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Home Forward and community partners celebrate the grand opening of The Louisa Flowers.

## Board of Commissioners Meeting

Location:

Multnomah County Building  
501 SE Hawthorne Blvd.  
Portland, Oregon 97214

Date & Time:

December 17, 2019  
6:15 PM

## **PUBLIC NOTICE:**



Home Forward  
BOARD OF COMMISSIONERS  
will meet on  
Tuesday, December 17, 2019  
At 6:15 pm  
At the Multnomah County Building  
501 SE Hawthorne Blvd.  
In the Commissioners Board Room



**MEMORANDUM**

To: Community Partners

Date: December 11, 2019

From: Michael Buonocore, Executive  
Director

Subject: Home Forward Board of  
Commissioners December  
Meeting

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The Board of Commissioners of Home Forward will meet on Tuesday, December 17, 2019 at the Multnomah County Building, 501 SE Hawthorne Blvd., in the Commissioners Board Rooms, at 6:15 P.M. The commission meeting is open to the public.

The meeting site is accessible, and persons with disabilities may call 503.802.8423 or 503.802.8554 (TTY) for accommodations (e.g. assisted listening devices, sign language, and/or oral interpreter) by 12:00 P.M. (noon), Friday, December 13, 2019.

# AGENDA



## BOARD OF COMMISSIONERS MEETING

MULTNOMAH COUNTY BUILDING  
COMMISSIONERS BOARD ROOM  
501 SE HAWTHORNE BLVD.  
PORTLAND, OREGON

DECEMBER 17, 2019 6:15 PM

### INTRODUCTION AND WELCOME

### PUBLIC COMMENT

General comments not pertaining to specific resolutions. Any public comment regarding a specific resolution will be heard when the resolution is considered.

### MEETING MINUTES

Topic
Minutes of November 19, 2019 Board of Commissioners Meeting

### MISSION MOMENT

Topic	Presenter
Partnership with Muslim Educational Trust	Pamela Kambur

### CONSENT CALENDAR

Following Reports and Resolutions:			
19-12	Topic	Presenter/POC	Phone #
01	Authorize Fiscal Year 2020 Budget	Peter Beyer	503.802.8538

## REPORTS / RESOLUTIONS

Following Reports and Resolutions:			
19-12	Topic	Presenter/POC	Phone #
02	Authorize Amendment with Lorentz Bruun Construction for Construction Services for the Renovation of Fountain Place Apartments	Jonathan Trutt Patrick Rhea	503.802.8507 503.802.8311
03	Authorize Execution of Documents in Connection with Financing, Property Sale and Acquisition Development and Operation of Fountain Place Apartments	Jonathan Trutt Theresa Auld	503.802.8507 503.802.8319
04	Authorize Insurance Renewal	Peter Beyer	503.802.8538

## THE NEXT MEETING OF THE BOARD OF COMMISSIONERS

The next Board Work Session will be on Wednesday, January 8, 2020 at 5:30 PM. This meeting will take place at Home Forward, 135 SW Ash Street, in the Columbia Room. The next Board of Commissioners meeting will be Tuesday, January 21, 2020 at 6:15 PM. This meeting will take place at the Multnomah County Building, 501 SE Hawthorne Blvd, in the Commissioners Board Room.

## HOME FORWARD DEVELOPMENT ENTERPRISE CORPORATION BOARD

The Home Forward Development Enterprise Board will meet following the December 17, 2019, Board of Commissioners meeting.

## EXECUTIVE SESSION

The Board of Commissioners of Home Forward may meet in Executive Session pursuant to ORS 192.660(2). Only representatives of the news media and designated staff are allowed to attend. News media and all other attendees are specifically directed not to disclose information that is the subject of the session. No final decision will be made in the session.

## ADJOURN

# MINUTES



BOARD OF COMMISSIONERS MEETING  
HOME FORWARD  
CONFERENCE CALL  
135 SW Ash Street Portland, OR 97204  
November 19, 2019

**COMMISSIONERS PRESENT**

Chair Miki Herman, Vice Chair Damien Hall, Treasurer Jenny Kim, Commissioners Richard Anderson, Matthew Gebhardt, TomiRene Hettman, Vivian Satterfield

**STAFF PRESENT**

Elise Anderson, April Berg, Peter Beyer, Michael Buonocore, Tim Collier, Tonya Evans, Kitty Miller, Kandy Sage, Amanda Saul, Ian Slingerland, Taylor Smiley Wolfe, Celia Strauss

Chair Miki Herman convened the meeting at 6:15 PM.

**PUBLIC COMMENT**

None

**MEETING MINUTES**

**Minutes of the October 15, 2019 Board of Commissioners Meeting**

Chair Miki Herman requested a motion authorizing approval of the minutes to the October 15, 2019 Board of Commissioners Meeting. Commissioner Richard Anderson moved to adopt the minutes and Treasurer Jenny Kim seconded the motion.

**The vote was as follows:**

Chair Miki Herman—Aye  
Vice Chair Damien Hall—Aye  
Treasurer Jenny Kim—Aye  
Commissioner Richard Anderson —Aye  
Commissioner Matthew Gebhardt—Aye  
Commissioner TomiRene Hettman—Aye  
Commissioner Vivian Satterfield—Aye



## BOARD OF COMMISSIONERS NOMINATING COMMITTEE REPORT

Vice Chair Damien Hall reported to the Board of Commissioners a proposed slate of officers for 2020, Chair Damien Hall, Vice Chair Matthew Gebhardt and Treasurer Jenny Kim. He noted that Chair Herman would become Chair Emeritus and these positions will take place in January, 2020.

There being no further discussion, Chair Miki Herman requested a motion to approve the slate of officers as named for the year 2020, Commissioner Richard Anderson said it was a good choice and moved to approve and Commissioner Vivian Satterfield seconded the motion.

The vote was as follows:

Chair Miki Herman—Aye  
Vice Chair Damien Hall—Aye  
Treasurer Jenny Kim—Aye  
Commissioner Richard Anderson —Aye  
Commissioner Matthew Gebhardt—Aye  
Commissioner TomiRene Hettman—Aye  
Commissioner Vivian Satterfield—Aye

## CONSENT CALENDAR

RESOLUTION 19-11-01 Authorize Oregon Housing and Community Services Funding Applications for 85 Stories Group 7

RESOLUTION 19-11-02 Authorize Construction Manager/General Contractor Findings for Portland Community College Site

RESOLUTION 19-11-03 Authorize Design Amendment to Walsh Construction Company Design/Build Services Contract for the Renovation of the Dahlke Manor Apartments

Celia Strauss read the title of the resolutions on the Consent Calendar. There being no questions, Chair Miki Herman requested a motion to approve. Commissioner Matthew Gebhardt moved to adopt the Consent Calendar, Treasurer Jenny Kim seconded the motion.

The vote was as follows:

Chair Miki Herman—Aye  
Vice Chair Damien Hall—Aye  
Treasurer Jenny Kim—Aye

Commissioner Richard Anderson —Aye  
Commissioner Matthew Gebhardt—Aye  
Commissioner TomiRene Hettman—Aye  
Commissioner Vivian Satterfield—Aye

**ADJOURN**

There being no further business, Chair Miki Herman adjourned the conference call meeting at 6:24 PM.

**Celia M. Strauss**  
Recorder, on behalf of  
Michael Buonocore, Secretary

**ADOPTED: DECEMBER 17, 2019**

**Attest:**

**Home Forward:**

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Michael Buonocore, Secretary

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Mary Ann Herman, Chair

# CONSENT CALENDAR



## MEMORANDUM

To:	Board of Commissioners	Date:	December 17, 2019
From:	Peter Beyer, Chief Financial Officer 503.802.8538	Subject:	Authorize Fiscal Year 2020 Budget Resolution 19-12-01

The Board of Commissioners is requested to approve Home Forward's Fiscal Year (FY) 2020 budget the period of January 1 to December 31, 2020.

The budget is comprised of four main sections:

- A. Management Discussion (page 1)
- B. Agency level information
  - Operating statement with Funding Flow Analysis (pages 7 to 8)
  - Line Item Analysis and Budget Assumptions (pages 9 to 13)
- C. Operating Group level information
  - Operating information by Operating Group (pages 14 to 17)
  - Budget Commentary (pages 19 to 52)
- D. Additional Attachments (pages 53 to 65)
  - Includes information regarding Moving to Work (MTW) initiatives, households served, MTW proration trends, funding vs costs trends, headcount changes, and an acronym key.

Planned activities for the upcoming year include:

- Over 15,300 households will be served during the year.
- In 2019, Home Forward and other partnering jurisdictions successfully submitted a Fair Market Rent (FMR) study to the Department of Housing and Urban Development. Though not enough to fully cover housing costs for our area, it has allowed Home Forward to restart pulling names from the housing choice voucher

waitlist beginning in October 2019 and we anticipate another 600 waitlist pulls during 2020.

- Occupancy levels are expected to remain high at an average of 98% across the portfolio.
- Home Forward will continue its focus on resident and staff safety and will establish a safety reserve to cover a dedicated safety position and to establish a formal reserve for safety related items that are above and beyond what can be covered by property level funds

Key financial highlights for the Fiscal Year 2020 budget include (numbers may differ slightly from source documents due to rounding):

- Annual operating revenues are anticipated to be \$194.4 million with \$111.8 million in housing choice voucher subsidy.
- Annual operating expenses will increase from \$185.0 million and includes \$125.0 million in housing assistance payments.
- Earned developer fees are expected to total \$9.0 million but only \$7.2 million of cash payments are anticipated during this fiscal year.
- Net operating income is expected to total \$9.5 million and net other income (expense) is anticipated to be (\$1.1 million).
- Net capital contributions from outside funders will total \$2.7 million and will be used to support the rehabilitation of properties undergoing RAD/Section 18 conversions.
- The combined impact of the above items yields an anticipated change in net position of \$11.0 million.
- Finally, agency results are converted from a generally accepted accounting principles (GAAP) format to a funding flow presentation to better present the funds available to support agency operations and reserves.

This year's budget was prepared with several estimates, the most significant being the level of federal funding available for the Section 8 and Public Housing programs. At the time of budget approval, the federal government is, yet again, operating under a continuing resolution. Estimates of the main federally funded programs are based on the best assumptions regarding current and historical funding levels.

ATTACHMENT: Fiscal Year 2020 Budget



## RESOLUTION 19-12-01

### RESOLUTION 19-12-01 APPROVING AND ADOPTING HOME FORWARD'S BUDGET FOR THE FISCAL YEAR ENDING DECEMBER 31, 2020

**WHEREAS**, Home Forward is committed to the maintaining high standards relating to the management of fiscal resources and the stewardship of public funds and assets; and

**WHEREAS**, the staff of Home Forward has carefully and thoughtfully prepared the fiscal year 2019 budget to administer the programs and accomplish the objectives of the Agency for the period beginning January 1, 2019 and ending December 31, 2019; and

**WHEREAS**, the budget identifies expected sources of revenue and funds held in reserves which are sufficient to cover planned expenditures for the fiscal year, and;

**WHEREAS**, the Board of Commissioners has reviewed the budget and inquired with staff on the various aspects and components of the budget;

**NOW, THEREFORE, BE IT RESOLVED**, the Board of Commissioners of Home Forward approves and adopts the budget as submitted for the fiscal year ending December 31, 2020.

**ADOPTED: DECEMBER 17, 2019**

**Attest:**

**Home Forward:**

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Michael Buonocore, Secretary

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Mary Ann Herman, Chair



**home**forward

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**Fiscal Year 2020**

# Budget

**January 1, 2020 through December 31, 2020**

Original Submission:  
December 12, 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, 2020 and ending December 31, 2020 (FY 20).**

## General Overview

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

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

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

The main mission-based business lines are:

- **Development** – includes work on large-scale development projects such as 85 Stories (part of Home Forward's public housing preservation initiative) and improvement of our existing properties 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 111 properties with over 6,700 units. Of these, 34 properties with 3,008 units are owned through tax credit partnerships, of which Home Forward is the minority owner. The forecasted and budgeted results of these 34 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 Home Forward's entire 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 46 properties. These 46 properties provide housing for 2,432 households. The group generates property management fees to cover its costs as well as uses cash flow generated from the real estate portfolio.

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

- Rent Assistance – includes traditional and non-traditional rent assistance programs. Traditional programs include federally designed Housing Choice Vouchers, Veterans Affairs Supportive Housing (VASH), Family Unification Program (FUP) Vouchers, Single Room Occupancy/Moderate Rehabilitation (SRO/MOD), and Shelter Plus Care. Non-traditional rent assistance programs include locally developed short, medium, and long-term rent assistance and rent assistance combined with partner services. Through these programs, Home Forward provides rent assistance to over 12,000 households on an annual basis.

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. In addition, any remaining funds will be assigned to reserves for specific purposes or to general reserves to address funding volatility.
- Because the life cycle of development projects spans several years, we monitor development performance to match that life cycle rather than using a single year snapshot.
- Revenues for the Housing Choice Voucher program and administration, Public Housing Operating Subsidy, and Public Housing Capital Grant are budgeted based on estimated calculations of rates and prorations as determined from a combination of 2019 actual funding rates, congressional funding bill proposals, and a Fair Market Rent survey for the Portland area.

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

## **Budget Summary**

### **Key Activities and Financial Highlights for Fiscal Year 20**

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

Key activities planned for Fiscal Year 20 include:

- Development will provide development services to Lloyd Housing LP, Fountain Place, 85 Stories and other projects. Development is projected to earn \$9.0 million in developer fee for the North Group, East Group, and Fountain Place projects.
- Public Housing will serve 633 households (645 units) in 17 public housing properties given the expected occupancy rate of 98%. The number of Public Housing units continues to decline as they convert to voucher based units through the RAD/Section 18 program.
- Properties in Home Forward's Affordable Portfolio will serve 5,917 households given the expected average occupancy rate of 98%. Home Forward-owned affordable properties are expected to serve 2,494 households, tax credit limited partnerships will serve 2,921 households, and master leased properties will serve 498 households.
- Cecelia (131 Units) and Haven (44 units) will likely undergo Year 15 Tax Credit Conversions in FY 20. The newly acquired Alexis (40 units) will be included in this year's budget. Fountain Place (80 units) will be converting to a Tax Credit for the FY 20 budget.
- After three years of not being able to pull from the housing choice voucher waitlist due to the lack of federal funding to address the local rental crisis, Home Forward will pull 400 names from the housing choice voucher waitlist in FY 19 and an additional 600 pulls are planned for FY 20.
- Home Forward will complete its data migration to YARDI 7, a cloud based version of its current ERP software program. This project will improve operations throughout the agency and will help streamline internal processes.

Financial highlights of the upcoming budget include:

- Annual operating revenues are projected to be \$194.4 million. This is mainly due to:
  - \$9.0 million in developer fee revenue from North Group (\$0.4 million), East Group (\$5.6 million), and Fountain Place Rehab (\$3.0 million).
  - Public Housing Operating Subsidy revenue of \$8.1 million (\$5.9 million of Operating Subsidy and \$1.9 million in Asset Repositioning Fee), which reflects reduced funding due to the 1,027 units that will have converted to Project-Based Voucher Subsidy. Federal funding is anticipated to increase by 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 two percent for federal funding increases.

- Admin fees will increase \$1.0 million 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 \$185.0 million. This is mainly due to:
  - Of the \$185.0 million in operating expenses, \$126.0 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 \$60.0 million.
  - Personnel expenses will be \$25.2 million for the upcoming budget year.
  - Other administrative expenses will be \$9.7 million, primarily due to investment in Home Forward's information technology infrastructure of \$1.2 million including activity related to the YARDI upgrade, property management fees of \$1.2 million, third party payroll costs of \$2.3 million and costs related to safety patrols of \$531 thousand.
  - Other tenant services expense will be \$2.2 million, primarily due to \$901 thousand related to Congregate Housing Services Program (CHSP) and \$309 thousand for support services at Bud Clark Commons.
  - Other maintenance expenses will be \$8.0 million, primarily due to major maintenance projects at multiple affordable properties in FY 20.
- Based on the impact of items above, operating income is projected to be \$9.5 million.
- Investment income is expected to yield \$1.6 million along with \$2.6 million in interest expense in FY 20.
- Capital contributions are estimated to be \$2.7 million for the year.
- The combined impact yields an \$11.0 million increase in changes to net assets.

### **Impact on Funding Flow**

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

A funding flow summary by operating group is presented below:

	Operating income/(loss) after overhead	Department Capital and Financing uses	Non-reserve funding flow adjustments	Unrestricted Cash from current operations	Additions to reserves	Other reserve transfers in/(out) to fund current activities	Net funding Flow
Program Group							
Rent assistance	\$ 257,910	\$ -	\$ 1,363	\$ -	\$ -	\$ (259,273)	\$ -
Public housing properties	1,655,143	-	1,189,810	-	(100,000)	(2,744,953)	-
Affordable housing properties	5,895,534	(128,359)	(6,035,857)	3,185,085	(1,319,610)	(1,596,793)	-
Asset management	(2,013,356)	-	-	-	-	2,013,356	-
Property management	(1,589,240)	-	-	-	-	1,589,240	-
Safety	343,071	-	-	-	(720,000)	376,929	-
Integrated facilities services	6,667	(140,030)	-	-	-	133,363	-
Community services	(2,220,176)	-	(384,417)	388,875	-	2,215,718	-
Other	2,444,716	(166,548)	368,418	952,281	(1,871,280)	(1,727,587)	-
	<u>4,780,269</u>	<u>(434,937)</u>	<u>(4,860,683)</u>	<u>4,526,241</u>	<u>(4,010,890)</u>	<u>-</u>	<u>-</u>
Development	<u>4,680,582</u>	<u>-</u>	<u>(8,913,024)</u>	<u>7,175,899</u>	<u>(2,943,457)</u>	<u>-</u>	<u>-</u>
Total Agency	<u>\$ 9,460,851</u>	<u>\$ (434,937)</u>	<u>\$ (13,773,707)</u>	<u>\$ 11,702,140</u>	<u>\$ (6,954,347)</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:

- \$2.9 million of collected development fee revenue is transferred to reserves. This is used to cover department operations and fund project costs that span multiple fiscal years.
- As part of a ten year plan to ensure adequate reserve levels for Home Forward, \$200 thousand will be directed to an insurance reserve, \$1.8 million of asset repositioning fee generated from the 85 Stories initiative will be used for future capital activity, \$1.0 million will be contributed to a capital reserve for the Affordable portfolio and \$720 thousand will be used to create a Safety Reserve for the agency.

## 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 19 Budget	FY 20 Budget	Increase / (Decrease)
Agency Funded	245.0	248.4	3.4
Other Legal Entity Funded	45.4	55.7	10.3
Total Agency-Managed Positions	290.4	304.1	13.7

*Numbers may be off slightly due to rounding.*

In total, full-time equivalent employees have increased by 13.7 FTE due to positions relating to RAD/Section 18 conversions, safety improvements, voucher waitlist activity, and new grants. A detailed reconciliation is found in the FTE Change Comparison Schedule attachment. This does not include 55 FTE that are paid by Home Forward but whose costs are reflected in the Tax Credit Portfolio.

## Risks and Opportunities

As is the case every year, the level of Congressional appropriations determines federal funding. While this funding has been volatile over the last five years, there is extreme uncertainty as to what level of investment the federal government will continue to provide. Given the passage of several continuing resolutions, the latest of which expires December 20th, 2019, 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 percent for HCV programs and Operating Subsidy), historical trends, to use program reserves as needed, and to prepare to implement budget revisions as soon as more accurate information is available.

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

The State of Oregon forecast 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 affect most agency properties.

## Conclusion

Home Forward continues its efforts on transitioning from a traditional public housing platform to the more responsive affordable housing platform. At the same time, there is an increase level of investment in services and building improvements for the safety of residents and employees. For the upcoming year, Home Forward will finally be able to reach out to families on the housing choice voucher waitlist after a three-year freeze and we will continue to work with jurisdictional partners to identify additional funding to expand affordable housing options.

# Operating Statement & Summary of Funding Flow

## Operating Statement

<u>Operating Statement</u>	<u>FY 19 Budget</u>	<u>FY 20 Budget</u>	<u>Increase/ Decrease</u>
Dwelling Rental	18,945,472	20,936,533	1,991,061
Non-dwelling Rental	2,405,318	2,738,990	333,672
HUD Subsidies -Housing Assistance	102,395,667	111,833,886	9,438,219
HUD Subsidies -Admin Fee	7,677,951	8,731,554	1,053,603
HUD Subsidies -Public Housing	7,278,177	8,229,199	951,022
HUD Grants	5,896,690	7,541,038	1,644,348
Development Fee Revenue, Net	19,569,585	9,034,999	(10,534,586)
State, Local & Other Grants	10,041,210	10,688,438	647,228
Other Revenue	11,743,487	14,687,004	2,943,517
<b>Total Operating Revenues</b>	<b>185,953,557</b>	<b>194,421,641</b>	<b>8,468,084</b>
Housing Assistance Payments	113,099,480	125,006,167	(11,906,687)
Administration	15,265,603	18,330,101	(3,064,498)
Administrative Personnel Expense	7,846,727	8,653,805	(807,078)
Other Admin Expenses	7,418,876	9,676,296	(2,257,420)
Tenant Services	4,769,689	5,145,182	(375,493)
Tenant Svcs Personnel Expense	2,766,431	2,942,372	(175,941)
Other Tenant Svcs Expenses	2,003,258	2,202,810	(199,552)
Program Expense	10,766,745	11,395,074	(628,329)
Maintenance	11,246,890	10,262,027	984,863
Maintenance Personnel Expense	2,689,754	2,270,213	419,541
Other Maintenance Expenses	8,557,136	7,991,814	565,322
Utilities	4,677,533	4,696,536	(19,003)
Depreciation	8,461,068	7,900,919	560,149
General	1,844,752	2,224,785	(380,033)
<b>Total Operating Expenses</b>	<b>170,131,761</b>	<b>184,960,790</b>	<b>(14,829,029)</b>
<b>Operating Income (Loss)</b>	<b>15,821,796</b>	<b>9,460,850</b>	<b>(6,360,946)</b>
<b>Operating Income (Loss) after Overhead</b>	<b>15,821,795</b>	<b>9,460,851</b>	<b>(6,360,944)</b>
Investment Income	197,411	1,553,969	1,356,558
Interest Expense	(2,669,132)	(2,647,235)	21,897
Gain (Loss) on Sale of Assets	(790,186)	-	790,186
<b>Net Other Income (Expense)</b>	<b>(3,261,907)</b>	<b>(1,093,266)</b>	<b>2,168,641</b>
HUD Nonoperating Contributions	6,822,707	2,660,323	(4,162,384)
<b>Net Capital Contributions</b>	<b>6,822,707</b>	<b>2,660,323</b>	<b>(4,162,384)</b>
<b>Change in Net Position</b>	<b>19,382,595</b>	<b>11,027,907</b>	<b>(8,354,688)</b>

Funding Flow Analysis

<u>Funding Flow Analysis</u>	<u>FY 19 Budget</u>	<u>FY 20 Budget</u>	<u>FY 20 Budget</u>
Funding Flow Analysis	\$ 15,821,795	\$ 9,460,851	\$ (6,360,944)
Funding Flow Analysis	(15,821,795)	(9,460,851)	6,360,944
Final Funding Source or (Shortfall)	\$ -	\$ -	\$ -



# Line Item Analysis & Assumptions

## Revenue

### Dwelling Rental \$20.9 million

- Public Housing Portfolio will earn \$2.0 million and will continue to benefit from high occupancy rates.
- Affordable Housing Portfolio will earn \$24.0 million due to high occupancy rates and rate increases (capped at five percent) except for Project-Based Vouchers.
- To ensure the continuation of affordable housing options throughout the community, Project Based Vouchers will have the following rules applied in FY 20:
  - Rents above 70% FMR may increase rents by 2%, but no higher than the current payment standard minus utility allowance
  - Rents at or below 70% FMR may increase rents up to 70% FMR or by 2%, whichever is higher

### Non-dwelling Rental \$2.8 million

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

### HUD Subsidies - Housing Assistance \$112.9 million

- Assumed to include a two percent funding increase due to House/Senate FY 20 bills
- This reflects a projected proration level of 99.0%.
- RAD funding will be \$10.5 million for the 1,027 vouchers (791 converted in CY 17, 112 converted in CY 18, and 124 that converted in CY 19)
- Funding for the Section 18 Tenant Protection Vouchers will be \$4.0 million (429 units converted from Public Housing)
- The subsidies will fund 12,989 vouchers in the upcoming budget year.

### HUD Subsidies – Administrative Fees \$8.7 million

- Administrative Fees for HUD Housing Assistance are budgeted based on funding appropriations and assumes 79% proration for FY 20.
- Administrative Fee funding will benefit from incremental voucher awards for FUP, Mainstream, VASH and RAD conversions. The agency will receive an additional \$1.1 million in revenue from the FY 19 budget.

### HUD Subsidies - Public Housing \$8.2 million

- \$1.9 million in Asset Repositioning Fees (ARF). ARF represents a temporary revenue stream (Section 18 vouchers only) to assist with the conversion of Public Housing to Tenant Protection Vouchers.

- \$377 thousand for carve-outs to support services and payment in lieu of taxes.
- The budget assumes that the Operating Subsidy proration will be 92%, based on the 5-yr. historic average.
- Operating Subsidy is reduced to reflect 315 units, which converted to RAD/Section 18 in FY 19. The conversion transfers the Operating Subsidy to HUD Subsidies Housing Assistance.

#### Development Fee Revenue \$9.0 million

- Projected for the following projects:

Project	Accrued Developer Fee Revenue (in thousands)
Fountain Place Rehab Project	\$3,023
East Group LP	5,612
North Group LP	400
Total	<u>\$9,035</u>

#### State, Local & Other Grants \$10.7 million

Grant	FY 19 Budget (in thousands)	FY 20 Budget (in thousands)	Increase/ (Decrease)
Short-Term Rent Assistance			
Multnomah County	\$ 5,414	\$3,495	(\$1,919)
Homeless Family System of Care	2,589	2,610	21
City of Portland	640	2,732	2,092
PILOT Revenue	218	235	17
United Way	86	0	(86)
Short-Term Rent Assistance Total	<u>8,947</u>	<u>9,072</u>	<u>125</u>
Medicaid – CHSP	500	563	63
Joint Office – Bud Clark Commons	428	490	62
Worksystems Grant	95	49	(95)
State of Oregon CIP	62	0	(62)
City of Portland Youth Grant	9	0	(9)
Long Term Rent Assistance	<u>0</u>	<u>515</u>	<u>515</u>
Total	<u>\$ 10,041</u>	<u>\$10,688</u>	<u>\$647</u>

## Other Revenue \$14.7 million

Other Revenue	FY 19 Budget (in thousands)	FY 20 Budget (in thousands)	Increase/ (Decrease)
Portability Revenue	\$ 6,269	\$7,807	\$1,538
Integrated Facilities Services Fees	1,787	1,706	(81)
Property-Related Income – Community Services	811	908	97
Property-Related Income – Operations	743	762	19
Property-Related Income – Management & General Partner Fees	498	1,538	1,040
Home Forward Development Enterprises Contributions	977	1,321	344
Other Revenue	500	535	35
Fraud and Bad Debt Recovery	158	110	(48)
Total	\$ 11,743	\$14,687	\$2,944

## Expense

### Housing Assistance Payments \$125.0 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 \$25.2 million

- Total full-time equivalents for agency-funded positions are budgeted to be 248.4. An additional 55.7 FTE are funded directly from tax credit limited partnerships. Combined FTE are 304.1, a 13.7 FTE increase from the FY 19 budget. The below expenses reflect only activity that will be recorded for Home Forward properties.

