



homeforward

FY24 Budget

January 1, 2024, through December 31, 2024

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Management Discussion

This document presents the planned activities and financial budget for Home Forward for the twelve months beginning January 1, 2024, and ending December 31, 2024 (FY24).

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 Board appoints the Chief Executive Officer and is responsible for the daily functioning of Home Forward.

Home Forward is one of only 39 original public housing authorities in the country (out of more than 3,000) that had been selected by the US 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 specific federal requirements, enabling the merger of Housing Choice Voucher & administrative funds and Public Housing Operating & Capital Funds into a single fund, which allows Home Forward to create and implement innovative programs across its five main mission-based business lines.

The main mission-based business lines are:

- Real Estate Properties – Home Forward owns, manages, or is a partner in 111 properties with 6,536 units. Of these, 42 properties with 3,352 units are owned through tax credit partnerships, of which Home Forward is the minority owner. This document does not include the forecasted and budgeted results of these 42 tax credit properties.

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

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

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

As part of Home Forward's current strategic plan, the Asset Management group now provides long-term planning services to Home Forward's entire real estate portfolio. Asset Management generates fee income and uses cash flow generated from the real estate portfolio. The department also creates revenue from overseeing affordable properties our jurisdictional partners own.

Home Forward's Property Management group oversees the daily operations, compliance, and maintenance at 46 properties (3,275 physical units). The group generates property management fees to cover costs and 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. Home Forward provides rent assistance to over 14,000 households through these programs annually. These short-term initiatives began in FY20 and will continue into the FY24 fiscal year.

The Housing Choice Voucher Program (Section 8) is the most extensive 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 and administration of community housing and service partnerships throughout Multnomah County. Programs include congregate supportive housing and family self-sufficiency programs. Cost reimbursement grants and property fees typically fund these programs.
- Development – includes work on large-scale development projects such as 85 Stories (part of Home Forward's public housing preservation initiative), Metro Bond housing affordable housing developments, and improvement of our existing properties using capital grants, local grants, and mainstream financing products. Revenue for this group is generated from developer fees, which may be earned in one reporting period but paid in a different period.

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 a Generally Accepted Accounting Principle (GAAP) format and a Funding Flow (simplified operating cash basis) format. The reader must understand this distinction, as specific revenue and expense items may be recorded in one fiscal year. At the same time, 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's legal entity and does not include the budget of any blended or discretely presented units.

The budget was created with several guiding principles:

- Current-year activities will be funded with current-year revenue, business line reserves, allowable transfers from other programs, or agency-level reserves. In addition, any remaining funds will be assigned to reserves for specific purposes or general reserves to address funding volatility.
- Because the life cycle of development projects spans several years, we monitor development performance to match that life cycle rather than using a single-year snapshot.

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- Revenues for the Housing Choice Voucher program and administration, Public Housing Operating Subsidy, and Public Housing Capital Grant are budgeted based on estimated calculations of rates and prorations as determined from a combination of 2023 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 selling real estate are generally dedicated to acquiring, developing, and preserving real estate assets.

Budget Summary

Key Activities and Financial Highlights for Fiscal Year 24

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

Key activities planned for Fiscal Year 24 include:

- Development will provide development services to 3000 Powell LP, Dekum 2 LP, Fairfield PSH LP, Killingsworth Housing LP, GPT LP, Peaceful Villa Redevelopment, Troutdale Housing, and other capital projects. Development is projected to earn \$13.7 million in developer fees from these projects.
- Public Housing will serve 381 households in 9 public housing properties, with an expected occupancy of 98%. Public Housing units continue to decline as they convert to voucher-based units through the RAD/Section 18 program.
- Home Forward's Affordable Portfolio properties will serve 6,346 households, given the expected average occupancy rate of 97%. Home Forward-owned affordable properties are expected to serve 2,302 families, tax credit limited partnerships will serve 3,352 households, and master leased properties will serve 501 households.
- In FY23, Home Forward exhausted the current waitlist and opened a new waitlist for the first time since FY16. Over 19,000 households applied, and 2,000 were selected and placed on the waiting list. Selection of these households to receive a Housing Choice Voucher will start in FY24, with a projected 1,200 households being pulled from the waitlist.

Financial highlights of the upcoming budget include:

- Annual operating revenues are projected to be \$241 million. This is mainly due to the following:
 - \$13.7 million in developer fee revenue from 3000 Powell LP (\$5.0 million), Dekum 2 LP (\$2.6 million), Fairfield PSH LP (\$0.8 million), GPT LP (\$1.7 million), Killingsworth Housing LP (\$2.5 million), Peaceful Villa Redevelopment (\$0.8 million), and Troutdale Housing LP (\$0.3 million) projects.
 - Public Housing Operating Subsidy revenue of \$5.4 million, including \$776 thousand in Asset Repositing Fees, reflects an estimated proration of 95.
 - HUD funding for Housing Choice Vouchers is projected to maintain a proration level of 100%.
 - Admin fees will increase by \$187 thousand due to increased HUD proration.

- Annual operating expenses are projected to be \$262.0 million. This is mainly due to the following:
 - Of the \$262.0 million operating expenses, \$171.2 million represents rent assistance payments made directly to landlords on behalf of Home Forward participants. Home Forward's operating expenses would be \$90.8 million without rent assistance payments.
 - Personnel expenses will be \$45.4 million for the upcoming budget year.
 - Other administrative expenses will be \$16.3 million, primarily due to investment in Home Forward's information technology infrastructure, including activity related to additional development within Yardi Voyager, property management fees of \$1.4 million, and third-party payroll costs of \$2.4 million.
 - Other tenant services expenses will be \$4.2 million, primarily due to \$1.5 million related to the Congregate Housing Services Program (CHSP) and \$501 thousand for support services at Bud Clark Commons.
 - Other maintenance expenses will be \$9.1 million due to significant maintenance projects at multiple affordable properties in FY24.
- Based on the impact of the above items, operating loss is projected to be \$257 thousand.
- Investment income is expected to yield \$463 thousand and \$2.0 million in interest expense in FY24.
- The combined impact yields a \$614 thousand increase in change to net position.

Impact on Funding Flow

As noted in the Budget Principles section, the agency presents its budget in a GAAP presentation and 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. Development activities will (at a minimum) break even throughout 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	5,902,559	-	-	-	-	(5,902,559)	-
Public Housing Properties	1,754,641	-	629,939	-	(100,000)	(2,284,580)	-
Affordable Housing Properties	4,707,385	-	710,206	2,573,464	(600,001)	(7,391,054)	-
Asset Management	(4,321,271)	-	-	-	-	4,321,271	-
Property Management	(6,009,169)	-	8,482	-	-	6,000,687	-
Safety	(1,719,701)	-	-	-	-	1,719,701	-
Integrated Facilities Services	(199,816)	-	-	-	-	199,816	-
Community Services	(5,264,935)	-	-	475,224	-	4,789,711	-
Other	(2,396,788)	-	(72,868)	551,463	-	1,918,193	-
Program Group Total	(7,547,095)	-	1,275,759	3,600,151	(700,001)	3,371,186	-
Development	7,290,480	-	(13,715,300)	13,716,360	-	(7,291,540)	-
Total Agency	(256,615)	-	(12,439,541)	17,316,511	(700,001)	(3,920,354)	-

"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" reflects 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 the current year's 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 in agency reserves.

Net reserves are dedicated to the following identified purposes:

- \$12.5 million of collected development fee revenue is transferred to reserves and is used to cover department operations and fund project costs that span multiple fiscal years.
- To ensure adequate reserve levels for Home Forward, \$100 thousand will be directed to an insurance reserve, and \$600 thousand will be contributed to a capital reserve for the Affordable portfolio.

Staffing Update

Home Forward staff provide services 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			
	FY23 Budget	FY24 Budget	Increase / (Decrease)
Agency Funded	307.7	297.9	(7.8)
Other Legal Entity Funded	63.3	63.5	0.1
Total Agency-Managed Positions	371.1	363.4	(7.7)

Numbers may be off slightly due to rounding.

In total, full-time equivalent employees have decreased by 7.7 FTE. While this budget reflects the FTEs of Home Forward, it does not include Home Forward paying the financial impact of the 63.5 FTE, 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 January 19, 2024, for Housing and Urban Development funding, 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 (4.9% increase for HCV programs), and historical trends, use program reserves as needed, and prepare to implement budget revisions as soon as more accurate information is available.

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

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

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

Conclusion

For the Fiscal Year 2024, Home Forward will continue its efforts to transition from a traditional public housing platform to a more responsive affordable housing platform. Lastly, Home Forward will maintain ongoing operations while continuing foundational work to address historic and systemic racism.

Operating Statement & Summary of Funding Flow

Operating Statement

Home Forward

Fiscal Year 2024 Operating Statement

<u>Operating Statement</u>	<u>FY23 Budget</u>	<u>FY24 Budget</u>	<u>Increase/ Decrease</u>
Dwelling Rental	25,576,608	27,831,905	2,255,297
Non-dwelling Rental	1,530,033	1,716,078	186,045
HUD Subsidies - Housing Assistance	140,600,422	144,608,136	4,007,714
HUD Subsidies - Admin Fee	14,866,542	15,053,373	186,831
HUD Subsidies - Public Housing	6,337,202	5,427,842	(909,360)
HUD Grants	8,256,706	8,521,842	265,136
Development Fee Revenue, Net	10,540,955	13,716,360	3,175,405
State, Local & Other Grants	15,774,350	30,853,512	15,079,162
Other Revenue	16,812,445	13,631,883	(3,180,562)
Total IA Revenue	-	433,271	433,271
Total Operating Revenues	240,956,314	261,794,204	20,837,890
Housing Assistance Payments	150,653,244	171,155,390	(20,502,146)
Administration	25,760,430	32,474,162	(6,713,732)
Administrative Personnel Expense	13,268,413	16,157,852	(2,889,439)
Other Admin Expenses	12,492,015	16,316,310	(3,824,295)
Tenant Services	7,223,515	9,859,632	(2,636,117)
Tenant Svcs Personnel Expense	4,409,688	5,621,240	(1,211,552)
Other Tenant Svcs Expenses	2,813,827	4,238,393	(1,424,566)
Program Expense	16,850,107	19,972,657	(3,122,550)
Maintenance	12,011,826	12,827,420	(815,594)
Maintenance Personnel Expense	2,621,412	3,693,318	(1,071,906)
Other Maintenance Expenses	9,390,415	9,134,102	256,313
Utilities	5,569,195	5,820,614	(251,419)
Total IA Expense	(79,605)	(251,899)	172,294
Depreciation	11,865,694	6,568,007	5,297,687
General	3,053,389	3,615,117	(561,728)
Total Operating Expenses	232,907,794	262,050,819	(29,143,025)
Operating Income (Loss)	8,048,520	(256,615)	(8,305,135)
Operating Income (Loss) after Overhead	8,048,517	(256,615)	(8,305,132)
Reserve Funding	-	3,404,356	3,404,356
Operating Income (Loss) after Reserve Funding	8,048,517	3,147,741	(4,900,776)
Investment Income	125,660	463,503	337,843
Interest Expense	(2,215,539)	(2,005,831)	209,708
Amortization	1,428	-	(1,428)
Gain (Loss) on Sale of Assets	18,465	-	(18,465)
Net Other Income (Expense)	(2,069,986)	(1,542,328)	527,658
Net Capital Contributions	2,306,000	(991,000)	(3,297,000)
Change in Net Position	8,284,530	614,413	(7,670,117)

Funding Flow Analysis

Home Forward

Fiscal Year 2024 Funding Flow Analysis

<u>Funding Flow Analysis</u>	<u>FY23 Budget</u>	<u>FY24 Budget</u>	<u>Increase/ Decrease</u>
Funding Flow Analysis	\$ 8,048,519	\$ 614,413	\$ (7,434,106)
Funding Flow Analysis	(8,048,519)	(614,413)	7,434,106
Final Funding Source or (Shortfall)	\$ -	\$ -	\$ -

Line-Item Analysis & Assumptions

Revenue

Dwelling Rental \$27.8 million

- Public Housing Portfolio will earn \$1.0 million and continue to benefit from high occupancy rates, with an estimated offset of \$25 thousand for vacancies.
- Affordable Housing Portfolio will earn \$32.4 million due to high occupancy rates, with estimated offsets of \$1.5 million for vacancies and \$98 thousand in rent concessions.
- There is a projected elimination of \$5.0 million to reflect voucher holders living in our Affordable and Public Housing properties.
- To ensure the continuation of affordable housing options throughout the community, Project-Based Vouchers will allow rent increases of up to 3% to be applied in FY24.

Non-dwelling Rental \$1.6 million

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

HUD Subsidies - Housing Assistance \$144.6 million

- Due to expected continuing resolutions for a portion of the year, this funding is assumed to include a 5% funding increase and a projected proration level of 100.0%.
- RAD funding will be \$10.3 million for the 1,503 vouchers converted since FY19.
- Funding for the Section 18 Tenant Protection Vouchers will be \$4.8 million (694 units converted from Public Housing).
- The subsidies will fund 15,319 vouchers in the upcoming budget year.

