.

- Veterans Affairs Supportive Housing (VASH) Vouchers - \$6.5 million

Home Forward manages 664 VASH Vouchers in partnership with the Department of Veterans Affairs. Utilization of these vouchers for FY 19 is anticipated to be 97.1%.

- Family Unification Program (FUP) Vouchers - \$1 million

Home Forward manages 100 FUP Vouchers. Utilization of these vouchers for FY 19 is anticipated to be 92%.

- Rental Assistance Demonstration (RAD) Vouchers - \$8.7 million

By the end of FY 19, Home Forward will manage 1,027 RAD Vouchers from conversions that occurred since calendar year 2017. Utilization of these vouchers for FY 19 is anticipated to be 97%.

- See the RAD table for additional details.

Single Room Occupancy/Moderate Rehabilitation (SRO/MOD) - \$2.7 million

- 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 manages 512 of these units.

Homeless Prevention Services – \$12.8 million

- In addition to federally-funded HCV, Home Forward receives grant funding and partners with community service providers to offer Short-Term Rent Assistance (STRA). Serving approximately 495 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 484 households per month. Shelter Plus Care provides rent assistance and supportive services to people with disabilities who are experiencing homelessness.

Rent Assistance Moving to Work Initiatives (MIF) - \$2.2 million

- As a Moving to Work agency, Home Forward uses funding flexibility to operate a variety of local programs to provide additional housing and services that align with our strategic plan. Among these programs are:
 - Alder and Earl Boyles School Housing Partnerships - \$613 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.
 - Local Blended Subsidy - \$1.2 million

Local Blended Subsidy (LBS) program uses a blend of MTW Section 8 and RAD funds 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).
- The remainder of MIF activity can be found in the Moving to Work Initiative Schedule included in the attachments.

Personnel Expenses - \$5.5 million

- Personnel expenses of \$5.5 million for FY 19 support 64 FTE within Rent Assistance. Personnel expenses also include planned compensation increases and PERS increases.

Rental Assistance Demonstration (RAD) - \$8.7 million

- Home Forward converted a total of 350 RAD units in 2018 and will receive an administrative fee of \$77 thousand for these units, in addition to \$545 thousand in administrative fee for previously converted RAD units. The conversion will shift the funding from Public Housing Operating Subsidy and Capital Grant Funding to Project-Based Voucher Funding.

Section 18 Tenant Protection Vouchers - \$2.5 million

- Home Forward converted 238 units for 234 vouchers under Section 18 (Demolition/Disposition) in 2018. In 2019, these units will be funded at \$723 per unit and receive \$161 thousand in administrative fee.

Budget Commentary – Public Housing Portfolio

Summary Budget Data	FY 19 Budget
Operating Revenue	\$ 9,896,396
Operating Expense	9,519,196
Operating Income Before OH	83,199
Allocated Overhead	-
Operating Income After OH	83,199
Funding Flow Activity	2,073,063
Funding Required or (Contributed) for Current Agency Activities	\$ (2,073,063)
Total Budgeted FTE	30.2

The Public Housing Portfolio includes the budget activity for 17 traditional public housing properties, nine public housing properties expected to convert to RAD/Section 18 in 2019, and 30 property-level staff. Home Forward's public housing stock provides an important resource to the community by providing housing in 954 rentable units throughout Multnomah County. Property staff focus on the management and maintenance of the properties and work towards preserving the aging housing stock.

In FY 19, staff will continue to integrate maintenance, property management, inspections, and services with the goal of decreasing maintenance costs and turnover time.

Key Assumptions

Public Housing Portfolio Operating Subsidy Assumptions	
	FY 19
Physical Units in Public Housing Portfolio	960
Subsidized Units in Public Housing Portfolio	958
Eligibility Per Unit Per Month	\$719
Budgeted Proration	88%
Budgeted Proration Per Unit Per Month	\$633
Total Subsidy	\$7,278,170

Households Served – occupancy is assumed at 98%.

FTEs – During FY 18 12-31-18, seven properties converted to RAD/Section 18, and the expenses of the associated FTE are now reflected in the tax credit properties. The result was a net decrease of 9.7 FTE. This includes:

Major Programs/Initiatives/Activities and Estimated Budget Impact

Home Forward converted a total of 350 units from Public Housing Operating Subsidy funding to RAD/Section 18 voucher funding in the previous fiscal year. See the RAD conversion table for additional details.

In FY 19 Property staff will assist with conversion of 315 units of public housing to RAD/Section 18 at 9 properties. This will involve completing inspections, signing new leases, and conducting program briefings for each household.

Outside of work planned under the RAD/Section 18 conversions, planned Capital Grant projects include \$627 thousand allotted for 15% Public Housing Operational Admin Allowance.

Major Revenue and Expense Items

The primary sources of Operating Revenue are:

- Dwelling Rental is \$2.8 million.
- HUD Subsidies for public housing is \$6.9 million.

The primary drivers of Operating Expenses are:

- Maintenance is \$3.4 million and includes \$1.4 million in Maintenance Personnel Expense and \$2.3 million in Other Maintenance Expenses.
- Administration is \$1.1 million and includes \$806 thousand in property management fees charged by the Property Management department.
- Depreciation is \$2 million.
- Utilities are \$1.6 million.
- Program Expense is \$1.1 million and includes \$1.1 million of Program Personnel Expense.
- 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.

Funding Required for Current Agency Activities

The Public Housing Portfolio provides \$2.1 million in projected cash flow for future property needs.

Budget Commentary – Affordable Housing Portfolio

Summary Budget Data	FY 19 Budget
Operating Revenue	\$ 26,668,498
Operating Expense	21,214,603
Operating Income Before OH	5,453,895
Allocated Overhead	-
Operating Income After OH	5,453,895
Funding Flow Activity	1,938,761
Funding Required or (Contributed) for Current Agency Activities	\$ (1,938,761)
Total Budgeted FTE	1.5

The Affordable Housing Portfolio consists of 26 properties with 2,431 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 and properties with master leases (with local service providers). Of these 26 properties, all but one are managed by external property management companies. The FTE for this operating group is only 1.5, since the majority of the FTE are at the external property management companies. Expenses are on the Home Forward financials, but the FTE are not included in the Home Forward head count. The operating results for the 2,863 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 a number of aging sites. Rising insurance costs and the transition to RAD/Section 18 funding will be other issues in the upcoming fiscal year.

Key Assumptions

The average budgeted occupancy is 98%, consistent with actual property performance.

FTE has decreased by 0.5 FTE.

There are no tax credit conversions projected for FY 19.

Major Programs/Initiatives/Activities and Estimated Budget Impact

Insurance premiums are projected to be \$708 thousand as premium rates continue to rise.

\$4.3 million in maintenance projects including the following large projects:

- Lovejoy Station (HVAC and repaint courtyard)
- Yards (fencing, cameras, HVAC, and flooring)

-
- Fairview (exterior rehab and new asphalt)
 - Rockwood Landing (roof replacement)
 - Grace Peck (hallway carpet and parking lot)
 - Rosenbaum (elevator)
 - Gretchen Kafoury (window replacement, patio replacement, and siding)

Major Revenue and Expense Items

Operating Revenues are budgeted to be \$26.7 million. The below comments highlight the major trends.

- Dwelling rental is projected to be \$21.1 million, attributable to high occupancy rates and rental increases capped at five percent.
- Madrona (45 units), Fairview (40 units), and Rockwood (20 units) have converted to RAD subsidy and will be receiving voucher funding. For Fairview and Rockwood, only the units previously receiving Public Housing Operating Subsidy have converted.