Personnel Expense	FY 19 Budget (in millions)	FY 20 Budget (in millions)	Increase/ (Decrease)
Administrative Personnel Expense	\$ 7.9	\$8.7	\$0.8
Tenant Services Personnel Expense	2.8	2.9	0.1
Program Expense	10.8	11.4	0.6
Maintenance Personnel Expense	2.7	2.3	(0.4)
Total	\$ 24.2	\$25.3	\$1.1

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

#### **Other Administrative Expense \$9.7 million**

- The Affordable Housing portfolio is projected to have \$1.2 million in outside payroll expense and \$1.2 million in management fee expense.
- The Administration operating group has budgeted expenses of \$3.0 million due to \$516 thousand in software and licensing fees, \$515 thousand for consultant projects related to the YARDI upgrade, Strategic Plan development, and projects related to diversity and equity.

#### **Other Tenant Services Expenses \$2.2 million**

- Tenant services expense is projected to include \$1.7 million in contracted resident services.

#### **Other Maintenance Expenses \$8.0 million**

- Public housing properties are expected to have \$1.3 million in repairs and other maintenance activities.
- Affordable housing properties are expected to have \$6.3 million in repairs and other maintenance activities, \$236 thousand of which is budgeted at master-leased properties.
- New Market West is projected to have \$514 thousand in planned repairs including \$300 thousand related to elevator repair.

#### **Utilities \$4.7 million**

- Sewer rates are rising while rates continue to decrease for gas and fuel. Garbage and recycling services will be provided by local waste haulers.

#### **Depreciation \$7.9 million**

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

#### **General \$2.2 million**

- General liability insurance expenses will increase due to rising premium rates and are projected to be \$1.5 million.
- Bad debt expense is projected to be \$613 thousand based on historical debt.

#### **Net Other Income (Expense)**

#### **Investment Income \$1.6 million**

- Investment income is projected to increase based upon higher interest rates than prior year estimates.
- Interest income on the notes related to the RAD/Section 18 conversions are projected to be \$1.7 million.

#### **Investment Income \$2.7 million**

- Interest expense (\$2.7 million) is primarily due to debt at Fairview (\$382 thousand), Lovejoy (\$335 thousand), and Rockwood Station (\$160 thousand).

### **Net Capital Contributions**

#### **HUD Capital Contributions \$2.7 million**

- \$2.7 million in capital projects is budgeted at public housing properties, including those undergoing a RAD/Section 18 conversion.

# Operating and Administrative Segment Review

## FY 20 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	\$ -	\$ 1,961,318	\$ 23,993,910	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (5,018,695)	\$ 20,936,533
Non-dwelling Rental	-	122,461	1,786,124	-	-	-	-	-	37,380	539,496	635,277	-	(381,747)	2,738,990
HUD Subsidies -Housing Assistance	108,896,943	-	2,936,943	-	-	-	-	-	-	-	-	-	-	111,833,886
HUD Subsidies -Admin Fee	8,202,756	-	-	-	528,798	-	-	-	-	-	-	-	-	8,731,554
HUD Subsidies -Public Housing	-	5,939,144	-	-	169,000	-	-	-	208,146	-	-	1,912,910	-	8,229,199
HUD Grants	5,620,123	-	-	-	572,496	-	-	-	1,348,419	-	-	-	-	7,541,038
Development Fee Revenue, Net	-	-	-	-	-	-	-	9,034,999	-	-	-	-	-	9,034,999
State, Local & Other Grants	9,586,861	-	-	-	-	-	-	-	1,101,577	-	-	-	-	10,688,438
Other Revenue	7,895,112	55,387	822,967	774,831	2,278,131	800,000	1,705,600	25,000	1,228,432	-	-	-	(898,455)	14,687,004
Total IA Revenue	79,699	-	-	-	-	-	-	49,153	734,378	131,279	-	-	(994,509)	-
<b>Total Operating Revenues</b>	<b>140,281,493</b>	<b>8,078,309</b>	<b>29,539,944</b>	<b>774,831</b>	<b>3,548,424</b>	<b>800,000</b>	<b>1,705,600</b>	<b>9,109,153</b>	<b>4,658,331</b>	<b>670,774</b>	<b>635,277</b>	<b>1,912,910</b>	<b>(7,293,406)</b>	<b>194,421,641</b>
Housing Assistance Payments	129,933,291	-	960	-	-	-	-	-	-	-	-	-	(4,928,084)	125,006,167
Administrative Personnel Expense	367,075	-	-	247,875	307,514	290,977	66,203	540,714	277,152	6,556,294	-	-	-	8,653,805
Other Admin Expenses	605,578	806,296	5,275,850	73,104	312,288	38,708	38,516	216,823	162,863	2,977,589	-	-	(831,318)	9,676,296
Fees/overhead charged	420,008	-	-	44,544	3,256	198	3,058	68,431	-	-	-	-	(539,495)	-
Tenant Svcs Personnel Expense	-	-	-	-	-	-	-	357,275	2,585,096	-	-	-	-	2,942,372
Other Tenant Svcs Expenses	254,097	18,565	8,156	-	-	-	-	-	1,838,097	83,896	-	-	-	2,202,810
Program Expense	5,807,667	759,988	135,135	871,312	1,163,323	17,869	193,827	1,560,623	547,294	338,036	-	-	-	11,395,074
Maintenance Personnel Expense	-	900,082	111,691	-	226,346	52,537	927,019	-	-	52,537	-	-	-	2,270,213
Other Maintenance Expenses	-	1,385,865	6,332,139	-	(59,041)	3,823	96,445	-	-	232,583	-	-	-	7,991,814
Utilities	-	1,111,524	3,442,286	-	-	-	40,526	-	-	102,200	-	-	-	4,696,536
Total IA Expense	329,851	-	491,223	326,238	342,868	2,561	12,804	219,999	460,274	(1,191,310)	-	-	(994,509)	-
Depreciation	1,362	1,189,810	6,219,353	-	-	-	-	121,976	-	230,114	88,263	-	50,040	7,900,919
General	106,970	251,035	1,627,618	-	179,225	840	18,471	-	-	40,625	1	-	-	2,224,785
<b>Total Operating Expenses</b>	<b>137,825,899</b>	<b>6,423,166</b>	<b>23,644,410</b>	<b>1,563,073</b>	<b>2,475,780</b>	<b>407,514</b>	<b>1,396,869</b>	<b>3,085,842</b>	<b>5,870,776</b>	<b>9,422,564</b>	<b>88,264</b>	<b>-</b>	<b>(7,243,366)</b>	<b>184,960,790</b>
<b>Operating Income (Loss)</b>	<b>2,455,595</b>	<b>1,655,143</b>	<b>5,895,534</b>	<b>(788,242)</b>	<b>1,072,645</b>	<b>392,486</b>	<b>308,731</b>	<b>6,023,311</b>	<b>(1,212,445)</b>	<b>(8,751,790)</b>	<b>547,013</b>	<b>1,912,910</b>	<b>(50,040)</b>	<b>9,460,850</b>
<b>Total Overhead Allocations</b>	<b>2,197,684</b>	<b>-</b>	<b>-</b>	<b>1,225,114</b>	<b>2,661,885</b>	<b>49,415</b>	<b>302,064</b>	<b>1,342,729</b>	<b>1,007,731</b>	<b>(8,786,623)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Operating Income (Loss) after Overhead</b>	<b>257,910</b>	<b>1,655,143</b>	<b>5,895,534</b>	<b>(2,013,356)</b>	<b>(1,589,240)</b>	<b>343,071</b>	<b>6,667</b>	<b>4,680,582</b>	<b>(2,220,176)</b>	<b>34,834</b>	<b>547,013</b>	<b>1,912,910</b>	<b>(50,040)</b>	<b>9,460,851</b>
<b>Reserve Funding</b>	<b>-</b>	<b>(100,000)</b>	<b>(1,100,000)</b>	<b>-</b>	<b>43,800</b>	<b>-</b>	<b>-</b>	<b>(1,982,024)</b>	<b>455,630</b>	<b>393,000</b>	<b>(195,801)</b>	<b>2,485,395</b>	<b>-</b>	<b>-</b>
<b>Operating Income (Loss) after Reserve Funding</b>	<b>257,910</b>	<b>1,555,143</b>	<b>4,795,534</b>	<b>(2,013,356)</b>	<b>(1,545,440)</b>	<b>343,071</b>	<b>6,667</b>	<b>2,698,558</b>	<b>(1,764,546)</b>	<b>427,834</b>	<b>351,212</b>	<b>4,398,305</b>	<b>(50,040)</b>	<b>9,460,851</b>
Investment Income	-	-	236,764	-	1,978	-	-	-	-	66,046	1,061,173	188,009	-	1,553,969
Interest Expense	3,418	-	(2,546,198)	-	-	-	-	-	-	(104,455)	-	-	-	(2,647,235)
<b>Net Other Income (Expense)</b>	<b>3,418</b>	<b>-</b>	<b>(2,309,434)</b>	<b>-</b>	<b>1,978</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(38,409)</b>	<b>1,061,173</b>	<b>188,009</b>	<b>-</b>	<b>(1,093,266)</b>
HUD Nonoperating Contributions	-	-	-	-	-	-	-	150,000	-	-	2,510,323	-	-	2,660,323
Reserve Funded Capital Contributions	-	-	2,671,000	-	-	-	-	-	-	-	800,000	(3,471,000)	-	-
<b>Net Capital Contributions</b>	<b>-</b>	<b>-</b>	<b>2,671,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>150,000</b>	<b>-</b>	<b>-</b>	<b>3,310,323</b>	<b>(3,471,000)</b>	<b>-</b>	<b>2,660,323</b>
<b>Change In Net Position</b>	<b>\$ 261,328</b>	<b>\$ 1,555,143</b>	<b>\$ 5,157,100</b>	<b>\$ (2,013,356)</b>	<b>\$ (1,543,462)</b>	<b>\$ 343,071</b>	<b>\$ 6,667</b>	<b>\$ 2,848,557</b>	<b>\$ (1,764,547)</b>	<b>\$ 389,425</b>	<b>\$ 4,722,707</b>	<b>\$ 1,115,313</b>	<b>\$ (50,040)</b>	<b>\$ 11,027,907</b>

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

## FY 20 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
<b>Operating Income (Loss) after Overhead</b>	\$ 257,910	\$ 1,655,143	\$ 5,895,534	\$ (2,013,356)	\$ (1,589,240)	\$ 343,071	\$ 6,667	\$ 4,680,582	\$ (2,220,176)	\$ 34,834	\$ 547,013	\$ 1,912,910	\$ (50,040)	\$ 9,460,851
<b>Real Estate Portfolio</b>														
Affordable Housing Properties Operating Activity	-	-	(11,645,403)	-	-	-	-	-	-	-	-	-	-	(11,645,403)
Revenue from Properties to Home Forward	-	-	(609,808)	-	-	-	-	-	(384,417)	-	-	-	-	(994,225)
Unrestricted Cash to HAP	-	-	3,185,085	-	-	-	-	-	388,874	-	952,281	-	-	4,526,241
Net Replacement Reserve Activity (New Market West)	-	-	-	-	-	-	-	-	-	(98,400)	-	-	-	(98,400)
Net Replacement Reserve Activity (Special Needs)	-	-	(219,610)	-	-	-	-	-	-	-	-	-	-	(219,610)
<b>Developer Fee - Impact to Funding Flow</b>														
Developer Fee Revenue	-	-	-	-	-	-	-	(9,034,999)	-	-	-	-	-	(9,034,999)
Developer Fee - Cash to HAP(Net)	-	-	-	-	-	-	-	7,175,899	-	-	-	-	-	7,175,899
<b>Financing/Investment Activity</b>														
Principal & Interest - Special Needs	-	-	(128,359)	-	-	-	-	-	-	-	-	-	-	(128,359)
Principal & Interest - New Market West	-	-	-	-	-	-	-	-	-	(166,548)	-	-	-	(166,548)
<b>Capital Acquisitions</b>														
Fleet Vehicle	-	-	-	-	-	-	(140,030)	-	-	-	-	-	-	(140,030)
Fleet Vehicle Reserve Funding	-	-	-	-	-	-	140,030	-	-	-	-	(140,030)	-	-
<b>Non-Cash Operating Activity</b>														
Depreciation Expense	1,362	1,189,810	6,219,353	-	-	-	-	121,976	-	230,114	88,263	-	50,040	7,900,919
<b>Other MTW Reserve Activity</b>														
<b>Special Purpose Reserve Activity</b>														
Inter Departmental Reserve Transfers	(259,273)	(2,744,953)	(1,596,793)	2,013,356	1,589,240	376,928	(6,667)	-	2,215,718	-	(1,587,557)	-	-	-
DCR Operating Reserve	-	-	-	-	-	-	-	(2,943,457)	-	-	-	-	-	(2,943,457)
Affordable Portfolio Reserve	-	-	(1,000,000)	-	-	-	-	-	-	-	-	-	-	(1,000,000)
85 Stories Asset Repositioning Fee Reserve	-	-	-	-	-	-	-	-	-	-	-	(1,772,880)	-	(1,772,880)
Safety Reserve	-	-	-	-	-	(720,000)	-	-	-	-	-	-	-	(720,000)
Insurance Reserve	-	(100,000)	(100,000)	-	-	-	-	-	-	-	-	-	-	(200,000)
<b>Department Reserve Activity</b>														
<b>Final Funding Source or (Shortfall)</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

## FY 20 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 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
FY 2020 Budgeted FTE	69.0	19.3	2.1	8.0	20.9	2.9	11.2	19.0	38.5	57.6	248.4	55.7	304.1
Changes	5.0	(10.9)	0.6	-	0.3	1.0	(0.6)	1.0	1.7	5.4	3.4	10.3	13.7



## Rental Assistance Demonstration (RAD) and Section 18 Conversions

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

Home Forward will earn admin fee (currently \$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 19				
Property	Units Converted	Conversion Type	Conversion Date	RAD Group
Alderwood	20	RAD	6/18/2019	East Group LP
Hunters Run	10	RAD	6/18/2019	East Group LP
Tillicum South	12	RAD	6/18/2019	East Group LP
Harold Lee Village	10	RAD	6/18/2019	East Group LP
Floresta	20	RAD	6/18/2019	East Group LP
Powellhurst	34	RAD	6/18/2019	East Group LP
Tillicum North	18	RAD	6/18/2019	East Group LP
<b>RAD Conversions</b>	<b>124</b>			
Medallion Apts.	90	Section 18	6/18/2019	East Group LP
Williams Plaza	101	Section 18	6/18/2019	East Group LP
<b>Section 18 Conversions</b>	<b>191</b>			
<b>Total East Group LP Conversions</b>	<b>315</b>			

Over the next several years, Home Forward expects to convert its remaining public housing portfolio. Future conversions include the following:

Future Expected Conversions			
Property	Units Converted	Conversion Type	RAD Group
<b>Central Group LP</b>			
Fir Acres	32	RAD	Central Group LP
Townhouse Terrace	32	RAD	Central Group LP
Stark Manor	30	RAD	Central Group LP
Eastwood Court	32	RAD	Central Group LP
Carlton Court	24	RAD	Central Group LP
Demar Downs	18	RAD	Central Group LP
Celilo Court	28	RAD	Central Group LP
RAD Conversions	<b>196</b>		
Dahlke Manor	115	Section 18	Central Group LP
Section 18 Conversions	<b>115</b>		
<b>Total Central Group LP Conversions</b>	<b>311</b>		
<b>South Group LP</b>			
Peaceful Villa	70	RAD	South Group LP
Cora Park	10	RAD	South Group LP
Lexington Court	20	RAD	South Group LP
Slavin Court	24	RAD	South Group LP
Chateau Apartments	10	RAD	South Group LP
Scattered East A	7	RAD	South Group LP
RAD Conversions	<b>141</b>		
Holgate House	80	Section 18	South Group LP

Future Expected Conversions			
Property	Units Converted	Conversion Type	RAD Group
Ruth Haefner Plaza	73	Section 18	South Group LP
Section 18 Conversions	<b>153</b>		
<b>Total South Group LP Conversions</b>	<b>294</b>		
<b>Dekum Court</b>	<b>40</b>	Section 18	Dekum
<b>Total Future Conversions</b>	<b>645</b>		

Additionally, in 2019, Home Forward assisted several local service providers to convert six SRO/MOD properties under RAD Phase II. These buildings, previously under a Single Room Occupancy/Moderate Rehabilitation subsidy and operated by Central City Concern or REACH CDC, converted to a Project-Based subsidy. Home Forward does not own these properties but manages the subsidy for these converted buildings. These conversions earn admin fee, as well as provide a one-time \$200 per unit admin fee to assist with the subsidy transfer.

Properties Converted in FY 19				
Property	Units Converted	Conversion Type	Conversion Date	RAD Group
Butte Hotel	37	SRO/MOD RAD	8/1/2019	
Biltmore Hotel	75	SRO/MOD RAD	8/1/2019	
The Rose	57	SRO/MOD RAD	9/1/2019	
Ankeny Square	100	SRO/MOD RAD	10/1/2019	
Sally McCracken	92	SRO/MOD RAD	11/1/2019	
Rose Wood	21	SRO/MOD RAD	11/1/2019	
<b>Total SRO/MOD Conversions</b>	<b>382</b>	SRO/MOD RAD		

## Budget Commentary – Rent Assistance

Summary Budget Data	FY 19 Budget	FY 20 Budget	Increase/ (Decrease)
Operating Revenue	\$ 126,464,444	\$ 140,281,493	\$ 13,817,049
Operating Expense	124,998,856	137,825,899	12,827,043
Operating Income Before OH	1,465,588	2,455,595	990,007
Allocated Overhead	1,897,542	2,197,684	300,142
Operating Income After OH	(431,954)	257,910	689,864
Funding Flow Activity	(430,592)	259,273	689,865
Funding Required or (Contributed) for Current Agency Activities	\$ 430,592	\$ (259,273)	\$ (689,865)
Total Budgeted FTE	64.0	69.0	5.0

### Rent Assistance Key Assumptions

Home Forward collaborated 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 was formally submitted to HUD in December 2018 and accepted in March of 2019. As a result of the acceptance of the rent survey, the fair market rents within the Portland-Hillsboro-Vancouver Metropolitan Statistical Area (MSA) increased by an average of 8.5%. In addition, the fair market rents received an additional average of 4% increase in October of 2019. The combination of the FMR increase, House, and Senate FY 20 Bills for HUD funding are contributing to a projected funding increase of two percent from 2019's level. These funding increases are still not keeping pace with the inflation of our housing assistance payment costs.

Housing Assistance Payments for the agency are projected to be \$125 million, an \$11.9 million increase from last year. HAP expenses are broken down by individual program in the table below. Homeless Initiatives include Short-Term Rent Assistance (STRA), Shelter Plus Care (SPC), and Long-Term Rent Assistance (LRA).

Program Cost/Expenses	Average Utilized Vouchers	Average Voucher Cost	Total HAP Expense
MTW Vouchers	7,337	\$ 858.02	\$ 75,543,183
Homeless Initiatives	1,621	788.24	15,332,907
RAD	1,027	850.06	10,476,181
Portability (Port-In)	667	926.97	7,419,478
VASH	720	794.70	6,866,210
SRO/MOD RAD	382	784.13	3,594,443
Section 18 TPV RAD	429	778.27	4,006,548
FUP	141	1,023.38	1,731,554

Program Cost/Expenses	Average Utilized Vouchers	Average Voucher Cost	Total HAP Expense
Portability (Port-Out)	152	947.42	1,728,100
LBS	284	452.30	1,541,428
Mainstream	99	723.13	859,080
SRO/MOD	130	468.04	730,140
Flexible Rent Assistance		N/A	105,000
Subtotal: HAP Expense			129,934,251
Less: Eliminations*		N/A	(4,928,084)
Total Vouchers	12,989		\$ 125,006,167

\* Elimination activity represents housing assistance payments for voucher holders in our Affordable properties

Administrative fees for administering vouchers are \$8.2 million, representing a \$525,000 increase from last year due to additional voucher awards and RAD conversions.

Home Forward is now administering several additional awards announced in fiscal year 2019: VASH – 191 vouchers, Mainstream (Non-Elderly/Disabled) – 99 vouchers, and FUP – 88 vouchers. In addition to these awards, we have also submitted applications for additional VASH and FUP vouchers to be awarded in late 2019/early 2020. Due to these awards not being finalized, no future increment awards are included in the 2020 budget.

To assist with the waitlist pulls and the additional voucher awards, Total Budgeted FTE is increasing by 5.0 FTE.

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

Housing Choice Vouchers - \$129.9 million (\$4.9 million for vouchers in our Affordable Portfolio)

- 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 administers four distinct HCV programs:

- Moving to Work (MTW) Vouchers - \$75.5 million

Home Forward manages 8,418 Moving to Work Vouchers.

For the last several years, the federal government has not provided adequate funding to cover the actual housing costs of our region. After a three-year freeze, Home Forward was only able to begin pulling from the voucher waitlist during the fall of FY 19. As such, voucher utilization has declined and is anticipated to be 87.4%.

Home Forward began to pull from the Housing Choice Voucher waitlist during fiscal year 2019, and will end 2019 with more than 400 households pulled from the waitlist. During fiscal year 2020, an additional 600 households will be pulled from the HCV waitlist, ending 2020 with a quarter of the 3,155 waitlist

households pulled. In addition, Home Forward will likely need to adjust payment standards to adjust for an additional increase in fair market rents in late 2020. These adjustments will result in an incremental increase to housing assistance payments.

Tenant-Based attrition (vouchers returned) is projected to be 20 vouchers per month. The \$75.5 million in program expense is a \$445 thousand increase from the prior year, due to increased housing costs and waitlist pulls.

- Homeless Initiatives - \$15.3 million

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

Home Forward administers a local, long-term rent assistance program, funded by the Joint Office for Homeless Services in Multnomah County. This program funds rent assistance similar to the HCV program for 55 households. This pilot program, started in calendar year 2018, serves to be an example for a possible state-run assistance program.

The \$15.3 million in program expenses is a \$2.8 million increase from the prior year due to the addition of the long-term voucher program, increased funding for STRA, and higher FMRs resulting in increased funding in Shelter Plus Care.

- RAD - \$10.5 million

Home Forward administers 1,027 Rental Assistance Demonstration (RAD) vouchers – prior Public Housing buildings that converted to a Project-Based Voucher subsidy under the HCV program. Converting Public Housing buildings to an HCV subsidy allows the units to receive HCV admin fee and converts the subsidy to fall under the HCV program.

Public Housing RAD conversions have a budget impact of \$10.5 million, an increase of \$1.8 million from the prior year due to additional conversions completed in FY 19.

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

- Portability (Port-In) - \$7.4 million

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

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

Port-in vouchers for FY 20 are anticipated to be four new vouchers administered per month, with an average per month of 667 vouchers. Home Forward exercises portability billing and receives reimbursement for HAP and admin fee expenses from the initial housing authority for port-in vouchers.

- VASH - \$6.9 million

Home Forward administers 855 VASH Vouchers in partnership with the Department of Veterans Affairs. Utilization of these vouchers is anticipated to be 85% as the additional 191 vouchers awarded in 2019 continue to be issued and leased. \$6.8 million in VASH program expense is a \$224 thousand increase from the prior year, due to new increment awards and increased voucher utilization.

- Section 18 SRO/MOD RAD - \$3.6 million

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

The \$4.6 million in budget impact for this subset of RAD conversions is new for the FY 20 budget.

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

- Section 18 TPV RAD - \$4.0 million

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

RAD Section 18 conversions have a budget impact of \$4.0 million, an increase of \$1.6 million from the prior year due to additional conversions completed in FY 19.

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

- Family Unification Program (FUP) - \$1.7 million

Home Forward manages 188 FUP Vouchers. Utilization of these vouchers is anticipated to be 80% as the additional 88 vouchers awarded in 2019 continue to be issued and leased. \$1.7 million in FUP program expense is a \$703 thousand increase from the prior year, due to new increment awards and increased voucher utilization.

- Portability (Port-Out) - \$1.7 million

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

Under port-out regulations, Home Forward is defined as the initial housing authority and households lease under administration of the receiving housing authority. The receiving housing authority has the

option to bill expenses, both housing assistance payments and a prorated administrative fee, back to Home Forward.

Port-out vouchers are projected to average 152 per month with little changes in new port-outs each month. Most receiving housing authorities chose to bill Home Forward for vouchers leased in their jurisdiction under portability.

- Mainstream - \$860 thousand

Home Forward manages 99 Mainstream Vouchers, newly awarded in 2019. Utilization of these vouchers is anticipated to be 100%. This award is new to Home Forward's budget for this year.

- SRO/MOD - \$730 thousand

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

Starting in Fiscal Year 2019, several SRO/MOD properties converted under RAD Phase II, converting the previous SRO/MOD subsidy to project-based vouchers. Converted units and relevant program expenses are reported under RAD Vouchers. Home Forward continues to manage 130 SRO/MOD units that have not converted under RAD. The \$730 thousand in program expense is a \$2.0 million decrease from the prior year, due to the RAD conversions.

#### Moving to Work (MTW) Initiatives - \$3.3 million

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

- Local Blended Subsidy (LBS) 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). \$1.5 million in LBS funding is an increase of \$239 thousand from the prior year, due to a need for increased per unit subsidy.

- Short-Term Rent Assistance (STRA) - \$938 thousand

Home Forward will provide short to medium-term rent assistance and leverage support at community schools with the goal of improving academic outcomes and housing stability. In combination with program-based assistance, Home Forward sets aside a pool of flexible rent assistance funds to serve targeted populations, in partnership with one or more local service providers who ensure that the families have access to the supportive services or resources they need to be stable and successful. \$938 thousand in funding is an increase of \$117 thousand from the prior year.