HUD Subsidies – Administrative Fees \$15.0 million

- Administrative Fees for HUD housing assistance are budgeted based on funding appropriations and assume 88% proration for FY24.

HUD Subsidies - Public Housing \$5.4 million

- Funding includes \$600 thousand in Asset Repositioning Fees (ARF). ARF represents a temporary revenue stream (related to Section 18 conversions) to assist with converting Public Housing to Tenant Protection Vouchers.
- This line item includes \$377 thousand for carve-outs to support services and payment in lieu of taxes.
- The budget assumes that the Operating Subsidy proration will be 95%, based on current year actuals.

Development Fee Revenue \$13.7 million

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

Project	Accrued Developer Fee Revenue (In thousands)
Dekum Court Redevelopment	\$2,648
3000 Powell LP	4,980
Fairfield PSH LP	810
GPT LP	1,679
Killingworth Housing LP	2,519
Peaceful Villa Redevelopment	750
Troutdale Housing LP	290
Total	\$13,676

State, Local & Other Grants \$30.9 million

Grant	FY23 Budget (In thousands)	FY24 Budget (In thousands)	Increase/ (Decrease)
Short-Term Rent Assistance			
Multnomah County	\$3,056	\$5,360	\$2,304
Homeless Family System of Care	3,451	3,909	458
City of Portland	2,292	1,135	(1,157)
State of Oregon	16	2	(14)
PILOT Revenue	200	224	24
Short-Term Rent Assistance Total	9,015	10,629	1,614
Medicaid – CHSP	711	805	95
Joint Office – Bud Clark Commons	549	643	94
Long-Term Rent Assistance			
Metro	0	163	163
Affordable Connectivity Outreach	0	332	332
Teen Collaborative Grant	0	20	20
Total	\$15,774	\$30,854	\$15,079

Other Revenue \$13.6 million

Other Revenue	FY23 Budget (In thousands)	FY24 Budget (In thousands)	Increase/ (Decrease)
Portability Revenue	\$10,830	\$7,542	(\$3,288)
Integrated Facilities Services Fees	1,742	1,904	161
Property-Related Income – Community Services	299	361	62
Property-Related Income – Operations	994	935	154
Property-Related Income – Management & General Partner Fees	1,659	1,514	(145)
Home Forward Development Enterprises Contributions	451	451	0
Other Revenue	790	910	121
Fraud and Bad Debt Recovery	47	14	(33)
Total	\$16,812	\$13,632	(\$3,180)

Expense**Housing Assistance Payments \$171.2 million**

- Includes Housing Assistance payments for the MTW Vouchers, RAD/Section 18 conversions, FUP Program, VASH program, Emergency Housing Vouchers, 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 \$45.4 million

- Total full-time equivalents for agency-funded positions are budgeted to be 299.9. An additional 63.5 FTEs are funded directly from tax credit limited partnerships, and the expenses associated with these staff members are not included in this budget. Combined FTE is 363.4, a 7.7 FTE decrease from the FY23 budget. The expenses below reflect only activity recorded for Home Forward properties.

Personnel Expense	FY23 Budget (In millions)	FY24 Budget (In millions)	Increase/ (Decrease)
Administrative Personnel Expense	\$13.3	\$16.2	\$2.9
Tenant Services Personnel Expense	4.4	5.6	1.2
Program Expense	16.9	20.0	3.1
Maintenance Personnel Expense	2.6	3.7	1.1
Total	\$37.1	\$45.4	\$8.3

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

Other Administrative Expenses \$16.3 million

- The Affordable Housing portfolio's other administrative expenses include outside payroll expenses, management fees, and security patrol contracts.
- The Administration operating group has budgeted expenses of \$3.6 million due to software and licensing fees, additional projects related to the Yardi upgrade, and projects related to diversity and equity. This includes several costs associated with the hybrid work model and other agency expenses.

Other Tenant Services Expenses \$4.2 million

- Tenant services expenses are projected to include \$3.6 million in contracted resident services.

Other Maintenance Expenses \$9.1 million

- Public housing properties are expected to have \$3.0 million in repairs and other maintenance activities.
- Affordable housing properties are expected to have \$2.6 million in repairs and other maintenance activities.
- New Market West is projected to have \$239 thousand planned repairs and ongoing maintenance.

Utilities \$5.8 million

- Sewer and water rates are projected to rise by 7%, while other rates continue to increase, including electric rates ranging from 5% to 10% and natural gas increasing by 7%. Local waste haulers will provide garbage and recycling services.

Depreciation \$6.6 million

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

General \$3.6 million

- Insurance expenses will increase due to rising valuations and premium rates and are projected to be \$2.4 million.
- Based on historical debt, bad debt expense is projected to be \$723 thousand.

Net Other Income (Expense)

Investment Income \$464 thousand

- Investment income is projected to increase based on higher interest rates than prior year estimates.

Interest Expense \$2.0 million

- Interest expense (\$2.0 million) is primarily due to debt at Fairview (\$291 thousand), Lovejoy Station (\$202 thousand), Rockwood Station (\$119 thousand), St. Francis (\$112 thousand), The Alexis (\$136 thousand), Grethen Kafoury (\$133 thousand), Hamilton West (\$114 thousand), and Yards at Union Station (\$105 thousand).

Net Capital Contributions

HUD Capital Contributions \$990 thousand

- \$990 thousand in capital projects is budgeted for public housing properties, including those undergoing a RAD/Section 18 conversion.

Operating and Administrative Segment Review

FY24 Operating Statement by Operating Group*

Home Forward															
Fiscal Year 2024 Operating Statement by Operating Group															
Operating Statement	Rent Assistance	Public Housing Portfolio	Affordable Portfolio	Asset Management	Property Management	Safety	Integrated Facilities	Development	Community Services	Administration	Real Estate Finance	Reserves	MIF	Elimination	Home Forward Total
Dwelling Rental	\$ -	\$ 1,019,282	\$ 31,874,594	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (5,061,971)	\$ 27,831,905
Non-dwelling Rental	-	86,904	1,869,566	-	-	-	-	-	217,760	64,431	-	-	-	(522,583)	1,716,078
HUD Subsidies - Housing Assistance	143,082,876	-	1,525,260	-	-	-	-	-	-	-	-	-	-	-	144,608,136
HUD Subsidies - Admin Fee	14,444,571	-	-	-	608,802	-	-	-	-	-	-	-	-	-	15,053,373
HUD Subsidies - Public Housing	250,000	4,800,696	-	-	169,000	-	-	-	-	208,146	-	-	-	-	5,427,842
HUD Grants	6,739,661	-	-	-	399,060	-	-	-	1,383,121	-	-	-	-	-	8,521,842
Development Fee Revenue, Net	-	-	-	-	-	-	-	13,716,360	-	-	-	-	-	-	13,716,360
State, Local & Other Grants	28,890,297	-	-	-	-	-	-	162,676	1,800,540	-	-	-	-	-	30,853,512
Other Revenue	7,542,080	19,557	989,478	-	2,345,964	-	1,903,601	-	1,211,879	-	-	-	-	(380,676)	13,631,883
Total IA Revenue	-	-	-	-	-	-	-	-	1,413,442	-	-	-	-	(980,169)	433,273
Total Operating Revenues	200,949,484	5,926,439	36,258,898	-	3,522,826	-	1,903,601	13,879,036	6,234,888	64,431	-	-	-	(6,945,399)	261,794,204
Housing Assistance Payments	176,440,394	-	-	-	-	-	-	-	-	-	-	-	-	(5,285,004)	171,155,390
Administrative Personnel Expense	1,376,641	-	-	742,745	1,237,385	547,118	84,408	1,280,854	587,478	10,301,224	-	-	-	-	16,167,852
Other Admin Expenses	893,561	366,128	7,274,545	137,704	375,429	136,959	40,041	229,745	639,182	6,520,840	9,000	-	-	(306,824)	16,316,310
Fees/overhead charged	522,583	-	-	2,256	3,252	-	3,408	-	-	802	-	-	-	(522,583)	9,718
Tenant Svcs Personnel Expense	75,227	-	735,149	-	-	-	-	399,940	4,311,834	99,089	-	-	-	-	5,621,240
Other Tenant Svcs Expenses	200,710	167,375	504,327	-	-	-	-	-	3,324,231	41,750	-	-	-	-	4,238,393
Program Expense	11,365,076	572,844	751,551	1,233,547	2,476,414	105,605	275,470	2,324,306	766,230	101,615	-	-	-	-	19,972,657
Maintenance Personnel Expense	-	723,198	447,740	-	800,789	571,473	1,075,579	-	-	74,538	-	-	-	-	3,693,318
Other Maintenance Expenses	-	823,214	-	-	(37,777)	131,098	104,920	-	-	244,549	26,646	-	-	-	9,134,102
Utilities	-	655,736	5,032,857	-	-	-	40,000	-	-	84,800	7,221	-	-	-	5,820,614
Total IA Expense	-	-	398,477	-	-	-	-	-	180,612	-	-	-	-	(830,988)	(251,899)
Depreciation	-	629,939	5,437,233	-	8,482	-	-	1,060	-	388,800	149,932	-	-	-	6,568,007
General	-	233,364	3,128,182	-	202,188	1,634	19,115	10,000	-	10,634	10,000	-	-	-	3,615,117
Total Operating Expenses	190,874,191	4,171,798	31,551,513	2,116,252	5,066,162	1,493,887	1,642,941	4,245,905	9,809,566	17,868,642	202,799	-	-	(6,992,838)	262,050,819
Operating Income (Loss)	10,075,293	1,754,641	4,707,385	(2,116,252)	(1,543,336)	(1,493,887)	260,660	9,633,131	(3,574,678)	(17,804,211)	(202,799)	-	-	47,440	(256,615)
Total Overhead Allocations	4,172,734	-	-	2,205,019	4,465,833	225,813	460,476	2,342,651	1,690,256	(15,562,782)	-	-	-	-	-
Operating Income (Loss) after Overhead	5,902,559	1,754,641	4,707,385	(4,321,271)	(6,009,169)	(1,719,701)	(199,816)	7,290,480	(5,264,935)	(2,241,429)	(202,799)	-	-	47,440	(256,615)
Reserve Funding	-	-	2,567,160	-	56,196	-	-	6,351,844	-	-	-	(5,570,844)	-	-	-
Operating Income (Loss) after Reserve Funding	5,902,559	1,754,641	7,274,545	(4,321,271)	(5,952,973)	(1,719,701)	(199,816)	13,642,324	(5,264,935)	(2,241,429)	(202,799)	(5,570,844)	-	47,440	3,147,741
Investment Income	-	(720)	452,223	12,000	-	-	-	-	-	90,000	106,859	-	-	-	463,503
Interest Expense	-	-	(2,202,690)	-	-	-	-	-	-	-	-	-	-	-	(2,005,831)
Net Other Income (Expense)	-	(720)	(1,750,467)	12,000	-	-	-	-	-	90,000	106,859	-	-	-	(1,542,328)
HUD Nonoperating Contributions	-	180,000	(600,000)	-	-	-	-	-	-	210,000	-	-	-	-	(210,000)
Reserve Funded Capital Contributions	-	-	-	-	-	-	-	-	-	-	(5,838,181)	5,057,181	-	-	(781,000)
Net Capital Contributions	-	180,000	(600,000)	-	-	-	-	-	-	210,000	(5,838,181)	5,057,181	-	-	(991,000)
Change In Net Position	\$ 5,902,559	\$ 1,933,921	\$ 4,924,078	\$ (4,309,271)	\$ (5,952,973)	\$ (1,719,701)	\$ (199,816)	\$ 13,642,324	\$ (5,264,935)	\$ (1,941,429)	\$ (5,934,121)	\$ (513,663)	\$ -	\$ 47,440	\$ 614,413

