

PDC

PORTLAND DEVELOPMENT COMMISSION

DATE: January 9, 2008

TO: Board of Commissioners

FROM: Bruce A. Warner, Executive Director

SUBJECT: Report Number 08-03
Budget Amendment No. 1 for Fiscal Year beginning July 1, 2007 and ending June 30, 2008; and making appropriations.

EXECUTIVE SUMMARY

BOARD ACTION REQUESTED

Adopt Resolution No. 6528

ACTION SUMMARY

This action will formally amend the current fiscal year (FY) 2007-08 Adopted Budget for the first time this year. This recommended budget amendment recognizes actual audited beginning fund balances as of July 1, 2007 and adds or decreases prior appropriations for projects and programs based on revised project timelines. This budget amendment also makes adjustments to account for organizational shifts that occurred between departments in June, 2007 that could not be incorporated into the FY 2007-08 Adopted Budget. Finally, this budget amendment effects a reallocation of housing funds to homeownership categories in several urban renewal areas.

In sum, FY 2007-08 Budget Amendment No. 1 (Budget Amendment #1) increases the total PDC budget from \$316,068,287 in the FY 2007-08 Adopted Budget to \$320,778,947 including Transfers, Contingency and Reserves. Excluding Transfers, Contingency and Reserves total budgeted expenditures are increased from \$245,027,009 to \$259,984,267.

Attachment A summarizes the recommended changes to be made to the FY 2007-08 Approved Budget pursuant to Budget Amendment #1.

PUBLIC BENEFIT

Budget Amendment #1 serves the public interest to the degree that it ensures that the PDC Board of Commissioners (Board) has appropriated adequate public funds to be lawfully expended by PDC as necessary to implement projects and priorities which are planned for the current fiscal year.

This action will support the following PDC goals:

- Develop healthy neighborhoods
- Provide access to quality housing
- Help businesses to create and sustain quality jobs
- Support a vibrant Central City (urban core)
- Contribute to a strong regional economy

PUBLIC PARTICIPATION AND FEEDBACK

Oregon Local Budget Law (ORS 294.305 to 294.565) provides for a number of steps to ensure that the public has an opportunity to review and comment on the development by each public entity of its respective annual budget and any subsequent changes thereto. The Multnomah County Tax Supervising and Conservation Commission will be holding a required public hearing on the FY 2007-08 Revised Budget at the January 9, 2008 PDC Board of Commissioners Meeting. In addition, PDC itself performs an extensive amount of public outreach through meetings held by its urban renewal advisory committees and other stakeholder groups as part of its budget development process throughout the year.

COMPLIANCE WITH ADOPTED PLANS AND POLICIES

The recommended Budget Amendment #1 authorizes the appropriation of such amount of public funds as necessary to implement the projects and programs planned for the current fiscal year in accordance with a variety of PDC and City adopted plans and policies, including without limitation, individual urban renewal area plans and the City's Housing Set Aside Policy. Moreover, adoption of the recommended Budget Amendment #1 by the PDC Board is required by Oregon Local Budget Law before PDC staff is legally permitted to expend funds for the planned projects and programs.

FINANCIAL IMPACT

The recommended amendments to the FY 2007-08 Adopted Budget reflect the financial implications of organizational changes and other business decisions which amount to approximately a total of \$260 million in program and project expenditures, reserves, and contingency resources. This recommended Budget Amendment #1 recognizes audited beginning fund balances as of July 1, 2007 and adds or decreases prior appropriation for projects and programs based on project timelines that have changed since the adoption of the FY 2007-08 Approved Budget in June, 2007.

The recommended budget adjustments will allow for more accurate representation of the actual amount of available resources remaining for the current fiscal year and the expenditures planned for the remainder of the fiscal year through June 30, 2008, and thereby enable PDC staff, URACs, stakeholder groups and the general public to more accurately analyze budgetary trends and develop the FY 2008-09 Discussion Draft Budget.

Several key changes included in Budget Amendment #1 include (1) carryover of Housing and Economic Development Department program funds across most urban renewal areas to accurately track the timing for expenditure of loan and grant commitments and (2) carryover of Development Department project funds to accurately track the timing for expenditure of, and revisions in the amount of, public funds for a number of the following key development projects which have been amended: (a) the final payment for the Tram, (b) increased expenditures for predevelopment work for One Waterfront Place, and (c) change in updated timing of disbursements for Park Block 5 in the South Park Blocks URA. With respect to the Housing Department appropriations, funds are being increased in several URAs to support the anticipated increase in expenditure of public funds for home ownership programs. The total homeownership budget in the Urban Renewal Areas increases from \$7.4 million to \$11 million for FY 2008-09

RISK ASSESSMENT

A decision of the Board to not approve Budget Amendment #1 will likely result in an appropriation of inadequate levels of funding for projects and programs for the remainder of the current fiscal year. For projects and/or programs that receive inadequate appropriation of funds, activity on such projects or programs would have to cease in order to stay within current appropriation limits in cases where current forecasted expenditures differ from the assumptions used in the FY 2007-08 Adopted Budget.