- VASH Security Deposit - \$128 thousand

Home Forward offers security deposit assistance to participants leasing up with Veterans Affairs Supportive Housing (VASH) vouchers, a key support to finding housing for veterans and increasing



utilization of our VASH vouchers. \$128 thousand in program expense is an increase of \$55 thousand from the prior year, due to additional VASH increment awards and higher VASH voucher utilization.

- Flexible Rent Assistance - \$105 thousand

Flexible rent assistance helps participants with various barriers to housing including applications, bad debt, security deposits, expungement fees, and other financial assistance to aid the leasing process. Flexible rent assistance is paired with a Housing Search Advocates program works with participants to: 1) develop individualized housing search plans which include addressing any housing barriers such as past evictions or bad credit; 2) meet directly with landlords and applicants/participants to navigate the application and leasing process, including filing appeals of denials and accommodations for special needs; 3) stay informed of the available housing inventory and maintain strong landlord relationships; and 4) help support households in understanding Home Forward's rules and processes. This program is new for Fiscal Year 2020.

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

Personnel Expenses - \$6.2 million

- Personnel expenses of \$6.2 million for FY 20 support 69 FTE within Rent Assistance. This represents an increase of \$752 thousand from the prior year, due to added FTE and planned compensation increases.

## Budget Commentary – Public Housing Portfolio

Summary Budget Data	FY 19 Budget	FY 20 Budget	Increase/ (Decrease)
Operating Revenue	\$ 9,896,396	\$ 8,078,309	\$ (1,818,087)
Operating Expense	9,813,196	6,423,166	(3,390,030)
Operating Income Before OH	83,199	1,655,143	1,571,944
Allocated Overhead	-	-	-
Operating Income After OH	83,199	1,655,143	1,571,944
Funding Flow Activity	2,073,063	2,744,953	671,890
Funding Required or (Contributed) for Current Agency Activities	(2,073,063)	\$ (2,744,953)	\$ (671,890)
Total Budgeted FTE	30.2	19.3	(10.9)

The Public Housing Portfolio includes the budget activity for 17 traditional public housing properties and 19 property-level staff. Home Forward's public housing stock provides an important resource to the community by providing housing in 644 rentable units throughout Multnomah County. The unit count in Public Housing continues to decline as properties are converted to RAD and Section 18. Property staff focus on the management and maintenance of the properties and work towards preserving the aging housing stock.

In FY 20, staff will continue to integrate maintenance, property management, inspections, and services with the goal of decreasing maintenance costs and turnover time.

### Public Housing Key Assumptions

Public Housing Portfolio Operating Subsidy Assumptions		
	FY 19	FY 20
Physical Units in Public Housing Portfolio	960	645
Subsidized Units in Public Housing Portfolio	958	644
Eligibility Per Unit Per Month	\$719	\$1,161
Budgeted Proration	88%	92%
Budgeted Proration Per Unit Per Month*	\$600	\$769
Total Subsidy*	\$6,901,024	\$5,939,503

\*(Less Carve-outs for PILOT, GOALS, and ARF)

Nine properties converted to RAD/Section 18 in FY 19, resulting in a total subsidy decrease at Public Housing Properties.

Households Served – occupancy is assumed at 98%.

FTEs – During FY 19, nine properties converted to RAD/Section 18. The expenses of the associated FTE are now reflected in the tax credit properties. As a result, Public Housing shows a net decrease of 10.9 FTE due to these positions.

### **Public Housing Major Revenue and Expense Items**

Operating Revenue is \$8.08 million, down \$1.82 million from FY 19. \$3.13 million of reduced revenue is due to nine properties converting to RAD in 2019, offset by \$1.31 million in increased revenue at remaining PH properties. The primary sources of Operating Revenue are:

- Dwelling Rental is \$1.96 million, a decrease of \$820 thousand.
- HUD Subsidies for public housing is \$5.92 million, a decrease of \$962 thousand.
- Non-dwelling rental is \$122 thousand from commercial rental income. This is an increase of \$7 thousand.
- Other revenue from laundry and other fees is \$55 thousand, a decrease of \$44 thousand.

Operating Expenses are \$6.4 million, down \$3.39 million from FY 19. \$3.12 million of reduced expense is due to RAD/Section 18 conversions. An additional \$267 thousand in reduced expenses is due to remaining PH properties. The primary drivers of Operating Expenses are:

- Maintenance is \$2.3 million, down \$1.4 million. \$268 thousand of reduced expense is in remaining PH properties. \$282 thousand of reduced expense is due to reductions in non-recurring maintenance, and \$132 thousand is due to personnel, offset by increases of \$192 thousand in maintenance contracts and services. Maintenance includes \$900 thousand in Maintenance Personnel Expense and \$1.4 million in Other Maintenance Expenses.
- Administration is \$806 thousand, reduced \$263 thousand. Administration includes \$542 thousand in property management fees charged by the Property Management department. Courtesy patrol contracts have increased \$72 thousand at remaining PH properties in response to a need for greater security presence.
- Depreciation is \$1.19 million, reduced \$800 thousand.
- Utilities are \$1.11 million, down \$471 thousand from FY19. Remaining PH properties are seeing a \$54 thousand increase in rates.
- Program Expense is \$760 thousand, which covers personnel expenses and temporary help at properties. This is reduced \$355 thousand from FY 19.
- General Expenses include \$232 thousand in insurance. Remaining PH properties are seeing an increase in insurance of \$59 thousand due to increased rates.
- All personnel expenses include planned compensation increases.

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

### **Public Housing Funding Required for Current Agency Activities**

The Public Housing Portfolio provides \$2.74 million in projected cash flow for agency and property needs. \$100 thousand from operations will be contributed to an Insurance Reserve

## Budget Commentary – Affordable Housing Portfolio

Summary Budget Data	FY 19 Budget	FY 20 Budget	Increase/ (Decrease)
Operating Revenue	\$ 26,668,498	\$ 29,539,944	\$ 2,871,446
Operating Expense	21,214,603	23,644,410	2,429,807
Operating Income Before OH	5,453,895	5,895,534	441,639
Allocated Overhead	-	-	-
Operating Income After OH	5,453,895	5,895,534	441,639
Funding Flow Activity	1,938,761	1,596,793	(341,968)
Funding Required or (Contributed) for Current Agency Activities	(1,938,761)	\$ (1,596,793)	\$ 341,968
Total Budgeted FTE	1.5	2.1	0.6

The Affordable Housing Portfolio consists of 60 properties with 3,071 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 (28 properties) and 31 properties with master leases (with local service providers). 26 of the 28 properties are managed by external property management companies. The FTE for this operating group is only 2.1, since the majority of the FTE are at the external property management companies. For the externally managed properties, expenses are on the Home Forward financials, but the FTE are not included in the Home Forward head count. The operating results for the 3,008 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.

### Affordable Housing Key Assumptions

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

FTE have increased by 0.6 FTE with the addition of The Alexis, a 40-unit property in Outer Southeast Portland.

One property will convert to a tax credit in FY 20 (Fountain Place), two properties are expected to convert from tax credit to affordable in FY 20 (Cecelia and Haven), and one property was added to the affordable portfolio in 2019 (The Alexis). The overall impact of the conversions will be \$557 thousand in additional expense to the affordable portfolio.

Property Name	Units	Revenue	Expenses	Net Change
The Alexis	40	\$608,424	\$396,736	\$211,688
Cecelia	131	1,588,287	1,860,073	(271,786)
Haven	44	519,150	717,569	(198,419)
Fountain Place	(80)	(824,280)	(525,689)	(298,591)
Total	135	\$1,891,581	\$2,448,689	(\$557,108)

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

Insurance premiums are projected to be \$871 thousand as premium rates continue to rise.

\$6.3 million in maintenance projects including the following large projects:

- New Columbia: Cecelia (Exterior Painting, 2<sup>nd</sup> of three year project)
- New Columbia: Haven (Exterior Painting, 2<sup>nd</sup> of three year project)
- Unthank Plaza (Building envelope, brick repair and sealing)
- Kelly Place (Deck replacement)
- Rockwood Station (Office Remodel, HVAC and plumbing)
- Pearl Court (Compactor replacement)
- Grace Peck Terrace (Generator Replacement, Common area carpet replacement)
- Lovejoy Station (Camera system, Fire alarm system)
- Rosenbaum Plaza (Elevator Replacement, Storefront Improvement)
- Yards @ Union Station (HVAC)
- Gretchen Kafoury (Window replacement, patio replacement)

### **Affordable Housing Major Revenue and Expense Items**

Operating Revenues are budgeted to be \$29.5 million, a \$2.9 million dollar increase. The below comments highlight the major trends.

- Dwelling rental is projected to be \$24.0 million, an increase of \$2.9 million of which \$1.8 million is attributable to the new affordable properties described above. The remainder of the change is due to high occupancy rates and rental increases capped at five percent.

Operating Expenses are projected to be \$23.6 million, a \$2.4 million increase from prior budget year.

- Utilities are projected to be \$3.4 million, an increase of \$505 thousand from previous budget, reflecting rate increases.
- Depreciation is budgeted at \$6.2 million, an increase of \$292 thousand from previous budget.
- Management fees for third-party-managed properties are expected to be \$1.2 million, an increase of \$144 thousand from previous budget.
- Third-party-managed properties have budgeted \$2.3 million in payroll expense, an increase of \$310 thousand from previous budget.

#### **Affordable Housing Funding Required for Current Agency Activities**

- Of the \$4.5 million in unrestricted cash that the agency will receive, \$3.2 million is recognized in the Affordable Housing Portfolio.
- Funding a \$1.0 million, Real Estate Capital Reserve is part of a ten-year plan to address future capital needs within the Affordable Housing Portfolio. This is an increase of \$431 thousand from previous budget.
- \$100 thousand from operations will be contributed to an Insurance Reserve

## Budget Commentary – Asset Management

Summary Budget Data	FY 19 Budget	FY 20 Budget	Increase/ (Decrease)
Operating Revenue	\$ 972,498	\$ 774,831	\$ (197,667)
Operating Expense	1,519,918	1,563,073	43,155
Operating Income Before OH	(547,420)	(788,242)	(240,822)
Allocated Overhead	1,091,845	1,225,114	133,269
Operating Income After OH	(1,639,265)	(2,013,356)	(374,091)
Funding Flow Activity	(1,939,265)	(2,013,356)	(74,091)
Funding Required or (Contributed) for Current Agency Activities	1,939,265	\$ 2,013,356	\$ 74,091
Total Budgeted FTE	8.0	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
Master Leased	31	498
Affordable	28	2,566
Tax Credit	34	3,008
Total	112	6,717

### Asset Management Key Assumptions

Asset Management is maintaining its staff level at eight FTE, there is no change for FY 20.

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

### Asset Management Major Revenue and Expense Items

Operating Revenues of \$775 thousand, a decrease of \$149 thousand from previous budget. Last year included a \$300 thousand contribution for insurance reserves not included this current fiscal year. This is partially offset by an increase in Home Forward Property Asset Management fees.

\$165 thousand in Asset Management Fees from jurisdictional partners and \$615 thousand for Home Forward Asset Management fees.

Operating Expenses of \$1.6 million is essentially flat from prior year, mainly comprised of personnel expenses.

#### **Asset Management Funding Required for Current Agency Activities**

The Asset Management department needs \$2.0 million to fully fund all planned operations, an increase of \$74 thousand from prior budget year.



## Budget Commentary – Property Management

Summary Budget Data	FY 19 Budget	FY 20 Budget	Increase/ (Decrease)
Operating Revenue	\$ 3,080,324	\$ 3,548,424	\$ 468,100
Operating Expense	2,543,011	2,475,780	(67,231)
Operating Income Before OH	537,313	1,072,645	535,332
Allocated Overhead	2,155,778	2,661,885	506,107
Operating Income After OH	(1,618,465)	(1,589,240)	29,225
Funding Flow Activity	(1,611,964)	(1,589,240)	22,724
Funding Required or (Contributed) for Current Agency Activities	1,611,964	\$ 1,589,240	\$ (22,724)
Total Budgeted FTE	20.6	20.9	0.3

Property Management is the service department for Home Forward's self-managed properties. The Property Management group is responsible for overseeing the compliance and maintenance at 46 properties. These properties provide housing for 2,598 households and reflect the RAD/Section 18 conversions.

Subsidy Type	Properties
Public Housing	17
Master Leased	3
Tax Credit	24
Affordable	2
Total Properties Managed	46

Overall, the Property Management group supervises 97.5 FTE. 55 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 19 staff are budgeted at the traditional public housing properties, and the associated costs are within the Public Housing Portfolio budget. The 20.9 staff captured in this budget include management, compliance, and maintenance staff who provide peer training and backfill services.

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

### Property Management Key Assumptions

FTEs – Property Management is essentially flat compared to prior year.

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

In FY 19, Property Management staff supported the conversion of nine RAD/Section 18 public housing properties (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.

## Property Management Major Revenue and Expense Items

Operating Revenue is \$3.55 million, up \$468 thousand from FY 19. The major contributors to Operating Revenue are:

- Public Housing HUD Subsidies are \$169 thousand and this funds the Payment in Lieu of Taxes (PILOT).
- Other Revenue is \$2.28 million and includes property management fees where the fees are being charged to properties instead of being charged overhead.
  - Property Management fees are \$1.83 million, up \$86 thousand over FY 19. The increase is due to a new property under management, The Alexis, and an allowance for inflation.
    - \$603 thousand from the Public Housing Portfolio.
    - \$1.22 million from tax credit property management fees.
- HUD Subsidies are \$529 thousand from Rent Assistance Section 8 Admin. This administrative fee earned on RAD conversions is new for FY 20, and will provide compliance on tax credit reviews.
- An ongoing contribution from Home Forward Development Enterprises to cover a portion of the lost overhead and administrative expenses is \$451 thousand. The contribution relates to the first phase of the 85 stories conversions.
- HUD Grants are \$573 thousand from the Capital Fund Program grant, a decrease of \$54 thousand.
- Inter-Agency revenue is zero, a decrease of \$93 thousand due to staff changes.

Operating Expense is \$2.48 million, a decrease of \$67 thousand from FY 19. The major drivers of Operating Expenses are:

- Administration Expenses are \$620 thousand, up \$19 thousand from FY 19.
  - \$308 thousand is in Administrative Personnel Expense, a \$2 thousand increase that includes planned compensation increases.
  - \$312 thousand is in Other Admin Expenses, an increase of \$17 thousand. Increases include \$12 thousand in answering service, \$10 thousand in legal expense, and \$9 thousand in training, offset by decreases of \$11 thousand in other professional services, and \$5 thousand in consultants.
- Program Expense is \$1.16 million, which covers personnel expenses and temporary help. This is down \$82 thousand due to decreased need for temporary help and other staffing changes.
- Maintenance Expenses are \$167 thousand, primarily in Maintenance Personnel Expenses for floating and on-call staff. This is a reduction of \$15 thousand due to allocations to properties for floating and on-call staff.

- Total Inter-Agency Expense is \$343 thousand for support staff, down \$20 thousand from FY 19.
- General Expenses are \$179 thousand, comprised mainly of PILOT. This amount is unchanged year-over-year.
- Personnel expenses include planned compensation increases.

#### **Property Management Funding Required for Current Agency Activities**

The Property Management Department requires \$1.59 million to fully fund all planned operations. This is a decrease of \$23 thousand.

## Budget Commentary – Safety

Summary Budget Data	FY 19 Budget	FY 20 Budget	Increase/ (Decrease)
Operating Revenue	\$ -	\$ 800,000	\$ 800,000
Operating Expense	283,012	407,514	124,502
Operating Income Before OH	(283,012)	392,486	675,498
Allocated Overhead	7,566	49,415	41,849
Operating Income After OH	(290,578)	343,071	633,649
Funding Flow Activity	(290,578)	(376,928)	(86,350)
Funding Required or (Contributed) for Current Agency Activities	290,578	\$ 376,928	\$ 86,350
Total Budgeted FTE	1.9	2.9	1.0

The Safety department coordinates Home Forward's property and staff safety awareness and training, implements new safety initiatives and oversees the agency safety committee. The overarching objective is to utilize a proactive approach in reducing losses, with a focus on providing safe and comfortable homes for residents, and a safe and inviting workplace for employees. The Safety group identifies potential risks to properties and operations, develops strategies to mitigate risks, and delivers safety and compliance training to Home Forward staff. There is an additional allowance for a safety fund in FY 20. Single Fund Flexibility will fund new environmental safety initiatives focused on improving the safety of housing.

### Safety Key Assumptions

- FTEs – the Safety group shows a net increase of 1 FTE - a new safety manager focused emergency response and environmental safety at properties.

### Safety Major Programs/Initiatives/Activities and Estimated Budget Impact

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

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

### Safety Major Revenue and Expense Items

Revenue increased by \$800 thousand. One-time contribution from Home Forward Development Enterprises will fund a Safety Reserve and a Safety Manager.

Operating Expenses are \$408 thousand, an increase of \$125 thousand over FY 19. The primary drivers of Operating Expenses are expected to be:

- \$361 thousand in Personnel Expense. Increased personnel expenses totaling \$136 thousand are tied to FTE increases.
- \$39 thousand in other administrative expenses, an increase of \$5 thousand from FY 19. This includes consultants, educational materials, and training.
- \$4 thousand for materials and transportation.
- \$3 thousand in Inter-Agency Expense for support staff, a decrease of \$19 thousand from FY 19.
- All personnel expenses include planned compensation increases.

### **Safety Funding Required for Current Agency Activities**

The Safety Department requires \$377 thousand to fully fund all planned operations.

## Budget Commentary – Integrated Facilities Services

Summary Budget Data	FY 19 Budget	FY 20 Budget	Increase/ (Decrease)
Operating Revenue	\$ 1,786,674	\$ 1,705,600	\$ (81,074)
Operating Expense	1,470,801	1,396,869	(73,932)
Operating Income Before OH	315,873	308,731	(7,142)
Allocated Overhead	263,154	302,064	38,910
Operating Income After OH	52,719	6,667	(46,052)
Funding Flow Activity	-	6,667	6,667
Funding Required or (Contributed) for Current Agency Activities	-	\$ (6,667)	\$ (6,667)
Total Budgeted FTE	11.8	11.2	(0.6)

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. Home Forward-managed properties utilize Integrated Facilities Services based on need and are billed for services provided.

### Integrated Facilities Services Key Assumptions

FTEs – Integrated Facilities Services shows a net decrease of 0.6 FTE due to staff being reallocated to different operating groups.

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

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

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

### Integrated Facilities Services Major Revenue and Expense Items

Revenue is \$1.71 million, an \$81 thousand decrease from FY 19 due to reduced FTE. All Revenue is forecasted to come from service fees charged to properties.

Operating Expenses are \$1.4 million, down \$74 thousand from FY 19. The major drivers of Operating Expenses are expected to be:

- Maintenance Personnel Expense is \$927 thousand, a decrease of \$35 thousand due to reduced FTE.
- Program Personnel Expense in support of department administration is \$194 thousand, reduced \$5 thousand due to FTE re-allocations.
- Administrative Personnel Expense is \$66 thousand, reduced \$20 thousand due to FTE re-allocations.

- All personnel expenses include planned compensation increases.
- Other Maintenance Expenses are \$96 thousand and include materials and vehicle expenses. This is an \$8 thousand decrease from FY 19.
- Utilities are \$41 thousand for waste transfer station fees, a decrease of \$9 thousand.

#### **Integrated Facilities Services Funding Required for Current Agency Activities**

Integrated Facilities Services contributes \$7 thousand to the agency. This is an increase of \$7 thousand.

## Budget Commentary – Development & Community Revitalization

Summary Budget Data	FY 19 Budget	FY 20 Budget	Increase/ (Decrease)
Operating Revenue	\$ 19,615,159	\$ 9,109,153	\$ (10,506,006)
Operating Expense	2,925,501	3,085,842	160,341
Operating Income Before OH	16,689,658	6,023,311	(10,666,347)
Allocated Overhead	1,210,827	1,342,729	131,902
Operating Income After OH	15,478,831	4,680,582	(10,798,249)
Funding Flow Activity	-	-	-
Funding Required or (Contributed) for Current Agency Activities	-	\$ -	\$ -
Total Budgeted FTE	18.0	19.0	1.0

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.

- Active Projects: 9
- Active Projects Total Budget: \$292 million
- Staff FTE FY 20: 19

### Development and Community Revitalization Key Assumptions

DCR staffing is budgeted to increase one FTE from FY 19 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 and Fountain Place rehabilitation projects.
- 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 20 (amounts in millions)			
Project	Project Budget	Accrued Developer Fee Revenue	Developer Fee Cash to be Received
Lloyd Housing LP	\$74.1	\$0.0	\$5.4
North Group LP	101.3	0.4	0.0
East Group LP	79.9	5.6	0.0
Fountain Place 2 LP	33.7	3.0	0.8
Total	\$289.0	\$9.0	\$6.2

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

- Lloyd Housing LP (also known as Louisa Flowers) – 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 is scheduled to complete in December 2019.

Lloyd Housing (In millions)	FY 18	FY 18 12-31-18	FY 19	FY 20	FY 21	Total
Total Project Sources and Uses	\$14.0	\$22.8	\$26.3	\$1.5	\$9.5	\$74.1

- 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 utilizes four percent Low-Income Housing Tax Credits, bond funds, grants, and reserve funds. Construction finance closed in November 2018 and construction began in December 2018. The project is schedule to complete in April 2020.

North Group (In millions)	FY 18 12-31-18	FY 19	FY 20	FY 21	Total
Total Project Sources and Uses	\$52.6	\$36.3	\$5.3	\$7.1	\$101.3

- 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 utilizes four percent Low-Income Housing Tax Credits, bond funds, grants, and reserve funds. Construction finance closed in June 2019 and construction began in July 2019. The project is scheduled to complete in October 2020.

East Group (In millions)	FY 19	FY 20	FY 21	Total
Total Project Sources and Uses	\$47.8	\$23.9	\$8.2	\$79.9

- Fountain Place 2 LP Rehabilitation Project – This 106-year-old building is a historic structure that adds design and character to the downtown corridor. It provides 80 affordable housing options to extremely low-income households. This rehabilitation project will make the property seismically and structurally sound for the years to come. This project will utilize four percent Low-Income Housing Tax Credits, bond funds, grants, and reserve funds. Construction finance close schedule is January 2020 and construction to begin in February 2020. The project completion schedule is April 2021.

Fountain Place (In millions)	FY 20	FY 21	FY 22	Total
Total Project Sources and Uses	\$26.9	\$5.1	\$1.7	\$33.7

- Capital Improvement Projects – There are five capital improvement projects in FY 20. The total budget for these projects is \$2.7 million, utilizing the properties' operation and reserves funds.

Projects	Project Budget (in millions)	Estimated Project Completion
Rosenbaum Elevator	\$0.5	December 2020
Kelly Place Elevated Decks	\$0.3	September 2020
Sequoia Elevated Decks	\$1.0	September 2020
Schiller Way Elevated Decks	\$0.4	August 2020
Gretchen Kafoury Windows	\$0.5	June 2020
Total	\$2.7	

## Development and Community Revitalization Major Revenue and Expense Items

- Operating Revenue decreased \$10.5 million from FY 19 Budget. The decrease is primarily due to:
  - Developer Fee earnings decreases \$10.5 million from FY 19. In FY 20, DCR will earn \$9 million in developer fees from the following projects:

Developer Fees (in millions)		
Projects	Total	FY 20
Lloyd Housing LP	\$8.3	\$0.0
North Group LP	8.0	0.4
East Group LP	9.4	5.6
Fountain Place 2 LP	4.0	3.0
Total	\$29.7	\$9.0

- Miscellaneous Revenue increases \$29 thousand from FY 19 for administrative fee earnings from City of Portland General Obligation Bond and Intra-Agency Revenue.
- Total Operating Expense increases \$180 thousand from FY 19 budget primarily due to:
  - Personnel expenses increase of \$120 thousand due to one new position and planned compensation increases.
  - Other administrative expenses increase of \$40 thousand attributed to:
    - Office Rent Expense increases \$29 thousand; \$15 thousand increase in NMW rent and \$14 thousand for Relocation staff office located outside of the NMW building.
    - Legal Services increase of \$5 thousand for services related to PH portfolio repositioning via RAD and upcoming new developments.
    - Other Miscellaneous Expenses increase \$7 thousand to follow the trend of actual expenditures over the last two fiscal years.

### Development and Community Revitalization Funding Required for Current Agency Activities

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

- Lloyd Housing (Louisa Flowers) will generate \$8.3 million in developer fee over multiple fiscal years. The first installment of \$5.4 million is due to be paid at conversion scheduled in August 2020. The final installment of \$574 thousand is due upon receipt of Form 8609 by the Limited Partner scheduled in FY 21. The remaining unpaid developer fee 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 \$1.0 million was paid at the close of construction finance in November 2018. The second and third installments of \$4.65 million is due at project completion and conversion scheduled in January 2021. The final installment of \$350 thousand is due upon receipt of Form 8609 by the Limited Partner scheduled in April 2021. The remaining unpaid developer fee of \$2 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.
- East Group (85 Stories Group 6) will generate \$9.4 million in developer fee over multiple fiscal years. The first installment of \$400 thousand was paid at the close of construction finance in June 2019. The second installment of \$777 thousand is due at construction completion scheduled in February 2021. The third installment of \$4.0

million due at conversion scheduled in June 2021. The final installment of \$1.4 million is due upon receipt of Form 8609 by the Limited Partner scheduled in July 2021. The remaining unpaid developer fee of \$2.8 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.

- Fountain Place rehabilitation project will generate \$4.0 million in developer fee over multiple fiscal years. The first installment of \$800 thousand is due at the close of construction finance, estimated in January 2020

## Budget Commentary – Community Services

Summary Budget Data	FY 19 Budget	FY 20 Budget	Increase/ (Decrease)
Operating Revenue	\$ 4,151,206	\$ 4,658,331	\$ 507,125
Operating Expense	5,172,016	5,870,776	698,760
Operating Income Before OH	(1,020,810)	(1,212,445)	(191,635)
Allocated Overhead	623,736	1,007,731	383,995
Operating Income After OH	(1,644,546)	(2,220,176)	(575,630)
Funding Flow Activity	1,429,385	(2,215,718)	(786,333)
Funding Required or (Contributed) for Current Agency Activities	1,429,385	\$ 2,215,718	\$ 786,333
Total Budgeted FTE	36.8	38.5	1.7

The Community Services department provides services for Home Forward residents, utilizing both in-house staff and contractors. In FY 20, 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.

A pilot is underway of a service redesign project called “Access to Resources and Opportunities” (ARO). 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.