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

FY24 Funding Flow Analysis by Operating Group*

Home Forward

Fiscal Year 2024 Operating Statement by Operating Group

	Rent Assistance	Public Housing Portfolio	Affordable Portfolio	Asset Management	Property Management	Safety	Integrated Facilities	Development	Community Services	Administration	Real Estate Finance	Reserves	MIF	Elimination	Home Forward Total
Operating Income (Loss) after Overhead	\$ 5,902,559	\$ 1,754,641	\$ 4,707,385	\$ (4,321,271)	\$ (6,009,169)	\$ (1,719,701)	\$ (199,816)	\$ 7,290,480	\$ (5,264,935)	\$ (2,241,429)	\$ (202,799)	\$ -	\$ -	\$ 47,440	\$ 614,413
Real Estate Portfolio															
Affordable Housing Properties Operating Activity	-	-	(4,707,385)	-	-	-	-	-	-	-	-	-	-	-	(4,707,385)
Revenue from Properties to Home Forward	-	-	(519,643)	-	-	-	-	-	-	-	-	-	-	-	(519,643)
Unrestricted Cash to HF	-	-	2,573,464	-	-	-	-	-	475,224	-	551,463	-	-	-	3,600,151
Net Replacement Reserve Activity (New Market West)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Replacement Reserve Activity (Special Needs)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Developer Fee - Impact to Funding Flow															
Developer Fee Revenue	-	-	-	-	-	-	-	(13,716,360)	-	-	-	-	-	-	(13,716,360)
Developer Fee - Cash to HF (Net)	-	-	-	-	-	-	-	12,472,382	-	-	-	-	-	-	12,472,382
Financing/Investment Activity															
Principal & Interest - Special Needs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal & Interest - New Market West	-	-	-	-	-	-	-	-	-	(394,384)	-	-	-	-	(394,384)
Capital Acquisitions															
Fleet Vehicle	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fleet Vehicle Reserve Funding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-Cash Operating Activity															
Depreciation Expense	-	629,939	5,437,233	-	8,482	-	-	1,060	-	219,023	149,932	-	-	(47,440)	6,398,229
Special Purpose Reserve Activity															
Inter Departmental Reserve Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency Initiatives	-	-	-	-	-	-	-	-	-	-	-	1,571,386	-	-	1,571,386
Future Agency Initiatives	-	-	-	-	-	-	-	-	-	-	-	(1,571,386)	-	-	(1,571,386)
Integrated Facility Services Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HFDE Funding Affordable Portfolio Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DCR Operating Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Affordable Portfolio Reserve	-	-	(500,000)	-	-	-	-	-	-	-	-	-	-	-	(500,000)
Workforce Initiative Funding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
85 Stories Asset Repositioning Fee Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance Reserve	-	(100,000)	(100,000)	-	-	-	-	-	-	-	-	-	-	-	(200,000)
Capital Fund Program Contribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Funding Source or (Shortfall)	5,902,559	2,284,580	7,391,054	(4,321,271)	(6,000,687)	(1,719,701)	(199,816)	6,047,562	(4,789,711)	(2,416,789)	498,596	-	-	-	2,676,376
Funding Required or (Contributed) to Agency	(5,902,559)	(2,284,580)	(7,391,054)	4,321,271	6,000,687	1,719,701	199,816	(6,047,562)	4,789,711	2,416,789	(498,596)	-	-	-	(2,676,376)
Final Funding Source or (Shortfall)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

FY24 Staffing Summary by Operating Group

Home Forward

Fiscal Year 2024 Full-Time Equivalent Changes by Operating Group

	Rent Assistance	Public Housing Portfolio	Affordable Portfolio	Asset Management	Property Management	Safety	Integrated Facilities	Development	Community Services	Administration	Agency Funded	Limited Partnerships	Agency Managed
FY 2023 Budgeted FTE	95.0	11.3	4.3	10.8	36.3	3.9	9.7	22.0	46.9	67.6	307.7	62.1	369.8
FY 2024 Budgeted FTE	99.0	11.3	4.3	10.8	32.8	9.3	9.7	22.0	44.9	57.0	301.1	63.3	364.4
Changes	4.0	-	-	-	(3.5)	5.4	-	-	(2.0)	(10.6)	(6.7)	1.2	(5.5)

Budget Commentary – Rent Assistance

Summary Budget Data	FY23 Budget	FY24 Budget	Increase/ (Decrease)
Operating Revenue	\$ 182,885,045	\$ 200,949,484	\$ 18,064,439
Operating Expense	167,723,334	190,874,191	23,150,857
Operating Income Before OH	15,161,711	10,075,293	(5,086,418)
Allocated Overhead	3,683,644	4,172,734	489,090
Operating Income After OH	11,478,067	5,902,559	(5,575,508)
Funding Flow Activity	(11,478,067)	(5,902,559)	5,575,508
Funding Required or (Contributed) for Current Agency Activities	\$ (11,478,067)	\$ (5,902,559)	\$ 5,575,508
Total Budgeted FTE	95.0	99.0	4.0

Rent Assistance Key Assumptions

Housing Assistance Payments for the agency are projected to be \$176.4 million, a \$20.5 million increase from last year due to new voucher awards and payment standard increases. \$2.1 million in housing assistance payments are related to Local Blended Subsidy payments to Home Forward consolidated properties and are eliminated in the consolidated operating statement. HAP expenses are broken down by individual program in the table below. Homeless Initiatives include Short-Term Rent Assistance (STRA) and Shelter Plus Care (SPC).

Program Cost/Expenses	Average Utilized Vouchers	Average Voucher Cost	Total HAP Expense
MTW Vouchers	7,676	\$964.98	\$88,886,460
Homeless Initiatives	1,606	916.60	17,664,678
Portability (Port-In)	590	1,007.93	7,136,109
RAD	1,188	725.91	10,348,572
VASH	737	972.11	8,597,359
Section 18 TPV RAD	584	696.47	4,880,848
Long-Term Rent Assistance	1,124	1,359.73	18,340,029
Emergency Housing Vouchers	476	841.54	4,806,876
SRO/MOD RAD	382	1,114.75	5,109,996
FUP	207	1,386.99	3,445,286
LBS	284	600.14	2,045,272
Portability (Port-Out)	134	1,087.50	1,748,700

Program Cost/Expenses	Average Utilized Vouchers	Average Voucher Cost	Total HAP Expense
Mainstream	177	1,185.44	2,517,876
SRO/MOD	130	468.04	730,140
Flexible Rent Assistance		N/A	100,000
MTW Funded Rent Assistance	20	342.47	82,193
Subtotal: Gross HAP Expense			176,440,394
Less: Eliminations*		N/A	(5,285,004)
Total HAP Expense	15,315		171,155,390

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

Administrative fees for administering vouchers are \$15.1 million, with \$608 reserved for RAD conversions, representing a \$186 thousand increase from last year with higher proration and administrative fees for new vouchers.

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

FTEs – Rent Assistance has a net increase of 4.0 FTEs:

- Increases include:
 - 1 Housing Inspector
 - 1 Portability Coordinator
 - 1 Rent Assistance Program Specialist
 - 1 Rent Assistance Services Coordinator

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

Housing Choice Vouchers - \$132.2 million

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

-
- Moving to Work (MTW) Vouchers - \$87.9 million

Home Forward manages 8,418 Moving to Work Vouchers.

Home Forward opened the Housing Choice Voucher waitlist during the fiscal year 2023 after depleting the existing waitlist. The new waitlist additions will be pulled starting in 2024, and leasing will begin in early 2024. These adjustments will result in an incremental increase in housing assistance payments. Home Forward anticipates a utilization of 90.0% for the FY24 year.

Tenant-based attrition (vouchers returned) is projected to be 25 monthly vouchers. The \$11.4 million in program expense is a \$1.8 million increase due to increased utilization, waitlist pulls, and projected rent increases.

- RAD - \$10.3 million

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

- Portability (Port-In) - \$7.1 million

Portability, a significant 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 can bill expenses, both housing assistance payments and a prorated administrative fee, to the initial housing authority.

Home Forward anticipates administering five new monthly port-in vouchers in FY24 for an average of 585 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 - \$8.6 million

Home Forward administers 1,045 VASH Vouchers in partnership with the Department of Veterans Affairs. Utilization of these vouchers is anticipated to be 71%.

- SRO/MOD RAD - \$5.1 million

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

The \$5.1 million in program expense for this subset of RAD conversions is a \$736 thousand increase from the prior year due to OCAF increases.

- Section 18 TPV RAD - \$4.9 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 an 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 \$4.9 million, an increase of \$81 thousand from the prior year due to OCAF funding increases.

- FUP - \$3.4 million

Home Forward manages 244 FUP Vouchers. Utilization of these vouchers is anticipated to be 87% as vouchers continue to be leased with little turnover. \$3.4 million in FUP program expense is a \$615 thousand increase from the prior year due to increased voucher utilization and per unit costs.

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

Portability, a significant 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 the administration of the receiving housing authority. The receiving housing authority can bill expenses, both housing assistance payments and a prorated administrative fee, back to Home Forward.

Port-out vouchers are projected to average 134 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 - \$2.5 million

Home Forward manages 229 Mainstream Vouchers; utilization of these projected vouchers is projected to be 70% as Mainstream continues its lease-up process with the new voucher increment.

The \$2.5 million in program expenses is a \$744 thousand increase from the prior year due to new increment awards and increased voucher utilization.

- SRO/MOD - \$730 thousand

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

Home Forward manages 130 SRO/MOD units that have not been converted under RAD. The \$730 thousand in program expenses is unchanged from the prior year.

Homeless Initiatives - \$17.7 million

- In addition to federally funded HCV, Home Forward receives grant funding and collaborates with community service providers to offer Short-Term Rent Assistance (STRA). Serving approximately 500 households per month, STRA provides limited housing assistance to households in Multnomah County that are experiencing homelessness or are at risk of homelessness. Home Forward also manages Shelter Plus Care grants, serving approximately 495 households per month. Shelter Plus Care provides rent assistance and supportive services to people with disabilities who are experiencing homelessness.
- The \$17.7 million in program expenses is a \$2.3 million increase from the prior year due to increased rent assistance costs and more households served.

Moving to Work (MTW) Initiatives - \$3.6 million

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

- Local Blended Subsidy (LBS) - \$2.0 million

LBS enhances funding for certain MTW Section 8 and RAD properties to subsidize units reserved for families earning 80% or below the area median income. These units may be new construction, rehabilitated, or existing housing. LBS has been utilized for 284 units at three properties, including 130 at Bud Clark Commons, 45 at Madrona Place, and 109 at Stephens Creek Crossing (64 at Stephens Creek North and 45 at Stephens Creek South).

- Short-Term Rent Assistance (STRA) - \$1.5 million

Home Forward will provide short to medium-term rent assistance and leverage support at community schools to improve 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. \$1.4 million in funding is an increase of 443 thousand from the prior year due to increased rental assistance costs.

- VASH Security Deposit - \$93 thousand

Home Forward offers security deposit assistance to participants leasing up with Veterans Affairs Supportive Housing (VASH) vouchers, pivotal support to finding housing for veterans, and increasing utilization of our VASH vouchers. \$28 thousand in program expenses is an increase of \$60 thousand from the prior year for the projection of new voucher issuances.

- 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 that 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.

-
- The remaining MIF activity can be found in the Moving to Work Initiative Schedule in the attachments. Additional MIF expenses to support services and safety may be funded under Home Forward's approved single-fund flexibility and 2023 MTW Plan.

Personnel Expenses - \$11.3 million

- The personnel expenses of \$11.3 million support 99 FTE within Rent Assistance. This represents an increase of \$1.8 million from the prior year due to added FTE and planned compensation increases.

Budget Commentary – Public Housing Portfolio

Summary Budget Data	FY23 Budget	FY24 Budget	Increase/ (Decrease)
Operating Revenue	\$ 6,984,792	\$ 5,926,439	\$ (1,058,353)
Operating Expense	4,224,751	4,171,798	(52,953)
Operating Income Before OH	2,760,041	1,754,641	(1,005,400)
Allocated Overhead	-	-	-
Operating Income After OH	2,760,041	1,754,641	(1,005,400)
Funding Flow Activity	(3,356,555)	(2,284,580)	1,071,975
Funding Required or (Contributed) for Current Agency Activities	\$ (3,356,555)	\$ (2,284,580)	\$ 1,071,975
Total Budgeted FTE	11.3	11.3	0.0

The Public Housing Portfolio includes the budget activity for 9 traditional public housing properties and 11.3 property-level staff. Home Forward's public housing stock provides an essential resource to the community by providing housing in 369 rentable units throughout Multnomah County. The unit count in Public Housing continues to decline as properties are converted to RAD and Section 18 funding. Property staff focus on the management and maintenance of the properties and work towards preserving the aging housing stock.

In FY24, staff will continue integrating maintenance, property management, inspections, and services to improve efficiencies and reduce turnover time.

Public Housing Key Assumptions

Public Housing Portfolio Operating Subsidy Assumptions		
	FY23 Budget	FY24 Budget
Physical Units in Public Housing Portfolio*	377	369
Subsidized Units in Public Housing Portfolio	377	369
Eligibility Per Unit Per Month	\$1,613	\$1,532
Eligibility Per Unit Per Month Per Month (Excluding ARF)	1,398	1,497
Proration	95%	95%
Proration Per Unit Per Month**	\$1,328	\$1,338
Total subsidy*	\$4,776,210	\$5,883,572

*As of January 1st, of the respective year. The new total will be 299 units post-conversion.

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

70 units are expected to convert to RAD/Section 18 in FY24, resulting in a total subsidy decrease at Public Housing Properties. The per-unit subsidy is expected to remain relatively flat. The 70 units converting are located at Peaceful Villa.

Households Served – occupancy is assumed at 98%.

Public Housing Major Revenue and Expense Items

Operating Revenue is \$5.9 million, down \$1 million from FY23.