WORK LOAD IMPACT

The amended FY 2006-07 Budget defines, in a financial sense the total workload of PDC in the current year. If approved, Budget Amendment #1 is administrative in nature and will not impact PDC staffing needs.

ALTERNATIVE ACTIONS

If Budget Amendment #1 is not approved, there may be in some cases, adverse legal and project related ramifications. For instance, PDC may be sued for breach of contract for failure to comply with contractual obligations if PDC does not fund loans or grants, or undertake or perform obligations, under legal agreements or contracts under which PDC may be legally bound.

CONCURRENCE

Department directors, other members of the PDC staff, Finance staff and members of the Board have been involved in the development and implementation of the FY 2007-08 Budget throughout the year, including this recommended Budget Amendment #1. This Budget Amendment #1 updates projected budget resources and expenditures through fiscal year-end.

Overall, the current year budget reflects feedback from City Council, the URACs and other stakeholder groups taken into consideration during development of the FY 2007-08 Adopted Budget in the spring of 2007. It is not certain, nor is it necessary that all involved groups concur with the amended budget recommendations.

BACKGROUND

ATTACHMENTS:

- A. Description of Appropriation Changes by Fund

CC: J. Cody, Interim CFO/Central Services Director
T. Barnes, Principal Budget Analyst
M. Baines, General Counsel
J. Jackley, Executive Operations Manager

	<i>Adopted FY 2007-08</i>	<i>Change</i>	<i>Revised FY 2007-08</i>
<u>SUMMARY TOTAL - ALL FUNDS</u>			
Resources			
Beginning Fund Balance	31,932,076	31,764,722	63,696,798
Revenue			
Cash Transfer In	2,343,326	1,023,250	3,366,576
Federal and Other Grants	10,620,050	159,475	10,779,525
City General Fund	2,773,098	0	2,773,098
Line of Credit	8,000,000	0	8,000,000
Private Funding	80,000	127,373	207,373
Program Income	41,455,850	-1,625,486	39,830,364
Service Reimbursements	31,872,132	60,007	31,932,139
Tax Increment Debt Proceeds	186,991,755	-26,798,681	160,193,074
Total	284,136,211	-27,054,062	257,082,149
Total Fund Resources	316,068,287	4,710,660	320,778,947
Requirements			
Expenditures			
Development	93,533,751	1,804,492	95,338,243
Economic Development	34,544,574	6,315,949	40,860,523
Housing	96,275,236	6,312,873	102,588,109
Operating Department Expenditures	224,353,561	14,433,314	238,786,875
Central Services	9,864,349	-3,165,670	6,698,679
Community Rel. & Bus. Equity	1,104,045	534,849	1,638,894
Executive & Legal	2,177,542	2,985,322	5,162,864
People & Technology	7,527,512	169,443	7,696,955
Administrative Department Expenditures	20,673,448	523,944	21,197,392
Debt Service	6,820,000	500,000	7,320,000
Cash Transfers Out	2,343,326	1,016,000	3,359,326
Total Fund Expenditures	254,190,335	16,473,258	270,663,593
Contingency	17,914,225	-4,901,152	13,013,073
Unappropriated Ending Fund Balance	43,963,727	-6,861,446	37,102,281
Total Fund Requirements	316,068,287	4,710,660	320,778,947

	<i>Adopted FY 2007-08</i>	<i>Change</i>	<i>Revised FY 2007-08</i>
<u>AIRPORT WAY URA</u>			
Resources			
Beginning Fund Balance	5,813,131	660,035	6,473,166
Revenue			
Program Income	82,494	8,885	91,379
Total	82,494	8,885	91,379
Total Fund Resources	5,895,625	668,920	6,564,545
Requirements			
Expenditures			
Development	1,373,969	-157,220	1,216,749
Economic Development	3,346,233	67,345	3,413,578
Operating Department Expenditures	4,720,202	-89,875	4,630,327
Central Services	3,000	0	3,000
Administrative Department Expenditures	3,000	0	3,000
Total Fund Expenditures	4,723,202	-89,875	4,633,327
Contingency	1,172,423	758,795	1,931,218
Unappropriated Ending Fund Balance	0	0	0
Total Fund Requirements	5,895,625	668,920	6,564,545

Changes to Resources:

Resources are increased by \$669 thousand due higher beginning fund balance being recognized in the fund at the start of the fiscal year

Changes to Requirements:

Expenditures for Development (Airport Way Land Acquisition) are being decrease based on planned expenditures resources will be reprogrammed to future year budgets. Economic Development expenditures increase based on planned activity (using unspent resources from FY 2006-07). Contingency is increased \$758 thousand based to balance the budget.