Operating Expenses are projected to be \$21.2 million.

- Utilities are projected to be \$3.0 million, reflecting rate increases.
- Depreciation is budgeted at \$5.9 million.
- Management fees for third-party-managed properties are expected to be \$1.1 million.
- Third-party-managed properties have budgeted \$2 million in payroll expense.

Funding Required for Current Agency Activities

- Unrestricted cash to the agency is expected to be \$4.2 million but the portion assigned here is only 2.0 million.
- Funding a \$569 thousand Real Estate Capital Reserve is part of a ten-year plan to address future capital needs within the Affordable Housing Portfolio.
- A \$194 thousand operating reserve is budgeted to help fund future agency needs.

Budget Commentary – Asset Management

Summary Budget Data	FY 19 Budget
Operating Revenue	\$ 972,498
Operating Expense	1,519,918
Operating Income Before OH	(547,420)
Allocated Overhead	1,091,845
Operating Income After OH	(1,639,265)
Funding Flow Activity	1,639,265
Funding Required or (Contributed) for Current Agency Activities	\$ 1,939,265
Total Budgeted FTE	8.0

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.

Portfolio Type	Properties	Units
Public Housing	17	645
Special Needs	32	502
Affordable	26	2,431
Tax Credit	35	2,863
Total	110	6,441

Key Assumptions

Asset Management eliminated one position reducing staffing to eight FTE.

The Asset Management group is now providing asset management services to properties owned by jurisdictional partners.

Major Revenue and Expense Items

Operating Revenues of \$972 thousand

- \$300 thousand in HFDE Insurance Contribution, \$158 thousand in Asset Management Fees from jurisdictional partners and \$449 thousand for Home Forward Property Asset Management fees.

Operating Expenses of \$1.5 million

- Operating expenses are mainly comprised of personnel expenses and reflect planned compensation increases.

Overhead is projected to be \$1.1 million for the upcoming budget year.

Funding Required for Current Agency Activities

The Asset Management department needs \$1.9 million to fully fund all planned operations.

In 2017, Home Forward created an insurance reserve to address increased deductible requirements. In 2019, Home Forward will receive a \$300 thousand contribution from Home Forward Development Enterprises to apply to the insurance reserve. The funds will be utilized in the event of future building damage.

Budget Commentary – Property Management

Summary Budget Data	FY 19 Budget
Operating Revenue	\$ 3,080,324
Operating Expense	2,543,011
Operating Income Before OH	537,313
Allocated Overhead	2,155,778
Operating Income After OH	(1,618,465)
Funding Flow Activity	(1,611,964)
Funding Required or (Contributed) for Current Agency Activities	\$ 1,611,964
Total Budgeted FTE	20.6

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 17 traditional public housing properties, 24 tax credit properties and one project-based Section 8 RAD property. These 42 properties provide housing for 2,383 households and reflect the RAD/Section 18 conversions.

Subsidy Type	Properties
Public Housing	17
Project-Based Section 8 RAD	1
Tax Credit	24
Total Properties Managed	42

Overall, the Property Management group supervises 96 FTE. 45 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 30 staff are budgeted at the traditional public housing properties, and the associated costs are within the Public Housing Portfolio budget. The 20.6 staff captured in this budget include management, compliance, and maintenance staff who provide peer training and backfill services.

Property Management will continue to transition their business model and support the goals of Home Forward’s Strategic Operations Plan. In FY 18 Property Management supported the first public housing properties converting to RAD (Rental Assistance Demonstration). In FY 18 12-31-18, Property Management supported RAD Phase 2 and Section 18 applications for 7 public housing properties. In FY 19, Property Management will continue to provide support for properties converting to RAD in Phase 3 and Section 18. Please refer to the RAD conversion section for more information.

Over the last year, Property Management reviewed vacant staff positions, workloads, and consolidated assignments where feasible. Property Management will also continue to evaluate how best to integrate maintenance, property management, inspections, and services with the goal of decreasing maintenance costs and turnover time.

Key Assumptions

FTEs – Property Management shows a net increase of 2.1 FTE. This includes:

- Decreases:
 - 0.2 FTE Real Estate Specialist
- Increases:
 - 1 FTE Limited-Term Support Specialist to support the public housing conversion.
 - 1 FTE Onboarding and Training Coordinator
 - 0.25 FTE Compliance Specialist moved from Community Services

Major Programs/Initiatives/Activities and Estimated Budget Impact

Property Management staff will support the conversion of nine RAD/Section 18 public housing properties beginning in 2019 (see the RAD table for individual property details).

Property Management will provide support for the remaining 17 public housing properties pending future conversions of RAD/Section 18 applications.

Major Revenue and Expense Items

The major contributors to Operating Revenue are:

- Public Housing HUD Subsidies are \$169 thousand. This carve out of the Operating Subsidy is equal to the Payment in Lieu of Taxes (PILOT).
- Other Revenue is \$2.19 million and includes the transition to a property management fee model where fees are being charged to properties instead of being charged overhead.
 - \$806 thousand from the Public Housing Portfolio.
 - \$934 thousand from tax credit property management fees.
- HUD Grants are \$627 thousand from the Capital Fund Program grant.

The major drivers of Operating Expenses are:

- Administration Expenses are \$601 thousand.
 - \$305 thousand is in Administrative Personnel Expense.
 - \$296 thousand is in Other Admin Expenses.
- Program Expense is \$1.25 million, primarily in Personnel Expense.
- Maintenance Expenses are \$183 thousand, primarily in Maintenance Personnel Expenses.
- Total Inter-Agency Expense is \$323 thousand and includes \$287 thousand of accounting support.

-
- General Expenses are \$181 thousand, comprised mainly of PILOT.
 - Personnel expenses include planned compensation increases.

Funding Required for Current Agency Activities

The Property Management Department requires \$1.61 million to fully fund all planned operations.

Budget Commentary – Safety

Summary Budget Data	FY 19 Budget
Operating Revenue	\$ -
Operating Expense	283,012
Operating Income Before OH	(283,012)
Allocated Overhead	7,566
Operating Income After OH	(290,578)
Funding Flow Activity	(290,578)
Funding Required or (Contributed) for Current Agency Activities	\$ 290,578
Total Budgeted FTE	1.9

The Safety department coordinates Home Forward's property and staff safety awareness and training. 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.

Key Assumptions

FTEs – the Safety group shows a net increase of 1.1 FTE:

- Increases:
 - 0.1 FTE Director of Integrated Services and Safety
 - 0.3 FTE Facilities and Safety Supervisor
 - 0.5 FTE Maintenance Mechanic
 - 0.2 FTE Business Analyst

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.

Major Revenue and Expense Items

The primary drivers of Operating Expenses are expected to be:

- Administration includes \$154 thousand in Personnel Expenses, and \$34 thousand in Other Admin Expenses for training and support of safety activities.
- \$20 thousand in Program Personnel Expense.
- \$51 thousand in Maintenance Personnel Expense.
- \$21 thousand in Inter-Agency Expense for support staff.
- All personnel expenses include planned compensation increases.

Funding Required for Current Agency Activities

Safety will use \$291 thousand of Agency funding for FY 19 activities.

Budget Commentary – Integrated Facilities Services

Summary Budget Data	FY 19 Budget
Operating Revenue	\$ 1,786,674
Operating Expense	1,470,801
Operating Income Before OH	315,873
Allocated Overhead	263,154
Operating Income After OH	52,718
Funding Flow Activity	-
Funding Required or (Contributed) for Current Agency Activities	\$ -
Total Budgeted FTE	11.8

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. Due to the need for large-scale capital replacements, the garbage and recycling line of business will be discontinued in FY 19. Home Forward-managed properties utilize Integrated Facilities Services based on need and are billed for services provided.

