



**Multnomah County
Agenda Placement Request
Budget Modification**
(FY 2018)

APPROVED: MULTNOMAH COUNTY
BOARD OF COMMISSIONERS
AGENDA # R.3 DATE 9/13/18
MARINA BAKER, BOARD CLERK

Board Clerk Use Only

Meeting Date: 9/13/18
Agenda Item #: R.3
Est. Start Time: 10:10 a.m.
Date Submitted: 8/29/18

Agenda Title: BUDGET MODIFICATION # JOHS-02-19: Transfers \$4.0 million in the Supportive Housing Fund from Contingency to Pass Thru for Housing Development

Requested Meeting Date: 9/13/18 **Time Needed:** 15 Minutes

Department: 1055 - Joint Office on Homeless Services **Division:** Joint Office of Homeless Services (JOHS)

Contact(s): Marc Jolin, Director Joint Office of Homeless Services

Phone: 503-988-5531 **Ext. xt.** 85531 **I/O Address** 167/1/105

Presenter Name(s) & Title(s): Marc Jolin, Director

General Information

1. What action are you requesting from the Board?

Approval to move \$4.0 million from Contingency to Pass Thru in the Supportive Housing Fund (1521) and authorize its transfer pursuant to an intergovernmental agreement to the City of Portland's Housing Bureau for investment in 70 deeply affordable housing units to support those in the community who are chronically homeless.

2. Please provide sufficient background information for the Board and the public to understand this issue. Please note which Program Offer this action affects and how it impacts the results.

In FY 2018, the Board authorized and completed the sale of the Wapato facility for \$5.0 million. At the time of the Wapato sale, the Board adopted resolution 2017-094 directing the Department of County Human Services (DCHS) and the Joint Office of Homeless Services (JOHS) to work with Commissioners to develop a recommendation for the use of the funds. Commissioner Stegmann, with support from DCHS and JOHS, convened a working group that met several times over the past 9 months to consider options.

The resolution resolved that “the proceeds from the disposition of the Wapato Facility be earmarked for use in providing housing services and funding comprehensive housing stabilization strategies”. The committee agreed that the highest priority use for the funds is meeting the growing need for supportive housing. As one-time funding, the most appropriate investment of the funds is in the construction (rather than ongoing operating or support services) of supportive housing. Because housing construction financing is primarily the role of the City of Portland Housing Bureau (PHB), the JOHS, at the committees' direction, worked with PHB to identify a project where the Wapato proceeds could best be used to expand the supply of supportive housing in the community. PHB proposed, and the committee has agreed to recommend for the Board's approval, that \$4.0 million of the Wapato proceeds be used on a pending project that will add a projected 70 units of deeply affordable Single Room Occupancy (SRO)/Studio units with ongoing support services in the Portland central city (the Project). This is an area that has lost a substantial number of deeply affordable SRO units over the past decades and an area where a high number of the County's most vulnerable program participants are in need of supportive housing.

The action before the Board would authorize moving the \$4.0 million out of contingency into pass thru payments in the Supportive Housing Fund and authorize its transfer pursuant to an intergovernmental agreement to the City of Portland's Housing Bureau for investment in the Project. The balance of funds from the Wapato sale will remain in the Supportive Housing Fund contingency.

This action impacts program offer 10054E - Supportive Housing - Chronically Homeless.

3. Explain the fiscal impact (current year and ongoing).

During the FY 2019 adopted budget, \$5.0 million of one-time-only proceeds from the sale of Wapato were placed into contingency in the Supportive Housing Fund (1521). This fund was established to account for proceeds from the disposition of the Wapato Facility in April 2018. Specifically, the funds are earmarked for use in providing housing services and funding comprehensive housing stabilization strategies. In FY 2019, these funds were placed in contingency to give the Board time to evaluate the potential uses for the funding. This is a one-time-only transfer of \$4.0 million from the Supportive Housing Fund to the Portland Housing Bureau. There will be no ongoing fiscal cost.