- Dwelling Rental is \$1.01 million, a decrease of \$32 thousand due to reductions in tenant rent.
- HUD Subsidies for public housing are \$4.8 million, a decrease of \$1.0 million due to the conversion of the Peaceful Villa.
- Non-dwelling rental is \$87 thousand from commercial rental income. This amount remains flat from FY23.
- Other revenue from laundry and other fees is \$20 thousand, an increase of \$7 thousand.

Operating Expenses are \$4.1 million, down \$683 thousand from FY23. RAD/Section 18 conversions removed \$618 thousand in expenses from the budget. This is offset by \$565 thousand in increased expenses at the remaining PH properties. The primary drivers of Operating Expenses are:

- Administration is \$366 thousand, a decrease of \$69 thousand. Administration includes \$329 thousand in property management fees charged by the Property Management department.
- Maintenance is \$1.5 million, down \$12 thousand. Maintenance includes \$723 thousand in Maintenance Personnel Expenses and \$824 thousand in Other Maintenance Expenses. The overall decrease in expense is due to the converting properties; there is \$84 thousand of increased expense in the remaining PH properties for personnel expenses.
- Program Expense is \$521 thousand, which covers personnel expenses and temporary help at properties. There is \$83 thousand in increased expenses in the remaining PH properties for personnel expenses.
- Tenant Services are \$167 thousand, an increase of \$119 thousand. The increase is due to a redesign of services to distribute Community Service resources across the portfolio. No properties saw a decrease in services, and most will see an increase in resources.
- Utilities are \$656 thousand, a decrease of \$117 thousand from FY23 due to property conversion.
- Depreciation is \$630 thousand, a decrease of \$67 thousand.
- General expenses of \$233 thousand in insurance are decreased by \$11 thousand.
- All personnel expenses include planned compensation increases.

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

Public Housing Funding Required for Current Agency Activities

The Public Housing Portfolio provides \$2.3 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	FY23 Budget	FY24 Budget	Increase/ (Decrease)
Operating Revenue	\$ 36,113,087	\$ 36,258,898	\$ 145,811
Operating Expense	33,835,817	31,551,513	(2,284,304)
Operating Income Before OH	2,277,270	4,707,385	2,430,115
Allocated Overhead	-	-	-
Operating Income After OH	2,277,270	4,707,385	2,430,115
Funding Flow Activity	(13,665,060)	(7,391,054)	6,274,006
Funding Required or (Contributed) for Current Agency Activities	\$ (13,737,365)	\$ (7,391,054)	\$ 6,346,311
Total Budgeted FTE	4.3	3.5	(0.9)

The Affordable Housing Portfolio comprises 55 properties with 2,803 units throughout Multnomah County, financed by private debt, public debt, and tax credit funding.

The Affordable Housing Portfolio consists of non-public housing properties owned directly by Home Forward (26 properties) and 29 properties with master leases (with local service providers). 21 of the 26 properties are managed by external property management companies. The FTE for this operating group is only 3.5 since much of the FTE is at the external property management companies. For the externally managed properties, \$5.4 million in personnel expenses are on the Home Forward financials, but the FTE is not included in the Home Forward head count. The operating results for the 3,352 tax credit units (including planned RAD/Section 18 conversion) need to be reflected in the Home Forward operating budget.

The Affordable Housing Portfolio significantly contributes revenue to the agency through cash flow from mature properties. The major challenge for the Affordable Housing Portfolio in the upcoming year is balancing the agency's need for cash flow while completing much-needed capital improvements at several aging sites. Rising insurance costs and continuing inflation will be other issues in the upcoming fiscal year.

Affordable Housing Key Assumptions

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

There are no expected Year 15 Tax Credit conversions planned for FY24.

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

Insurance premiums are projected to be \$1.7 million (\$200 thousand increase).

Affordable Housing Major Revenue and Expense Items

Operating Revenues are budgeted to be \$36.3 million, a \$146 thousand increase from FY23. The below comments highlight the major trends.

-
- Dwelling rental is projected to be \$31.9 million, an increase of \$2.3 million.

Operating Expenses are projected to be \$31.6 million, a \$3.3 million decrease from the prior budget year.

- Utilities are projected to be \$5.0 million, an increase of \$362 thousand from the previous budget, due to rate increases for all utilities.
- Depreciation is budgeted at \$5.4 million, a decrease of \$5.4 million from the previous budget.
- Management fees for third-party-managed properties are expected to be \$1.4 million.
- Third-party-managed properties have budgeted \$5.4 million in payroll expenses.

Affordable Housing Funding Required for Current Agency Activities

- The Affordable Housing Portfolio recognizes \$2.6 million of unrestricted cash flow.
- Funding a \$500 thousand Real Estate Capital Reserve is part of a ten-year plan to address future capital needs within the Affordable Housing Portfolio. Home Forward Development Enterprises will fund this for FY24.
- \$100 thousand from operations will be contributed to an Insurance Reserve.

Budget Commentary – Asset Management

Summary Budget Data	FY23 Budget	FY24 Budget	Increase/ (Decrease)
Operating Revenue	\$ 144,739	\$ -	\$ (144,739)
Operating Expense	1,741,348	2,116,252	374,904
Operating Income Before OH	(1,596,609)	(2,116,252)	(519,643)
Allocated Overhead	2,208,002	2,205,019	(2,983)
Operating Income After OH	(3,804,612)	(4,321,271)	(516,659)
Funding Flow Activity	3,804,612	4,321,271	516,659
Funding Required or (Contributed) for Current Agency Activities	\$ 3,804,612	\$ 4,321,271	\$ 516,659
Total Budgeted FTE	10.8	10.4	(0.4)

The Asset Management group is responsible for overseeing the performance of the entire Home Forward portfolio with the following breakdown.

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

Asset Management Key Assumptions

Asset Management is maintaining its staff level at 10.4 FTE. The Asset Management group also provides asset management services to properties owned by jurisdictional partners.

Asset Management Funding Required for Current Agency Activities

The Asset Management department will require \$4.3 million to fully fund all planned operations, an increase of \$517 thousand from the prior budget year.

Budget Commentary – Property Management

Summary Budget Data	FY23 Budget	FY24 Budget	Increase/ (Decrease)
Operating Revenue	\$ 3,959,279	\$ 3,522,826	\$ (436,453)
Operating Expense	4,303,895	5,066,162	762,267
Operating Income Before OH	(344,616)	(1,543,336)	(1,198,720)
Allocated Overhead	4,290,948	4,465,833	174,885
Operating Income After OH	(4,635,564)	(6,009,169)	(1,373,605)
Funding Flow Activity	4,626,474	6,000,687	1,374,213
Funding Required or (Contributed) for Current Agency Activities	\$ 4,626,474	\$ 6,000,687	\$ 1,374,213
Total Budgeted FTE	36.3	32.8	(3.5)

Property Management is the service department for Home Forward's self-managed properties. The Property Management group oversees the compliance and maintenance at 47 properties. These properties provide housing for 2,516 households and reflect the RAD/Section 18 conversions.

Subsidy Type*	Properties
Public Housing	9
Special Needs	3
Tax Credit	33
Affordable	2
Total Properties Managed	47

Overall, the Property Management group supervises 114 FTE. 62 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 11.3 FTE are budgeted at the traditional public housing properties, and the associated costs are within the Public Housing Portfolio budget. The 32.8 FTE captured in this budget includes management, compliance, and maintenance staff who provide peer training and backfill services.

Property Management Key Assumptions

FTEs – Property Management has a net decrease of 3.5 FTEs:

- Decreases include:
 - 1 Floating Property Manager
 - 1 Intake Specialist
 - 1 Program Supervisor
 - .3 Intern
 - .2 Maintenance Generalist

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

Property Management will support the remaining public housing properties pending future RAD/Section 18 application conversions. 70 units are expected to convert during FY24 at Peaceful Villa.

Property Management Major Revenue and Expense Items

- Operating Revenue is \$3.5 million, down \$436 thousand from FY23. The significant contributors to Operating Revenue are:
 - Public Housing HUD Subsidies of \$169 thousand, which funds the Payment in Lieu of Taxes (PILOT).
 - Other Revenue of \$2.34 million includes property management fees, which are charged to properties instead of overhead.
 - Property Management fees are \$1.89 million, flat from FY23.
 - \$329 thousand from the Public Housing Portfolio.
 - \$1.6 million from management fees at tax credit properties.
 - An ongoing contribution from Home Forward Development Enterprises to cover a portion of the lost overhead and administrative expenses is \$451 thousand. The contribution relates to the first phase of the 85 stories conversions.
 - HUD Subsidies are \$609 thousand from Rent Assistance Section 8 Admin. This administrative fee is earned on RAD conversions and will provide compliance on tax credit reviews.
 - HUD Grants are \$399 thousand from the Capital Fund Program grant.

Operating Expense is \$5.1 million, an increase of \$762 thousand from FY23. The significant drivers of Operating Expenses are:

- Administration Expenses are \$1.5 million, an increase of \$349 thousand from FY23.
 - \$1.2 million is in Administrative Personnel Expenses, a \$268 thousand increase that includes planned compensation increases.

-
- \$375 thousand is in Other Admin Expenses, an increase of \$82 thousand.
 - Program Expense is \$2.5 million, which covers personnel expenses and temporary help. This is up \$269 thousand and includes planned compensation increases.
 - Maintenance Expenses are \$763 thousand, primarily in Maintenance Personnel Expenses for floating and on-call staff. This is an increase of \$74 thousand.
 - General Expenses are \$202 thousand, comprised mainly of PILOT expenses.

Property Management Funding Required for Current Agency Activities

The Property Management Department requires \$6.0 million to fund all planned operations fully. This is an increase of \$1.4 million from FY23.

Budget Commentary – Safety

Summary Budget Data	FY23 Budget	FY24 Budget	Increase/ (Decrease)
Operating Revenue	\$ -	\$ -	\$ -
Operating Expense	851,291	1,493,887	642,596
Operating Income Before OH	(851,291)	(1,493,887)	(642,596)
Allocated Overhead	85,494	225,813	140,319
Operating Income After OH	(936,785)	(1,719,701)	(782,916)
Funding Flow Activity	936,785	1,719,701	782,916
Funding Required or (Contributed) for Current Agency Activities	\$ 936,785	\$ 1,719,701	\$ 782,916
Total Budgeted FTE	3.9	9.3	5.4

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 to reducing losses, providing safe and comfortable homes for residents and a safe and inviting workplace for employees. The Safety group identifies potential risks to properties and operations, develops strategies to mitigate risks, and delivers safety and compliance training to Home Forward staff.

Safety Key Assumptions

FTEs – Safety has a net increase of 5.4 FTEs:

- Increases include:
 - 4 Resident and Community Services Coordinator - Affordable Connectivity Program (LD)
 - 1 Environmental and Emergency Coordinator
 - 1 LT Truck Driver
- Decreases include:
 - 0.7 Business Analyst

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. This includes a project to install air conditioners in resident units and a project to install smart burners on resident stovetops.

Safety Major Revenue and Expense Items

Safety has no revenue for FY24.

Operating Expenses are \$1.5 million, an increase of \$643 thousand over FY23. The primary drivers of Operating Expenses are expected to be:

- \$1.2 million in Personnel Expenses, an increase of \$642 thousand from compensation increases and the new maintenance team.
- \$137 thousand in other administrative expenses, an increase of \$8 thousand from FY23.
- \$131 thousand for maintenance expenses, an increase of \$13 thousand.

Safety Funding Required for Current Agency Activities

The Safety Department requires \$1.7 million to fund all planned operations fully.

Budget Commentary – Integrated Facilities Services

Summary Budget Data	FY23 Budget	FY24 Budget	Increase/ (Decrease)
Operating Revenue	\$ 1,742,104	\$ 1,903,601	\$ 161,497
Operating Expense	1,388,257	1,642,941	254,684
Operating Income Before OH	353,847	260,660	(93,187)
Allocated Overhead	418,866	460,476	41,610
Operating Income After OH	(65,019)	(199,816)	(134,797)
Funding Flow Activity	65,019	199,816	134,797
Funding Required or (Contributed) for Current Agency Activities	\$ 65,019	\$ 199,816	\$ 134,797
Total Budgeted FTE	9.7	9.7	0.0

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

Integrated Facilities Services Key Assumptions

FTEs – Integrated Facilities Services staff remained flat from FY23.

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 provides services at rates that are competitive with market rates.

Integrated Facilities Services Major Revenue and Expense Items

Revenue is \$1.9 million, an increase of \$161 thousand from FY23. All Revenue is forecasted to come from service fees charged to properties.

Operating Expenses are \$1.6 million, an increase of \$255 thousand from FY23. The significant drivers of Operating Expenses are expected to be:

- Maintenance Personnel Expense is \$1.1 million, a \$152 thousand increase.
- Program Personnel Expenses in support of department administration are \$275 thousand, an \$86 thousand increase.
- Administrative Personnel Expense is \$84 thousand, an \$18 thousand increase.
- All personnel expenses include planned compensation increases.
- Other Maintenance Expenses are \$105 thousand and include materials and vehicle expenses. This is a \$11 thousand increase.