Key Assumptions

FTEs – Facilities Services shows a net decrease of 1.6 FTE. This includes:

- Decreases:
 - 2 FTE Truck Driver
 - 0.1 FTE Director of Integrated Services and Safety
 - 0.5 FTE Maintenance Mechanic
- Increases:
 - 1 FTE Maintenance Generalist II

Major Programs/Initiatives/Activities and Estimated Budget Impact

In FY 19, Integrated Facilities Services (IFS) continues to operate as a self-sustaining business unit. Trades billing on an hourly basis provide services at rates that are competitive with market rates.

The bulky waste and hauling service is uniquely equipped to provide vacate and hauling services that are not available from third party providers. More analysis is planned to determine how this department might expand its business.

IFS is exploring new business opportunities including testing for hazardous materials and emergency mitigation (fire and water) for small events.

Major Revenue and Expense Items

All Revenue is forecasted to come from service fees charged to properties.

The major drivers of Operating Expenses are expected to be:

- Maintenance Personnel Expense is \$962 thousand.
- Program Personnel Expense in support of department administration is \$199 thousand.
- Administrative Personnel Expense is \$86 thousand.
- All personnel expenses include planned compensation increases.
- Other Maintenance Expenses are \$104 thousand.
- Utilities are \$50 thousand.

Funding Required for Current Agency Activities

Integrated Facilities Services fully funds its operations, requiring no additional funding. IFS will fund a reserve of \$58 thousand to help fund departmental needs.

Budget Commentary – Development & Community Revitalization

Summary Budget Data	FY 19 Budget
Operating Revenue	\$ 19,615,159
Operating Expense	2,925,501
Operating Income Before OH	16,689,658
Allocated Overhead	1,210,827
Operating Income After OH	15,478,831
Funding Flow Activity	-
Funding Required or (Contributed) for Current Agency Activities	\$ -
Total Budgeted FTE	18.0

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.

There are nine active projects with a total budget of \$432.4 million.

Key Assumptions

DCR staffing is budgeted to increase one FTE from FY 18 12-31-18 staffing levels.

- The increase in FTE is due to the addition of the Limited Term Relocation Assistant position. This position will assist the Relocation Manager with the increased work associated with the repositioning of the entire Public Housing Portfolio via RAD conversions and Section 18 dispositions projects.
- The Design and Construction Project Manager position, is expected to be filled in FY 19 to assist with the increased workload due to Public Housing repositioning effort.
- 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 FY 19 (amounts in millions)			
Project	Project Budget	Accrued Developer Fee Revenue	Developer Fee Cash to be Received
Square Manor	\$ 20.1	\$ 0.0	\$ 0.6
Lloyd Housing LP	76.9	6.6	0.0
North Group LP	105.1	4.8	0.0
East Group LP	72.8	5.1	1.4
Central Group LP	72.8	1.0	1.0
Fountain Place Rehab	25.4	0.8	0.7
SE Powell (GO Bond Project)	58.0	1.3	1.6
Total	\$ 431.1	\$ 19.6	\$ 5.3

Major Programs/Initiatives/Activities and Estimated Budget Impact

- Square Manor LP – Gladstone Square and Multnomah Manor Apartments rehabilitation – This tax credit partnership utilizes four percent Low-Income Housing Tax Credits, bond funds, grants, and reserve funds. Rehabilitation projects for Gladstone Square and Multnomah Manor began in March 2017 and May 2017, respectively. Rehabilitation of these properties was completed in January 2018. The final installment of the developer fee is estimated to be paid in March 2019.

Square Manor (In millions)	FY 17	FY 18	FY 18 12-31-18	FY 19	Total
Total Project Uses	\$ 10.3	\$ 8.7	\$ 1.0	\$ 0.1	\$ 20.11
Total Project Sources	\$ 10.3	\$ 8.7	\$ 1.0	\$ 0.1	\$ 20.11

- Lloyd Housing LP (also known as NE Grand) – This project is a mixed-use new construction development. The Portland Housing Bureau awarded the land and funding to Home Forward. This tax credit partnership utilizes four percent Low-Income Housing Tax Credits, bond funds, grants, and reserve funds. Construction finance closed in December 2017 and construction began in January 2018. The project completion schedule is December 2019.

Lloyd Housing (In millions)	FY 18	FY 18 12-31-18	FY 19	FY 20	FY 21	Total
Total Project Uses	\$ 21.4	\$ 30.7	\$ 14.1	\$ 1.5	\$ 9.2	\$ 76.9
Total Project Sources	\$ 21.4	\$ 30.7	\$ 14.1	\$ 1.5	\$ 9.2	\$ 76.9

- North Group LP (also known as 85 Stories Group 5) – This group consists of seven properties: Tamarack Apartments, Schrunk Tower, Camelia Court, Winchell Court, Maple Mallory, Eliot Square, and Bel Park. This tax credit partnership will utilize four percent Low-Income Housing Tax Credits, bond funds, grants, and reserve

funds. Construction finance is scheduled to close in November 2018 and construction to begin in December 2018. The project completion schedule is December 2019.

North Group (In millions)	FY 18 12-31-18	FY 19	FY 20	FY 21	Total
Total Project Uses	\$ 63.5	\$ 40.0	\$ 1.5	\$ 0.1	\$ 105.1
Total Project Sources	\$ 63.5	\$ 40.0	\$ 1.5	\$ 0.1	\$ 105.1

- East Group LP (also known as 85 Stories Group 6) – This group consists of nine properties: Williams Plaza, Medallion Apts, Harold Lee, Floresta, Powellhurst, Tillicum North, Tillicum South, Hunters Run, and Alderwood. This tax credit partnership will utilize four percent Low-Income Housing Tax Credits, bond funds, grants, and reserve funds. Construction finance is scheduled to close in March 2019 and construction to begin in April 2019. The project completion schedule is July 2020.

East Group (In millions)	FY 19	FY 20	FY 21	Total
Total Project Uses	\$ 49.4	\$ 22.6	\$ 0.8	\$ 72.8
Total Project Sources	\$ 49.4	\$ 22.6	\$ 0.8	\$ 72.8

- Central Group LP (also known as 85 Stories Group 7) – This group consists of eight properties: Dahlke Manor, Fir Acres, Townhouse Terrace, Stark Manor, Eastwood Court, Carlton Court, Demar Downs, and Celilo Court. This tax credit partnership will utilize four percent Low-Income Housing Tax Credits, bond funds, grants, and reserve funds. Construction finance is scheduled to close in December 2019 and construction to begin in January 2020. The project completion schedule is December 2020.

Central Group (In millions)	FY 19	FY 20	FY 21	Total
Total Project Uses	\$ 46.6	\$ 24.4	\$ 1.8	\$ 72.8
Total Project Sources	\$ 46.6	\$ 24.4	\$ 1.8	\$ 72.8

- Fountain Place 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 will utilize four percent Low-Income Housing Tax Credits, bond funds, grants, and reserve funds. Construction finance close schedule is September 2019 and construction is expected to begin in October 2019. The project completion schedule is December 2021.

