



MULTNOMAH COUNTY AGENDA PLACEMENT REQUEST CONTINGENCY REQUEST

(Revised: 8/18/11)

APPROVED: MULTNOMAH COUNTY
BOARD OF COMMISSIONERS
AGENDA # R.6 DATE 4-26-12
LYNDA GROW, BOARD CLERK

Board Clerk Use Only

Meeting Date: 4/26/12
Agenda Item #: R.6
Est. Start Time: 10:30 am
Date Submitted: 4/18/12

REVISED

Agenda Title: BUDGET MODIFICATION # NOND-10 requesting General Fund Contingency
Transfer of \$250,000 for development of a new facility for Project Network

Note: If Ordinance, Resolution, Order or Proclamation, provide exact title. For all other submissions, provide a clearly written title sufficient to describe the action requested.

Requested Meeting Date: April 26, 2012 **Time Needed:** 30 minutes
Department: Non-Departmental **Division:** Commissioner Smith
Contact(s): Althea Gregory
Phone: 503-988-6763 **Ext.** 86763 **I/O Address:** 503/6
Presenter Name(s) & Title(s): Mary Monnat, President & CEO, LifeWorks NW, and other invited guests

General Information

1. What action are you requesting from the Board?

Request approval of Budget Modification NOND-10 transferring \$250,000 from general fund contingency to the Department of County Human Services for development of a new facility for Project Network.

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.

LifeWorks NW, in partnership with Home Forward (formerly Housing Authority of Portland) and Gerding Edlen, seeks to develop a new facility that supports best practices and enhances health outcomes in providing residential drug and alcohol treatment services to primarily African American women and their children in the NE Portland community.

The new building will include both drug and alcohol abuse residential treatment and new permanent supportive housing. The residential treatment facility will include 12 two-bedroom and four three-bedroom suites – 36 beds in total – to be operated by LifeWorks NW. The permanent supportive housing units, anticipated to include 33 one-, two-, and three-bedroom apartments, will be operated by Home Forward and supported with public

housing operating subsidy.

In 2004, LifeWorks NW assumed from Legacy Health System responsibility for managing Project Network, which is a program that helps upwards of 75 chemically dependent women annually break the cycle of addiction and begin rebuilding healthier families in our community. In 2007, an increased demand for services and the growing recognition of the need for a facility more specifically designed for residential drug and alcohol treatment for women and their children led the LifeWorks NW board to undertake a comprehensive structural review of the current 1920's era apartment building. Results indicated the structure could not easily be retrofitted to accommodate additional clients or the customized treatment space needed. These findings inspired the formation of the partnership between LifeWorks NW, Home Forward and Gerding Edlen to explore solutions to meet both the treatment and residential needs of the families served by LifeWorks NW.

A new location has been identified in NE Portland in order to continue to serve as a hub of recovery for African American women and their children in a culturally responsive environment. The preliminary development budget is estimated at \$17.9 million. Sources of development funding include: Low Income Housing Tax Credits, New Markets Tax Credits, Home Forward's public housing preservation initiative funds, deferred developer fee, commercial debt and City of Portland Tax Increment Financing.

On February 2, 2012, LifeWorks NW was informed by the Portland Housing Bureau that the project was selected for City funding of \$4.5 million. That funding positioned LifeWorksNW well to compete for State funding from Oregon Housing and Community Services in the March 2012 Consolidated Funding Cycle. While optimistic about securing additional financial support for the overall facility, LifeWorks NW still must raise a total of \$2,850,000 over the next three years to close the gap on its part of the project. More immediately, LifeWorks NW needs to be well on its way to raising \$1,000,000 of the total amount as soon as possible to best position itself to secure State funding for the project. LifeWorks NW's Board of Directors allocated \$250,000 of its reserves toward this important project. LifeWorks NW has requested that Multnomah County help support this critical project with an investment as soon as possible to help support its fundraising effort and to demonstrate key support from the community.

The County is the principal funder of the Project Network services through both the Department of County Human Services and the Department of Community Justice. The County also has a significant stake in the future of Project Network services, which address many of our community's highest priorities: reduction in foster care placements, reduction in prison stays, reduction in health disparities, reduction in homelessness, and improvement in early childhood development.

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

This funding affects FY 2012 only.

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

N/A

5. Explain any citizen and/or other government participation that has or will take place.

Numerous organizations and community leaders have endorsed Project Network and the need to build an expanded facility in NE Portland to continue to provide culturally responsive treatment to African American women. The project includes permanent affordable, drug and alcohol-free family housing alongside the residential treatment

component to help program participants more successfully sustain long-term recovery and as a means to leverage limited public, private and non-profit resources. LifeWorks NW and its partners have developed a comprehensive financing strategy to support the new building, the majority of which will be funded through tax credits and other public resources. The strategy also depends on a philanthropic capital campaign effort to support the treatment facility.