### Community Services Key Assumptions

FTEs – Community Services shows a net increase of 1.7 FTE. This includes:

- Decreases:
  - 1 FTE Associate Director of Education and Systems Alignment (home dept. changed to gaexec)
  - 0.2 FTE Chief Administrative Officer (home dept. changed to gaexec)
  - 1 FTE Resident & Community Services Coordinator (limited term position ended)

- 0.5 FTE Youth Employment Service Coordinator (program expected to end mid-year)
- Increases:
  - 1 FTE Community Services Program Manager
  - 1 FTE Accounting Assistant (due to insourcing an invoicing process in Congregate Housing Services Program (CHSP) and new invoicing process for the CS group)
  - 2.4 FTE Resident & Community Services Coordinator (2 due to new contracts, 0.4 added to make 0.6 position full-time)

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

Barrier Reduction and Opportunity Funds: \$36 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: \$33 thousand is proposed in MIF to create a service delivery model that meets the needs of Home Forward's residents and participants. Accessing Resources and Opportunities is being piloted at a select group of properties beginning 2019.

Neighbor 2 Neighbor: \$32 thousand is proposed in MIF to award grants for resident-led programs that foster a sense of community.

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

### **Community Services Major Revenue and Expense Items**

Operating Revenue is \$4.66 million, up \$507 thousand from FY 19. The major contributors to Operating Revenue are:

- Program Fees from properties are \$1.19 million, an increase of \$36 thousand from FY 19 due to new services at Tamarack Apartments.
- \$247 thousand in revenue from new contracts, an increase of \$247 thousand. New contracts serve the Ellington Apartments and Clackamas County.
- Tenant Fees are increasing \$87 thousand to \$212 thousand due to insourcing collection of CHSP participant fees (revenue that was previously credited to a vendor invoice to reduce expenses will now be recorded as increased revenue and expense at Home Forward).
- \$70 thousand ongoing contribution from HFDE for replacement of the ROSS family grant at properties that have converted to RAD/Section 18.
- \$37 thousand from Land Lease revenue at Humboldt.
- State, Local & Other Grants are \$1.1 million, an increase of \$69 thousand.

- \$563 thousand in Medicaid Revenue from senior/disabled support services (CHSP), an increase of \$63 thousand due to increased Medicaid rates and participation.
- \$490 thousand from the City of Portland for Bud Clark Commons programs, an increase of \$62 thousand.
- \$49 thousand in Family Services, a decrease of \$55 thousand due to grant programs ending. In one instance the associated property will assume the program payments, in another, the program is ending mid-year with no plans to continue.
- HUD grants are \$1.35 million, a decrease of \$30 thousand due to Humboldt and Stephens Creek Crossing property revenue funding services rather than utilizing endowment funds.
  - \$596 thousand for the Family Self-Sufficiency program
  - \$461 thousand from senior/disabled support services (CHSP).
  - \$164 thousand in family services.
  - \$127 thousand from Stephens Creek Crossing endowment programs.
- HUD Subsidies fund \$57 thousand in the GOALS program, and \$151 thousand in services at Dahlke, Holgate, Medallion, Ruth Haefner, Schunk, and Williams.

Operating Expenses are \$5.87 million, an increase of \$699 thousand from FY 19. The primary drivers of Operating Expenses are:

- Tenant Services expense is \$4.4 million.
  - Direct Community Services, Program Supplies, Contract Tenant Services, and other related expenses are \$1.84 million. This is an increase of \$154 thousand primarily due to a \$143 thousand increase in contracted services.
  - Tenant Services Personnel Expense is \$2.59 million and includes budgeted benefits and payroll increases. This is a \$156 thousand increase for additional staff to cover new contracts.
- Program Personnel Expense is \$547 thousand, an increase of \$17 thousand. This increase reflects the new Program Manager position offset by a reduction in FTE (now charging through inter-agency rather than directly).
- Administrative Personnel Expenses are \$277 thousand, an increase of \$91 thousand. This increase reflects additional administrative support for insourcing invoicing and payment collection, offset by a reduction in FTE (now charging through inter-agency rather than directly).
- Personnel expenses include planned compensation increases.
- Other Admin expenses of \$163 thousand, including \$53 thousand of MIF-funded barrier reduction and service redesign initiatives.
- Inter-Agency expense is \$460 thousand.
  - \$271 thousand is for support staff, an increase of \$198 thousand that reflects staff previously recorded in direct personnel expenses.
  - \$189 thousand in Resident Services for Community Services department administration fee. This is an increase of \$79 thousand due to new contracts.

### **Community Services Funding Required for Current Agency Activities**

The Community Services department needs \$2.22 million to fully fund all planned operations, an increase of \$786 thousand. Service initiatives will be funded through Single Fund Flexibility.



## Budget Commentary – Administration

Summary Budget Data	FY 19 Budget	FY 20 Budget	Increase/ (Decrease)
Operating Revenue	\$ 603,890	\$ 670,774	\$ 66,884
Operating Expense	7,919,741	9,422,564	1,502,823
Operating Income Before OH	(7,315,851)	(8,751,790)	(1,435,939)
Allocated Overhead	(7,250,447)	(8,786,623)	(1,536,176)
Operating Income After OH	(65,404)	34,834	100,238
Funding Flow Activity	-	-	-
Funding Required or (Contributed) for Current Agency Activities	-	\$ -	\$ -
Total Budgeted FTE	52.2	57.6	5.4

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

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

### Administration Key Assumptions

FTEs – the Admin group shows a net increase of 5.4 FTE:

- Increases:
  - 1 FTE Property Accountant
  - 1 FTE Intern for Education and Systems Alignment
  - 1 FTE Associate Director of Education and Systems Alignment (moved from Community Services)
  - 1 FTE Program Director for Policy and Planning
  - 0.2 FTE Chief Administrative Officer (moved from Community Services)
  - 0.5 FTE Site Manager (New Market West)
  - 0.5 FTE Maintenance Mechanic (New Market West)
  - 0.5 FTE Systems and Data Analyst
  - 0.1 Facilities and Safety Manager at (New Market West)
- Decreases

- 0.1 Program Design Manager
- 0.1 Procurement and Contracts Manager (temporary)

### **Administration Major Programs/Initiatives/Activities and Estimated Budget Impact**

Software Upgrade and Migration - \$77 thousand, a decrease of \$66 thousand from prior year budget.

- During the year, Home Forward will work on upgrading its primary estate software platform to YARDI Voyager 7s. The new system will be a cloud-based service and will allow Home Forward to take advantage of the newer functionality and features only available on the cloud platform, including improved navigation tools and a customized user interface. The upgrade also allows Home Forward to stay supported as YARDI discontinues their support of previous versions of Voyager. The anticipated completion of conversion is expected to be during the first half of FY 20.

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

- Resident Legal Services and Expungement Partnership - \$137 thousand, an increase of \$65 thousand from prior year budget.

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

### **Administration Major Revenue and Expense Items**

Operating Revenue will be \$635 thousand.

- Rental Income for New Market West (NMW) will be \$635 thousand.

Operating Expenses are budgeted at \$9.4 million.

- Personnel costs will be \$6.1 million. These costs reflect a decrease of 5.4 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.
- Consulting expenses will be \$614 thousand primarily due to the upgrade and migration to YARDI Voyager 7s and the Home Forward website maintenance and upgrade. Other consulting expenses include \$125 thousand for the strategic plan development and \$100 thousand for improving diversity and equity in the agency.
- Training expenses will be \$169 thousand for Trauma Informed Care, MTW conferences, and other organizational training.
- There will be \$515 thousand for maintenance needs and utilities at New Market West including \$300 thousand to replace the elevator at New Market West (funded by New Market West reserves)

- There will be \$167 thousand in Agency Initiatives and Tenant Administration including \$137 thousand 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	FY 20 Budget	Increase/ (Decrease)
Operating Revenue	\$ 588,550	\$ 635,277	\$ 46,727
Operating Expense	95,146	88,264	(6,882)
Operating Income Before OH	493,404	547,013	53,609
Allocated Overhead	-	-	-
Operating Income After OH	493,404	547,013	53,609
Funding Flow Activity	1,689,960	1,587,557	(102,403)
Funding Required or (Contributed) for Current Agency Activities	(1,689,960)	\$ (1,587,557)	\$ 102,403
Total Budgeted FTE	-	-	-

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

### Real Estate Finance Major Revenue and Expense Items

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 \$151 thousand.
- Home Forward-owned site improvements at Stephens Creek Crossing will generate \$88 thousand of depreciation expense in FY 20. These are non-cash expenses.

Real Estate Finance will contribute \$1.6 million in unrestricted cash to the agency.

# Attachments

## Summary of Moving to Work Initiative Funds

Initiative	Description	First Year	FY 19 Budget	FY 20 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	\$ 937,714
<i>Alder School</i>	<i>Home Forward will provide short to medium-term rent assistance and leverage school support at Alder school with the goal of improved academic outcomes and housing stability.</i>	<i>FY 14</i>	<i>411,314</i>	<i>501,325</i>
<i>New Doors/NAFY</i>	<i>Shared housing model for former or transitioning foster care youth who are experiencing homelessness or at risk of homelessness. Leverages service dollars from Multnomah County.</i>	<i>FY 14</i>	<i>30,517</i>	<i>30,512</i>
<i>Earl Boyles Housing Partnership</i>	<i>Home Forward will provide short to medium-term rent assistance and leverage school support at Earl Boyles School with the goal of improved academic outcomes and housing stability.</i>	<i>FY 17</i>	<i>233,202</i>	<i>249,463</i>
<i>Economic Opportunity Program</i>	<i>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.</i>	<i>FY 17</i>	<i>145,411</i>	<i>156,414</i>
Expungement Partnership	Working with community partner Metropolitan Public Defender to support Home Forward residents with the following: criminal record expungements; consultation to meet ongoing obligations to the courts; recurring events in the community to provide drop-in expungement and consultation services.	FY 17	68,250	136,500
Worksystems Liaison	Funds an agreement with Worksystems for residents in pursuit of economic advancement products.	FY 17	47,250	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	69,335

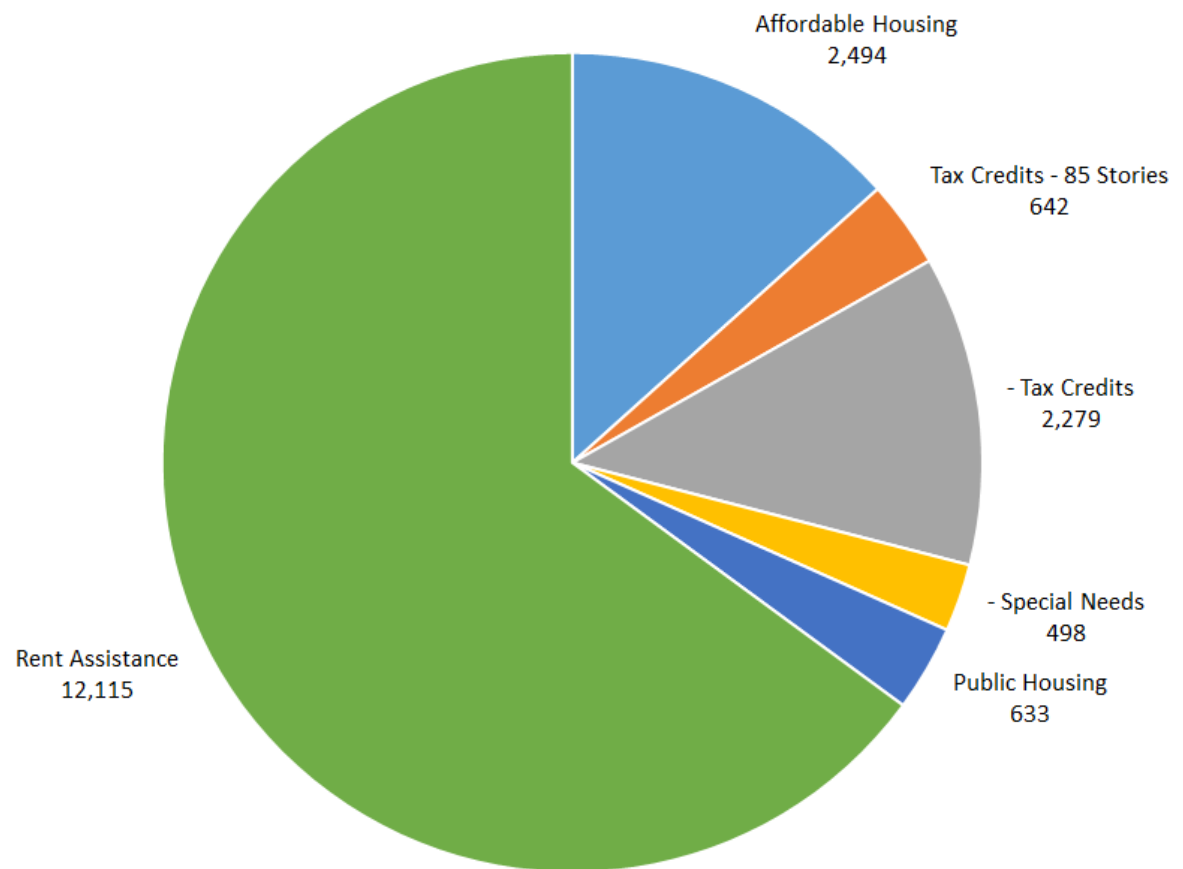
Initiative	Description	First Year	FY 19 Budget	FY 20 Budget
Neighbor 2 Neighbor	A grant program for resident groups from our public or affordable housing communities. Resident groups submit applications for grant funds to improve their community livability and reinforce community values.	FY 12	31,500	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	1,511,428
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	128,054
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	31,500
Domestic Violence Transfer Funds	In collaboration with other MTW-authorized housing authorities and the local domestic violence service system, implement an inter-jurisdictional transfer program to assist participants who are victims of domestic violence relocate to cities outside Multnomah County. Home Forward will provide up to \$2,000 in relocation assistance for up to five households per year.	FY 13	10,500	10,500
Family Unification Program Extension	Fulfills public commitment to extend vouchers focused on reuniting youth with the families.	FY 14	15,900	-
Flexible Rent Assistance	Flexible rent assistance helps participants with various barriers to housing including applications, bad debt, security deposits, expungement fees, and other financial assistance to aid the leasing process.	FY 20	-	105,000
Strategic Plan Consultant	Consulting services to assist with the design and implementation of the new strategic plan.	FY 20	-	125,000
Diversity Inclusion and Equity	To provide consulting services to related to improving inclusion.	FY 20	-	100,000

Initiative	Description	First Year	FY 19 Budget	FY 20 Budget
Tenant Education	A program designed to help our tenants better understand the rental process.	FY 16	79,023	83,849
<b>Total – MTW Initiatives</b>			<b>\$ 2,447,813</b>	<b>\$ 3,317,629</b>

## FY 20 Estimated Households Served by Category

Category	Households Served	Percent
Affordable Housing	2,494	13%
Special Needs	498	3%
Tax Credits - 85 Stories	642	3%
Tax Credits	2,279	12%
Public Housing	633	3%
Rent Assistance	12,115	65%
Total	18,661	
Rent Assistance Occupying Affordable Housing / Tax Credit Units	-3,312	-22%
Unduplicated Total	15,349	100%

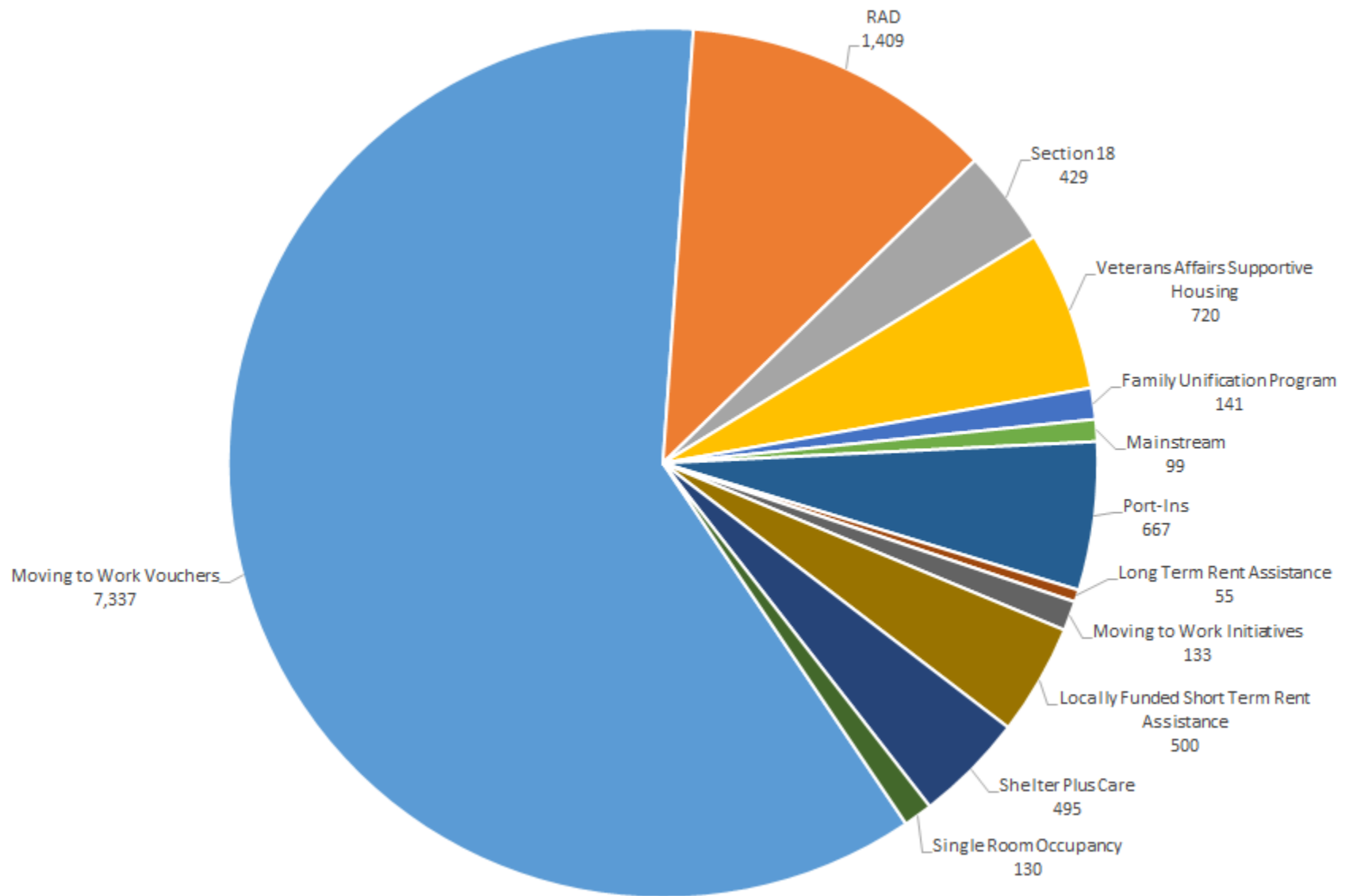
This includes the impact of RAD/Section 18 conversions.



\*Rent Assistance Occupying Affordable Units represents voucher holders that live within our Affordable and Tax Credit properties. The 3,312 represents residents already included in the Rent Assistance / Affordable Housing / Tax Credit Portfolios. An adjustment is made to provide an unduplicated total. Households served remains relatively unchanged from FY 19 as voucher cost increases continue to outpace funding.

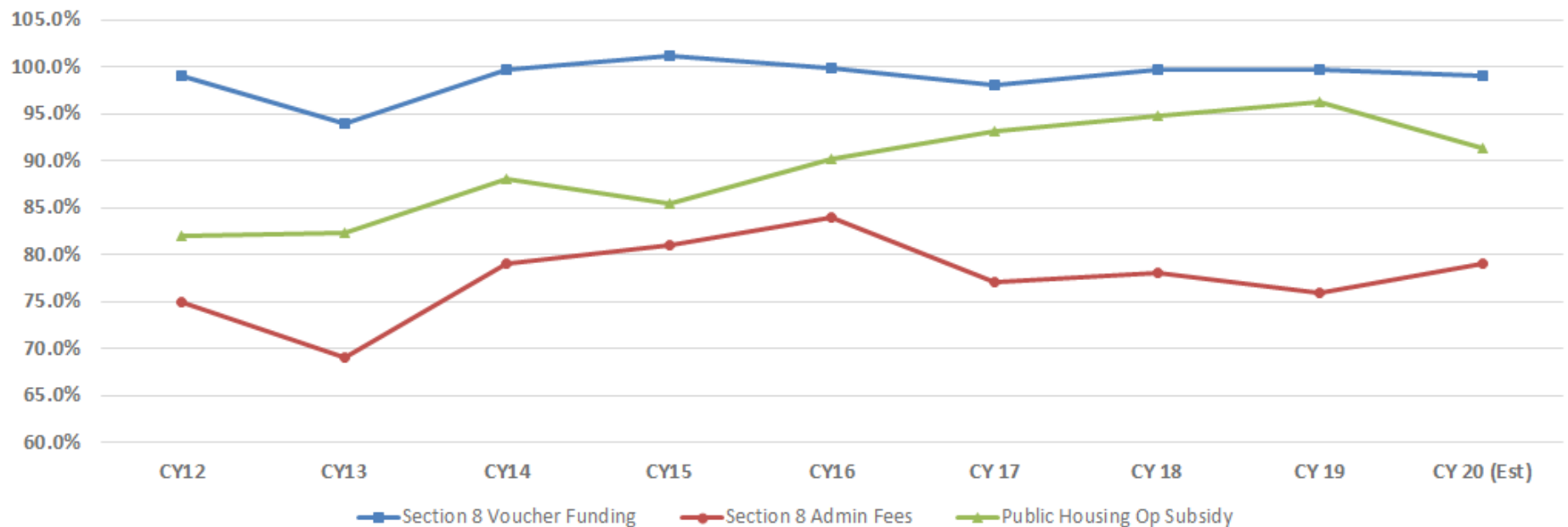


## FY 20 Estimated Rent Assistance Households Served by Category



## Subsidy Proration Trends

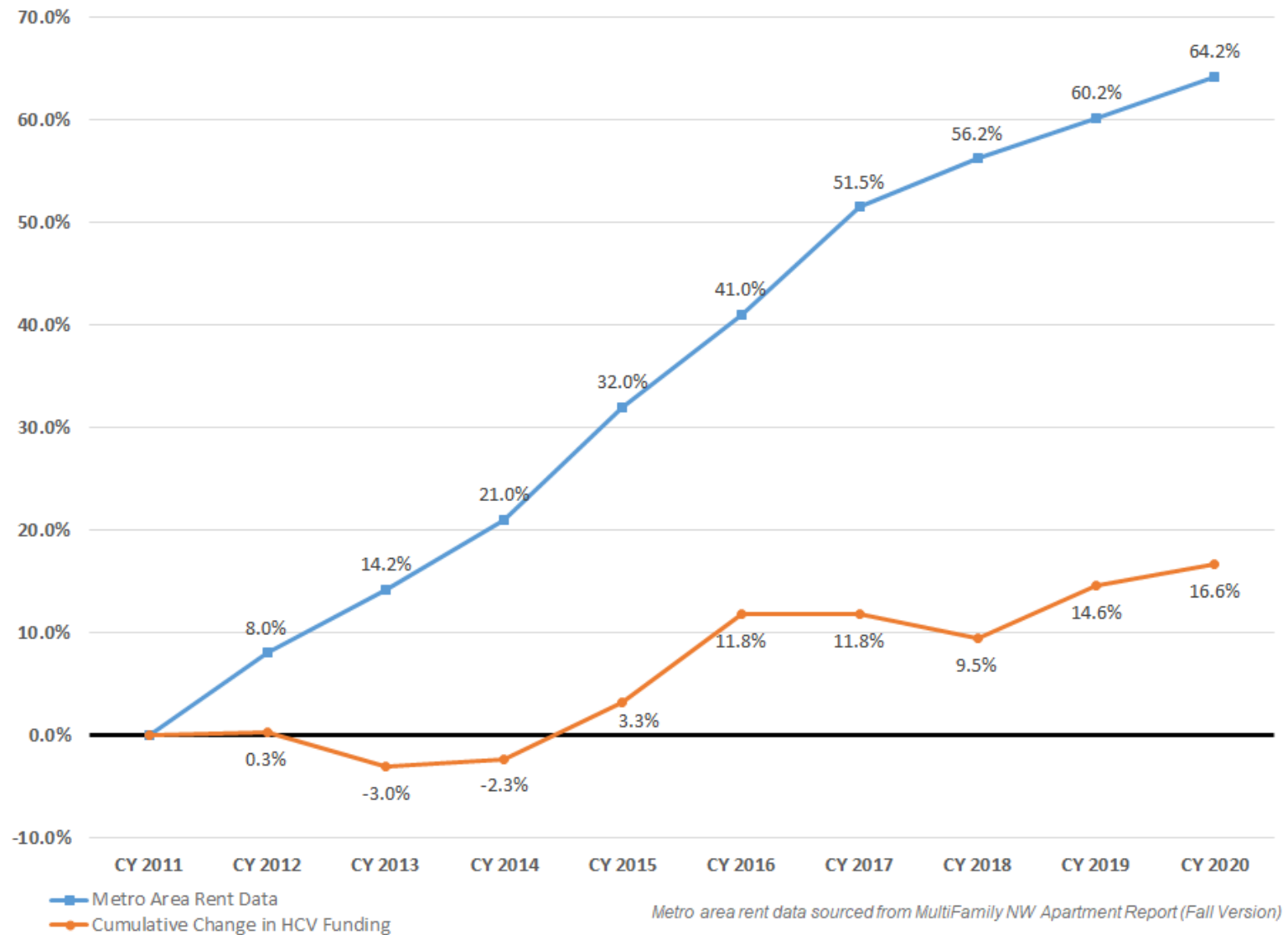
Subsidy Proration Trends <sup>1 2</sup>									
Actual Funding Year	CY 12	CY 13	CY 14	CY 15	CY 16	CY 17	CY 18	CY 19	CY 20 (Est)
Home Forward Budget Year	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2018 12/31 YE	FY 2019	FY 2020
Section 8 Voucher Funding	99.0%	94.0%	99.7%	101.2%	99.9%	98.0%	99.7%	99.7%	99.0%
Section 8 Admin Fees	75.0%	69.0%	79.0%	81.0%	84.0%	77.0%	78.0%	76.0%	79.0%
Public Housing Operating Subsidy	82.0%	82.3%	88.1%	85.4%	90.2%	93.1%	94.7%	96.3%	91.7%



<sup>1</sup> 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.