4. Explain any legal and/or policy issues involved.

This action will be followed by an Intergovernmental Agreement between Multnomah County and the City of Portland's Housing Bureau to accomplish the acquisition and construction of the Project. The IGA will spell out the specific allowed uses of the funding and make provisions for its return in the event that for any reason the Project does not proceed. This investment will advance the County's commitment to significantly expand supportive housing, and, because it is one-time-only funding, a capital investment in the development of a supportive housing project is the most appropriate use of the funds.

A supplemental budget is the mechanism by which Oregon Budget Law (ORS Chapter 294) allows the Board to make changes to the County's adopted budget to address changes in financial conditions that were not anticipated at the time the budget was adopted. As defined by Oregon Budget Law, all budget modifications that go before the Board are supplemental budgets, but the majority of those budget modifications qualify for exemptions that allow the changes to be adopted by simple resolution. When exemptions are not applicable, such as when increasing a fund by more than 10%, transferring money between funds, transferring more than 15% from contingency, or establishing a new fund, a more involved process of public noticing and a public hearing is required. Public noticing and a public hearing are required in this case because we are transferring

more than 15% from contingency in the Supportive Housing Fund (1521).

5. Explain any citizen or other government participation.

This supplemental budget modification was noticed in the Oregonian on Wednesday, September 5, 2018. This met the notification requirements of Oregon Budget Law, which requires publication at least 5 days before, but not more than 30 days before, the hearing.

Budget Modification

6. What revenue is being changed and why? If the revenue is from a federal source, please list the Catalog of Federal Assistance Number (CFDA).

None

7. What budgets are increased/decreased?

Contingency is decreased by \$4,000,000
Pass thru expenditures are increased by \$4,000,000

8. What do the changes accomplish?

Appropriates the funding to support the development of 70 units of deeply affordable housing units with ongoing support services in the Portland central city.

9. Do any personnel actions result from this budget modification?

No

10. If a grant, is 100% of the central and department indirect recovered? If not, please explain why.

Not applicable

11. Is the revenue one-time-only in nature? Will the function be ongoing? What plans are in place to identify a sufficient ongoing funding stream?

Yes, the sale proceeds were one-time-only and will be used to support the one-time-only development of housing units.

12. If a grant, what period does the grant cover? When the grant expires, what are funding plans? Are there any particular stipulations required by the grant (e.g. cash match, in kind match, reporting requirements, etc)?

Not applicable.

Required Signature

Elected Official or Marc Jolin **Date:** 8/29/2018
Dept. Director: _____

Budget Analyst: Jackie Arbour **Date:** 8/29/2018

Department HR: _____ **Date:** _____

Countywide HR: _____ **Date:** _____

Exp/Rev/FTE - Budget Modification

Budget Year: 2019

Budget Modification: SUPP02-JOHS-02-19

Expenditures & Revenues

An increase in revenue is shown as a negative value and a decrease as a positive value for consistency with SAP.

Line No.	Program Offer Number	Fund Code	Fund Center	Func. Area	Cost Object	Cost Element	Current Amount	Revised Amount	Change Increase/ (Decrease)	Subtotal
1	10054E-19	1521			JOHS.SH.1521	60160 - Pass-Thru & Pgm Supt	542,196	4,542,196	4,000,000	
1521 Total										4,000,000
Total										4,000,000
Program Offer Number 10054E-19 Total										4,000,000
2	95000-19	1521			9500001521	60470 - Contingency	5,000,000	1,000,000	(4,000,000)	
1521 Total										(4,000,000)
Total										(4,000,000)
Program Offer Number 95000-19 Total										(4,000,000)

Exp/Rev/FTE - Budget Modification

Budget Year: 2019

Budget Modification: SUPP02-JOHS-02-19

Annualized Personnel Changes

Change is shown on a full year basis even though this action affects only a part of the fiscal year (FY).

No positions were affected by this Budget Modification.

Current Year Personnel Changes

Cost/savings that will take place in this FY; these explain the actual dollar amounts being changed by this BudMod.

No positions were affected by this Budget Modification.