Budget Modification

If the request is a **Budget Modification**, please answer **all** of the following in detail:

- **What revenue is being changed and why? If the revenue is from a federal source, please list the Catalog of Federal Assistance Number (CFDA).**
No revenue is being changed.
- **What budgets are increased/decreased?**
General Fund Contingency is decreased by \$250,000 and transferred to DCHS program offer 25080 Adult Addictions Treatment Continuum.
- **What do the changes accomplish?**
Provides funding to develop a new facility that supports best practices and enhances health outcomes in providing residential drug and alcohol treatment services to primarily African American women and their children in the NE Portland community.
- **Do any personnel actions result from this budget modification? Explain.**
No.
- **If a grant, is 100% of the central and department indirect recovered? If not, please explain why.**
N/A
- **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?**
This is one-time-only funding for development of a new facility for Project Network.
- **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 (i.e. cash match, in kind match, reporting requirements etc)?**
N/A

Contingency Request

If the request is a **Contingency Request**, please answer **all** of the following in detail:

- **Why was the expenditure not included in the annual budget process?**
LifeWorks NW needs to be well on its way to raising \$1,000,000 of the total fundraising need as soon as possible to best position itself to secure State funding for the project. Prior to the City of Portland's commitment of funding, LifeWorks NW had not secured sufficient funds to warrant making a request to the County. This is a request for one-time-only funds.
- **What efforts have been made to identify funds from other sources within the Department/Agency to cover this expenditure?**
N/A
- **Why are no other department/agency fund sources available?**
N/A

- Describe any new revenue this expenditure will produce, any cost savings that will result, and any anticipated payback to the contingency account. What are the plans for future ongoing funding?

N/A

- Has this request been made before? When? What was the outcome?

No

NOTE: If a Budget Modification or a Contingency Request attach a Budget Modification Expense & Revenues Worksheet and/or a Budget Modification Personnel Worksheet. If it is a General Fund Contingency Request, a memo from the Budget Office must be submitted.

Required Signatures

**Elected Official
or Dept Director:**

Loretta Smith, Commissioner, D-2 /s/

Date: 4/18/12

Budget Analyst:

Christian Elkin /s/

Date: 4/18/12

NOND-10

EXPENDITURES & REVENUES

Please show an increase in revenue as a negative value and a decrease as a positive value for consistency with SAP.

Budget/Fiscal Year: 2012

Line No.	Fund Center	Fund Code	Program #	Func. Area	Accounting Unit			Cost Element	Current Amount	Revised Amount	Change Increase/ (Decrease)	Description
					Internal Order	Cost Center	WBS Element					
1	19	1000		0020		9500001000		60470		(250,000)	(250,000)	CGF-Contingency
2	20-80	1000	25080	0040			MA AS CONT AD OUT CGF	60160	682,669	932,669	250,000	Pass-Thru
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Department of County Management
MULTNOMAH COUNTY OREGON

Budget Office

501 SE Hawthorne Blvd., Suite 531
Portland, Oregon 97214
(503) 988-3312 phone
(503) 988-5758 fax
(503) 988-5170 TDD

TO: Board of County Commissioners

FROM: Christian Elkin, Principal Budget Analyst

DATE: April 17, 2012

SUBJECT: General Fund Contingency request of \$250,000 to assist the capital fundraising campaign for Project Network (Budget Modification NOND-10)

District 2 is requesting \$250,000 of General Fund contingency be appropriated to support the capital fundraising campaign for Project Network.

Project Network is a partnership between LifeWorks NW, Home Forward (formerly Housing Authority of Portland) and Gerding Edlen, to develop a new facility that supports best practices and enhances health outcomes while providing residential drug and alcohol treatment to African American women and their children in the NE Portland community.

The new facility will be built alongside new permanent supportive housing (PSH). The treatment facility will include 36 beds in 2 and 3 bedroom units to be owned and operated by LifeWorks NW. The PSH units, anticipated to include 32 one-, two-, three-bedroom apartments, will be owned and operated by Home Forward and supported with public housing operating subsidy.

General Fund Contingency Policy Compliance

The Budget Office is required to inform the Board if contingency requests submitted for approval satisfy the guidelines for using the General Fund Contingency.

In particular,

- Criteria 1 states contingency requests should be for one-time-only purposes.

Funding for the Project Network has been requested as a one-time-only

- Criteria 2 addresses emergencies and unanticipated situations.

This is not an unanticipated situation; however, at the time the FY 2012 budget was being discussed, Project Network had not secured enough funding to warrant a request to the County.

- Criteria 3 addresses items identified in Board Budget Notes.

This item was not identified in the Budget Notes.



LifeWorks NW
Project Network Campaign Update
April 2012

- Board commitments to date \$ 81,000
- LifeWorks NW \$250,000
- Grants \$615,000

Source	Ask Amount	Response Date
Meyer Memorial Trust	\$500,000	May 2012
Safeco	\$50,000	June 2012
A & B Foundation	\$25,000	May 2012
Juan Young Trust	\$15,000	August 2012
Kuyper Foundation	\$10,000	unknown
Foster Foundation	\$15,000	December 2012