<sup>2</sup> Admin Fee CY 20 estimates are equal to the CY 19 actual award. CY 20 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

Full-Time Equivalents (FTEs) by Funding Source			
	FY 19 Budget	FY 20 Budget	Increase / (Decrease)
Agency Funded	245.0	248.4	3.4
Other Legal Entity Funded	45.4	55.7	10.3
Total Agency-Managed Positions	290.4	304.1	13.7

*Numbers may be off slightly due to rounding.*

FY 20 Summary of FTE Changes	
<b>New Positions</b>	
Accounting Assistant, CHSP	1.0
Environmental and Emergency Manager	1.0
Program Director for Policy and Planning	1.0
Property Accountant	1.0
Program Manager	1.0
Relocation Specialist	1.0
Rent Assistance Program Analyst	1.0
Housing Search Advocate	1.0
Rent Assistance Services Coordinator (Bilingual Spanish)	1.0
Rent Assistance Specialist	1.0
Resident and Community Services Coordinator, Ellington	1.0
Site Manager, New Market West	0.5
Support Specialist	1.0
<b>Total New Positions</b>	<b>12.5</b>
All Other Changes	1.2
<b>Net Increase (Decrease) in FTE</b>	<b>13.7</b>

## Acronym Key

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

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

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

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

**CHSP:** Congregate Housing Services Program

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

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

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

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

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

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

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

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

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

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

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

**HCV:** Housing Choice Voucher

**HFDE:** Home Forward Development Enterprises

**HUD:** US Department of Housing and Urban Development

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

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

**LP:** Limited Partnership

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

**MOD:** Moderate Rehabilitation

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

**NOFA:** Notice of Funding Availability

**PERS:** Public Employee Retirement System

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

**PHB:** Portland Housing Bureau

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

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

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

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

**SRO:** Single Room Occupancy

**STRA:** Short-Term Rent Assistance – a program administered by Home Forward that disperses funding from public sector partners to agencies that 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.

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## FY 20 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	\$ -	\$ 1,961,318	\$ 23,993,910	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (5,018,695)	\$ 20,936,533
Non-dwelling Rental	-	122,461	1,786,124	-	-	-	-	-	37,380	539,496	635,277	-	(381,747)	2,738,990
HUD Subsidies -Housing Assistance	108,896,943	-	2,936,943	-	-	-	-	-	-	-	-	-	-	111,833,886
HUD Subsidies -Admin Fee	8,202,756	-	-	-	528,798	-	-	-	-	-	-	-	-	8,731,554
HUD Subsidies -Public Housing	-	5,939,144	-	-	169,000	-	-	-	208,146	-	-	1,912,910	-	8,229,199
HUD Grants	5,620,123	-	-	-	572,496	-	-	-	1,348,419	-	-	-	-	7,541,038
Development Fee Revenue, Net	-	-	-	-	-	-	-	9,034,999	-	-	-	-	-	9,034,999
State, Local & Other Grants	9,586,861	-	-	-	-	-	-	-	1,101,577	-	-	-	-	10,688,438
Other Revenue	7,895,112	55,387	822,967	774,831	2,278,131	800,000	1,705,600	25,000	1,228,432	-	-	-	(898,455)	14,687,004
Total IA Revenue	79,699	-	-	-	-	-	-	49,153	734,378	131,279	-	-	(994,509)	-
<b>Total Operating Revenues</b>	<b>140,281,493</b>	<b>8,078,309</b>	<b>29,539,944</b>	<b>774,831</b>	<b>3,548,424</b>	<b>800,000</b>	<b>1,705,600</b>	<b>9,109,153</b>	<b>4,658,331</b>	<b>670,774</b>	<b>635,277</b>	<b>1,912,910</b>	<b>(7,293,406)</b>	<b>194,421,641</b>
Housing Assistance Payments	129,933,291	-	960	-	-	-	-	-	-	-	-	-	(4,928,084)	125,006,167
Administrative Personnel Expense	367,075	-	-	247,875	307,514	290,977	66,203	540,714	277,152	6,556,294	-	-	-	8,653,805
Other Admin Expenses	605,578	806,296	5,275,850	73,104	312,288	38,708	38,516	216,823	162,863	2,977,589	-	-	(831,318)	9,676,296
Fees/overhead charged	420,008	-	-	44,544	3,256	198	3,058	68,431	-	-	-	-	(539,495)	-
Tenant Svcs Personnel Expense	-	-	-	-	-	-	-	357,275	2,585,096	-	-	-	-	2,942,372
Other Tenant Svcs Expenses	254,097	18,565	8,156	-	-	-	-	-	1,838,097	83,896	-	-	-	2,202,810
Program Expense	5,807,667	759,988	135,135	871,312	1,163,323	17,869	193,827	1,560,623	547,294	338,036	-	-	-	11,395,074
Maintenance Personnel Expense	-	900,082	111,691	-	226,346	52,537	927,019	-	-	52,537	-	-	-	2,270,213
Other Maintenance Expenses	-	1,385,865	6,332,139	-	(59,041)	3,823	96,445	-	-	232,583	-	-	-	7,991,814
Utilities	-	1,111,524	3,442,286	-	-	-	40,526	-	-	102,200	-	-	-	4,696,536
Total IA Expense	329,851	-	491,223	326,238	342,868	2,561	12,804	219,999	460,274	(1,191,310)	-	-	(994,509)	-
Depreciation	1,362	1,189,810	6,219,353	-	-	-	-	121,976	-	230,114	88,263	-	50,040	7,900,919
General	106,970	251,035	1,627,618	-	179,225	840	18,471	-	-	40,625	1	-	-	2,224,785
<b>Total Operating Expenses</b>	<b>137,825,899</b>	<b>6,423,166</b>	<b>23,644,410</b>	<b>1,563,073</b>	<b>2,475,780</b>	<b>407,514</b>	<b>1,396,869</b>	<b>3,085,842</b>	<b>5,870,776</b>	<b>9,422,564</b>	<b>88,264</b>	<b>-</b>	<b>(7,243,366)</b>	<b>184,960,790</b>
<b>Operating Income (Loss)</b>	<b>2,455,595</b>	<b>1,655,143</b>	<b>5,895,534</b>	<b>(788,242)</b>	<b>1,072,645</b>	<b>392,486</b>	<b>308,731</b>	<b>6,023,311</b>	<b>(1,212,445)</b>	<b>(8,751,790)</b>	<b>547,013</b>	<b>1,912,910</b>	<b>(50,040)</b>	<b>9,460,850</b>
<b>Total Overhead Allocations</b>	<b>2,197,684</b>	<b>-</b>	<b>-</b>	<b>1,225,114</b>	<b>2,661,885</b>	<b>49,415</b>	<b>302,064</b>	<b>1,342,729</b>	<b>1,007,731</b>	<b>(8,786,623)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Operating Income (Loss) after Overhead</b>	<b>257,910</b>	<b>1,655,143</b>	<b>5,895,534</b>	<b>(2,013,356)</b>	<b>(1,589,240)</b>	<b>343,071</b>	<b>6,667</b>	<b>4,680,582</b>	<b>(2,220,176)</b>	<b>34,834</b>	<b>547,013</b>	<b>1,912,910</b>	<b>(50,040)</b>	<b>9,460,851</b>
<b>Reserve Funding</b>	<b>-</b>	<b>(100,000)</b>	<b>(1,100,000)</b>	<b>-</b>	<b>43,800</b>	<b>-</b>	<b>-</b>	<b>(1,982,024)</b>	<b>455,630</b>	<b>393,000</b>	<b>(195,801)</b>	<b>2,485,395</b>	<b>-</b>	<b>-</b>
<b>Operating Income (Loss) after Reserve Funding</b>	<b>257,910</b>	<b>1,555,143</b>	<b>4,795,534</b>	<b>(2,013,356)</b>	<b>(1,545,440)</b>	<b>343,071</b>	<b>6,667</b>	<b>2,698,558</b>	<b>(1,764,546)</b>	<b>427,834</b>	<b>351,212</b>	<b>4,398,305</b>	<b>(50,040)</b>	<b>9,460,851</b>
Investment Income	-	-	236,764	-	1,978	-	-	-	-	66,046	1,061,173	188,009	-	1,553,969
Interest Expense	3,418	-	(2,546,198)	-	-	-	-	-	-	(104,455)	-	-	-	(2,647,235)
<b>Net Other Income (Expense)</b>	<b>3,418</b>	<b>-</b>	<b>(2,309,434)</b>	<b>-</b>	<b>1,978</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(38,409)</b>	<b>1,061,173</b>	<b>188,009</b>	<b>-</b>	<b>(1,093,266)</b>
HUD Nonoperating Contributions	-	-	-	-	-	-	-	150,000	-	-	2,510,323	-	-	2,660,323
Reserve Funded Capital Contributions	-	-	2,671,000	-	-	-	-	-	-	-	800,000	(3,471,000)	-	-
<b>Net Capital Contributions</b>	<b>-</b>	<b>-</b>	<b>2,671,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>150,000</b>	<b>-</b>	<b>-</b>	<b>3,310,323</b>	<b>(3,471,000)</b>	<b>-</b>	<b>2,660,323</b>
<b>Change In Net Position</b>	<b>\$ 261,328</b>	<b>\$ 1,555,143</b>	<b>\$ 5,157,100</b>	<b>\$ (2,013,356)</b>	<b>\$ (1,543,462)</b>	<b>\$ 343,071</b>	<b>\$ 6,667</b>	<b>\$ 2,848,557</b>	<b>\$ (1,764,547)</b>	<b>\$ 389,425</b>	<b>\$ 4,722,707</b>	<b>\$ 1,115,313</b>	<b>\$ (50,040)</b>	<b>\$ 11,027,907</b>

\* Numbers may vary slightly due to rounding



## FY 20 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
<b>Operating Income (Loss) after Overhead</b>	<b>\$ 257,910</b>	<b>\$ 1,655,143</b>	<b>\$ 5,895,534</b>	<b>\$ (2,013,356)</b>	<b>\$ (1,589,240)</b>	<b>\$ 343,071</b>	<b>\$ 6,667</b>	<b>\$ 4,680,582</b>	<b>\$ (2,220,176)</b>	<b>\$ 34,834</b>	<b>\$ 547,013</b>	<b>\$ 1,912,910</b>	<b>\$ (50,040)</b>	<b>\$ 9,460,851</b>
<b>Real Estate Portfolio</b>														
Affordable Housing Properties Operating Activity	-	-	(11,645,403)	-	-	-	-	-	-	-	-	-	-	(11,645,403)
Revenue from Properties to Home Forward	-	-	(609,808)	-	-	-	-	-	(384,417)	-	-	-	-	(994,225)
Unrestricted Cash to HAP	-	-	3,185,085	-	-	-	-	-	388,874	-	952,281	-	-	4,526,241
Net Replacement Reserve Activity (New Market West)	-	-	-	-	-	-	-	-	-	(98,400)	-	-	-	(98,400)
Net Replacement Reserve Activity (Special Needs)	-	-	(219,610)	-	-	-	-	-	-	-	-	-	-	(219,610)
<b>Developer Fee - Impact to Funding Flow</b>														
Developer Fee Revenue	-	-	-	-	-	-	-	(9,034,999)	-	-	-	-	-	(9,034,999)
Developer Fee - Cash to HAP(Net)	-	-	-	-	-	-	-	7,175,899	-	-	-	-	-	7,175,899
<b>Financing/Investment Activity</b>														
Principal & Interest - Special Needs	-	-	(128,359)	-	-	-	-	-	-	-	-	-	-	(128,359)
Principal & Interest - New Market West	-	-	-	-	-	-	-	-	-	(166,548)	-	-	-	(166,548)
<b>Capital Acquisitions</b>														
Fleet Vehicle	-	-	-	-	-	-	(140,030)	-	-	-	-	-	-	(140,030)
Fleet Vehicle Reserve Funding	-	-	-	-	-	-	140,030	-	-	-	-	(140,030)	-	-
<b>Non-Cash Operating Activity</b>														
Depreciation Expense	1,362	1,189,810	6,219,353	-	-	-	-	121,976	-	230,114	88,263	-	50,040	7,900,919
<b>Other MTW Reserve Activity</b>														
<b>Special Purpose Reserve Activity</b>														
Inter Departmental Reserve Transfers	(259,273)	(2,744,953)	(1,596,793)	2,013,356	1,589,240	376,928	(6,667)	-	2,215,718	-	(1,587,557)	-	-	-
DCR Operating Reserve	-	-	-	-	-	-	-	(2,943,457)	-	-	-	-	-	(2,943,457)
Affordable Portfolio Reserve	-	-	(1,000,000)	-	-	-	-	-	-	-	-	-	-	(1,000,000)
85 Stories Asset Repositioning Fee Reserve	-	-	-	-	-	-	-	-	-	-	-	(1,772,880)	-	(1,772,880)
Safety Reserve	-	-	-	-	-	(720,000)	-	-	-	-	-	-	-	(720,000)
Insurance Reserve	-	(100,000)	(100,000)	-	-	-	-	-	-	-	-	-	-	(200,000)
<b>Department Reserve Activity</b>														
<b>Final Funding Source or (Shortfall)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

\* Numbers may vary slightly due to rounding.

# RESOLUTIONS



## MEMORANDUM

To:	Board of Commissioners	Date:	December 17, 2019
From:	Jonathan Trutt, Director, Development and Community Revitalization 503.802.8507  Patrick Rhea, Project Manager, Development and Community Revitalization 503.802.8311	Subject:	Authorize Amendment with Lorentz Bruun Construction for Construction Services for the Renovation of Fountain Place Apartments Resolution 19-12-02

Staff requests the Board of Commissioners to authorize the Executive Director or his designee to amend the Design-Build contract for Fountain Place between Home Forward and Lorentz Bruun Construction (LBC). This amendment will authorize Home Forward to expend up to \$15.5 million on Fountain Place's design and construction costs. Construction is scheduled to start in February 2020 and last 14 months.

This action supports Strategic Plan Goal, One Portfolio: Our real estate is stable for generations to come and meets the needs of the people and the neighborhoods it serves.

Physical improvements to the Fountain Place Apartments supports the current Strategic Plan's One Portfolio Objective by using financing to leverage funds for preservation and rehabilitation. Home Forward received \$5 million from Oregon Housing and Community Services (OHCS) for Fountain Place's rehabilitation and will combine these dollars with typical affordable housing funding sources: Low Income Housing Tax Credits (LIHTC), a new permanent mortgage, and strategic use of our reserves.

Fountain Place Apartment is an 80-unit Unreinforced Masonry (URM) building that is over

100 years old. Our primary objective in Fountain Place's rehabilitation is to stabilize the building's structural components and significantly improve its seismic resilience. This work will decrease maintenance costs and substantially improve safety and residents' quality of life.

In July 2018, Home Forward's Procurement and Contracting Department conducted a formal procurement process, issuing a Request For Proposals (RFP) to identify and select a design/build team to provide programming, design and construction services to rehabilitate the Fountain Place Apartments. Through this solicitation, Home Forward selected Lorentz Bruun Construction to design and rehab the building. In October 2018, the Board authorized the initial programming phase of the Design/Build contract with options to extend for future services. In February 2019, the Board authorized LBC to proceed with full design, construction management and bidding services, and to obtain the building permit.

The authorization of the attached resolution will initiate the construction phase utilizing a Guaranteed Maximum Price (GMP) construction contract. LBC received bids from subcontractors and suppliers on November 15, 2019, and have prepared a GMP for Fountain Place's rehabilitation. The GMP includes:

- All architectural and engineering oversight needed during construction
- MWESB subcontractor participation of 24%
- Section 3 participation of 10%

The MWESB and Section 3 participation percentages exceed Home Forward's goals of 20% and 5%, respectively.

At completion, Fountain Place will have:

- A new elevator
- A new code compliant stairwell to improve egress for the safety of the residents
- Selected unit upgrades including such as new flooring, new cabinets, new countertops and new kitchen sinks and faucets
- A new roof
- A new community room
- Improved ventilation
- Improved lighting
- Improved property management and support service space

In order to complete the extensive structural upgrades needed to improve the building's safety and function, Fountain Place will house six less households upon completion than it currently does.

As displayed below, the proposed not-to-exceed authorization will total \$15.5 million, which includes the utilization of a construction contingency controlled by Home Forward:

Construction:	\$13,500,000
Construction Administration:	\$ 500,000 (architectural and engineering oversight)
Owner's Contingency:	<u>\$ 1,500,000</u>
TOTAL:	\$15,500,000

Staff presented a draft of this memo and resolution to the READ committee on December 6, 2019.



## RESOLUTION 19-12-02

**RESOLUTION 19-12-02 AUTHORIZES THE EXECUTIVE DIRECTOR OR HIS DESIGNEE TO EXECUTE AN AMENDMENT WITH LORENTZ BRUUN CONSTRUCTION FOR CONSTRUCTION SERVICES AND OWNER'S CONTINGENCY FOR FOUNTAIN PLACE APARTMENTS**

**WHEREAS**, Home Forward previously undertook a formal competitive process for Design/Build services for the renovation of Fountain Place Apartments properties; and

**WHEREAS**, Lorentz Bruun Construction was identified as the most advantageous proposer by the selection committee; and

**WHEREAS**, Lorentz Bruun Construction was awarded a Design-Build contract to provide Program and Design Phase services with options to extend to provide construction services; and

**WHEREAS**, the design phase has been successfully completed and accepted by staff and is under permit review by the City; and

**WHEREAS**, Home Forward seeks to amend its current contract with Lorentz Bruun Construction to obtain a Guaranteed Maximum Price for Fountain Place Apartments' total design and construction costs; and

**WHEREAS**, Home Forward contracting rules require approval of the Home Forward Board of Commissioners for contract amendments in excess of \$500,000;

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Commissioners of Home Forward hereby authorizes the Executive Director, or his designee, to execute a contract amendment with Lorentz Bruun Construction in an amount not-to-exceed \$15,500,000 to rehabilitate Fountain Place Apartments.

ADOPTED: DECEMBER 17, 2019

Attest:

Home Forward:

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Michael Buonocore, Secretary

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Mary Ann Herman, Chair



## MEMORANDUM

To:	Board of Commissioners	Date:	December 17, 2019
From:	Jonathan Trutt, Director, Development and Community Revitalization 503.802.8507  Theresa Auld, Development Finance Manager 503.802.8319	Subject:	Authorize Execution of Documents in Connection with Financing, Property Sale and Acquisition Development and Operation of Fountain Place Apartments Resolution 19-12-03

Staff requests the Board of Commissioners to approve a resolution authorizing the execution and delivery of documents by Home Forward, on its own behalf and in its capacity as general partner of FP2 Limited Partnership (the "Partnership"), in connection with the financing, development and operation of the Fountain Place Apartments (the "Development") and authorizing the Development's sale by Home Forward to the Partnership to generate the Low Income Housing Tax Credit (LIHTC) funding necessary to complete Fountain Place's rehabilitation.

These authorizations will enable Home Forward to execute all documents related to the Development's financial closing with all funding partners and regulatory agencies as necessary.

The following key facts are relevant to Fountain Place's rehabilitation:

- Fountain Place is an unreinforced masonry building located at 929 SW Salmon Street.
- The project's scope of work will improve Fountain Place's structure and paths of egress and preserve 74 affordable housing apartments in downtown Portland.



- Home Forward will serve as the developer and the sole general partner of the Partnership that will own Fountain Place.
- Home Forward has retained Lorentz Bruun Construction as the Design-Build contractor (the “Design Builder”).
- Home Forward will assign the Design-Build contract and any other development contracts to the Partnership.
- As is standard for projects financed with LIHTCs, Home Forward and Home Forward Development Enterprises Corporation (“HFDE”) formed the FP2 Limited Partnership prior to financial close and construction start.

Funding sources for the Development will include tax credit equity, tax-exempt construction and permanent loans, equity contributions or sponsor loan(s) from Home Forward, an acquisition loan from Home Forward, and other funds. Current estimates of these sources, and their uses, are summarized in the table below.

	Construction	Permanent
Investor capital contribution (US Bank Community Development Corporation via LIHTCs and Historic Tax Credits)	\$ 2,045,801	\$ 13,638,671
Deferred Developer Fee (Home Forward)	\$ 834,000	\$ 834,000
Tax-exempt bond (issued by OHCS and purchased by Banner Bank, Lender)	\$ 17,320,000	\$3,000,000
PHB loan and interest assumed by Partnership	\$ 2,823,510	\$ 2,823,510
Home Forward equity/loan(s), (includes the proceeds from a \$5 million Housing Preservation Fund grant from OHCS)	\$ 8,204,505	\$ 10,941,635
Home Forward acquisition loan	\$ 1,762,185	\$ 1,762,185
TOTAL	\$ 33,000,000	\$ 33,000,000

The Home Forward acquisition loan, also known as “seller financing” is not a cash outlay for the agency. The Home Forward equity contributions or sponsor loan(s) are a cash outlay for Home Forward, funded by real estate reserves established for this purpose and a \$5 million preservation grant from OHCS.

The overall budget is \$33 million, including acquisition costs of \$6.77 million, design and construction costs of \$15.5 million, and soft costs (including design) of \$10.73 million.

In conjunction with Fountain Place's rehabilitation, Home Forward will renew the building's current contract for 20 Project-Based Vouchers for a new, 20-year term.

Normal risks associated with development and construction will exist; specifically, completing the Development on time, at budget, and in a lien free condition. While the complete elimination of risk cannot be certain, staff has undertaken steps in an effort to mitigate the exposure. Architectural plans and specifications, construction costs, and third party reports are being scrutinized by the various funders and most particularly by the equity investor, and a performance bond has been required of the General Contractor and Design Builder.

Staff presented a draft of this memo and resolution to the READ committee on December 6, 2019.



## RESOLUTION 19-12-03

RESOLUTION 19-12-03 AUTHORIZES THE EXECUTION AND DELIVERY OF DOCUMENTS BY HOME FORWARD, ON ITS OWN BEHALF AND IN ITS CAPACITY AS GENERAL PARTNER OF FP2 LIMITED PARTNERSHIP, IN CONNECTION WITH THE FINANCING, DEVELOPMENT AND OPERATION OF FOUNTAIN PLACE APARTMENTS, AND AUTHORIZING THE TRANSFER OF PROPERTY INTERESTS AND LENDING OF MONEY TO SAID PARTNERSHIP

**WHEREAS**, Home Forward seeks to encourage the provision of long-term housing for low income persons residing in the City of Portland, Oregon;

**WHEREAS**, ORS 456.120(18) authorizes Home Forward to enter into partnership agreements and to make loans to partnerships to finance, plan, undertake, construct, acquire and operate housing projects;

**WHEREAS**, ORS 456.065 defines “housing project” to include, among other things, “any work or undertaking . . . to provide decent, safe and sanitary urban or rural housing for persons or families of lower income”;

**WHEREAS**, Home Forward filed a certificate of limited partnership with the Oregon Secretary of State on April 8, 2019, pursuant to which FP2 Limited Partnership (the “Partnership”) was created as an Oregon limited partnership;

**WHEREAS**, Home Forward (as the sole general partner) and Home Forward Development Enterprises Corporation (“HFDE”) (as the initial limited partner) entered into a limited partnership agreement relating to the Partnership;

**WHEREAS**, Home Forward intends to sell to the Partnership all of Home Forward’s interests in the land and improvements on which the apartment complex known as the Fountain Place Apartments (the “Development”) is located;

**WHEREAS**, the Partnership intends to rehabilitate and preserve 74 units in the Development;

**WHEREAS**, Home Forward anticipates that it will be the developer of the Development;

**WHEREAS**, the Partnership expects that 4 percent low income housing tax credits, and historic tax credits will be available for the Development;

**WHEREAS**, U.S. Bancorp Community Development Corporation, a Minnesota corporation (or one or more of its affiliates) (the “Investor Limited Partner”) has offered to acquire a limited partner interest in the Partnership, and Home Forward’s Board of Commissioners (the “Board”) finds and determines that the capital contributions expected to be made by the Investor Limited Partner to the Partnership will be sufficient, together with other available money, to enable the Partnership to develop and operate the Development;

**WHEREAS**, upon admittance of the Investor Limited Partner, HFDE will withdraw as the initial limited partner;

**WHEREAS**, as a condition to acquiring the limited partnership interests in the Partnership, the Investor Limited Partner will require that Home Forward amend and restate the Partnership’s original partnership agreement and execute and deliver certain other agreements, certificates and other documents relating to the Partnership and the Development, which requirement the Board finds and determines to be reasonable;

**WHEREAS**, the Board finds and determines that the Development likely would not be developed and maintained as housing for individuals and families of low income unless the Partnership was formed and the Investor Limited Partner committed to make its capital contributions to the Partnership;

**WHEREAS**, the total cost of acquiring and constructing the Development is anticipated not to exceed \$33,000,000, which will be financed by the Partnership with numerous sources of funds, including (i) a loan of proceeds of tax-exempt bonds (collectively, the “Bonds”) issued by the State of Oregon, acting by and through its State Treasurer and its Housing and Community Services Department (“OHCS”) (the State of Oregon acting by and through its Treasurer and OHCS, collectively, the “Issuer”) in the anticipated amount of \$17,320,000 (the “Construction Loan”) from Banner Bank (the “Lender”), of which up to \$3,000,000 will be converted to permanent financing (the “Permanent Loan”) held by Lender, (ii) an assumption by the Partnership of a City of Portland acting by and through the Portland Housing Bureau (“PHB”) loan in the amount of approximately \$2,823,510 (the “PHB Loan”), (iii) a grant of Housing Preservation Funds from OHCS to Home Forward in the amount of \$5,000,000 (the “HPF Grant”), which, along with approximately \$5,941,635 in Home

Forward funds (the “HF Funds”) will be loaned to the Partnership (the “the Sponsor Loan”), (iv) a seller financed loan from Home Forward to the Partnership in the approximate amount of \$1,762,185 (the “Seller Loan”); tax credit equity from the Investor Limited Partner in the approximate amount of \$13,638,671 (the “Tax Credit Equity”), and a deferred developer fee in the approximate amount of \$834,000 from Home Forward to the Partnership.

**WHEREAS**, Home Forward and the Partnership will enter into a purchase and sale agreement pursuant to which Home Forward will sell its interest in the Development to the Partnership.