Fountain Place (In millions)	FY 19	FY 20	FY 21	Total
Total Project Uses	\$ 9.3	\$ 13.9	\$ 2.2	\$ 25.4
Total Project Sources	\$ 9.3	\$ 13.9	\$ 2.2	\$ 25.4

- General Obligation (GO) Bond (SE Powell Project) – Home Forward and the City of Portland, acting through the Portland Housing Bureau (PHB), have entered into an intergovernmental agreement (IGA) through which Home Forward will provide consulting services for acquisition, development, and asset management to create 1,300 new city-owned housing units. As part of the agreement, Home Forward will provide development services in the construction of the new multi-family building. The property is located on SE Powell Boulevard. The land is owned by the City of Portland and the building will be developed and managed by Home Forward. This project will be financed by the Portland Housing bond funds. Construction is scheduled to begin in March 2020 and estimated completion is August 2021.

GO Bond (SE Powell) (In millions)	FY 19	FY 20	FY 21	Total
Total Project Uses	\$ 13.0	\$ 30.0	\$ 15.0	\$ 58.0
Total Project Sources	\$ 13.0	\$ 30.0	\$ 15.0	\$ 58.0

- Capital Improvement Projects – Currently, there are two capital improvement projects in progress. The total budget for these projects is \$1.3 million, utilizing the properties’ operation and reserves fund.

Projects	Project Budget (in millions)	Estimated Project Completion
Fairview Woods Recladding	\$ 1.2	February 2019
Rockwood Landing Roof Replacement	0.1	June 2019
Total	\$ 1.3	

Major Revenue and Expense Items

- Operating Revenue of \$19.6 million in FY 19 budget in Developer Fees. DCR will earn these fees from the following projects:

Developer Fees (in millions)		
Projects	Total	FY 19
Lloyd Housing LP	\$ 8.3	\$ 6.6
North Group LP	8.0	4.8
East Group LP	8.0	5.1
Central Group LP	8.0	1.0
Fountain Place Rehab	3.1	0.8
GO Bond (SE Powell)	2.7	1.3
Total	\$ 38.1	\$ 19.6

- Total Operating Expense of \$2.9 million in are primarily due to:

-
- Personnel Expenses of \$2.3 million.
 - Other Administrative Expenses of \$660 thousand attributed to:
 - Office Rent Expense of \$54 thousand,
 - Preliminary/Close-out Development Expenses of \$50 thousand,
 - Training and Travel Expenses of \$37 thousand,
 - Other Miscellaneous Admin Expenses of \$226 thousand, and
 - Inter-Agency Expenses of \$293 thousand.

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:

- Square Manor will generate \$1.2 million in developer fee over multiple fiscal years. The first installment of \$188 thousand will be paid in January 2018. The second installment of \$189 thousand is expected to be paid in November 2018. In FY 19, expected payments of earned developer fees are \$563 thousand. The development fee balance of \$300 thousand is evidenced by a promissory note and will be paid out of the limited partnership cash flow from operations.
- Lloyd Housing will generate \$8.3 million in developer fee over multiple fiscal years. The first and second installments of \$6.0 million are due in FY 2021. A developer fee balance of \$2.3 million is evidenced by a promissory note and will be paid out of the limited partnership cash flow from operations and proceeds available for distribution from capital transactions.
- North Group (85 Stories Group 5) will generate \$8.0 million in developer fee over multiple fiscal years. The first installment of \$1 million is due at the close of construction finance, estimated in November 2018.
- East Group (85 Stories Group 6) will generate \$8.0 million in developer fee over multiple fiscal years. The first installment of \$1.44 million is due at the close of construction finance, estimated in March 2019.
- Central Group (85 Stories Group 7) will generate \$8.0 million in developer fee over multiple fiscal years. The first installment of \$1.0 million is due at the close of construction finance, estimated in August 2019.
- Fountain Place rehabilitation project will generate \$3.1 million in developer fee over multiple fiscal years. The first installment of \$626 thousand is due at the close of construction finance, estimated in September 2019.
- GO Bond (SE Powell) will generate \$2.7 million in developer fee over multiple fiscal years. Developer fee earnings will be 60% prior to construction start, 30% at construction completion, and 10% at certificate of occupancy and completion of punchlist. FY 2019 earned developer fee of \$1.6 million will be paid quarterly in accordance with the current Portland Housing Bureau approved budget and schedule.

Budget Commentary – Community Services

Summary Budget Data	FY 19 Budget
Operating Revenue	\$ 4,151,206
Operating Expense	5,172,016
Operating Income Before OH	(1,020,810)
Allocated Overhead	623,736
Operating Income After OH	(1,644,547)
Funding Flow Activity	(1,429,386)
Funding Required or (Contributed) for Current Agency Activities	\$ 1,429,385
Total Budgeted FTE	36.8

The Community Services department provides services for Home Forward residents, utilizing both in-house staff and contractors. In FY 19, 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.

Beginning January 2019, a service redesign project called “Access to Resources and Opportunities” (ARO) will be piloted at a select group of properties. In support of the “One” Strategic Plan, the department will infuse trauma awareness, healing, and equity for meaningful engagement and service delivery. Community Services will also attempt to extend services and support to a greater number of Home Forward recipients through asset development, the creation of a Health and Support Services platform, and alignment with early childhood strategies identified by the Program Director of Education and Youth Initiatives. Finally, with proposed shifts in funding, we foresee opportunities to critically review organizational practices and extend strategies to adequately fund services over time.

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.

Key Assumptions

FTEs – Community Services shows a net increase of 3.95 FTE for FY 19. This includes:

- Decreases:
 - 0.25 FTE Compliance Specialist
- Increases:
 - 1.2 FTE moved from Rent Assistance to Community Services with GOALS
 - 1 FTE Limited Term Resident and Community Services Coordinator

-
- 1 FTE Youth Employment Service Coordinator (grant-funded)
 - 1 FTE Community Services Program Supervisor

Major Programs/Initiatives/Activities and Estimated Budget Impact

Barrier Reduction and Opportunity Funds: \$33 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.

Service Approach Redesign: \$32 thousand is proposed in Moving to Work Initiative funds to create a service delivery model that meets the needs of Home Forward's residents and participants. Accessing Resources and Opportunities will be piloted at a select group of properties beginning January 2019.

Neighbor 2 Neighbor: \$32 thousand is proposed in MIF funds 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.

Major Revenue and Expense Items

The major contributors to Operating Revenue are:

- Program Fees from properties are \$1.2 million.
 - \$508 thousand from public housing, and
 - \$686 thousand from tax credits.
- State, Local & Other Grants are \$1.0 million.
 - \$500 thousand in Medicaid Revenue from senior/disabled support services (CHSP).
 - \$428 thousand from the City of Portland for Bud Clark Commons programs.
- HUD grants are \$1.4 million.
 - \$448 thousand from senior/disabled support services (CHSP).
 - \$164 thousand in family services.
 - \$135 thousand from Stephens Creek Crossing endowment programs.

The primary drivers of Operating Expenses are:

- Tenant Services expense is \$4.1 million.
 - Direct Community Services, Program Supplies, Contract Tenant Services, and other related expenses are \$1.68 million.

-
- Tenant Services Personnel Expense is \$2.43 million and includes budgeted benefits and payroll increases.
 - Program Personnel Expense is \$531 thousand and Administrative Personnel Expenses are \$187 thousand. Personnel expenses include planned compensation increases.
 - Other Admin expenses of \$158 thousand include \$53 thousand of MIF-funded Barrier Reduction and service redesign initiatives.
 - Inter-Agency expense is \$183 thousand.
 - \$73 thousand from accounting and financial services, and
 - \$111 thousand in Resident Services for Community Services department administration fee.

Funding Required for Current Agency Activities

The Community Services department needs \$1.4 million to fully fund all planned operations.