-
- Utilities are \$40 thousand for waste transfer station fees, the same as FY23.

Integrated Facilities Services Funding Required for Current Agency Activities

Integrated Facilities Services has an operational need of \$200 thousand. This is an increase of \$135 thousand from FY23.

Budget Commentary – Development & Community Revitalization

Summary Budget Data	FY23 Budget	FY24 Budget	Increase/ (Decrease)
Operating Revenue	\$ 10,540,955	\$ 13,879,036	\$ 3,338,081
Operating Expense	3,755,983	4,245,901	489,918
Operating Income Before OH	6,784,972	9,633,135	2,848,163
Allocated Overhead	2,340,605	2,342,651	2,046
Operating Income After OH	4,444,366	7,290,485	2,846,119
Funding Flow Activity	(4,419,575)	(7,291,540)	(2,871,965)
Funding Required or (Contributed) for Current Agency Activities	\$ (4,419,575)	\$ (7,291,540)	\$ (2,871,965)
Total Budgeted FTE	22.0	22.0	0.0

The Development and Community Revitalization (DCR) department undertakes the development of new affordable rental housing, plus the 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 current and future development activity costs.

- Active Projects: 14
- Active Projects Total Budget: \$679 million
- Staff FTE FY24: 22.0

Development and Community Revitalization Key Assumptions

- DCR Staffing is budgeted to remain the same from the prior year.
- 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 FY24 (amounts in millions)			
Project	Project Budget	Accrued Developer Fee Revenue	Developer Fee Cash to be Received
Lloyd Housing LP	\$74.1	\$0.0	\$0.6
Fountain Place 2 LP	33.1	0.0	2.9
Central Group LP	83.8	0.0	4.3
Baldwin PSH LP	24.6	0.0	0.8
3000 Powell LP	83.8	5.0	0.0
Dekum 2 LP	94.6	2.6	2.0
Fairfield PSH LP	31.6	0.8	0.8
GPT LP	49.9	1.7	0.0
Killingsworth Housing LP	51.6	2.5	0.0
Peaceful Villa Redevelopment	96.8	0.8	0.8
Troutdale Housing LP	54.0	0.3	0.3
Total	\$677.9	\$13.7	\$12.5

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

- Lloyd Housing LP (also known as The 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 utilized 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 was completed in March 2020. The final installment of the developer fee is estimated to be paid in November 2024.

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

- FP 2 LP Rehabilitation Project – This 106-year-old building is a historic structure that adds design and character to the downtown corridor. It provides 80 affordable housing options to extremely low-income households. This rehabilitation project made the property seismically and structurally sound for years. This project utilized four percent Low-Income Housing Tax Credits, bond funds, OHCS grants, and reserve funds. Construction finance closed in March 2020, and construction began in April 2020. The project was completed in November 2022. The final installment of the developer fee is estimated to be paid in September 2024

Fountain Place (In millions)	FY 20	FY21	FY22	FY23	Total
Total Project Sources and Uses	\$14.8	\$8.1	\$8.8	\$1.4	\$33.1

- Central Group LP (also known as 85 Stories Group 7) – This group consists of four properties: Dahlke Manor, Fir Acres, Stark Manor, and Eastwood Court. This tax credit partnership utilized four percent Low-Income Housing Tax Credits, bond funds, and reserve funds. Construction finance closed in May 2021, and construction began in June 2021. The project was completed in December 2022. The final installment of the developer fee is estimated to be paid in March 2024.

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

- Baldwin PSH LP (also known as Hattie Redmond) – This redevelopment project provides safe shelter for 60 formerly homeless individuals. In collaboration with the Urban League of Portland, Home Forward renders support and stability for people of color experiencing chronic homelessness. This tax credit partnership utilized four percent Low-Income Housing Tax Credits, PHB Metro Housing bond funds, OHCS PSH Capital fund, grants, and reserve funds. Construction finance closed in September 2021, and construction began in October 2021. The project was completed in March 2023. The final installment of the developer fee is estimated to be paid in June 2024.

Baldwin PSH (In millions)	FY21	FY22	FY 23	Total
Total Project Sources and Uses	\$8.5	\$12.3	\$3.8	\$24.6

- 3000 Powell LP - Home Forward and the City of Portland, acting through the Portland Housing Bureau (PHB), have entered into an intergovernmental agreement (IGA) to which Home Forward provides development services in constructing 206 new housing units. The site is located on SE Powell Boulevard and has two adjacent parcels. Home Forward owns one parcel, and PHB owns the other parcel. This tax credit partnership utilizes four percent Low-Income Housing Tax Credits, bond funds, Portland Housing Bureau (PHB) Bond funds, and reserve funds. Construction finance closed in November 2021, and construction began in December 2021. The project completion schedule is March 2024.

3000 Powell (In millions)	FY21	FY22	FY 23	FY 24	FY 25	Total
Total Project Sources and Uses	\$19.4	\$32.0	\$20.6	\$6.2	\$5.6	\$83.8

- Dekum 2 LP – This redevelopment project is divided into two phases. Phase 1 is a mixed-use new construction of 47 housing units. The households occupying 40 public housing units will move to the newly constructed property. Phase 2 is demolishing the existing property and building 141 housing units. This tax credit partnership utilizes four percent Low-Income Housing Tax Credits, Metro Housing Bond Proceeds, and reserve funds. Construction

finance closed in April 2022, and construction of Phase 1 began in May 2022. Phase 1 of the project was completed in October 2023, and construction of Phase 2 started in August 2023. The project completion schedule is December 2025.

Dekum Court (In millions)	FY22	FY 23	FY 24	FY 25	FY 26	Total
Total Project Sources and Uses	\$24.6	\$29.1	\$22.4	\$10.6	\$7.9	\$94.6

- Fairfield PSH LP – This redevelopment project provides a safe home to 82 of Portland's most vulnerable residents (formerly homeless and survivors of domestic violence with a culturally specific focus on African Americans). The Portland Housing Bureau transferred the ownership of the property to Home Forward at construction finance close. This tax credit partnership utilizes 9% Low-Income Housing Tax Credits, PHB funds, OHCS grants, and reserve funds. Construction finance closed in April 2023, and construction began in May 2023. The project completion schedule is June 2024.

Fairfield PSH LP (In millions)	FY 23	FY 24	FY 25	Total
Total Project Sources and Uses	\$19.9	\$9.2	\$2.5	\$31.6

- Grace Peck Terrace Rehabilitation Project – This 41-year-old, six-story single building provides 95 one-bedroom affordable housing units to low-income households. The rehabilitation project will make the property structurally sound for generations to come. This project utilizes four percent Low-Income Housing Tax Credits, bonds, and reserve funds. Construction finance closed in April 2023, and construction began in May 2023. The project completion schedule is July 2024.

Grace Peck Terrace (In millions)	FY23	FY 24	FY 25	Total
Total Project Sources and Uses	\$30.4	\$13.3	\$6.2	\$49.9

- PCC/Killingsworth Housing Project – Home Forward is working with Portland Community College (PCC) to formulate a development partnership in which Home Forward will provide development services in the construction of 84 affordable housing units. Home Forward will be the developer, owner, and General Partner of the Low-Income Housing Tax Credit partnership. PCC owns the land, and the tax credit partnership will lease the land from PCC. This tax credit partnership will utilize four percent Low-Income Housing Tax Credits, Metro Bond Proceeds, OHCS grant, Local Innovation and Fast Track (LIFT), and reserve funds. Construction finance will close in February 2024, and construction will begin in March 2024. The project completion schedule is June 2025.

PCC/Killingsworth (In millions)	FY 24	FY 25	FY 26	Total
Total Project Sources and Uses	\$25.8	\$18.5	\$7.3	\$51.6

- Peaceful Villa Redevelopment – Peaceful Villa is one of the public housing properties included in the 85 Stories Initiative. Built in 1948, the property sits on four acres of land with 70 homes. The redevelopment anticipates

increasing units from 70 to 166. The redeveloped Peaceful Villa forges a new partnership with the Immigrant and Refugee Community Organization (IRCO) to deliver culturally specific services to immigrants. Home Forward will serve as developer and owner as General Partner of the Low-Income Housing Tax Credit partnership. This tax credit partnership will utilize four percent Low-Income Housing Credits, bond funds, OHCS grants, and reserve funds. Construction finance will close in June 2024 and begin in July 2024. The project completion schedule is May 2026.

Peaceful Villa (In millions)	FY 24	FY 25	FY 26	Total
Total Project Sources and Uses	\$29.0	\$48.4	\$19.4	\$96.8

- Troutdale Housing Project - Home Forward and Multnomah County have entered into an intergovernmental agreement (IGA) to transfer the 3.58-acre site to Home Forward. The site is at SW 257th Avenue and East Historic Columbia River Street in Troutdale. This project will develop approximately 111 affordable housing units in Troutdale. Home Forward will serve as developer and owner as General Partner of the Low-Income Housing Tax Credit partnership. This tax credit partnership will utilize nine percent Low-Income Housing Tax Credits, Metro Bond Proceeds, OHCS grants, HUD CFP grants, and reserve funds. Construction finance is scheduled to close in May 2024, and construction will begin in June 2024. The project completion schedule is April 2026.

Troutdale Housing (In millions)	FY 24	FY 25	FY 26	Total
Total Project Sources and Uses	\$16.2	\$27.0	\$10.8	\$54.0

- Capital Improvement Projects – There are three capital improvement projects in FY24. The total budget for these projects is \$0.8 million, utilizing the HUD capital fund project grant.

Projects	Project Budget (In millions)	Estimated Project Completion
Ruth Haefner Sewer Line Replacement	\$0.1	June 2024
Holgate House Building Resealing	\$0.1	September 2024
Schiller Way Security Camera	\$0.6	July 2024
Total	\$0.8	

Development and Community Revitalization Major Revenue and Expense Items

- Operating Revenue increased \$3.3 million from the FY23 Budget. The increase is primarily due to:
 - Developer Fee earnings increased by \$3.2 million from FY23. In FY24, DCR will earn \$13.7 million in developer fees from the following projects:

Developer Fees (in millions)		
Projects	Total	FY24
3000 Powell LP	6.0	5.0
Dekum 2 LP	13.2	2.6
Fairfield PSH LP	3.4	0.8
Grace Peck Rehabilitation	5.2	1.7
PCC/Killingworth Project	5.4	2.5
Peaceful Villa Redevelopment	5.4	0.8
Troutdale Housing	6.0	0.3
Total	\$44.6	\$13.7

- Other Revenue increased by \$163 thousand from FY23.
- Total Operating Expenses are projected to be \$4.2 million, a \$490 thousand increase from the FY23 budget, The increase is primarily due to:
 - Personnel expenses of \$4.2 million.

Development and Community Revitalization Funding Required for Current Agency Activities

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

- Fountain Place 2 rehabilitation project will generate \$4.6 million in developer fees over multiple fiscal years. The first installment of \$800 thousand was paid at the close of construction finance in March 2020. The second, third, and fourth installments of \$1.8 million due at project conversion and upon receipt of Form 8609 by the Limited Partner were withheld until AIA forms without GC exceptions are received, estimated to be June 2024. The final installment of \$1.1 million is due upon receipt of Historic Tax Credit Part 3 approval by the Limited Partner and is scheduled for September 2024. The remaining unpaid developer fee of \$947 thousand will be paid from the limited partnership cash flow from operations and proceeds available for distribution from capital transactions.
- Central Group's (85 Stories Group 7) rehabilitation project will generate \$8.0 million in developer fees over multiple fiscal years. The first installment of \$1.2 million was paid at the close of construction finance in May 2021. The second and third installments of \$4.3 million are due at project conversion to permanent status and upon receipt of IRS Form 8609 by the Limited Partner scheduled in March 2024. The remaining unpaid developer fee of \$2.5 million will be paid from the limited partnership cash flow from operations and proceeds available for distribution from capital transactions.
- Baldwin PSH Redevelopment project will generate \$2.6 million in developer fees over multiple fiscal years. The first installment of \$246 thousand was paid at the close of construction finance in September 2021. The second installment of \$517 thousand due at construction completion, and the receipt of Federal Energy Credit Cost Certification was paid in August 2023. The third installment of \$246 thousand is due upon receipt of 100% permanent certificate of occupancy and project conversion to permanent status scheduled in March 2024. The fourth installment of \$482 thousand is due upon receipt of final certification of the project eligible basis and IRS

Form 8609 by the Limited Partner scheduled in June 2024. The remaining unpaid developer fee of \$1.1 million will be paid from the limited partnership cash flow from operations and proceeds available for distribution from capital transactions.