**WHEREAS**, Home Forward has contracted with Lorentz Bruun Construction (the “Contractor” or “Design Builder”), and other consultants to assist with the environmental review and the design and construction of the Development, which contracts the Board finds and determines necessary and desirable to assign to the Partnership;

**WHEREAS**, the Partnership will provide Home Forward with a right of first refusal to acquire the Development at the end of the 15-year low-income housing tax credit “compliance period” for the Development; and

**WHEREAS**, ORS 456.135 authorizes Home Forward to delegate to one or more of its agents and employees such powers as it deems proper;

**NOW, THEREFORE, BE IT RESOLVED**, by the Board as follows:

1. Approval of Partnership Documents. Home Forward has been presented with drafts of the documents listed in Exhibit A under the heading “Partnership Documents” (the “Partnership Documents”) in connection with the Partnership and the Development, which documents are on file with Home Forward’s Secretary. The Chair of the Board, Home Forward’s Executive Director, Home Forward’s Chief Administrative Officer, and their respective designees (each, an “Authorized Officer” and, collectively, the “Authorized Officers”), and each of them acting alone, are authorized and directed to execute and deliver, on behalf of Home Forward (acting on its own behalf or as general partner of the Partnership), the Partnership Documents substantially in the form on file with Home Forward; provided however, any Authorized Officer may approve on Home Forward’s behalf any further changes to the draft Partnership Documents (including material changes, changes to parties and changes to the title of any such document) and such Authorized Officer’s signature on the final Partnership Documents shall be construed as Home

Forward's (acting on its own behalf or as general partner of the Partnership) approval of such changes. The Authorized Officers (and each of them acting alone) are further authorized and directed to take any other action and to execute such other documents as may be required to be taken or executed by Home Forward, on behalf of itself or as general partner of the Partnership, under the provisions of or as necessary to carry out the transactions contemplated by the Partnership Documents. From and after the date the Partnership Documents are executed, the Authorized Officers (and each of them acting alone) are authorized and directed, without further Board approval, to take such actions on behalf of Home Forward that are required to be taken by the general partner of the Partnership. In particular, Home Forward is authorized to spend available Home Forward funds on the Development to satisfy any requirement of the Partnership Documents that Home Forward contribute capital and/or make loans to the Partnership and to otherwise cause the Development to be completed, and initial operations thereof to commence, in the manner anticipated in the various agreements authorized by this resolution.

2. Approval of Tax-Exempt Bond Documents. Home Forward has been presented with drafts of the documents listed in Exhibit A under the heading "Tax-Exempt Bond Documents" (the "Tax-Exempt Bond Documents") in connection with the Partnership and the Development, which documents are on file with Home Forward's Secretary. The Authorized Officers (and each of them acting alone) are authorized and directed to execute and deliver, on behalf of Home Forward (acting on its own behalf or as general partner of the Partnership) (a) the Tax-Exempt Bond Documents substantially in the form on file with Home Forward and (b) any other documents reasonably required to be executed by Home Forward or the Partnership to carry out the transactions contemplated by the Tax-Exempt Bond Documents (including the amendment of any such documents if necessary to further the purposes thereof or resolve ambiguities therein). Notwithstanding the foregoing, any Authorized Officer may approve on Home Forward's behalf (acting on its own behalf or as general partner of the Partnership) any further changes to the draft Tax-Exempt Bond Documents (including material changes, changes to parties and changes to the title of any such document) and such Authorized Officer's signature on the final Tax-Exempt Bond Documents shall be construed as Home Forward's (acting on its own behalf or as general partner of the Partnership) approval of such changes.

3. Approval of Tax Credit Documents. Home Forward has been presented with drafts of the documents listed in Exhibit A under the heading “Tax Credit Documents” (the “Tax Credit Documents”) in connection with the Partnership and the Development, which documents are on file with Home Forward’s Secretary. The Authorized Officers (and each of them acting alone) are authorized and directed to execute and deliver, on behalf of Home Forward (acting on its own behalf or as general partner of the Partnership) (a) the Tax Credit Documents substantially in the form on file with Home Forward and (b) any other documents reasonably required to be executed by Home Forward or the Partnership to carry out the transactions contemplated by the Tax Credit Documents (including the amendment of any such documents if necessary to further the purposes thereof or resolve ambiguities therein). Notwithstanding the foregoing, any Authorized Officer may approve on Home Forward’s behalf (acting on its own behalf or as general partner of the Partnership) any further changes to the draft Tax Credit Documents (including material changes, changes to parties and changes to the title of any such document) and such Authorized Officer’s signature on the final Tax Credit Documents shall be construed as Home Forward’s (acting on its own behalf or as general partner of the Partnership) approval of such changes.
4. Approval of the PHB Loan Documents. Home Forward has been presented with drafts of the documents listed in Exhibit A under the heading “PHB Loan Documents” (the “PHB Loan Documents”) in connection with the Partnership and the Development, which documents are on file with Home Forward’s Secretary. The Authorized Officers (and each of them acting alone) are authorized and directed to execute and deliver, on behalf of Home Forward (acting on its own behalf or as general partner of the Partnership) (a) the PHB Loan Documents substantially in the form on file with Home Forward and (b) any other documents reasonably required to be executed by Home Forward or the Partnership to carry out the transactions contemplated by the PHB Loan Documents (including the amendment of any such documents if necessary to further the purposes thereof or resolve ambiguities therein). Notwithstanding the foregoing, any Authorized Officer may approve on Home Forward’s behalf (acting on its own behalf or as general partner of the Partnership) any further changes to the draft PHB Loan Documents (including material changes, changes to parties and changes to the title of any such document) and such Authorized Officer’s signature on the final PHB Loan Documents shall be construed as Home Forward’s (acting on its own behalf or as general partner of the Partnership) approval of such changes.

5. Approval of Construction Loan Documents and Permanent Loan Documents. Home Forward has been presented with drafts of the documents listed in Exhibit A under the headings “Construction Loan Documents” (the “Construction Loan Documents”) and “Permanent Loan Documents” (the “Permanent Loan Documents”) in connection with the Partnership and the Development, which documents are on file with Home Forward’s Secretary. Home Forward (acting on its own behalf or as general partner of the Partnership), is authorized to borrow the Construction Loan and the Permanent Loan. The Authorized Officers (and each of them acting alone) are authorized and directed to: (a) cause the Partnership to borrow money under the Construction Loan Documents and the Permanent Loan Documents; (b) execute and deliver, on behalf of Home Forward (acting on its own behalf or as general partner of the Partnership), the Construction Loan Documents and the Permanent Loan Documents substantially in the form on file with Home Forward; (d) execute and deliver, on behalf of Home Forward (acting on its own behalf or as general partner of the Partnership), any other documents reasonably required to be executed by Home Forward or the Partnership to carry out the transactions contemplated by the Construction Loan Documents and the Permanent Loan Documents, including any trust deeds, subordination agreements and other documents required in connection with Construction Loan and the Permanent Loan. Notwithstanding the foregoing, any Authorized Officer may approve on Home Forward’s behalf (acting on its own behalf or as general partner of the Partnership) any further changes to the draft Construction Loan Documents and the draft Permanent Loan Documents (including material changes, changes to parties and changes to the title of any such document) and the final amount(s), if any, to be borrowed (subject to Section 13 of this resolution), and such Authorized Officer’s signature on the final Construction Loan Documents and Permanent Loan Documents shall be construed as Home Forward’s (acting on its own behalf or as general partner of the Partnership) approval of such changes and final loan amount(s).
6. Approval of Master Loan Documents. Home Forward has been presented with drafts of the documents listed in Exhibit A under the heading “Master Loan Documents” (the “Master Loan Documents”) in connection with the Partnership and the Development, which documents are on file with Home Forward’s Secretary. Home Forward is authorized to lend to the Partnership, pursuant to the terms of the Master Loan Documents, up to \$13,000,000 in the form of seller financing and one or more loans of Home Forward’s available funds. The Authorized Officers (and each of them acting alone) are authorized and directed to:



(a) determine on behalf of Home Forward the source (or sources) of funds for each loan contemplated under the Master Loan Documents; (b) cause the Partnership to borrow money under the Master Loan Documents; (c) execute and deliver, on behalf of Home Forward (acting on its own behalf or as general partner of the Partnership), the Master Loan Documents substantially in the form on file with Home Forward; (d) execute and deliver, on behalf of Home Forward (acting on its own behalf or as general partner of the Partnership), any other documents reasonably required to be executed by Home Forward or the Partnership to carry out the transactions contemplated by the Master Loan Documents, including any trust deeds, subordination agreements and other documents required in connection with the sources of funding for Home Forward's loans to be made thereunder. Notwithstanding the foregoing, any Authorized Officer may approve on Home Forward's behalf (acting on its own behalf or as general partner of the Partnership) any further changes to the draft Master Loan Documents (including material changes, changes to parties and changes to the title of any such document) and the final amount(s), if any, to be borrowed and lent (subject to Section 13 of this resolution), and such Authorized Officer's signature on the final Master Loan Documents shall be construed as Home Forward's (acting on its own behalf or as general partner of the Partnership) approval of such changes and final loan amount(s).

7. Approval of Real Estate Documents. Home Forward has been presented with drafts of the documents listed in Exhibit A under the heading "Real Estate Documents" (the "Real Estate Documents") in connection with the Partnership and the Development, which documents are on file with Home Forward's Secretary. The Authorized Officers (and each of them acting alone) are authorized and directed to execute and deliver, on behalf of Home Forward (acting on its own behalf or as general partner of the Partnership), the Real Estate Documents, and such other agreements and documents as are necessary for Home Forward to transfer and the Partnership to acquire the Development. Any Authorized Officer may approve on Home Forward's behalf (acting on its own behalf or as general partner of the Partnership) any further changes to the draft Real Estate Documents (including material changes, changes to parties and changes to the title of any such document) and such Authorized Officer's signature on the final Real Estate Documents shall be construed as Home Forward's (acting on its own behalf or as general partner of the Partnership) approval of such changes.

8. HAP Documents. Home Forward has been presented with drafts of the documents listed in Exhibit A under the heading “HAP Documents” (the “HAP Documents”) in connection with the Housing Assistance Payments Contract for the Project Based Section 8 Vouchers for the Development. The Authorized Officers (and each of them acting alone) are authorized and directed to execute and deliver, on behalf of Home Forward (acting on its own behalf or as general partner of the Partnership) (a) the HAP Documents substantially in the form on file with Home Forward and (b) any other documents reasonably required to be executed by Home Forward or the Partnership to carry out the transactions contemplated by the HAP Documents (including the amendment of any such documents if necessary to further the purposes thereof or resolve ambiguities therein). Notwithstanding the foregoing, any Authorized Officer may approve on Home Forward’s behalf (acting on its own behalf or as general partner of the Partnership) any further changes to the draft HAP Documents (including material changes, changes to parties and changes to the title of any such document) and such Authorized Officer’s signature on the final HAP Documents shall be construed as Home Forward’s (acting on its own behalf or as general partner of the Partnership) approval of such changes.
9. Assignments. The Authorized Officers (and each of them acting alone) are authorized on behalf of Home Forward (acting on its own behalf or as general partner of the Partnership) to execute and deliver one or more instruments (i) assigning to the Partnership all or a portion of Home Forward’s rights under any construction contract, the architects’ contracts, contracts with the general contractor, geotechnical consultant contracts, and other development contracts, as such rights pertain to the Development, and (ii) assigning to lenders and others the Partnership’s interests in such contracts.
10. Tax Credit Documents. The Authorized Officers (and each of them acting alone) are authorized on behalf of Home Forward (acting on its own behalf or as general partner of the Partnership) to execute, deliver and/or file (or cause to be delivered and/or filed) all documents deemed necessary or appropriate to allow the Partnership to qualify for and obtain federal low-income housing tax credits in connection with the Development and for the purchaser of certain of the Bonds to receive Oregon Affordable Housing Tax Credit Program tax credits in connection with such purchase including, without limitation, the filing of one or more applications with OHCS, and the execution of all necessary and related documents, including without limitation letters of award, reservation agreements,

regulatory agreements, operating agreements, declarations and restrictive covenants. Additionally, The Authorized Officers (and each of them acting alone) are authorized on behalf of Home Forward (acting on its own behalf or as general partner of the Partnership) to execute, deliver and/or file (or cause to be delivered and/or filed) all documents deemed necessary or appropriate to allow the Partnership to qualify for and obtain federal historic tax credits tax credits in connection with the Development, including, without limitation, the filing of one or more applications with the State Historic Preservation Office, the National Register of Historic Places, National Park Service, and the execution of all necessary and related documents.

11. Grant Documents. The Authorized Officers (and each of them acting alone) are authorized on behalf of Home Forward (acting on its own behalf or as general partner of the Partnership) to execute, deliver and/or (or cause to be delivered and/or filed) all documents (i) those documents listed in Exhibit A under the heading “Grant Documents” (collectively, the “Grant Documents”), with such changes, including any material changes, as the Authorized Officer executing such documents deems necessary or advisable; and (ii) any other documents reasonably required to be executed by Home Forward or the Partnership to carry out the transactions contemplated by the Grant Documents (including the amendment of any such documents if necessary to further the purposes thereof or resolve ambiguities therein).
12. ORS 456.153 Determinations. On behalf of Home Forward, the Board finds and determines that a substantial number of persons of eligible income in the area served by Home Forward cannot obtain housing for 30% of less or their income. Based on the foregoing determination, the Board hereby declares, on behalf of Home Forward, the need for additional housing for persons or families of lower income that can be addressed by Home Forward participating in the financing, development, ownership, management and/or operation of mixed income housing projects;
13. Supplemental Authorization. The Authorized Officers, and each of them acting alone, are authorized on behalf of Home Forward (acting on its own behalf or as general partner of the Partnership) to: (i) determine that any document authorized by this resolution is, at the time such document otherwise would be executed, no longer necessary or desirable and, based on such determination,

cause Home Forward and/or the Partnership not to execute or deliver such document; (ii) execute and deliver and, if applicable, file (or cause to be delivered and/or filed) any government forms, affidavits, certificates, letters, documents, agreements and instruments that such officer determines to be necessary or advisable to give effect to this resolution and to consummate the transactions contemplated herein and/or further the acquisition, rehabilitation, development, financing, construction, and leasing of the Development; and (iii) cause Home Forward and/or the Partnership to expend such funds as are necessary to pay for all filing fees, application fees, registration fees and other costs relating to the actions authorized by this resolution. Without limiting the scope of such authorization, such documents may include lease-up and marketing agreements, partnership management services agreements, development agreements, construction guaranty agreements, repayment guarantees, cash pledge agreements, environmental indemnity agreements, property management agreements, architect agreements, contractor agreements, housing assistance payment contracts, irrevocable consents and appointments of attorneys for service of process.

14. Increase in Home Forward Participation. Each Authorized Officer is authorized to decrease the principal amount of any loan or capital contribution authorized by this resolution by any amount, or to increase the principal amount of any such loan or capital contribution by an amount up to \$1,000,000 more than the maximum principal amount for the loan or capital contribution stated in this resolution. The Board directs the Executive Director to report to the Board if the total amount borrowed by the Partnership for the Development exceeds the aggregate maximum principal amount stated in this resolution for all loans to the Partnership.
15. Execution of Duties and Obligations. The Board authorizes Home Forward's Executive Director to cause Home Forward (whether acting on its own behalf or in its capacity as general partner of the Partnership, as applicable) to fulfill Home Forward's duties and obligations, and cause the Partnership to fulfill the Partnership's duties and obligations under the various agreements authorized by this resolution.
16. Acting Officers Authorized. Any action required by this resolution to be taken by the Chair of the Board, Home Forward's Executive Director, Home Forward's Chief Administrative Officer, Home Forward's Chief Financial Officer, or Home Forward's Chief Operating Officer may, in the absence of such person, be taken

by the duly authorized acting Chair of the Board, acting Executive Director of Home Forward, acting Chief Administrative Officer, acting Chief Financial Officer, or acting Chief Operating Officer, respectively.

17. Changes to Titles or Parties. While the titles of and parties to the various documents listed in Exhibit A hereto may change, no change to such titles or parties shall affect the authority conferred by this resolution to execute, deliver, file (if required), enforce and perform the documents in their final form.
18. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.
19. Ratification and Confirmation. Any actions of Home Forward or its officers prior to the date hereof and consistent with the terms of this resolution (including, without limitation, the formation of the Partnership) are ratified and confirmed.

**ADOPTED: DECEMBER 17, 2019**

**Attest:**

**Home Forward:**

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Michael Buonocore, Secretary

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Mary Ann Herman, Chair

Placeholder for  
Resolution 19-12-04 Authorize Insurance Renewal

# STAFF REPORTS

**Procurement & Contracts Department**  
**MONTHLY CONTRACT REPORT**  
**Contracts Approved 10/01/19 - 11/30/19**

PUBLIC IMPROVEMENT  
(CONSTRUCTION & MAINTENANCE SERVICES)

Contract #	Amend #	Contractor	Contract Amount	Description	Dept.	Execution Date	Expiration Date
C2335	0	JR Johnson, Inc	\$ 54,800.00	Repairing water damage at Humboldt Gardens	Property Management	10/3/2019	10/31/2019
C2322	0	Fulcrum Construction & Building Services LLC	\$ 3,247,527.20	Repainting at New Columbia (IPM signed contract)	DCR	10/8/2019	12/1/2021
C2255	0	Walsh Construction Co.	\$ -	Design Build for Dahlke Manor - amendment to add builder's risk and waivers of subrogation	DCR	10/8/2019	1/31/2022
C2313	0	Cascade Radon Inc.	\$ 7,995.00	Radon mitigation at Carlton Court	DCR	10/8/2019	12/31/2019
C2320	0	Cascade Radon Inc.	\$ 11,930.00	Radon mitigation at Eastwood Court	DCR	10/8/2019	12/31/2019
C2344	0	KO Construction	\$ 7,880.00	Installation of supportive blocking and siding at Carlton Court and Eastwood Court	DCR	10/10/2019	12/31/2019
C2341	0	Professional Floorcovering Installations	\$ 29,825.00	Ruth Haeffner lobby floor replacement project	Property Management	10/11/2019	2/28/2019
C2228	0	Otis Elevator	\$ 790,500.00	Elevator Modernization at Medallion and Williams	DCR	10/22/2019	11/30/2020
C2336	0	Kennedy Restoration	\$ 37,219.83	Restoration services at BCC	Property Management	10/29/2019	12/31/2019
C2356	0	Atlantis Construction LLC	\$ -	Install steel door enclosure for maintenance shop at Celilo Court	Property Management	11/4/2019	11/10/2019
C2368	0	Buffalo Welding	\$ 28,742.00	extend the railings around the perimeter of the Northwest Tower Annex Roof	DCR	11/13/2019	2/28/2020
<b>Subtotal</b>			<b>\$ 4,216,419.03</b>				<b>11</b>



GOODS & SERVICES

Contract #	Amend #	Contractor	Contract Amount	Description	Dept.	Execution Date	Expiration Date
C2347	0	G&R Painting Company	\$ 200,000.00	On-Call Painting Services	Property Management	10/17/2019	10/7/2024
C2348	0	Pacific Paint Northwest	\$ 200,000.00	On-Call Painting Services	Property Management	10/17/2019	10/7/2024
C2349	0	Bridge City Contracting	\$ 200,000.00	On-Call Painting Services	Property Management	10/17/2019	10/7/2024
C2350	0	DocuSign	\$ 8,552.50	Electronic document signing	Procurement	10/18/2019	10/15/2020
C2354	0	Legacy Wireless Services	\$ 6,000.00	Cable and conduit installation at Schrunck Roof	DCR	10/18/2019	2/1/2020
C2325	0	IRS Environmental	\$ 2,150.00	Additional asbestos abatement at madrona	DCR	10/22/2019	12/31/2019
C2358	0	NW Enforcement	\$ 700.00	Security services at Ruth Haefner	Property Management	10/22/2019	11/22/2019
C2355	0	Signal 88 Security	\$ 645.00	Security services at Celilo Court	Property Management	10/23/2019	12/31/2019
C2367	0	NW Enforcement	\$ 14,400.00	Security Services at Mt. Tabor Annex	Asset Management	11/19/2019	11/17/2021
C2324	0	RichArt Family, Inc.	\$ (1,561.77)	Deductive amendment to remove some scope for Madrona electrical panel replacement	DCR	11/25/2019	2/28/2020
<b>Subtotal</b>			<b>\$ 630,885.73</b>				<b>10</b>

PERSONAL SERVICE CONTRACTS

Contract #	Amend #	Contractor	Contract Amount	Description	Dept.	Execution Date	Expiration Date
C2353	0	WDY	\$ 25,000.00	Structural engineering services at Headwaters apartments	DCR	10/21/2019	6/15/2020
C2359	0	Mayer/Reed	\$ 12,066.00	Landscape architecture at BCC	Asset Management	10/25/2019	4/30/2020

C2362	0	Forensic Building Consultants	\$ 62,000.00	Building science consulting at Powellhurst, Alderwood, Floresta (Red group 1)	DCR	11/1/2019	10/30/2020
C2365	0	Brad Taylor Group	\$ 3,000.00	Staff retreat for Relocation Dept.	DCR	11/12/2019	12/5/2019
C2381	0	Overland, Pacific, and Cutler LLC	\$ 45,000.00	Temporary relocation at Headwaters	Asset Management	11/15/2019	6/30/2020
C2369	0	Environmental Works	\$ 995.00	Radon testing at Chateau	DCR	11/18/2019	1/31/2020
C2370	0	Environmental Works	\$ 965.00	Radon testing at Cora Park	DCR	11/18/2019	1/31/2020
C2372	0	Environmental Works	\$ 1,145.00	Radon testing at Gallagher Plaza	DCR	11/18/2019	1/31/2020
C2374	0	Environmental Works	\$ 2,255.00	Radon testing at Hollywood East	DCR	11/18/2019	1/31/2020
C2371	0	Environmental Works	\$ 2,135.00	Radon testing at Dekum	DCR	11/18/2019	1/31/2020
C2376	0	Environmental Works	\$ 2,045.00	Radon testing at Northwest Tower	DCR	11/18/2019	1/31/2020
C2373	0	Environmental Works	\$ 1,265.00	Radon testing at Holgate House	DCR	11/18/2019	1/31/2020
C2375	0	Environmental Works	\$ 1,025.00	Radon testing at Lexington	DCR	11/18/2019	1/31/2020
C2377	0	Environmental Works	\$ 2,980.00	Radon testing at Peaceful Villa	DCR	11/18/2019	1/31/2020
C2378	0	Environmental Works	\$ 1,355.00	Radon testing at Ruth Haefner	DCR	11/18/2019	1/31/2020
C2379	0	Environmental Works	\$ 875.00	Radon testing at Scattered East A	DCR	11/18/2019	1/31/2020
C2380	0	Environmental Works	\$ 1,385.00	Radon testing at Slavin	DCR	11/18/2019	1/31/2020
<b>Subtotal</b>			<b>\$ 165,491.00</b>				<b>17</b>

PROFESSIONAL SERVICE CONTRACTS (A&E)

Contract #	Amend #	Contractor	Contract Amount	Description	Dept.	Execution Date	Expiration Date
C2340	0	MWA Architects	\$ 18,200.00	architectural services for Richmond Place	DCR	10/3/2019	7/31/2020
C2345	0	DCI Engineers	\$ 10,400.00	structural opinion at Dahlke Manor, Williams Plaza, and Holgate House.	DCR	10/7/2019	10/6/2020
C2352	0	PBS Engineering & Environmental, Inc.	\$ 7,600.00	Environmental Site Assessment at Fountain Place	DCR	10/21/2019	12/31/2019
C2361	0	TRC Environmental Corporation	\$ 49,580.00	asbestos and lead paint testing at eight properties	DCR	11/4/2019	1/31/2020
<b>Total</b>			<b>\$ 85,780.00</b>				<b>4</b>

AMENDMENTS TO EXISTING CONTRACTS

Contract #	Amend #	Contractor	Contract Amount	Description	Dept.	Execution Date	Expiration Date
C2225	1	Summit Reconstruction		Deck demolition at Richmond Place; amended to add time	DCR	10/1/2019	10/31/2019
C2192	1	Worksystems, Inc.	\$ -	Provides a WorkSource liaison for training and technical assistance to the APN career coach; amended scope	Community Services	10/2/2019	12/31/2019
C1968	11	Walsh Construction Co.	\$ 55,230.00	Medallion CO #2, executed copy was not received by procurement before so this is a later amendment # despite being an earlier CO #.	DCR	10/3/2019	10/30/2020
C1964	9	LMC, Inc.	\$ 33,165.96	Amendment for Schrunk Tower Development, scope change	DCR	10/7/2019	3/16/2020
C2126	8	LMC, Inc.	\$ 97,618.74	Schrunk Tower maintenance, CO, misc changes	DCR	10/7/2019	2/28/2020
C2225	2	Summit Reconstruction	\$ 10,000.00	Deck demolition at Richmond Place; amended to add time	DCR	10/7/2019	10/31/2019
C1960	9	LMC, Inc.	\$ 122,993.06	Changer order 8 for teal 2	DCR	10/8/2019	3/16/2020
C1960	10	LMC, Inc.	\$ -	Teal 2, amending to specify prevailing wage determination	DCR	10/8/2019	3/16/2020

C1968	10	Walsh Construction Co.	\$ -	Medallion Williams builder's risk & waivers of subrogation amendment	DCR	10/8/2019	10/30/2020
C1968	13	Walsh Construction Co.	\$ -	Amendment to Medallion/Williams contract to specify prevailing wage determination.	DCR	10/8/2019	10/30/2020
C1968	12	Walsh Construction Co.	\$ 244,738.00	Williams CO #4, amending scope	DCR	10/8/2019	10/30/2020
C2267	1	The Door Works Co.	\$ -	Installation of ADA door operators at Jean's Place; amended to add time	Asset Mgmt	10/8/2019	9/30/2019
C2315	1	Cascade Radon Inc.	\$ 23,805.00	Additional radon mitigation at Stark Manor	DCR	10/8/2019	12/31/2019
C2316	1	Cascade Radon Inc.	\$ 35,555.00	Additional radon mitigation at Townhouse Terrace	DCR	10/8/2019	12/31/2019
C2319	1	Cascade Radon Inc.	\$ 48,450.00	Additional radon mitigation work at Fir Acres	DCR	10/8/2019	12/31/2019
C2128	1	MercuryPDX	\$ 2,500.00	Mail Service for NMW; amended to add funds	FAAM	10/10/2019	12/31/2019
C1974	2	LMC, Inc.	\$ -	red group, hunter's run, tillicum north, tillicum south; amending to specify prevailing wage determination	DCR	10/11/2019	5/1/2020
C1984	5	LMC, Inc.	\$ -	Teal 1; amending to specify prevailing wage determination	DCR	10/11/2019	3/16/2020
C1994	2	LMC, Inc.	\$ -	Floresta, Powellhurst, Alderwood; amending to specify prevailing wage determination	DCR	10/11/2019	5/1/2020
C2241	1	Bridgewater Group Inc	\$ 4,250.00	ESA Updates, Hazardous Materials Investigation, Radon Engineering, and Soil Vapor Engineering at 3000 SE Powell. - sole source	DCR	10/11/2019	12/31/2021
C2304	1	Regional Arts & Culture Council (RACC)	\$ 2,800.00	1600SF hand-painted mural at Schunk; amended to add committee member honorarium	DCR	10/15/2019	6/30/2020
T1804	3	IRS Environmental	\$ 97,500.00	On-call Hazardous Material Abatement. IRFP 12/16-326; extending duration	Prop Mgmt	10/17/2019	1/31/2021
C1968	14	Walsh Construction Co.	\$ 163,581.00	Medallion CO #4, amending scope	DCR	10/17/2019	10/30/2020
C2299	3	Robert Half International	\$ 10,771.20	Temp position: A/R specialist; extend duration	FAAM	10/17/2019	11/29/2019
C2314	1	Cascade Radon Inc.	\$ 400.00	Radon mitigation at Demar Downs	DCR	10/17/2019	12/31/2019
C2320	1	Cascade Radon Inc.	\$ 23,850.00	Radon mitigation at Eastwood Court; amended scope	DCR	10/17/2019	12/31/2019