Budget Commentary – Administration

Summary Budget Data	FY 19 Budget
Operating Revenue	\$ 603,890
Operating Expense	7,919,741
Operating Income Before OH	(7,315,851)
Allocated Overhead	(7,250,447)
Operating Income After OH	(65,404)
Funding Flow Activity	-
Funding Required or (Contributed) for Current Agency Activities	\$ -
Total Budgeted FTE	52.2

The Administration group provides management and administrative support to Home Forward’s operating departments. In addition, the Administration group researches, develops new program opportunities, and manages agency-level initiatives to further the Agency’s mission. The group consists of Information Technology, Accounting/Finance, Purchasing, Human Resources, Executive, Training, and Communications.

Key Assumptions

Total Budgeted FTE is decreasing by 0.3 FTE.

Major Programs/Initiatives/Activities and Estimated Budget Impact

Software Upgrade and Migration - \$143 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 towards the end of Fiscal Year 19.

Resident Legal Services and Expungement Partnership - \$68 thousand

- Working with community partner Metropolitan Public Defender, this initiative helps Home Forward residents meet ongoing obligations to the courts, request criminal record expungements, and provide other legal and consulting services.

Major Revenue and Expense Items

Operating Revenue will be \$604 thousand.

- Rental Income for New Market West (NMW) will be \$425 thousand.

-
- Earned Operating Contribution will be \$154 thousand, representing a one-time contribution from HFDE to fund the YARDI conversion.

Operating Expenses are budgeted at \$7.9 million.

- Personnel costs will be \$6.1 million. These costs reflect a decrease of 0.3 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 \$543 thousand, primarily for Microsoft and Yardi licenses. The remaining expense will be to maintain and replace information technology equipment.
- Consultant expenses will be \$326 thousand primarily due to the upgrade and migration to YARDI Voyager 7s and the Home Forward website maintenance and upgrade.
- Training expenses will be \$151 thousand for programming and travel, including Trauma Informed Care, MTW conferences, and other organizational training.
- There will be \$299 thousand for maintenance needs and utilities at New Market West.
- There will be \$99.8 thousand in Agency Initiatives and Tenant Administration including \$68.3 for Resident Legal Services and Expungement partnership and \$31.5 thousand for community engagement grants.

Budget Commentary – Real Estate Finance

Summary Budget Data	FY 19 Budget
Operating Revenue	\$ 588,550
Operating Expense	95,146
Operating Income Before OH	493,404
Allocated Overhead	-
Operating Income After OH	493,404
Departmental Reserve Transfer	1,689,960
Funding Required or (Contributed) for Current Agency Activities	\$ (1,689,960)
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 loan payments.

Major Revenue and Expense Items

West and the Woods Limited Partnerships:

- Land lease revenue is \$340 thousand.
- Cell tower revenue is \$101 thousand.

Stephens Creek Crossing:

- Land lease revenue is \$148 thousand.
- Home Forward-owned site improvements at Stephens Creek Crossing will generate \$35 thousand of depreciation expense in FY 19. These are non-cash expenses.

North Group (85 Stories Group 5) is scheduled for RAD/Section 18 conversion in November 2018. This group consists of seven properties: Tamarack Apts, Schrunk Tower, Camelia Court, Eliot Square, Maple Mallory, Bel Park, and Winchell Court. North Group will utilize \$4.3 million of HUD Capital Fund Program grant in FY 19 budget.

East Group (85 Stories Group 6) is scheduled for RAD/Section 18 conversion in March 2019. This group consists of nine properties: Williams Plaza, Medallion Apts, Harold Lee Apts, Floresta, Powellhurst, Tillicum North, Tillicum South, Hunters Run, and Alderwood. East Group will utilize \$2.5 million of HUD Capital Fund Program grant in FY 19 budget.

Real Estate Finance will contribute \$1.7 million in unrestricted cash to the agency.

Attachments

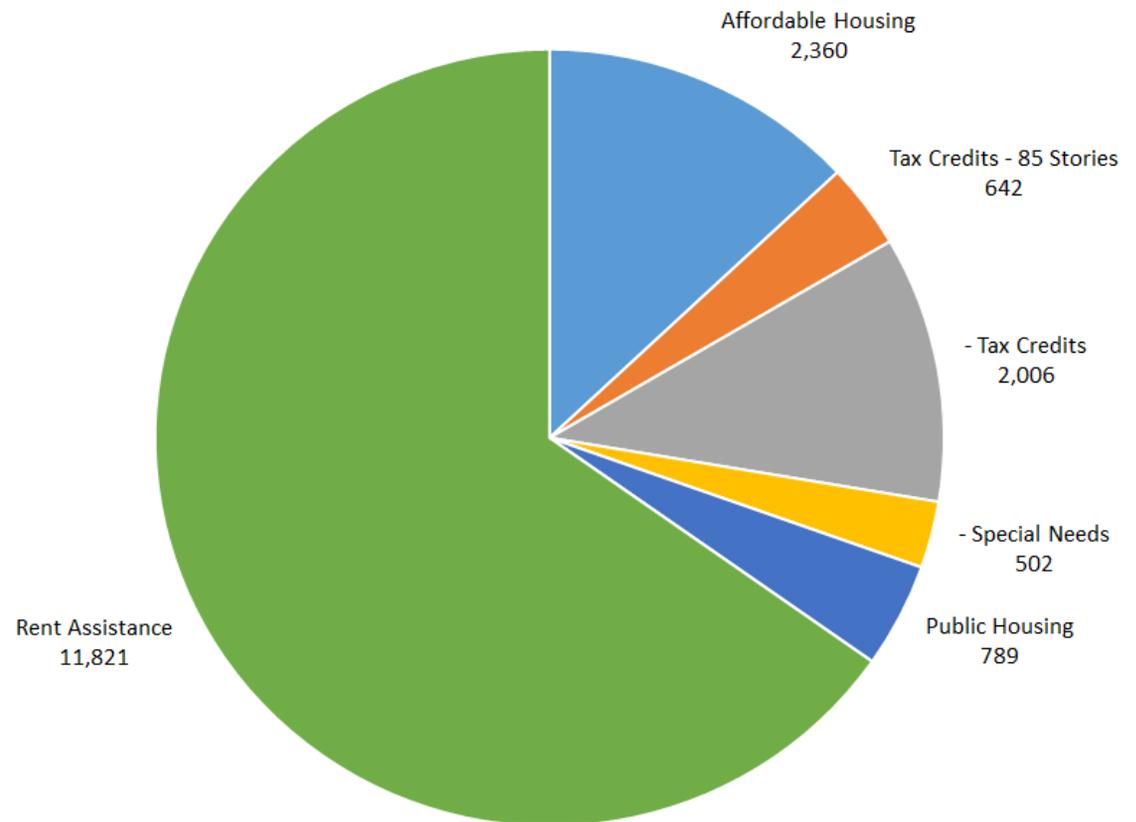
Summary of Moving to Work Initiative Funds

Initiative	Description	First Year	FY 19 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	\$ 820,444
Alder School	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.	FY 14	411,314
New Doors/NAFY	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.	FY 14	30,517
Earl Boyles Housing Partnership	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.	FY 17	233,202
Economic Opportunity Program	Home Forward will provide support along with Worksource and Human Solutions to provide assistance to unstably housed or homeless households who are successfully engaged in Worksource training or employment programs.	FY 17	145,411
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	68,250
Worksystems Liaison	Funds an agreement with Worksystems for residents in pursuit of economic advancement products.	FY 17	47,250
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	68,075