- 3000 Powell project will generate \$6.0 million in developer fees over multiple fiscal years. The first installment of \$1.0 million was paid at the close of construction finance in November 2021. The second and third installments of \$1.9 million will be paid at project conversion to permanent status scheduled in March 2025. The final installment of \$700 thousand is due upon receipt of Form 8609 by the Limited Partner, planned in June 2025. The remaining unpaid developer fee of \$2.4 million will be paid from the limited partnership cash flow from operations and proceeds available for distribution from capital transactions.
- The Dekum Court Redevelopment project will generate \$13.2 million in developer fees over multiple fiscal years. The first installment of \$1.5 million is due at the close of construction finance in April 2022 but was delayed due to non-receipt of construction permit and expected to be paid in December 2023. The second installment of \$2.0 million is due at the project conversion of Phase 1 and is scheduled to be paid in May 2024. The third installment of \$6.1 million is due at the project conversion of Phase 2 and is expected to be born in April 2026. The final installment of \$500 thousand is due upon receipt of Form 8609 by the Limited Partner and is scheduled for May 2026. The remaining unpaid developer fee of \$3.1 million will be paid from the limited partnership cash flow from operations and proceeds available for distribution from capital transactions.
- Fairfield PSH project will generate \$3.4 million in developer fees over multiple fiscal years. The first installment of \$772 thousand was paid at the close of construction finance in April 2023. The second installment of \$872 thousand is due at construction completion, receipt of the fully executed PSH Supportive Services Agreement, written documentation supporting the Ten Percent (10%) Test, and preliminary Cost Certification scheduled in July 2024. The third installment of \$772 thousand is due upon receipt of 100% certificate of occupancy and project conversion planned in April 2025. The fourth and final installment of \$100 thousand is due upon receipt of IRS Form 8609 and delivery of Partnership tax returns scheduled in April 2025. The remaining unpaid developer fee of \$834 thousand will be paid from the limited partnership cash flow from operations and proceeds available for distribution from capital transactions.
- The Grace Peck Terrace project will generate \$5.2 million in developer fees over multiple fiscal years. The first installment of \$472 thousand was paid at the close of construction finance in April 2023. The second installment of \$955 thousand is due at construction completion, receipt of 100% certificate of occupancy, and project conversion scheduled in April 2025. The third and final installment of \$937 thousand is due upon receipt of IRS Form 8609 and delivery of Partnership tax returns planned in July 2025. The remaining unpaid developer fee of \$2.9 million will be paid from the limited partnership cash from operation and proceeds available for distribution from capital transactions.
- The PCC/Killingsworth Housing project is projected to generate \$5.4 million in developer fees over multiple fiscal years. The first installment of \$388 thousand is due at the close of construction finance scheduled in February 2024.
- The Peaceful Villa Redevelopment project is projected to generate \$5.4 million in developer fees over multiple fiscal years. The first installment of \$750 thousand is due at the close of construction finance scheduled in June 2024.
- Troutdale Housing Project is projected to generate \$6.0 million in developer fees over multiple fiscal years. The first installment of \$290 thousand is due at the close of construction finance scheduled in May 2024.

Budget Commentary – Community Services

Summary Budget Data	FY23 Budget	FY24 Budget	Increase/ (Decrease)
Operating Revenue	\$ 5,527,632	\$ 6,234,888	\$ 707,256
Operating Expense	8,048,487	9,809,566	1,761,079
Operating Income Before OH	(2,520,856)	(3,574,678)	(1,053,822)
Allocated Overhead	1,649,744	1,690,256	40,512
Operating Income After OH	(4,170,600)	(5,264,935)	(1,094,335)
Funding Flow Activity	3,419,434	4,789,711	1,370,277
Funding Required or (Contributed) for Current Agency Activities	\$ 3,419,434	\$ 4,789,711	\$ 1,370,277
Total Budgeted FTE	46.9	44.9	(2.0)

The Community Services department provides Home Forward residents services, utilizing in-house staff and contractors. In FY24, the Community Services team will continue to play a role in coordinating and delivering services at 51 Home Forward properties throughout Multnomah County. The group plans to deliver services to approximately 3,000 residents, providing around 15,000 service interactions. Through intentional alignment with community partners, the department will work holistically with both individual and family systems to further their goals of social, emotional, academic, and economic advancement and well-being.

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

Community Services Key Assumptions

FTEs – Community Services has a net decrease of 2.0 FTEs:

- Increases include:
 - 2 Case Managers
- Decreases include:
 - 1 Floating Resident and Community Services Coordinator
 - 1 Intern
 - 1 Resident & Community Services Coord (Bilingual)
 - 1 Resident & Community Services Coordinator

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

Barrier Reduction and Opportunity Funds: \$70 thousand is proposed in Moving to Work Initiative funds (MIF) to continue implementing strategies to:

- Increase independence for seniors and individuals with disabilities, provide short-term respite care for individuals impacted by violence and to provide opportunities for economic advancement at family properties.

Neighbor 2 Neighbor: \$49 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 \$6.2 million, a decrease of \$706 thousand from FY23. The significant contributors to Operating Revenue are:

- Non-dwelling rental is \$218 thousand from Land Lease revenue at Humboldt, an increase of \$178 thousand.
- HUD Subsidies -Public Housing of \$208 thousand funds \$57 thousand in the GOALS program and \$151 thousand in services at Dahlke, Holgate, Medallion, Ruth Haefner, Schrunk, and Williams.
- HUD grants are \$1.4 million, an increase of \$18 thousand.
- State, Local, & Other Grants are \$1.8 million, an increase of \$541 thousand.
 - \$805 thousand in Medicaid Revenue from senior/disabled support services (CHSP).
 - \$643 thousand from the Multnomah County for Bud Clark Commons programs.
 - \$331 thousand for a new federal grant program, The Affordable Connectivity Outreach Grant Program.
- Other Revenue and IA Revenue of \$2.6 million combined, a decrease of \$30 thousand from FY23, primarily consisting of:
 - Program Fees from properties are \$1.4 million, a decrease of \$228 thousand.
 - Tenant Fees of \$239 thousand for Congregate Housing Services Program (CHSP) participant fees, an increase of \$42 thousand.
 - \$850 in Community Services contract fees for services at properties in Clackamas County.

Operating Expenses are \$9.8 million, an increase of \$1.1 million from FY22. The primary drivers of Operating Expenses are:

- Administrative Expenses of \$1.2 million, an increase of \$222 thousand.
 - Personnel Expenses are \$587 thousand, an increase of \$151 thousand.
 - Other Admin Expenses of \$639 thousand, an increase of \$70 thousand.

-
- Tenant Services expense is \$7.6 million, an increase of \$1.3 million.
 - Direct Community Services, Program Supplies, Contract Tenant Services, and other expenses are \$3.3 million. This is an increase of \$894 thousand primarily due to increased contracted services.
 - Tenant Services Personnel's expense is \$4.2 million, an increase of \$218 thousand.
 - Program Personnel Expense is \$766 thousand, an increase of \$229 thousand.
 - Inter-Agency expense is \$181 thousand for the Community Services department administration fee. This is an increase of \$42 thousand.

Community Services Funding Required for Current Agency Activities

The Community Services department needs \$4.7 million to fund all planned operations fully, an increase of \$1.3 million. Service initiatives will be funded through Single Fund Flexibility.

Budget Commentary – Administration

Summary Budget Data	FY23 Budget	FY24 Budget	Increase/ (Decrease)
Operating Revenue	\$ 627,651	\$ 64,431	\$ (563,220)
Operating Expense	14,045,285	17,868,642	3,823,357
Operating Income Before OH	(13,417,634)	(17,807,211)	(4,385,577)
Allocated Overhead	(14,677,303)	(15,562,782)	(885,479)
Operating Income After OH	1,259,669	(2,241,429)	(3,501,098)
Funding Flow Activity	(1,115,170)	2,416,789	3,531,959
Funding Required or (Contributed) for Current Agency Activities	\$ (1,115,170)	\$ 2,416,789	\$ 3,456,959
Total Budgeted FTE	67.6	57.0	(10.6)

The Administration group provides management and administrative support to Home Forward’s operating departments. The group comprises 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 has a net decrease of 10.6 FTEs:

- Decreases include:
 - 1 Associate Director of Education and Systems Alignment
 - 1 Employee Relations Analyst
 - 1 Equity Manager
 - 1 HR Business Partner
 - 1 Human Resources Assistant
 - 1 Human Resources Coordinator
 - 2 Intern
 - 1 Legal Coordinator
 - 1 Network Services Support Tech

Administration Major Programs/Initiatives/Activities and Estimated Budget Impact

During the year, Home Forward will continue to implement upgrades to YARDI Voyager 7s, including waitlist management, procurement, and other features to enhance and support Home Forward's work. In addition to better functionality, the new system will help with rent calculations, agency training, and payments.

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

Resident Legal Services and Expungement Partnership - \$137 thousand. Metropolitan Public Defenders provides legal services to residents and participants to reduce barriers related to criminal records. The program aims to increase housing and economic opportunity. Funding is provided to MPD to offer applicants and participants 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 \$64 thousand

Operating Expenses are budgeted at \$17.9 million.

- Personnel costs will be \$17.1 million, an increase of \$3.8 million. These costs reflect planned compensation increases and a higher PERS liability.
- Consulting expenses will be \$500 thousand primarily due continued development of Yardi Voyager 7s.
- There will be \$319 thousand for maintenance needs and utilities at New Market West.

Budget Commentary – Real Estate Finance

Summary Budget Data	FY23 Budget	FY24 Budget	Increase/ (Decrease)
Operating Revenue	\$ (608,356)	\$ -	\$ 608,356
Operating Expense	-	202,799	52,867
Operating Income Before OH	(608,356)	(52,867)	555,489
Allocated Overhead	-	-	-
Operating Income After OH	(608,356)	(52,867)	555,489
Funding Flow Activity	833,104	(498,596)	(1,331,700)
Funding Required or (Contributed) for Current Agency Activities	\$ 1,026,883	\$ (498,596)	\$ (1,525,479)
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 agency's operating activities. The activity includes land lease revenues, cell tower arrangements, and omnibus loans issued with real estate activity.

Real Estate Finance Major Revenue and Expense Items

- Operating Expense is projected to be \$203 thousand, The primary drivers of Operating Expense are:
 - \$9 thousand for courtesy patrol contracts.
 - \$27 thousand for maintenance and building improvements.
 - \$7 thousand for utilities.
 - \$150 thousand in depreciation.
 - \$10 thousand for insurance.

Attachments

Summary of Moving to Work Initiative Funds

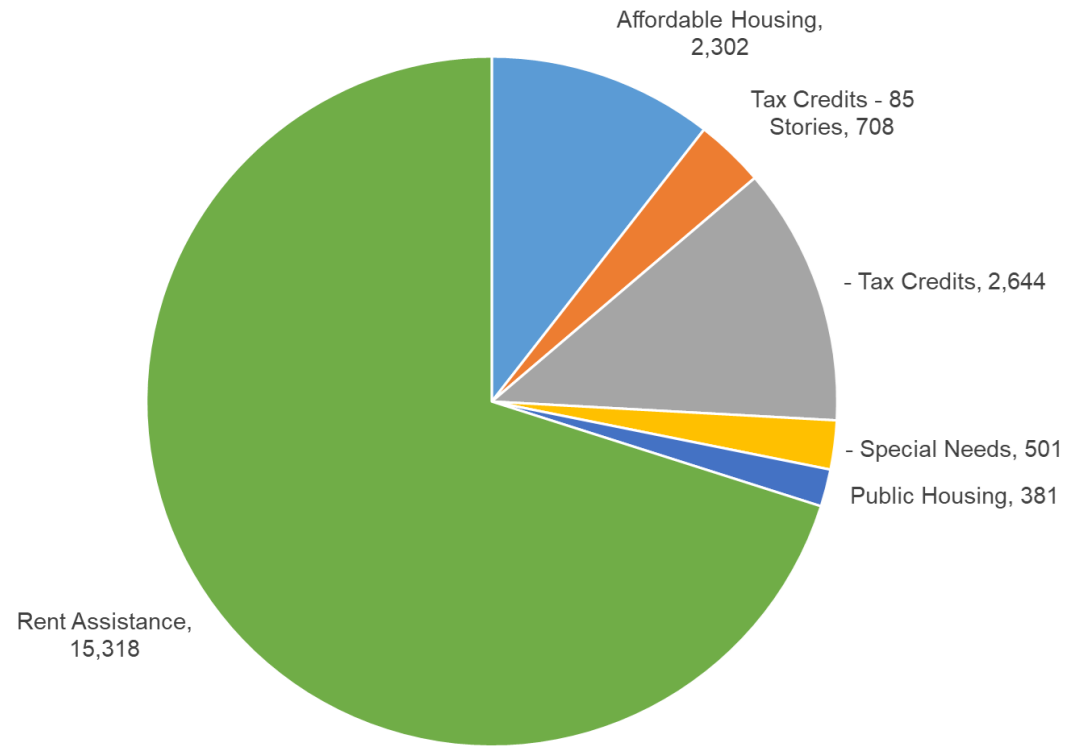
Initiative	Description	First Year	FY23 Budget	FY24 Budget
STRA Funding	In collaboration with community partners, provide limited housing assistance to eligible households in Multnomah County who are at risk of eviction, are newly homeless, or are experiencing immediate crises in their housing.	FY 12	\$ 919,452	\$ 1,505,386
<i>Home Forward STRA</i>	<i>Home Forward will fund a portion of the Short-Term Rental Assistance program administered by the Joint Office of Homeless Services.</i>	<i>FY 14</i>	<i>0</i>	<i>572,250</i>
<i>Alder School</i>	<i>Home Forward will provide short to medium-term rent assistance and leverage school support at Alder School to improve academic outcomes and housing stability.</i>	<i>FY 14</i>	<i>499,119</i>	<i>499,119</i>
<i>New Doors/NAFY</i>	<i>Shared housing model for former or transitioning foster care youth who are experiencing homelessness or at risk of homelessness. Leverages service dollars from Multnomah County.</i>	<i>FY 14</i>	<i>30,517</i>	<i>44,201</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 to improve academic outcomes and housing stability.</i>	<i>FY 17</i>	<i>246,754</i>	<i>246,754</i>
<i>Economic Opportunity Program</i>	<i>Home Forward will provide support and Worksource and Human Solutions to aid unstably housed or homeless households successfully engaged in Worksource training or employment programs.</i>	<i>FY 17</i>	<i>143,063</i>	<i>143,063</i>
Expungement Partnership	Working with community partner Metropolitan Public Defender to support Home Forward residents with the following: criminal record expungements; consultation to meet ongoing obligations to the courts.	FY 17	137,446	274,892