C2326	1	North Face Drywall LLC	\$ 1,382.00	Office drywall repair at Madrona (C2324, C2325, C2326 all part of same project) additional funds	DCR	10/17/2019	12/31/2019
C2221	2	Reliant Search	\$ 55,000.00	On-call Temporary Labor Staffing Firms & Direct Hire Recruiters; amended to add funds	DBS-HR	10/24/2019	4/30/2022
C2340	1	MWA Architects	\$ 3,850.00	amending scope at Richmond Place to include RDH as envelope consultant	DCR	10/28/2019	7/31/2020
C1719	25	O'Neill/Walsh Community Builders	\$ 127,085.00	GMP Amendment CO #24 - grand avenue apartments	DCR	10/29/2019	2/17/2020
C2337	1	Gill Group, Inc.	\$ (16,205.00)	CNA for Carlton, Celilo, Dahlke, Demar Downs, Eastwood, Fir Acres, Madrona, Stark Manor, Townhouse Terrace for the RAD e-tool CNA submittal; amended scope	DCR	10/30/2019	3/31/2020
C1710	5	The Giving Tree	\$ 11,360.00	Resident Services at Fountain Place; amended to extend contract	Community Services	10/31/2019	3/31/2020
C1961	5	Performance Systems Integration (PSI)	\$ 58,000.00	Fire safety services at 14 properties; amended to extend contract	Property Management	11/1/2019	12/3/2020
C2227	1	Otis Elevator	\$ 15,464.10	Additional electrical work and cable installation in cars	DCR	11/1/2019	8/18/2020
C1960	11	LMC, Inc.	\$ 36,049.10	Changer order 9 for teal 2	DCR	11/6/2019	3/16/2020
C2126	9	LMC, Inc.	\$ 9,533.68	Schrunk Tower maintenance, CO, misc changes	DCR	11/6/2019	2/28/2020
C2241	2	Bridgewater Group Inc	\$ 32,500.00	Phase II ESA for Powell	DCR	11/6/2019	12/31/2021
C1984	6	LMC, Inc.	\$ 151,223.27	Teal 1: amending scope	DCR	11/13/2019	3/16/2020
C2276	2	Environmental Works	\$ 2,800.00	Install radon mitigation system at NMW; amended scope	IFSS	11/14/2019	12/31/2019
C2276	1	Environmental Works	\$ 4,500.00	Additional radon mitigation points at NMW	IFSS	11/15/2019	12/31/2019
C2286	1	Meals on Wheels People	\$ 5,000.00	Provides frozen meals for residents in CHSP; amended to extend contract	Community Services	11/18/2019	12/31/2020
C2344	1	KO Construction	\$ 4,714.00	Installation of supportive blocking and siding at Carlton Court and Eastwood Court; amended scope	DCR	11/20/2019	12/31/2019
C1719	26	O'Neill/Walsh Community Builders	\$ 162,325.00	GMP Amendment CO #25 - grand avenue apartments	DCR	11/25/2019	2/17/2020
C1940	15	MWA Architects Inc	\$ 3,010.00	additonal structural engineering and design work at Schrunk	DCR	11/25/2019	5/31/2020

C2152	2	Peregrine Relocations	\$ 219,820.00	Resident Relocation Services at Medallion and Williams Plaza; Change Order #1	DCR	11/25/2019	6/30/2020
C2143	3	Great Northwest Environmental	\$ 6,000.00	Asbestos and lead abatement at Schrunck; amended scope	DCR	11/26/2019	2/29/2020
C2381	1	Overland, Pacific, and Cutler LLC	\$ 5,000.00	Temporary relocation at Headwaters; amended scope	Asset Management	11/26/2019	6/30/2020
C2165	1	Kay Reid	\$ 10,000.00	Provide classes for ESL residents at New Columbia	Community Services	11/27/2019	12/31/2020
<b>Subtotal</b>			<b>\$ 1,885,619.11</b>				<b>48</b>

OTHER AGREEMENTS (Revenue contracts, 3rd Party contracts, MOU's, IGA's)

Contract #	Amend #	Contractor	Contract Amount	Description	Dept.	Execution Date	Expiration Date
<b>Subtotal</b>			<b>\$ -</b>				<b>0</b>
<b>Total</b>			<b>\$ 6,984,194.87</b>				<b>90</b>

**Procurement & Contracts Department  
FUTURE FORMAL PROCUREMENTS  
6 Month Look Ahead - December 2019**

Estimated Contract Amount	Description	Dept.	Solicitation Period
TBD (past contract amounted to be approx. \$900,000 over 3 years)	Financial Auditor	FAAM	Currently In Progress
\$38.2 million	CM/GC at Dekum	DCR	Currently In Progress
Approx. \$2 million	A&E at Metro Center Housing Project	DCR	Currently In Progress
\$600,000	Window replacement at Gretchen Kafoury	DCR	January
\$24 million	CM/GC at Metro Center Housing Project	DCR	January
\$18.5 million	CM/GC at Baldwin	DCR	January

**Statement of Revenues, Expenses, and Changes in Net Position**  
**Comparison of Budget and Actual**  
**Home Forward**  
**For the nine month period ending September 30, 2019**

	YTD Actual	YTD Budget	\$ Variance	% Variance	Annual Budget
<b>Operating Revenues</b>					
Dwelling Rental	\$ 14,327,778	\$ 14,129,853	\$ 197,925	1.4%	\$ 18,945,472
Non-dwelling Rental	1,831,086	1,795,813	35,273	2.0%	2,405,318
<b>Total Rental Revenues</b>	<b>16,158,864</b>	<b>15,925,666</b>	<b>233,198</b>	<b>1.5%</b>	<b>21,350,790</b>
HUD Subsidies - Housing Assistance	71,460,987	76,591,462	(5,130,475)	-6.7%	102,395,661
HUD Subsidies - Admin Fee	6,068,183	5,731,356	336,827	5.9%	7,677,951
HUD Subsidies - Public Housing	6,231,843	5,458,633	773,210	14.2%	7,278,177
HUD Grants	8,903,219	4,422,517	4,480,702	101.3%	5,896,690
Development Fee Revenue, Net	7,847,025	17,105,188	(9,258,163)	-54.1%	19,569,585
State, Local & Other Grants	7,521,090	7,542,810	(21,720)	-0.3%	10,041,210
Other Revenue	9,621,074	8,617,914	1,003,160	11.6%	11,492,578
Total IA Revenue	0	0	0	0.0%	0
<b>Total Operating Revenues</b>	<b>133,812,285</b>	<b>141,395,545</b>	<b>(7,583,261)</b>	<b>-5.4%</b>	<b>185,702,642</b>
<b>Operating Expenses</b>					
PH Subsidy Transfer	0	0	0	0.0%	0
Housing Assistance Payments	78,894,504	84,567,794	5,673,290	6.7%	113,099,474
Administrative Personnel Expense	5,939,504	5,847,890	(91,613)	-1.6%	7,836,021
Other Admin Expenses	6,056,700	5,587,561	(469,139)	-8.4%	7,478,876
Fees/overhead charged	0	(0)	(0)	0.0%	0
Program Personnel Expense	7,614,216	8,107,459	493,242	6.1%	10,843,126
Tenant Svcs Personnel Expense	1,792,706	2,011,241	218,535	10.9%	2,690,051
Other Tenant Svcs Expenses	3,323,592	1,516,238	(1,807,354)	-119.2%	2,003,258
Maintenance Personnel Expense	1,902,948	2,010,793	107,845	5.4%	2,689,754
Other Maintenance Expenses	4,559,293	6,682,179	2,122,886	31.8%	8,557,504
Utilities	3,387,122	3,509,540	122,418	3.5%	4,677,533
Capitalized Labor	(10,142)	0	10,142	100.0%	0
Depreciation	5,955,151	6,340,568	385,417	6.1%	8,461,068
General	1,876,217	1,338,405	(537,812)	-40.2%	1,784,747
Impairment Charge	0	0	0	0.0%	0
<b>Total Operating Expenses</b>	<b>121,291,811</b>	<b>127,519,668</b>	<b>6,227,857</b>	<b>4.9%</b>	<b>170,121,413</b>
<b>Total Overhead Allocations</b>	<b>0</b>	<b>(476)</b>	<b>(476)</b>		
<b>Operating Income (Loss)</b>	<b>12,520,473</b>	<b>13,876,353</b>	<b>(1,355,880)</b>	<b>-9.8%</b>	<b>15,581,229</b>
<b>Reserve Funding</b>	<b>0</b>	<b>(463,438)</b>			
<b>Other Income (Expense)</b>					
Investment Income	1,649,849	149,294	1,500,554	1005.1%	197,411
Amortization	0	0	0	0.0%	0
Investment in Partnership Valuation Charge	0	0	0	0.0%	0
Gain (Loss) on Sale of Assets	11,595,420	(790,186)	12,385,606	1567.4%	(790,186)
Interest Expense	(2,235,989)	(2,010,425)	(225,563)	-11.2%	(2,669,132)
Chg in Derivative Contract Value	0	0	0	0.0%	0
<b>Net Other Income (Expense)</b>	<b>11,009,280</b>	<b>(2,651,317)</b>	<b>13,660,597</b>	<b>515.2%</b>	<b>(3,261,907)</b>
<b>Capital Contributions</b>					
HUD Nonoperating Contributions	44,844	5,496,297	(5,451,453)	-99.2%	6,822,707
Other Nonoperating Contributions	(878,203)	0	(878,203)	-100.0%	0
Nonoperating contributions made	0	0	0	0.0%	0
ARRA Nonoperating Contributions	0	0	0	0.0%	0
Reserve Funded Capital Contributions	0	0	0	0.0%	0
<b>Net Capital Contributions</b>	<b>(833,359)</b>	<b>5,496,297</b>	<b>(6,329,656)</b>	<b>-115.2%</b>	<b>6,822,707</b>
<b>Other Equity Changes</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>
<b>INCREASE (DECREASE) IN NET POSITION</b>	<b>\$ 22,696,394.12</b>	<b>\$16,721,333.34</b>	<b>\$ 5,975,061</b>	<b>35.7%</b>	<b>\$ 19,142,029</b>

**PERFORMANCE SUMMARY**

- The period ending September 30, 2019 produced operating income of \$12.5 million; \$1.4 million less than budgeted.
- Total Net Position increased \$22.2 million; \$5.5 million more than budgeted



**Operating Revenue**  
**Home Forward**  
For the nine month period ending September 30, 2019

Quarterly Report - **Unaudited**

	YTD Actual	YTD Budget	\$ Variance	% Variance	Annual Budget
<b>Operating Revenues</b>					
Dwelling Rental	\$ 14,327,778	\$ 14,129,853	\$ 197,925	1.4%	\$ 18,945,472
Non-dwelling Rental	1,831,086	1,795,813	35,273	2.0%	2,405,318
<b>Total Rental Revenues</b>	16,158,864	15,925,666	233,198	1.5%	21,350,790
HUD Subsidies - Housing Assistance	71,460,987	76,591,462	(5,130,475)	-6.7%	102,395,661
HUD Subsidies - Admin Fee	6,068,183	5,731,356	336,827	5.9%	7,677,951
HUD Subsidies - Public Housing	6,231,843	5,458,633	773,210	14.2%	7,278,177
HUD Grants	8,903,219	4,422,517	4,480,702	101.3%	5,896,690
Development Fee Revenue, Net	7,847,025	17,105,188	(9,258,163)	-54.1%	19,569,585
State, Local & Other Grants	7,521,090	7,542,810	(21,720)	-0.3%	10,041,210
Other Revenue	9,621,074	8,617,914	1,003,160	11.6%	11,492,578
<b>Total Operating Revenues</b>	<b>\$ 133,812,285</b>	<b>\$ 141,395,545</b>	<b>\$ (7,583,261)</b>	<b>-5.4%</b>	<b>\$ 185,702,642</b>

## REVENUE ANALYSIS

- Total Operating Revenues of \$133.8 million were \$7.6 million unfavorable to budget for the nine months period ending in September. Actual revenue was less than anticipated due to the following:
  - HUD Subsidies - Housing Assistance of \$71.5 million was \$5.1 million less than budgeted. There was \$3.1 million less than budgeted in Housing Assistance because our utilization continues to be lower than anticipated. There was \$1.7 million less than budgeted in RAD Housing Assistance due to the timing of the RAD conversion of the East Group.
  - HUD Subsidies - Public Housing of \$6.2 million was \$773 thousand more than budgeted due to higher than anticipated federal proration and unbudgeted Asset Repositioning Fees from Section 18 conversions. This trend will continue for the year.
  - HUD Grants of \$8.9 million was \$4.5 million more than budget due to \$2.8 million in additional modernization grants to the North Group, LP. Also due to \$1.9 million more than budget in Shelter Plus Care. This is due to higher than expected funding based on the new Fair Market Rent (FMR) rates and a larger than expected award for services provided by our partner agency. There will be a correspondingly higher than expected expense in Housing Payments.
  - Development Fee Revenue of \$7.8 million was \$9.3 million less than budget due to revenue not yet received of which \$6.6 relates to NE Grand. Also, the timing of the \$1 million for Central Group, LP will not occur until 2021 and the GO bond related project at Powell has been delayed.
  - Other Revenue of \$9.6 million was \$1.0 million more than budget primarily due to higher than expected portability revenue, which was \$978 thousand more than budget.



**Operating Expense**  
**Home Forward**  
For the nine month period ending September 30, 2019

	YTD Actual	YTD Budget	\$ Variance	% Variance	Annual Budget
<b>Operating Expenses</b>					
Housing Assistance Payments	\$ 78,894,504	\$ 84,567,794	\$ 5,673,290	6.71%	\$ 113,099,474
Administrative Personnel Expense	5,939,504	5,847,890	(91,613)	-1.57%	7,836,021
Other Admin Expenses	6,056,700	5,587,561	(469,139)	-8.40%	7,478,876
Program Personnel Expense	7,614,216	8,107,459	493,242	6.08%	10,843,126
Tenant Svcs Personnel Expense	1,792,706	2,011,241	218,535	10.87%	2,690,051
Other Tenant Svcs Expenses	3,323,592	1,516,238	(1,807,354)	-119.20%	2,003,258
Maintenance Personnel Expense	1,902,948	2,010,793	107,845	5.36%	2,689,754
Other Maintenance Expenses	4,559,293	6,682,179	2,122,886	31.77%	8,557,504
Utilities	3,387,122	3,509,540	122,418	3.49%	4,677,533
Capitalized Labor	(10,142)	0	10,142	100.00%	0
Depreciation	5,955,151	6,340,568	385,417	6.08%	8,461,068
General	1,876,217	1,338,405	(537,812)	-40.18%	1,784,747
<b>Total Operating Expenses</b>	<b>121,291,811</b>	<b>127,519,668</b>	<b>6,227,857</b>	<b>4.88%</b>	<b>170,121,413</b>
<b>Operating Income (Loss)</b>	<b>\$ 12,520,473</b>	<b>\$ 13,876,353</b>	<b>\$ (1,355,880)</b>	<b>-9.77%</b>	<b>\$ 15,581,229</b>

## EXPENSE ANALYSIS

- Total Operating Expenses of \$121.3 million were favorable to budget by \$6.2 million.
  - Housing Assistance Payments of \$78.9 million were \$5.7 million favorable to budget due a higher than expected voucher attrition. Waitlist pulls are scheduled to begin again in October 2019.
  - Personnel Expenses of \$17.2 million were \$728 thousand favorable to budget.
    - Administrative - over budget by \$92 thousand primarily due to the timing of accrued compensated absences of \$273 thousand. This is offset by \$171 thousand less than budget due to vacancies.
    - Tenant Services - under budget by \$219 thousand due to vacancies.
    - Maintenance - under budget by \$108 thousand due to vacancies.
    - Program - under budget by \$493 thousand due to vacancies.
  - Other Admin Expenses of \$6.1 million were \$469 thousand unfavorable to budget with \$162 thousand more in additional Courtesy Patrol expenses and an additional \$218 thousand in Legal Expenses. The Affordable Portfolio represents \$130 thousand of the legal expenses.
  - Other Maintenance Expense of \$4.6 million was \$2.1 million favorable to budget. There was also \$1.6 million not yet spent on long-term maintenance projects at several properties. There was \$473 thousand not yet utilized for IFS specialized maintenance staff at several properties.



**Other Income/Expense**  
**Home Forward**  
For the nine month period ending September 30, 2019

	YTD Actual	YTD Budget	\$ Variance	% Variance	Annual Budget
<b>Other Income (Expense)</b>					
Investment Income	\$ 1,649,849	\$ 149,294	\$ 1,500,554	1005.10%	\$ 197,411
Gain (Loss) on Sale of Assets	11,595,420	(790,186)	12,385,606	1567.43%	(790,186)
Interest Expense	(2,235,989)	(2,010,425)	(225,563)	-11.22%	(2,669,132)
<b>Net Other Income (Expense)</b>	<b>11,009,280</b>	<b>(2,651,317)</b>	<b>13,660,597</b>	<b>515.24%</b>	<b>(3,261,907)</b>
<b>Capital Contributions</b>					
HUD Nonoperating Contributions	44,844	5,496,297	(5,451,453)	-99.18%	6,822,707
Other Nonoperating Contributions	(878,203)	0	(878,203)	-100.00%	0
<b>Net Capital Contributions</b>	<b>(833,359)</b>	<b>5,496,297</b>	<b>(6,329,656)</b>	<b>-115.16%</b>	<b>6,822,707</b>
<b>INCREASE (DECREASE) IN NET POSITION</b>	<b>\$ 22,696,394</b>	<b>\$ 16,721,333</b>	<b>\$ 5,975,061</b>	<b>35.73%</b>	<b>\$ 19,142,029</b>

### **OTHER INCOME/(EXPENSE) ANALYSIS**

- Net Other Income (Expense) reflects net expense of \$11.0 million, favorable to budget by \$13.7 million
  - Investment Income was \$1.6 million, \$1.5 million more than budgeted. There was \$718 thousand more than expected at several partner properties particularly \$670 thousand at the North Group, L.P. There is also \$390 thousand more than budgeted in interest on General Fund Investments due to increases in the prevailing interest rate.
  - Gain (Loss) on Sale of Assets had a positive variance of \$12.4 million from RAD conversion of East Group.
- Capital Contributions was \$6.3 million unfavorable to budget.
  - HUD Non-operating Contributions of \$45 thousand were \$5.5 million unfavorable to budget. This is due to the timing of funds being used to support the 85 Stories property improvements - The North Group, L.P. received \$40 thousand of \$5.1 million budgeted in HUD development and modernization grants as of September. East Group, L.P. has not yet received any of \$378 thousand in budgeted grants.

**Statement of Net Position**  
**Home Forward**  
**As of September 30, 2019 and December 31, 2018**

Quarterly Report - **Unaudited**

	September 30, 2019	December 31, 2018	Incr (Decr)
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	\$ 56,981,201	\$ 55,273,010	\$ 1,708,191
Investments	280,708	275,903	4,805
Accounts Receivable, Net	4,457,584	4,225,867	231,717
Intra Agency Accounts Receivable	400,000	(50)	400,050
Prepaid Expenses	881,347	948,087	(66,740)
Inventories	0	0	0
Current Portion of Notes Receivable-Partnerships	816,577	816,577	0
	<b>63,817,417</b>	<b>61,539,393</b>	<b>2,278,024</b>
<b>Restricted Assets</b>			
Cash and Cash Equivalents - Restricted	208,443	3,633,610	(3,425,167)
Family Self-Sufficiency Funds	2,512,780	2,285,910	226,870
Tenant Security Deposits	1,449,686	1,439,012	10,674
Construction Funds Escrow	0	0	0
Residual Receipts Reserve	14,465	14,174	291
Funds held in Trust	14,491,866	13,537,222	954,644
Debt Amortization Fund	2,782,175	2,696,525	85,650
	<b>21,459,415</b>	<b>23,606,452</b>	<b>(2,147,038)</b>
<b>Noncurrent Assets</b>			
Due from Partnerships	1,030,503	5,401,639	(4,371,136)
Notes Receivable	170,433,456	134,539,053	35,894,403
Notes Receivable - Partnerships	145,966,534	128,175,196	17,791,338
Notes Receivable -Conduit Financing	0	0	0
Deferred Charges, Net	2,867	3,000	(133)
Investment in Partnerships	23,789,892	23,789,892	0
Land, Structures, Equipment, Net	130,918,345	131,594,260	(675,915)
	<b>472,141,596</b>	<b>423,503,039</b>	<b>48,638,556</b>
<b>Other Asset-Like Accounts</b>	<b>7,172,159</b>	<b>7,166,840</b>	<b>5,319</b>
<b>TOTAL ASSETS</b>	<b>\$ 564,590,586</b>	<b>\$ 515,815,725</b>	<b>\$ 48,774,861</b>

### **CHANGE IN ASSETS**

- Total Assets of \$564.6 million increased by \$48.8 million from December 31, 2018.
  - Current Assets increased \$2.3 million to \$63.8 million.
    - Cash and cash equivalents of \$57.0 million increased \$1.7 million across several departments.
    - Cash and Cash Equivalents - Restricted decreased \$3.4 million to \$208 thousand relating to the use of bond funds for Lloyd Housing, L.P.
    - Funds held in Trust increased \$955 thousand to \$14.5 million in Replacement Reserves across several Affordable Housing properties.
    - Debt Amortization Fund increased \$86 thousand to \$2.8 million; increasing \$595 thousand at Lovejoy Fountain, \$375 thousand at Yards at Union Station.
  - Noncurrent Assets increased \$48.6 million to \$472.1 million.
    - Due from Partnerships decreased \$4.4 million to \$1.0 million across several Tax Credit Partnership properties including \$1.9 million at Multnomah Manor, \$787 thousand at Medallion Apartments and \$626 thousand at Williams Plaza.
    - Notes Receivables increased \$35.9 million to \$170.4 million primarily due to Development Fee payments of \$20.3 million for the East Group, L.P.
    - Notes Receivable – Partnerships increased \$17.8 million to \$146.0 million primarily related to Square Manor.
    - Land, Structures, Equipment, Net decreased \$676 thousand to \$131.0 million primarily at Lloyd Housing L.P.

**Statement of Net Position**  
**Home Forward**  
**As of September 30, 2019 and December 31, 2018**

Quarterly Report - **Unaudited**

	September 30, 2019	December 31, 2018	Incr (Decr)
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts Payable	\$ 1,931,789	\$ 2,934,217	\$ (1,002,428)
Accrued Interest Payable	5,614,374	5,972,900	(358,526)
Other Accrued Liabilities	25,377,094	25,278,695	98,399
Deferred Revenue	9,684,676	4,145,313	5,539,363
Tenant Security Deposits Payable	1,482,343	1,429,106	53,238
Family Self-Sufficiency Funds Payable	1,740,933	1,511,072	229,861
Line of Credit	7,766,216	1,493,219	6,272,997
Current Portion of Bonds Payable -Partnerships	816,576	816,576	0
Current Portion of Notes & Bonds Payable	2,974,101	2,974,101	0
	57,388,101	46,555,198	10,832,903
<b>Noncurrent Liabilities</b>			
Notes Payable	62,582,598	63,935,945	(1,353,346)
Bonds Payable	27,580,584	28,309,573	(728,990)
Bonds Payable - Partnerships	129,863,264	112,071,926	17,791,338
Other Liability-Like Accounts	3,374,170	3,374,170	0
	223,400,615	207,691,614	15,709,002
Net Assets (Deficit)	283,801,870	261,568,914	22,232,956
<b>TOTAL LIABILITIES AND NET ASSETS (DEFICIT)</b>	<b>\$ 564,590,586</b>	<b>\$ 515,815,725</b>	<b>\$ 48,774,861</b>

## **CHANGE IN LIABILITIES & NET POSITION**

- Current Liabilities of increased \$10.8 million to \$57.4 million.
  - Accounts Payable decreased \$1.0 million to \$1.9 million across several properties and programs. There is a decrease of \$620 thousand in Rent Assistance, \$110 thousand in Public Housing, and \$149 thousand in Resident Services.
  - Other Accrued Liabilities of \$25.4 million increased by \$98 thousand primarily due to a \$96 thousand increase in accrued compensated absences and \$66 thousand in PERS payable.
  - Line of Credit of \$7.8 million increased by \$6.3 million, primarily due to \$7.8 million in short term financing for the purchase of The Alexis, a 40-unit apartment building.
- Noncurrent Liabilities of \$223.4 million increased by \$15.7 million.
  - Notes Payable of \$62.6 million decreased \$1.4 thousand across several properties particularly \$287 thousand at Lovejoy Station, \$117 thousand at St. Francis, \$134 thousand at Ainsworth and \$168 thousand at Fairview Oaks and Woods.
  - Bonds Payable of \$27.6 million decreased \$729 thousand across several properties including \$315 thousand at Pearl Court and \$125 thousand at New Market West.
  - Bonds Payable – Partnerships of \$130 million increased \$17.8 million primarily due to \$13.7 million at Tamarack Apartments and \$7.8 million at Schunk Riverview Tower.
- Net Assets increased \$22.2 million to \$283.8 million.



**Statement of Revenues, Expenses, and Changes in Net Position**  
**Comparison of Budget and Actual**  
**Home Forward Development Enterprises**  
**For the nine month period ending September 30, 2019**

	YTD Actual	YTD Budget	\$ Variance	% Variance	Annual Budget
<b>Operating Revenues</b>					
<b>Operating Expenses</b>					
Other Admin Expenses	\$ 643,825	\$ 728,280	\$ 84,455	11.6%	\$ 971,040
Tenant Svcs Personnel Expense	279	-	(279)	0.0%	-
General	2,450	1,875	(575)	-30.7%	2,500
<b>Total Operating Expenses</b>	<b>646,555</b>	<b>730,155</b>	<b>83,600</b>	<b>11.4%</b>	<b>973,540</b>
<b>Operating Income (Loss)</b>	<b>(646,555)</b>	<b>(730,155)</b>	<b>83,600</b>	<b>-11.4%</b>	<b>(973,540)</b>
<b>Other Income (Expense)</b>					
Investment Income	823,279	821,151	2,128	0.3%	1,094,868
<b>Net Other Income (Expense)</b>	<b>823,279</b>	<b>821,151</b>	<b>2,128</b>	<b>0.3%</b>	<b>1,094,868</b>
<b>Capital Contributions</b>					
<b>INCREASE (DECREASE) IN NET POSITION</b>	<b>\$ 176,724</b>	<b>\$ 90,996</b>	<b>\$ 85,728</b>	<b>94.2%</b>	<b>\$ 121,328</b>

**PERFORMANCE SUMMARY**

- The nine months ending September 30, 2019 generated a \$647 thousand operating loss, \$84 thousand favorable to budget.
- Total Net Position increased \$177 thousand, \$86 thousand favorable to budget.