Initiative	Description	First Year	FY 19 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	31,500
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	1,215,157
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	73,234
Landlord Incentive Fund	Attract new landlords and units in low poverty areas to the Housing Choice Voucher program. Eligible units must be located in zip codes considered low-poverty areas and not have had a Housing Choice Voucher tenant in the prior 24 months.	FY 13	18,480
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
Family Unification Program Extension	Fulfills public commitment to extend vouchers focused on reuniting youth with the families.	FY 14	15,900
Tenant Education	A program designed to help our tenants better understand the rental process.	FY 16	79,023
Total – MTW Initiatives			\$ 2,447,813

FY 19 Estimated Households Served by Category

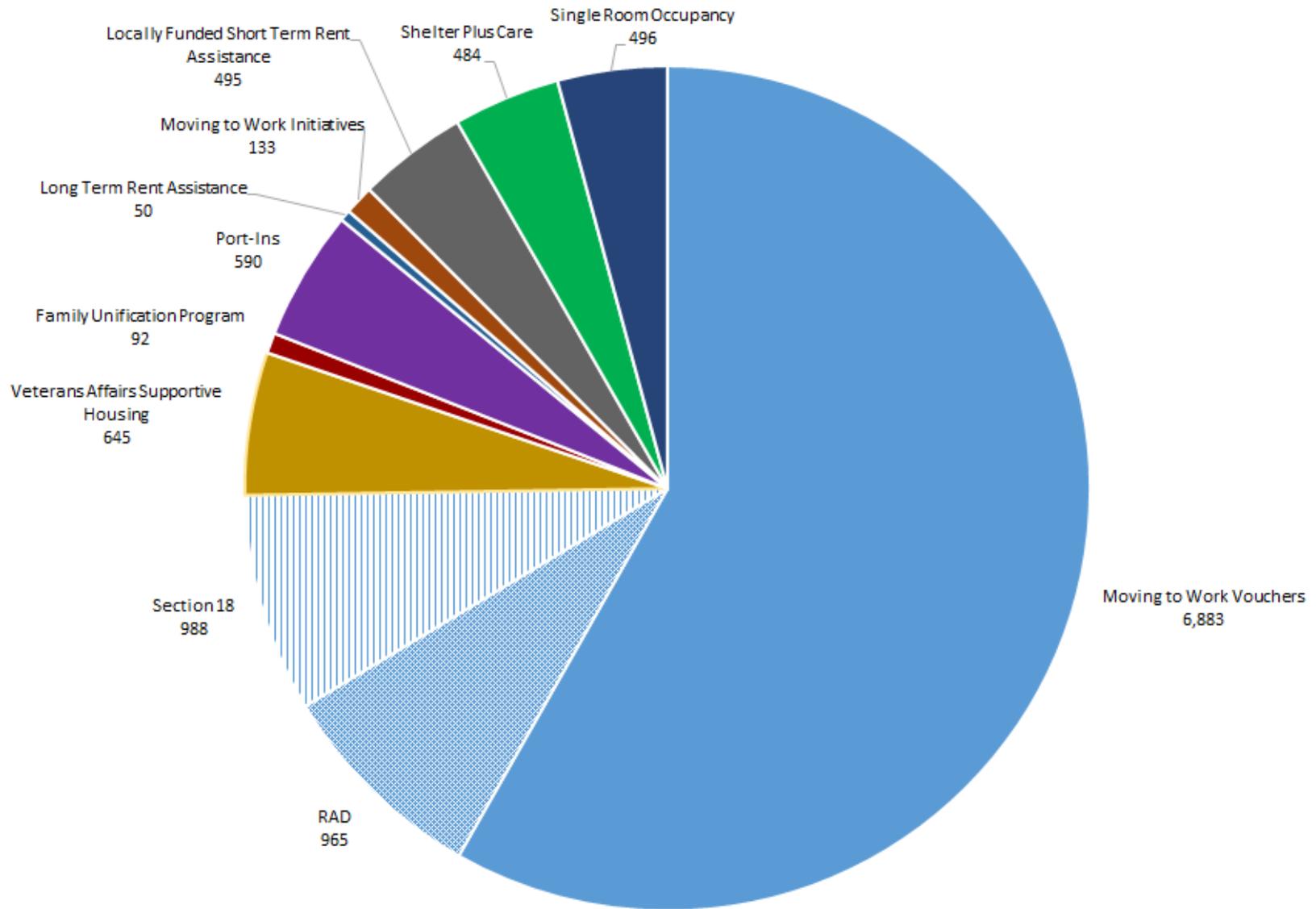
Category	Households Served	Percent
Affordable Housing	2,360	13%
Special Needs	502	3%
Tax Credits – 85 Stories	642	4%
Tax Credits	2,006	11%
Public Housing Portfolio	789	4%
Rent Assistance	11,821	65%
Total	18,120	
Rent Assistance Occupying Affordable Housing / Tax Credit Units*	(2,626)	-17%
Unduplicated Total	15,494	100%



*Rent Assistance Occupying Affordable Units represents voucher holders that live within our Affordable and Tax Credit properties. The 2,626 represents residents already included in the Rent Assistance / Affordable Housing / Tax Credit Portfolios. An adjustment is made to provide an unduplicated total.

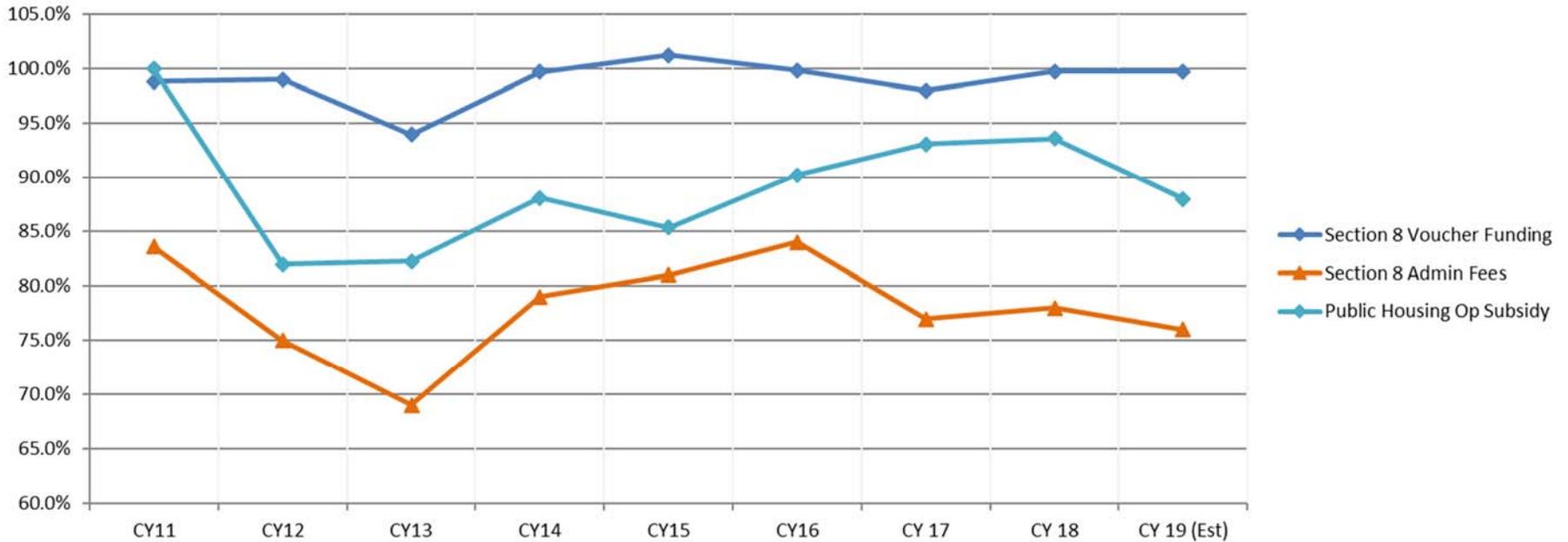
This includes the impact of RAD/Section 18 conversions.