Initiative	Description	First Year	FY23 Budget	FY24 Budget
Worksystems Liaison	Funds an agreement with Worksystems for residents in pursuit of economic advancement products.	FY 17	47,000	47,000
Barrier Reduction and Opportunities	Combines initiatives to promote asset-building and short-term respite care for resident impacted by community violence and assists the senior and disabled population age-in-place by maintaining their quality of life.	FY 12	64,402	70,522
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	45,000	49,613
Local Blended Subsidy (LBS)	LBS uses a blend of MTW Section 8 and public housing operating funds to subsidize rental units. Leveraging subsidies allows for a more adequate revenue stream and increases the number of households that can be served.	FY 12	2,011,272	2,011,272
VASH Security Deposit	The initiative addresses a severe barrier to VASH Vouchers by providing security deposits for homeless veterans leasing units requiring deposits.	FY 12	62,402	93,240
Landlord Incentive Fund	Attract new landlords and units in low-poverty areas to the Housing Choice Voucher program. Eligible units must be in zip codes considered low-poverty areas and have not had a tenant in the prior 24 months.	FY 13	35,700	35,700
Domestic Violence Transfer Funds	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.	FY 13	10,500	10,500
Flexible Rent Assistance	Flexible rent assistance helps participants with various barriers to housing, including applications, bad debt, security deposits, expungement fees, and other financial assistance to aid the leasing process.	FY 20	105,000	105,000
Tenant Education	A program designed to help our tenants better understand the rental process.	FY 16	81,270	87,945

Initiative	Description	First Year	FY23 Budget	FY24 Budget
Nesika Illahee	Locally funded rent assistance for Nesika Illahee.	FY21	81,270	86,303
Mamook Tokatee	Locally funded rent assistance for Mamook Tokatee.	FY24	0	83,160
Total – MTW Initiatives			\$ 3,600,714	\$ 4,460,533

FY24 Estimated Households Served by Category

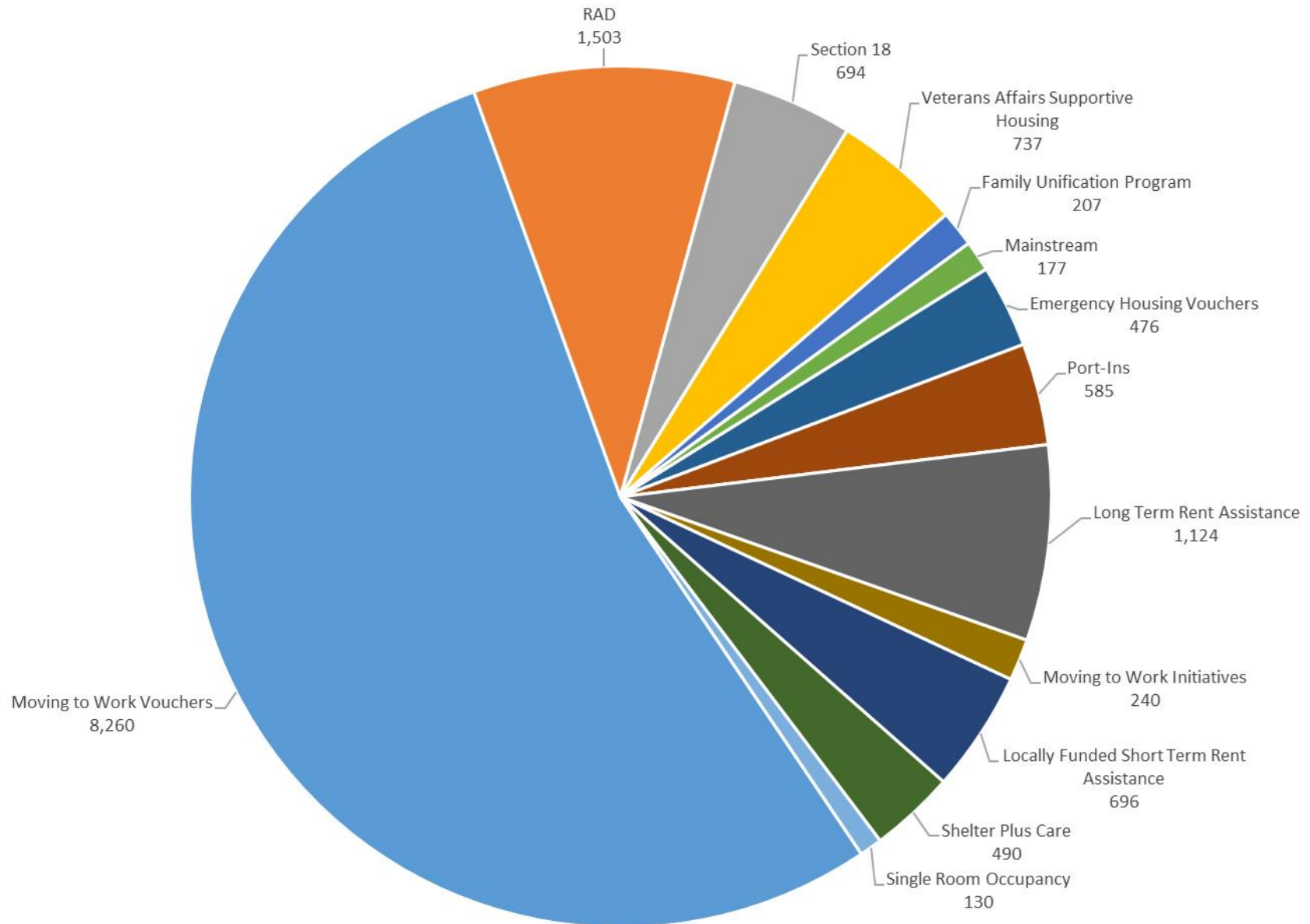
Category	Households Served	Percent
Affordable Housing	2,302	11%
Special Needs	501	2%
Tax Credits - 85 Stories	708	3%
Tax Credits	2,644	12%
Public Housing	381	2%
Rent Assistance	15,318	70%
Total	21,854	
Rent Assistance Occupying Affordable Housing / Tax Credit Units	-4,256	-24%
Unduplicated Total	17,598	100%



*Rent Assistance Occupying Affordable Units represents voucher holders that live within our Affordable and Tax Credit properties. The 4,256 represents residents already included in the Rent Assistance / Affordable Housing / Tax Credit Portfolios. An adjustment is made to provide an unduplicated total.

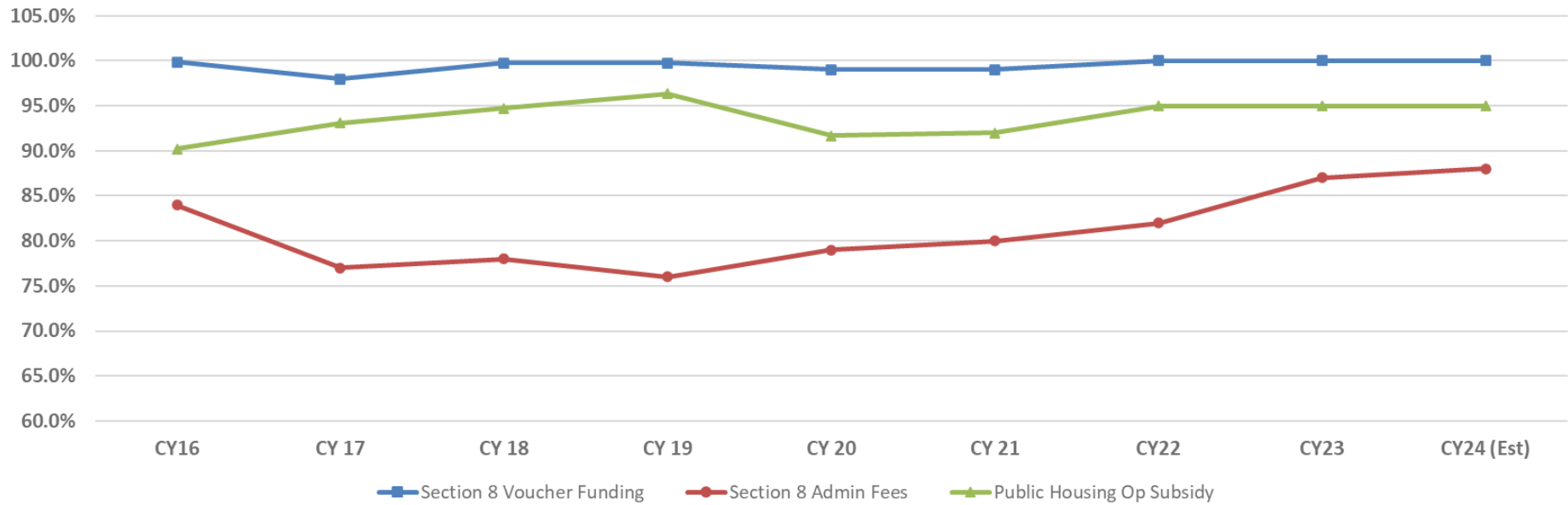
This includes the impact of RAD/Section 18 conversions.