**Operating Revenue**  
**Home Forward Development Enterprises**  
For the nine month period ending September 30, 2019

	YTD Actual	YTD Budget	\$ Variance	% Variance	Annual Budget
<b>Operating Revenues</b>					
<i>Total Operating Revenues</i>	\$ -	\$ -	\$ -	0.00%	\$ -

**REVENUE ANALYSIS**

**Operating Expense**  
**Home Forward Development Enterprises**  
For the nine month period ending September 30, 2019

	YTD Actual	YTD Budget	\$ Variance	% Variance	Annual Budget
<b>Operating Expenses</b>					
Other Admin Expenses	\$ 643,825	\$ 728,280	\$ 84,455	11.60%	\$ 971,040
Tenant Svcs Personnel Expense	279	-	(279)	0.00%	-
General	2,450	1,875	(575)	-30.67%	2,500
<b>Total Operating Expenses</b>	<b>646,555</b>	<b>730,155</b>	<b>83,600</b>	<b>11.45%</b>	<b>973,540</b>
<b>Operating Income (Loss)</b>	<b>\$ (646,555)</b>	<b>\$ (730,155)</b>	<b>\$ 83,600</b>	<b>-11.45%</b>	<b>\$ (973,540)</b>

**EXPENSE ANALYSIS**

- Total Operating Expenses of \$647 thousand was \$84 thousand favorable to budget.
  - There was \$644 thousand in Contribution expense. Additional contribution expense will be made during the remainder of the fiscal year and it is anticipated that the final budget variance will be minimal.
  - There was \$2 thousand in General Expenses.





**Other Income/Expense**  
**Home Forward Development Enterprises**  
For the nine month period ending September 30, 2019

	YTD Actual	YTD Budget	\$ Variance	% Variance	Annual Budget
<b>Other Income (Expense)</b>					
Investment Income	\$ 823,278.81	\$ 821,151.00	\$ 2,127.81	0.26%	\$ 1,094,868.00
<b>Net Other Income (Expense)</b>	823,279	821,151	\$ 2,128	0.26%	1,094,868
<b>Capital Contributions</b>					
<b>INCREASE (DECREASE) IN NET POSITION</b>	\$ 176,724	\$ 90,996	\$ 85,728	94.21%	\$ 121,328

**OTHER INCOME/(EXPENSE) ANALYSIS**

- Investment Income reflects interest earnings from Notes Receivable received from the disposition of Northwest Tower, Hollywood East, Gallagher Plaza and Sellwood Center.



**Statement of Net Position**  
**Home Forward Development Enterprises**  
**As of September 30, 2019 and December 31, 2018**

	September 30, 2019	December 31, 2018	Incr (Decr)
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	\$ 5,207,777	\$ 4,603,205	\$ 604,572
Accounts Receivable, Net	(1,569)	(1,000)	(569)
	<b>5,206,208</b>	<b>4,602,255</b>	<b>603,953</b>
<b>Restricted Assets</b>			
<b>Noncurrent Assets</b>			
Notes Receivable	40,320,860	40,748,378	(427,518)
	<b>40,320,861</b>	<b>40,748,379</b>	<b>(427,518)</b>
<b>Other Asset-Like Accounts</b>			
	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 45,527,069</b>	<b>\$ 45,350,634</b>	<b>\$ 176,435</b>

**CHANGE IN ASSETS**

- Total Assets of \$45.5 million show an increase of \$176 thousand from December 31, 2018.
  - Current Assets increased \$604 thousand to \$5.2 million.
  - Notes Receivable decreased \$428 thousand to \$40.3 million.

**Statement of Net Position**  
Home Forward Development Enterprises  
As of September 30, 2019 and December 31, 2018

**UNAUDITED**

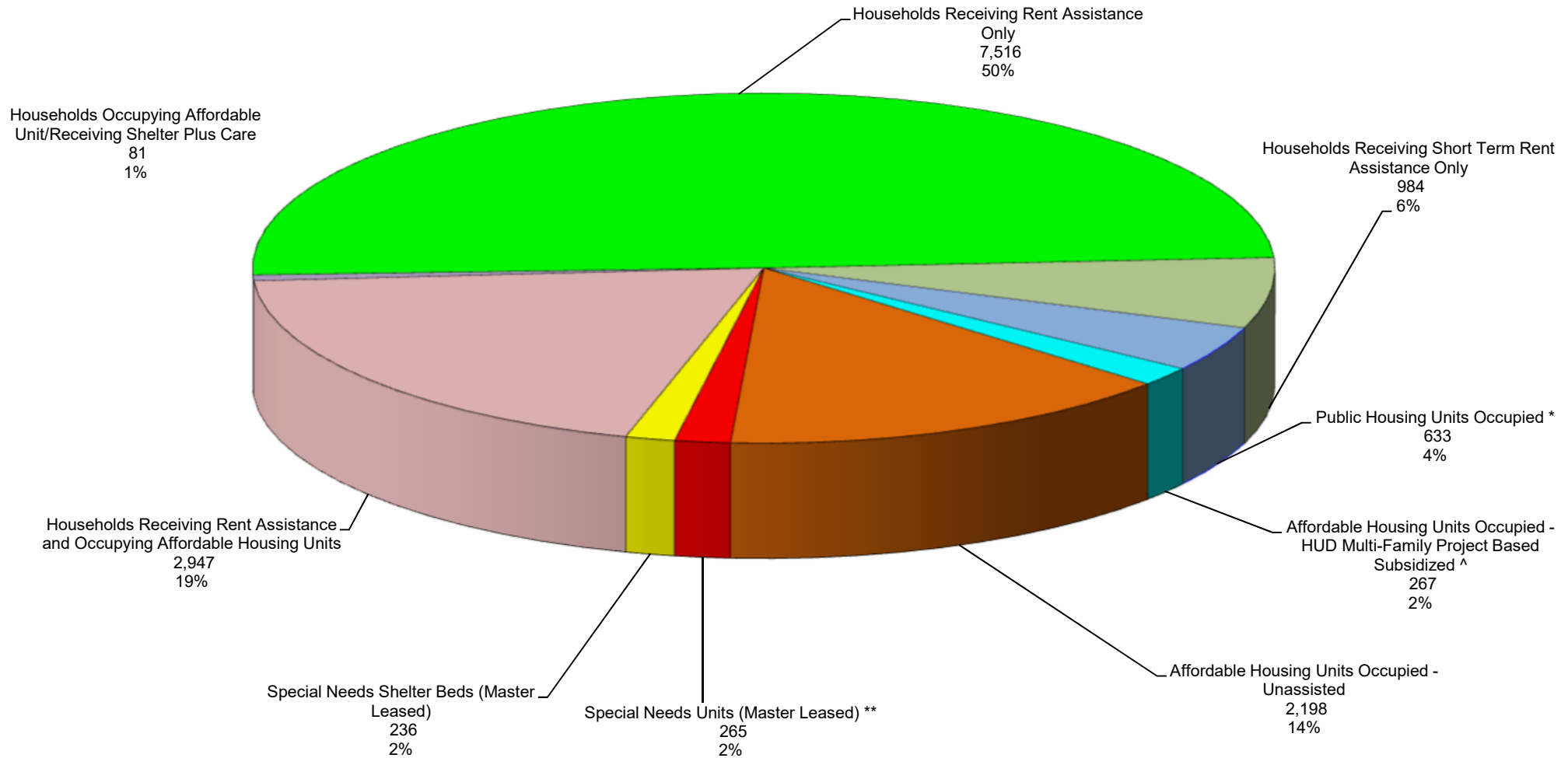
	September 30, 2019	December 31, 2018	Incr (Decr)
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Other Accrued Liabilities	\$ 61,625	\$ 61,675	\$ (50)
	<b>61,387</b>	<b>61,676</b>	<b>(289)</b>
<b>Noncurrent Liabilities</b>			
Net Position (Deficit)	<b>45,465,682</b>	<b>45,288,958</b>	<b>176,724</b>
<b>TOTAL LIABILITIES AND NET POSITION (DEFICIT)</b>	<b>\$ 45,527,069</b>	<b>\$ 45,350,634</b>	<b>\$ 176,435</b>

**CHANGE IN LIABILITIES & NET POSITION**

- Current Liabilities decreased \$289 to \$61 thousand.
- Noncurrent Liabilities increased \$177 thousand to \$45.5 million.
- Net Position decreased by \$176 thousand to \$45.5 million.

# HOUSEHOLDS SERVED REPORT

## Total Households Served: Rent Assistance and Occupied Housing Units Novmeber 2019



**Total Households Served 15,127**

^ Consists of Grace Peck Terrace, Multnomah Manor, Plaza Townhomes, Rosenbaum Plaza, Unthank Plaza

\* Includes Local Blended Subsidy

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\*\* Special Needs are physical units as occupancy levels that are not reported to Home Forward by service providers master leasing these properties.

# Households Served

## Households Served Through Housing Supports November 2019

Rent Assistance	All Programs	Moving to Work Programs	Non-MTW Programs
Rent Assistance Vouchers - Home Forward Funded	10,463	7,736	1,613
Tenant Based Vouchers	5,429	5,429	
Project Based Vouchers	1,771	1,771	
Hi Rise Project Based Vouchers	536	536	
RAD Project Based Vouchers	832		
Section 18 Project Based Vouchers	282		
Single Room Occupancy (SRO)/MODS	129		129
Family Unification Program	132		132
Mainstream Vouchers	32		32
Veterans Affairs Supportive Housing (VASH)	624		624
Rent Assistance - PORT IN From Other Jurisdiction	696		696
Short Term Rent Assistance Programs	1,065	50	1,015
Shelter + Care	502		502
Locally Funded Short Term Rent Assistance	513		513
Earl Boyles	9	9	
MIF Funded Short Term Rent Assistance	-	-	
Alder School	27	27	
New Doors	5	5	
Employment Opportunity Program	9	9	
Work Systems Inc. - Agency Based Rent Assistance	-	-	
<b>Total Rent Assistance</b>	<b>11,528</b>	<b>7,786</b>	<b>2,628</b>
<b>Subsidized Housing Units</b>			
<b>Public Housing Units Occupied</b>	<b>633</b>	<b>633</b>	<b>-</b>
Traditional Public Housing units Occupied	633	633	
Affordable Housing Units Occupied (excluding PH subsidized)	5,493		5,211
Affordable Housing Units - Tenant Based Vouchers	456		456
Affordable Housing Units - Shelter + Care	81		81
Affordable Housing Units - Project Based Vouchers	666		666
Affordable Housing Units - Hi Rise Project Based Vouchers	536		536
Affordable Housing Units - RAD Project Based Vouchers	832		832
Affordable Housing Units Section 18 Project Based Vouchers	282		
Affordable Housing Units - HUD Multi-Family Project Based	267		267
Affordable Housing Units - VASH Vouchers	115		115
Affordable Housing Units - Family Unification Program	13		13
Affordable Housing Units - Section 8 Port In	47		47
Affordable Housing Units - Unassisted	2,198		2,198
Special Needs	501		501
Special Needs Units (Master Leased) **	265		265
Special Needs Shelter Beds (Master Leased)	236		236
<b>Total Households Occupying Housing Units</b>	<b>6,627</b>	<b>633</b>	<b>5,712</b>
<b>Total Housing Supports Provided to Household</b>	<b>18,155</b>	<b>8,419</b>	<b>8,340</b>
Household Occupying Affordable Unit/Receiving Home Forward Rent Assistance	(2,947)		(2,947)
Households Occupying Affordable Unit/Receiving Shelter Plus Care	(81)		(81)
<b>Total Households Served</b>	<b>15,127</b>	<b>8,419</b>	<b>5,312</b>

### Notes:

- A Consists of Grace Peck Terrace, Multnomah Manor, Plaza Townhomes, Rosenbaum Plaza, Unthank Plaza
- \*\* Special Needs and Physical Units are occupancy levels that are not reported to Home Forward by service providers master leasing these properties.
- Home Forward Board of Commissioners  
December 2019

# DASHBOARD REPORT

## Property Performance Measures

Occupancy	Number of Properties	Physical Units	Rentable Units	Vacant Units	Occupancy Percentage	Unit Mix						
						Studio/SRO	1 Bdrm	2 Bdrm	3 Bdrm	4 Bdrm	5+ Bdrm	Total
Public Housing	17	645	636	12	98.1%	8	323	186	122	6	0	645
Affordable Owned	27	2,471	2,429	51	97.9%	919	719	621	182	30	0	2,471
Tax Credit Partnerships	35	3,103	3,022	30	99.0%	907	1,056	599	386	138	17	3,103
<b>Total Affordable Housing</b>	<b>62</b>	<b>5,574</b>	<b>5,451</b>	<b>81</b>	<b>98.5%</b>	<b>1,826</b>	<b>1,775</b>	<b>1,220</b>	<b>568</b>	<b>168</b>	<b>17</b>	<b>5,574</b>
<b>Combined Total PH and AH</b>	<b>79</b>	<b>6,219</b>	<b>6,087</b>	<b>93</b>	<b>98.5%</b>	<b>1,834</b>	<b>2,098</b>	<b>1,406</b>	<b>690</b>	<b>174</b>	<b>17</b>	<b>6,219</b>
Special Needs (Master Leased)	28	265	265									
Special Needs (Shelter Beds)	3	236	236									
<b>Total with Special Needs</b>	<b>110</b>	<b>6,720</b>	<b>6,588</b>									

\* property/unit counts also included in Affordable Housing Count

## Financial

Financial

	Fiscal YTD ending 9/30/19				09/30/19		
	# of Properties/units Positive Net Operating Income (NOI)	# of Properties/units Negative Net Operating Income (NOI)	# of Properties/units Under Construction (NOI Does not Apply)	# of Properties meeting Debt Coverage	# of Properties not meeting DCR	# of Properties DCR Not Applicable	
Public Housing	17	645	0	0			
Affordable Owned	27	2,471	0	0	19	2	
Tax Credit Partnerships	30	2,434	4	429	15	2	
			1	240		1	

Property Counts and in the Occupancy section are presented as individual properties while Financial Data is presented on the Tax Credit Partnership level.

Property Counts and in the Occupancy section are presented as individual properties while Financial Data is presented on the Tax Credit Partnership level.

## Public Housing Demographics

Public Housing Residents	Households				% Family Type (head of household)				Race % (head of household)					
	# of Households	% of Households	Average Family Size	Average Unit Size	Adults no Children	Family with Children	Elderly	Disabled Not Elderly	Black African American	White	Native American	Asian	Hawaiian/ Pacific Isld	Hispanic/ Latino
0 to 10% MFI	113	18.1%	2.8	2.1	7.0%	11.0%	1.0%	3.2%	4.8%	8.5%	0.8%	0.2%	0.9%	3.0%
11 to 20%	265	42.4%	1.6	1.4	33.0%	9.4%	17.1%	17.9%	8.5%	25.8%	1.5%	1.5%	0.6%	4.5%
21 to 30%	138	22.1%	2.1	1.7	14.4%	7.7%	8.3%	5.8%	3.4%	12.0%	0.8%	1.8%	0.2%	3.9%
31 to 50%	82	13.1%	2.8	2.1	4.3%	8.8%	2.9%	2.4%	3.0%	5.8%	0.2%	0.5%	0.2%	3.4%
51 to 80%	23	3.7%	2.7	2.2	2.2%	1.4%	0.5%	0.3%	0.8%	1.8%	0.0%	0.3%	0.0%	0.8%
Over 80%	4	0.6%	3.5	2.5	0.3%	0.3%	0.2%	0.2%	0.2%	0.2%	0.0%	0.3%	0.0%	0.0%
All	625	9.6%	2.6	2.0	63.7%	36.3%	47.4%	50.9%	37.5%	49.0%	1.8%	5.0%	0.7%	6.6%

## Waiting List

0 to 10% MFI	5,375	41.1%	9.6	1.3			1.8%	12.4%	13.1%	18.7%	1.9%	1.0%	0.6%	3.8%
11 to 20%	3,826	29.2%	2.0	1.3			3.7%	14.0%	9.0%	14.2%	1.3%	1.2%	0.4%	2.6%
21 to 30%	2,071	15.8%	2.3	1.4			2.1%	4.8%	4.5%	7.8%	0.6%	0.8%	0.2%	1.7%
31 to 50%	1,440	11.0%	2.6	1.4			1.2%	2.1%	3.3%	4.9%	0.3%	0.7%	0.2%	1.5%
51 to 80%	274	2.1%	2.6	1.3			0.2%	0.3%	0.7%	0.8%	0.1%	0.2%	0.1%	0.2%
Over 80%	96	0.7%	2.5	1.3			0.1%	0.2%	0.3%	0.3%	0.0%	0.0%	0.0%	0.1%
All	11,156	100.0%	3.6	1.4			44.0%	10.0%	31.0%	47.1%	4.2%	3.9%	1.5%	10.0%

## Other Activity

Public Housing	
Names pulled from Wait List	538
Denials	7
New rentals	4
Vacates	4
Evictions	0
# of work orders received	2,207
# of work orders completed	1,671
Average days to respond	18.7
# of work orders emergency	10
Average response hrs (emergency)	51

## Rent Assistance Performance Measures

### Utilization and Activity

	Current Month Status						Current Month Activity				Calendar Year To Date				
	Authorized Vouchers	Utilized Vouchers	Utilization	Average Voucher Cost	HUD Subsidy Over / (Under)	Remaining Waiting List	Waiting List Names	New Vouchers Leased	Vouchers Terminated	Voucher Inspections Completed	Utilization	Average Voucher	HUD Subsidy Over / (Under)	New Vouchers Leased	Vouchers Terminated
Tenant Based Vouchers	6,172	5,429	88%	\$830	-218,734	2,826	0	10	7	375	89%	\$811	-2,825,299	44	274
Project Based Vouchers	2,670	2,589	97%	\$814	54,969			15	16	64	94%	\$805	-390,239	552	267
VASH Vouchers	855	624	73%	\$752	-94,854			2	3	40	75%	\$745	-898,376	89	50
FUP Vouchers	188	132	70%	\$1,005	-39,331			5	3	11	59%	\$1,009	-575,803	65	15
Mainstream Vouchers	99	32	32%	\$860	-44,079			5	0	7	7%	\$367	-759,979	36	0
RAD Project Based Vouchers	1,285	832	65%	\$570	-321,505			118	3	14	68%	\$64	-5,774,432	514	90
SRO/MOD Vouchers	130	129	99%	\$467	-2,562			2	2	3	96%	\$441	-77,283	80	442
All Vouchers	11,399	9,767	86%	\$796	0			157	34	514	86%	\$741	-11,301,410	1380	1138



# Home Forward - Dashboard Report For November of 2019

## Demographics

Tenant Based Voucher Participants *	Households				% Family Type (head of household)				Black African American	White	Native American	Asian	Hawaiian/ Pacific Islnd	Hispanic/ Latino
	# of Households	% of Households	Average Family Size	Average Unit Size	Adults no Children	Family with Children	Elderly	Disabled Not Elderly						
0 to 10% MFI	1064	16.1%	2.4	2.0	48.0%	52.0%	21.5%	27.0%	39.3%	47.5%	3.7%	1.5%	1.5%	8.6%
11 to 20%	2,585	40.2%	1.9	1.8	77.1%	23.0%	61.2%	69.0%	34.5%	54.0%	1.5%	7.0%	0.3%	5.9%
21 to 30%	1,439	22.6%	2.3	1.9	68.2%	32.0%	57.1%	57.0%	32.2%	58.6%	1.3%	4.5%	0.8%	6.1%
31 to 50%	1,118	17.0%	2.8	2.3	50.0%	50.0%	36.8%	34.0%	44.7%	45.0%	1.8%	3.9%	1.1%	7.0%
51 to 80%	263	3.9%	3.0	2.6	46.6%	53.0%	22.3%	20.0%	49.4%	42.2%	0.8%	4.0%	0.8%	5.2%
Over 80%	17	0.3%	2.3	2.2	82.4%	18.0%	29.4%	35.0%	64.7%	29.4%	5.9%			5.9%
All	6,486	100%	2.4	2.1	64%	36%	47%	51%	37%	52%	2%	5%	1%	7%

\* (Includes Tenant Based, FUP, VASH, Mainstream and Port In Vouchers)

## Project Based Voucher Participants

	Households				% Family Type (head of household)				Black African American	White	Native American	Asian	Hawaiian/ Pacific Islnd	Hispanic/ Latino
	# of Households	% of Households	Average Family Size	Average Unit Size	Adults no Children	Family with Children	Elderly	Disabled Not Elderly						
0 to 10% MFI	811	24.7%	1.9	1.5	13.6%	4.8%	8.2%	5.4%	4.1%	11.8%	0.4%	0.6%	0.3%	1.3%
11 to 20%	1,431	43.7%	2.9	2.1	5.0%	5.4%	2.8%	1.8%	3.1%	4.3%	0.4%	0.3%	0.2%	2.2%
21 to 30%	596	18.3%	2.9	2.3	1.1%	1.3%	0.3%	0.2%	0.7%	0.8%	0.1%	0.0%	0.1%	0.7%
31 to 50%	348	10.9%	3.4	2.7	0.2%	0.2%	0.0%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%	0.1%
51 to 80%	81	2.7%	3.6	2.7	0.2%	0.3%	0.0%	0.1%	0.1%	0.2%	0.0%	0.0%	0.0%	0.2%
Over 80%	11	0.4%	3.9	2.8	42.9%	57.0%	21.4%		28.6%	71.4%				42.9%
All	3,278	100%	3.1	2.3	72%	28%	48%	54%	37%	89%	1%	1%	0%	47%

## Waiting List

	Households				% Family Type (head of household)				Black African American	White	Native American	Asian	Hawaiian/ Pacific Islnd	Hispanic/ Latino	Not Reported
	# of Households	% of Households	Average Family Size	Average Unit Size	Adults no Children	Family with Children	Elderly	Disabled Not Elderly							
0 to 10% MFI	1,048	33.4%	2.5				3.2%	26.3%	30.3%	53.6%	4.8%	2.1%	1.2%	7.0%	1.2%
11 to 20%	887	28.3%	1.8				15.2%	61.2%	28.4%	56.6%	3.1%	5.4%	1.0%	4.6%	1.1%
21 to 30%	587	18.7%	2.1				17.6%	38.7%	23.7%	63.0%	2.4%	3.8%	1.0%	5.3%	0.9%
31 to 50%	505	16.1%	2.4				12.5%	24.2%	27.7%	57.6%	2.8%	4.8%	1.2%	5.5%	0.4%
51 to 80%	87	2.8%	2.6				9.2%	17.2%	39.1%	43.7%	1.2%	3.5%	1.2%	10.3%	1.2%
Over 80%	22	0.7%	2.5				9.1%	27.3%	45.5%	36.4%	4.6%		9.1%	4.6%	0.0%
All	3,136	100.0%	2.3				11%	38%	28%	56.3%	3.5%	3.8%	0.8%	5.8%	1.0%

## Short Term Rent Assistance

	# of Households Participating	\$ Amount of Assistance Provided	Average Cost per Household
Shelter Plus Care	502	\$471,085	938
Short Term Rent Assistance	563	\$483,815	859

## Resident Services

### Resident Programs

	Housing Program Served	Households Served/	Monthly Funding Amount	Average Funds per Participant
Congregate Housing Services * as of previous month	Public Housing	146	\$80,273	\$549.81

Resident Services Coordination	Public Housing				# Notice/Violation Meetings	# Housing Stability Meetings
		# Services	# of Programs	# Event Attendees		
		614	92	1976	19	124

	# of Participants	Escrow \$ Held	New Enrollees	# of Graduates	Escrow \$ Disbursed	Terminations or Exits	Escrow \$ Forfeited	Avg Annual Earned Income Increase Over Last Year
Nine months ending 12/31/2018	Public Housing	388	\$1,430,846	2	\$24,120	1	\$0	\$1,812
Twelve months ending 3/31/2019	Section 8	400	\$1,394,613	5	\$30,649	2	\$1,375	\$2,617

**Agency Six months ending 9/30/2019**

Nine months ending 9/30/2019

The below data represents unaudited financial data.

	Fiscal Year to Date	Prior YTD	Increase (Decrease)
	1/19 to 9/19	1/18 to 9/18	
Subsidy Revenue	\$83,761,013	\$81,420,373	\$2,340,640
Grant Revenue	16,424,309	13,551,392	2,872,917
Property Related Income	16,158,864	16,015,491	143,373
Development Fee Revenue	7,847,025	2,117,457	5,729,567
Other Revenue	9,621,831	8,043,613	1,578,218
<b>Total Revenue</b>	<b>\$133,813,042</b>	<b>\$121,148,326</b>	<b>\$12,664,715</b>
Housing Assistance Payments	84,834,008	84,520,491	313,517
Operating Expense	30,502,652	32,168,746	-1,666,094
Depreciation	5,955,151	6,304,861	-349,709
<b>Total Operating Expenses</b>	<b>121,291,811</b>	<b>122,994,098</b>	<b>-1,702,286</b>
<b>Operating Income</b>	<b>\$12,521,230</b>	<b>-\$1,845,772</b>	<b>\$14,367,002</b>
Other Income(Expense)	11,009,280	-521,554	11,530,835
Capital Contributions	-833,359	3,775,135	-4,608,495
Increase(Decrease) Net Assets	<b>22,697,151</b>	<b>5,846,746</b>	<b>21,289,342</b>
<b>Total Assets</b>	<b>\$ 564,591,343</b>	<b>\$ 462,641,905</b>	<b>\$ 101,949,438</b>
Liquidity Reserves	35,025,023	28,449,050	6,575,973

**Development/Community Revitalization****New Development / Revitalization**

	Units	Construction Start	Construction End	Current Phase	Total Cost	Cost Per Unit
Lloyd Housing	240	Dec-17	Oct-20	Construction	\$74,112,444	\$308,802
North Group Rehab Project	350	Dec-18	Oct-21	Construction	\$101,323,805	\$289,496
East Group Rehab Project	315	Jun-19	Dec-19	Construction	\$79,925,247	\$253,731

**Capital Improvement**

Fairview Woods Recladding	N/A	Jun-17	Feb-19	Construction	\$3,900,000	N/A
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