FY 19 Estimated Rent Assistance Households Served by Category



Subsidy Proration Trends

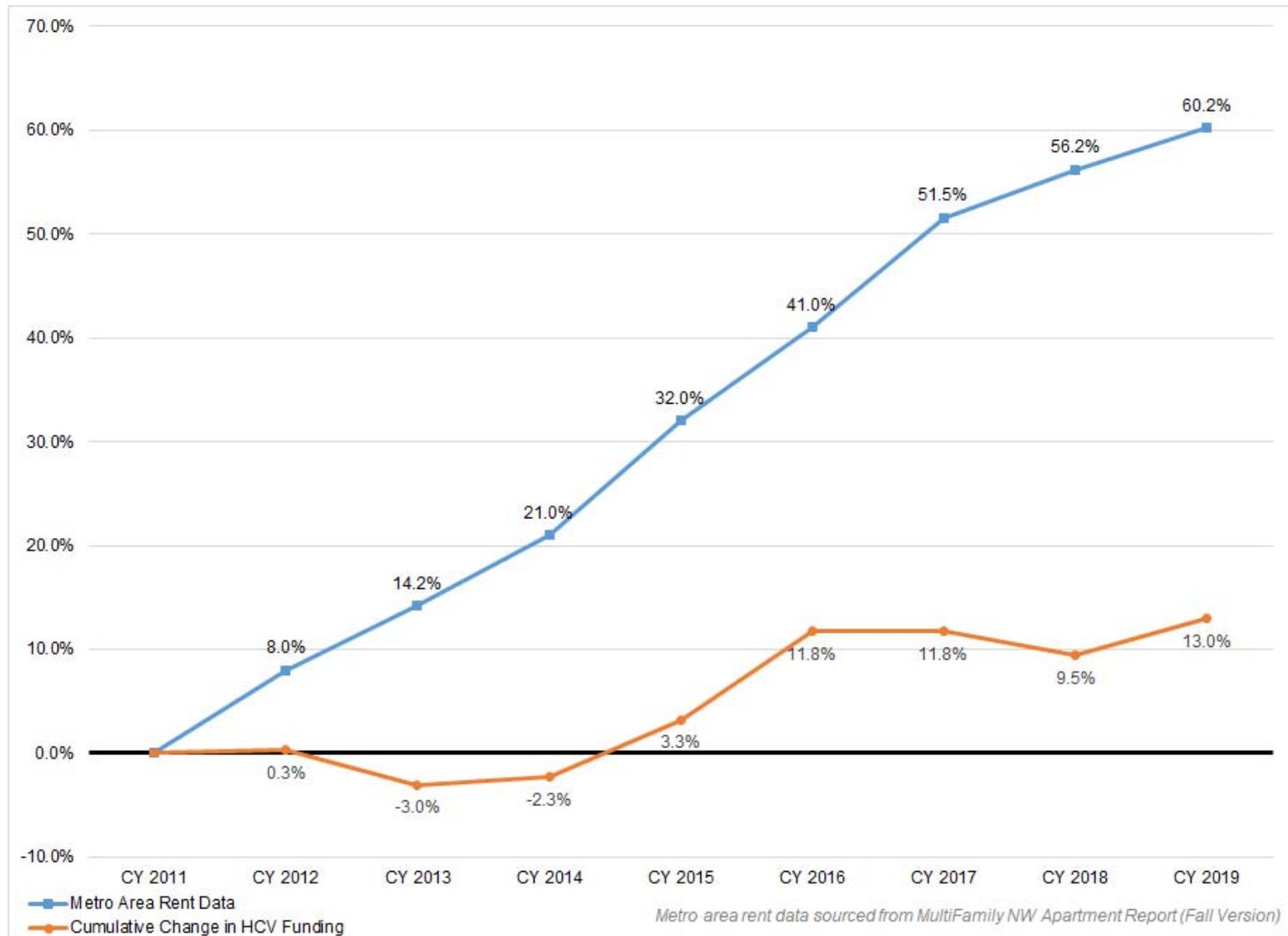
Subsidy Proration Trends ^{1 2}									
Actual Funding Year	CY11	CY12	CY13	CY14	CY15	CY16	CY 17	CY 18	CY 19 (Est)
Home Forward Budget Year	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2018 12/31 YE	FY 2019
Section 8 Voucher Funding	98.8%	99.0%	94.0%	99.7%	101.2%	99.9%	98.0%	99.7%	99.7%
Section 8 Admin Fees	83.6%	75.0%	69.0%	79.0%	81.0%	84.0%	77.0%	78.0%	76.0%
Public Housing Operating Subsidy	100.0%	82.0%	82.3%	88.1%	85.4%	90.2%	93.1%	93.6%	88.0%



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 19 estimates are equal to the CY 18 actual award. CY 19 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



FTE Change Comparison Schedule

FY 19 Summary of FTE Changes	
New Positions	
Relocation Specialist	1.0
Support Specialist	1.0
Onboarding and Training Coordinator	1.0
Maintenance Generalist II – Pest Control	1.0
Resident & Community Services Coordinator at Eastwood Court	1.0
Systems and Data Analyst	0.5
Youth Employment Services	1.0
Total New Positions	6.5
Eliminated Positions	
Director of Information Technology	(1.0)
Associate Asset Manager	(1.0)
Truck Driver	(2.0)
Total Eliminated Positions	(4.0)
All Other Changes	0.4
Net Increase (Decrease) in FTE	2.9

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 an 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 provide assistance to 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.