FY24 Estimated Rent Assistance Households Served by Category



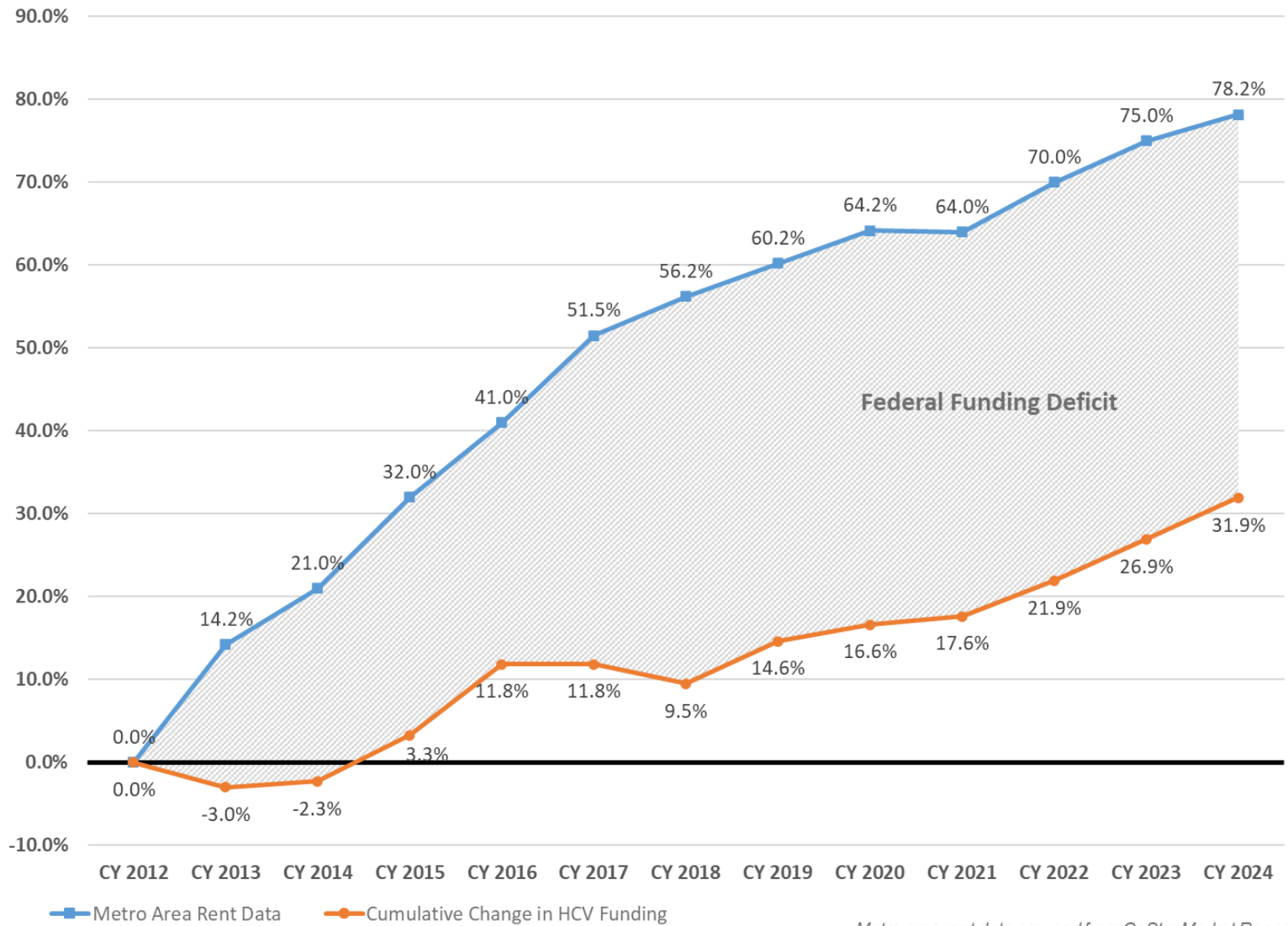
Subsidy Proration Trends

Subsidy Proration Trends ¹									
Actual Funding Year	CY 16	CY 17	CY 18	CY 19	CY 20	CY 21	CY 22	CY 23	CY 24 (Est)
Home Forward Budget Year	FY 2016	FY 2017	FY 2018	FY 2019	FY 2019 12/31 YE	FY 2021	FY22	FY23	FY24
Section 8 Voucher Funding	99.9%	98.0%	99.7%	99.7%	99.0%	99.0%	100.0%	100.0%	100.0%
Section 8 Admin Fees	84.0%	77.0%	78.0%	76.0%	79.0%	80.0%	82.0%	87.0%	88.0%
Public Housing Operating Subsidy	90.2%	93.1%	94.7%	96.3%	91.7%	92.0%	95.0%	95.0%	95.0%



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

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



Metro area rent data sourced from CoStar Market Report

Acronym Key

85 Stories: Multi-year development initiative to change the subsidy structure for ten high-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 – the document that establishes guidelines for determining public housing eligibility and occupancy.

AH: Affordable Housing – properties owned in whole or partly by Home Forward and managed by outside property 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 50%.

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 are 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 participants' skills and enable them to obtain employment.

FTE: Full-Time Equivalent measures how many full-time employees and organizations have 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.

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 – the 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 is a program created by HUD in 1986 to provide tax credits for the acquisition, rehabilitation, 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 generally 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 to leverage public and private debt to reinvest in public housing stock.

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

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

SRO: Single Room Occupancy

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

Towers: A group of four properties originally in the Public Housing Portfolio 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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FY24 Operating Statement by Operating Group

Home Forward															
Fiscal Year 2024 Operating Statement by Operating Group															
Operating Statement	Rent Assistance	Public Housing Portfolio	Affordable Portfolio	Asset Management	Property Management	Safety	Integrated Facilities	Development	Community Services	Administration	Real Estate Finance	Reserves	MIF	Elimination	Home Forward Total
Dwelling Rental	\$ -	\$ 1,019,282	\$ 31,874,594	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (5,061,971)	\$ 27,831,905
Non-dwelling Rental	-	86,904	1,869,566	-	-	-	-	-	217,760	64,431	-	-	-	(522,583)	1,716,078
HUD Subsidies - Housing Assistance	143,082,876	-	1,525,260	-	-	-	-	-	-	-	-	-	-	-	144,608,136
HUD Subsidies - Admin Fee	14,444,571	-	-	-	608,802	-	-	-	-	-	-	-	-	-	15,053,373
HUD Subsidies - Public Housing	250,000	4,800,696	-	-	169,000	-	-	-	208,146	-	-	-	-	-	5,427,842
HUD Grants	6,739,661	-	-	-	399,060	-	-	-	1,383,121	-	-	-	-	-	8,521,842
Development Fee Revenue, Net	-	-	-	-	-	-	-	13,716,360	-	-	-	-	-	-	13,716,360
State, Local & Other Grants	28,890,297	-	-	-	-	-	-	162,676	1,800,540	-	-	-	-	-	30,853,512
Other Revenue	7,542,080	19,557	989,478	-	2,345,964	-	1,903,601	-	1,211,879	-	-	-	-	(380,676)	13,631,883
Total IA Revenue	-	-	-	-	-	-	-	-	1,413,442	-	-	-	-	(980,169)	433,273
Total Operating Revenues	200,949,484	5,926,439	36,258,898	-	3,522,826	-	1,903,601	13,879,036	6,234,888	64,431	-	-	-	(6,945,399)	261,794,204
Housing Assistance Payments	176,440,394	-	-	-	-	-	-	-	-	-	-	-	-	(5,285,004)	171,155,390
Administrative Personnel Expense	1,376,641	-	-	742,745	1,237,385	547,118	84,408	1,280,854	587,478	10,301,224	-	-	-	-	16,157,852
Other Admin Expenses	893,561	366,128	7,274,545	137,704	375,429	136,959	40,041	229,745	639,182	6,520,840	9,000	-	-	(306,824)	16,316,310
Fees/overhead charged	522,583	-	-	2,256	3,252	-	3,408	-	-	802	-	-	-	(522,583)	9,718
Tenant Svcs Personnel Expense	75,227	-	735,149	-	-	-	-	399,940	4,311,834	99,089	-	-	-	-	5,621,240
Other Tenant Svcs Expenses	200,710	167,375	504,327	-	-	-	-	-	3,324,231	41,750	-	-	-	-	4,238,393
Program Expense	11,365,076	572,844	751,551	1,233,547	2,476,414	105,605	275,470	2,324,306	766,230	101,615	-	-	-	-	19,972,657
Maintenance Personnel Expense	-	723,198	447,740	-	800,789	571,473	1,075,579	-	-	74,538	-	-	-	-	3,693,318
Other Maintenance Expenses	-	823,214	-	-	(37,777)	131,098	104,920	-	-	244,549	26,646	-	-	-	9,134,102
Utilities	-	655,736	5,032,857	-	-	-	40,000	-	-	84,800	7,221	-	-	-	5,820,614
Total IA Expense	-	-	398,477	-	-	-	-	-	180,612	-	-	-	-	(830,988)	(251,899)
Depreciation	-	629,939	5,437,233	-	8,482	-	-	1,060	-	388,800	149,932	-	-	(47,440)	6,568,007
General	-	233,364	3,128,182	-	202,188	1,634	19,115	10,000	-	10,634	10,000	-	-	-	3,615,117
Total Operating Expenses	190,874,191	4,171,798	31,551,513	2,116,252	5,066,162	1,493,887	1,642,941	4,245,905	9,809,566	17,868,642	202,799	-	-	(6,992,838)	262,050,819
Operating Income (Loss)	10,075,293	1,754,641	4,707,385	(2,116,252)	(1,543,336)	(1,493,887)	260,660	9,633,131	(3,574,678)	(17,804,211)	(202,799)	-	-	47,440	(256,615)
Total Overhead Allocations	4,172,734	-	-	2,205,019	4,465,833	225,813	460,476	2,342,651	1,690,256	(15,562,782)	-	-	-	-	-
Operating Income (Loss) after Overhead	5,902,559	1,754,641	4,707,385	(4,321,271)	(6,009,169)	(1,719,701)	(199,816)	7,290,480	(5,264,935)	(2,241,429)	(202,799)	-	-	47,440	(256,615)
Reserve Funding	-	-	2,567,160	-	56,196	-	-	6,351,844	-	-	-	(5,570,844)	-	-	-
Operating Income (Loss) after Reserve Funding	5,902,559	1,754,641	7,274,545	(4,321,271)	(5,952,973)	(1,719,701)	(199,816)	13,642,324	(5,264,935)	(2,241,429)	(202,799)	(5,570,844)	-	47,440	3,147,741
Investment Income	-	(720)	452,223	12,000	-	-	-	-	-	-	-	-	-	-	463,503
Interest Expense	-	-	(2,202,690)	-	-	-	-	-	-	90,000	106,859	-	-	-	(2,005,831)
Net Other Income (Expense)	-	(720)	(1,750,467)	12,000	-	-	-	-	-	90,000	106,859	-	-	-	(1,542,328)
HUD Nonoperating Contributions	-	180,000	(600,000)	-	-	-	-	-	-	210,000	-	-	-	-	(210,000)
Reserve Funded Capital Contributions	-	-	-	-	-	-	-	-	-	-	(5,838,181)	5,057,181	-	-	(781,000)
Net Capital Contributions	-	180,000	(600,000)	-	-	-	-	-	-	210,000	(5,838,181)	5,057,181	-	-	(991,000)
Change In Net Position	\$ 5,902,559	\$ 1,933,921	\$ 4,924,078	\$ (4,309,271)	\$ (5,952,973)	\$ (1,719,701)	\$ (199,816)	\$ 13,642,324	\$ (5,264,935)	\$ (1,941,429)	\$ (5,934,121)	\$ (513,663)	\$ -	\$ 47,440	\$ 614,413

* Numbers may vary slightly due to rounding

FY24 Funding Flow Analysis by Operating Group*

Home Forward															
Fiscal Year 2024 Operating Statement by Operating Group															
	Rent Assistance	Public Housing Portfolio	Affordable Portfolio	Asset Management	Property Management	Safety	Integrated Facilities	Development	Community Services	Administration	Real Estate Finance	Reserves	MIF	Elimination	Home Forward Total
Operating Income (Loss) after Overhead	\$ 5,902,559	\$ 1,754,641	\$ 4,707,385	\$ (4,321,271)	\$ (6,009,169)	\$ (1,719,701)	\$ (199,816)	\$ 7,290,480	\$ (5,264,935)	\$ (2,241,429)	\$ (202,799)	\$ -	\$ -	\$ 47,440	\$ 614,413
Real Estate Portfolio															
Affordable Housing Properties Operating Activity	-	-	(4,707,385)	-	-	-	-	-	-	-	-	-	-	-	(4,707,385)
Revenue from Properties to Home Forward	-	-	(519,643)	-	-	-	-	-	-	-	-	-	-	-	(519,643)
Unrestricted Cash to HF	-	-	2,573,464	-	-	-	-	-	475,224	-	551,463	-	-	-	3,600,151
Net Replacement Reserve Activity (New Market West)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Replacement Reserve Activity (Special Needs)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Developer Fee - Impact to Funding Flow															
Developer Fee Revenue	-	-	-	-	-	-	-	(13,716,360)	-	-	-	-	-	-	(13,716,360)
Developer Fee - Cash to HF (Net)	-	-	-	-	-	-	-	12,472,382	-	-	-	-	-	-	12,472,382
Financing/Investment Activity															
Principal & Interest - Special Needs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal & Interest - New Market West	-	-	-	-	-	-	-	-	-	(394,384)	-	-	-	-	(394,384)
Capital Acquisitions															
Fleet Vehicle	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fleet Vehicle Reserve Funding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-Cash Operating Activity															
Depreciation Expense	-	629,939	5,437,233	-	8,482	-	-	1,060	-	219,023	149,932	-	-	(47,440)	6,398,229
Special Purpose Reserve Activity															
Inter Departmental Reserve Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agency Initiatives	-	-	-	-	-	-	-	-	-	-	-	1,571,386	-	-	1,571,386
Future Agency Initiatives	-	-	-	-	-	-	-	-	-	-	-	(1,571,386)	-	-	(1,571,386)
Integrated Facility Services Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HFDE Funding Affordable Portfolio Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DCR Operating Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Affordable Portfolio Reserve	-	-	(500,000)	-	-	-	-	-	-	-	-	-	-	-	(500,000)
Workforce Initiative Funding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
85 Stories Asset Repositioning Fee Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance Reserve	-	(100,000)	(100,000)	-	-	-	-	-	-	-	-	-	-	-	(200,000)
Capital Fund Program Contribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Funding Source or (Shortfall)	5,902,559	2,284,580	7,391,054	(4,321,271)	(6,000,687)	(1,719,701)	(199,816)	6,047,562	(4,789,711)	(2,416,789)	498,596	-	-	-	2,676,376
Funding Required or (Contributed) to Agency	(5,902,559)	(2,284,580)	(7,391,054)	4,321,271	6,000,687	1,719,701	199,816	(6,047,562)	4,789,711	2,416,789	(498,596)	-	-	-	(2,676,376)
Final Funding Source or (Shortfall)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

* Numbers may vary slightly due to rounding.