FY 19 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	Elimination	Home Forward Total
Dwelling Rental	\$ -	\$ 2,781,021	\$ 21,065,620	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (4,901,169)	\$ 18,945,472
Non-dwelling Rental	-	115,203	1,665,098	-	-	-	-	-	36,468	424,890	588,550	-	(424,890)	2,405,318
HUD Subsidies -Housing Assistance	99,450,964	-	2,944,703	-	-	-	-	-	-	-	-	-	-	102,395,667
HUD Subsidies -Admin Fee	7,677,951	-	-	-	-	-	-	-	-	-	-	-	-	7,677,951
HUD Subsidies -Public Housing	-	6,901,032	-	-	169,000	-	-	-	208,146	-	-	-	-	7,278,177
HUD Grants	3,899,754	-	-	-	626,825	-	-	-	1,370,111	-	-	-	-	5,896,690
Development Fee Revenue, Net	-	-	-	-	-	-	-	19,569,585	-	-	-	-	-	19,569,585
State, Local & Other Grants	8,947,029	-	62,000	-	-	-	-	-	1,032,181	-	-	-	-	10,041,210
Other Revenue	6,411,171	99,140	931,077	954,808	2,191,877	-	1,786,674	-	885,819	179,000	-	-	(1,696,079)	11,743,487
Total IA Revenue	77,576	-	-	17,690	92,622	-	-	45,574	618,482	-	-	-	(851,943)	-
Total Operating Revenues	126,464,444	9,896,396	26,668,498	972,498	3,080,324	-	1,786,674	19,615,159	4,151,206	603,890	588,550	-	(7,874,082)	185,953,557
PH Subsidy Transfer	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing Assistance Payments	118,143,060	-	-	-	-	-	-	-	-	-	-	-	(5,043,579)	113,099,480
Administrative Personnel Expense	341,151	-	-	258,687	305,419	153,755	85,796	523,960	186,689	5,991,268	-	-	-	7,846,727
Other Admin Expenses	505,056	1,068,860	4,476,070	68,611	295,738	33,800	33,836	191,100	157,553	2,141,921	-	-	(1,553,669)	7,418,876
Fees/overhead charged	330,785	-	-	35,082	2,564	-	2,564	53,894	-	-	-	-	(424,890)	-
Tenant Svcs Personnel Expense	76,380	-	-	-	-	-	-	260,544	2,429,507	-	-	-	-	2,766,431
Other Tenant Svcs Expenses	179,925	43,966	9,647	-	-	-	-	-	1,684,500	85,220	-	-	-	2,003,258
Program Expense	5,081,629	1,115,031	132,946	816,570	1,245,748	20,186	199,208	1,480,740	530,712	143,977	-	-	-	10,766,745
Maintenance Personnel Expense	-	1,367,969	90,806	-	218,089	51,354	961,536	-	-	-	-	-	-	2,689,754
Other Maintenance Expenses	-	2,340,810	5,954,953	-	(35,356)	2,500	104,007	-	-	190,222	-	-	-	8,557,136
Utilities	-	1,582,077	2,937,455	-	-	-	49,684	-	-	108,316	-	-	-	4,677,533
Total IA Expense	301,108	-	464,243	340,969	323,307	21,417	12,399	293,287	183,055	(1,087,841)	-	-	(851,943)	-
Depreciation	1,362	1,989,863	5,926,979	-	6,501	-	5,089	121,976	-	264,115	95,142	-	50,040	8,461,068
General	38,400	304,620	1,221,504	-	181,000	-	16,681	-	-	82,543	4	-	-	1,844,752
Impairment Charge	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	124,998,856	9,813,196	21,214,603	1,519,918	2,543,011	283,012	1,470,801	2,925,501	5,172,016	7,919,741	95,146	-	(7,824,042)	170,131,761
Operating Income (Loss)	1,465,588	83,199	5,453,895	(547,420)	537,313	(283,012)	315,873	16,689,658	(1,020,810)	(7,315,851)	493,404	-	(50,040)	15,821,796
Total Overhead Allocations	1,897,542	-	-	1,091,845	2,155,778	7,566	263,154	1,210,827	623,736	(7,250,447)	-	-	-	-
Operating Income (Loss) after Overhead	(431,954)	83,199	5,453,895	(1,639,265)	(1,618,465)	(290,578)	52,718	15,478,831	(1,644,547)	(65,404)	493,404	-	(50,040)	15,821,795
Reserve Funding	-	-	(1,063,106)	-	43,800	6,417	(57,807)	(1,540,886)	464,426	-	(191,373)	2,338,529	-	-
Operating Income (Loss) after Reserve Funding	(431,954)	83,199	4,390,789	(1,639,265)	(1,574,665)	(284,161)	(5,089)	13,937,945	(1,180,121)	(65,404)	302,031	2,338,529	(50,040)	15,821,795
Investment Income	-	-	188,615	-	-	-	-	-	-	144	8,652	-	-	197,411
Interest Expense	-	-	(2,558,930)	-	-	-	-	-	-	(110,202)	-	-	-	(2,669,132)
Amortization	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment in Partnership Valuation Charge	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain (Loss) on Sale of Assets	-	-	(900,186)	-	-	-	110,000	-	-	-	-	-	-	(790,186)
Chg in Derivative Contract Value	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Other Income (Expense)	-	-	(3,270,501)	-	-	-	110,000	-	-	(110,058)	8,652	-	-	(3,261,907)
HUD Nonoperating Contributions	-	-	-	-	-	-	-	-	-	-	6,822,707	-	-	6,822,707
Net Capital Contributions	-	-	40,000	-	-	-	-	800,000	-	-	6,822,707	(840,000)	-	6,822,707
Other Equity Changes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change In Net Position	\$ (431,954)	\$ 83,199	\$ 1,160,288	\$ (1,639,265)	\$ (1,574,665)	\$ (284,161)	\$ 104,911	\$ 14,737,945	\$ (1,180,121)	\$ (175,462)	\$ 7,133,390	\$ 1,498,529	\$ (50,040)	\$ 19,382,595

* Numbers may be slightly off due to rounding

FY 19 Funding Flow Analysis 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	Elimination	Home Forward Total
Operating Income (Loss) after Overhead	\$ (431,954)	\$ 83,199	\$ 5,453,895	\$ (1,639,265)	\$ (1,618,465)	\$ (290,578)	\$ 52,718	\$ 15,478,831	\$ (1,644,547)	\$ (65,404)	\$ 493,404	\$ -	\$ (50,040)	\$ 15,821,795
Real Estate Portfolio														
Affordable Housing Properties Operating Activity	-	-	(10,494,174)	-	-	-	-	-	-	-	-	-	-	(10,494,174)
Revenue from Properties to Home Forward	-	-	-	(496,924)	-	-	-	-	(217,485)	-	(147,586)	-	-	(861,995)
Unrestricted Cash to HAP	-	-	2,040,900	496,924	-	-	-	-	432,646	-	1,249,000	-	-	4,219,470
Net Replacement Reserve Activity (New Market West)	-	-	-	-	-	-	-	-	-	(73,800)	-	-	-	(73,800)
Net Replacement Reserve Activity (Special Needs)	-	-	(139,901)	-	-	-	-	-	-	-	-	-	-	(139,901)
Developer Fee - Impact to Funding Flow														
Developer Fee Revenue	-	-	-	-	-	-	-	(19,569,585)	-	-	-	-	-	(19,569,585)
Developer Fee - Cash to HAP(Net)	-	-	-	-	-	-	-	5,269,004	-	-	-	-	-	5,269,004
Financing/Investment Activity														
Investment Income - Unrestricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal & Interest - Special Needs	-	-	(85,833)	-	-	-	-	-	-	-	-	-	-	(85,833)
Principal & Interest - New Market West	-	-	-	-	-	-	-	-	-	(124,911)	-	-	-	(124,911)
Capital Acquisitions														
IT Equipment and Software	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fleet Vehicle	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-Cash Operating Activity														
Depreciation Expense	1,362	1,989,863	5,926,979	-	6,501	-	5,089	121,976	-	264,115	95,142	-	50,040	8,461,068
Operating Activity Funded by Cash Reserves														
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MIF Initiative Reserve Activity														
MTW Special Initiates Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MTW - Local Blended Subsidy (LBS)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MTW - Single Fund Flexibility	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MTW Administration	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Excess Section 8 - LBS	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Special Purpose Reserve Activity														
Inter Departmental Reserve Transfers	430,592	(2,073,063)	(1,938,761)	1,939,265	1,611,964	290,578	-	-	1,429,385	-	(1,689,960)	-	-	-
Agency Initiatives	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Integrated Facility Services Reserve	-	-	-	-	-	-	(57,807)	-	-	-	-	-	-	(57,807)
DCR Operating Reserve	-	-	-	-	-	-	-	(1,300,226)	-	-	-	-	-	(1,300,226)
Affordable Portfolio Reserve	-	-	(569,053)	-	-	-	-	-	-	-	-	-	-	(569,053)
Insurance Reserve	-	-	-	(300,000)	-	-	-	-	-	-	-	-	-	(300,000)
Agency Operating Reserve	-	-	(194,053)	-	-	-	-	-	-	-	-	-	-	(194,053)
Final Funding Source or (Shortfall)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

* Numbers may be slightly off due to rounding