AMBASSADOR PROGRAM

Resources

Beginning Fund Balance	190,000	206,346	396,346
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Revenue

Private Funding	80,000	127,373	207,373
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Total	80,000	127,373	207,373
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Total Fund Resources	270,000	333,719	603,719
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Requirements

Expenditures

Economic Development	270,000	333,719	603,719
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Operating Department Expenditures	270,000	333,719	603,719
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Total Fund Expenditures	270,000	333,719	603,719
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Unappropriated Ending Fund Balance	0	0	0
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Total Fund Requirements	270,000	333,719	603,719
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Changes to Resources:

Resources increase \$333 thousand based on higher beginning fund balance (\$206 thousand), and higher receipts for private funding (\$127 thousand). The higher balance and private funding amounts are related to timing of receipts for the TCI conference.

Changes to Requirements:

Expenditures for Economic Development are increased \$333 thousand to accommodate the expenditure of resources collected for the TCI conference and ongoing Ambassador Program activities.

	<i>Adopted FY 2007-08</i>	<i>Change</i>	<i>Revised FY 2007-08</i>
<u>CENTRAL EASTSIDE URA</u>			
Resources			
Beginning Fund Balance	975,731	1,102,696	2,078,427
Revenue			
Program Income	78,206	0	78,206
Tax Increment Debt Proceeds	9,964,817	-175,000	9,789,817
Total	10,043,023	-175,000	9,868,023
Total Fund Resources	11,018,754	927,696	11,946,450
Requirements			
Expenditures			
Development	7,317,155	254,890	7,572,045
Economic Development	2,713,847	653,387	3,367,234
Housing	247,782	-251	247,531
Operating Department Expenditures	10,278,784	908,026	11,186,810
Central Services	9,195	0	9,195
Administrative Department Expenditures	9,195	0	9,195
Total Fund Expenditures	10,287,979	908,026	11,196,005
Contingency	730,775	19,670	750,445
Unappropriated Ending Fund Balance	0	0	0
Total Fund Requirements	11,018,754	927,696	11,946,450

Changes to Resources:

Resources increase a net \$927 thousand. The beginning fund balance was \$1.1 million higher than budgeted due to some savings on staffing and administration costs in FY 2006-07 and projects and programs that did not fully spend. Tax increment debt proceeds (planned draws on lines of credit) are reduced by \$175 thousand to balance the budget.

Changes to Requirements:

Expenditures for Development increase \$254 thousand. The increase is primarily related to higher anticipated spending this year on the Burnside-Couch Couplet project. The allocation for the project will be reduced in future year budgets to offset this increase.

Expenditures for Economic Development increase \$653 thousand. The increase is primarily related to business finance loans and grants that were in progress at the end of last fiscal year, but did not disburse. These funds are added as carryover to FY 2007-08 based on the timing of cash disbursements.

Resources

Beginning Fund Balance	6,208,791	2,291,820	8,500,611
Revenue			
Cash Transfer In	0	600,000	600,000
Program Income	1,778,206	330,156	2,108,362
Tax Increment Debt Proceeds	13,767,454	-6,747,482	7,019,972
Total	15,545,660	-5,817,326	9,728,334
Total Fund Resources	21,754,451	-3,525,506	18,228,945

Requirements

Expenditures			
Development	5,968,497	391,406	6,359,903
Economic Development	3,805,896	418,908	4,224,804
Housing	6,416,692	658,471	7,075,163
Operating Department Expenditures	16,191,085	1,468,785	17,659,870
Central Services	23,540	0	23,540
Administrative Department Expenditures	23,540	0	23,540
Total Fund Expenditures	16,214,625	1,468,785	17,683,410
Contingency	2,000,000	-1,454,465	545,535
Unappropriated Ending Fund Balance	3,539,826	-3,539,826	0

Total Fund Requirements 21,754,451 -3,525,506 18,228,945

Changes to Resources:

Resources decrease a net \$3.5 million. The beginning fund balance was \$2.3 million higher than budgeted due to some savings on staffing and administration costs in FY 2006-07 and projects and programs that did not fully spend. Cash transfers increase by \$600 thousand based on the planned repayment of an interfund loan from the Interstate URA. Tax increment debt proceeds are decreased by \$6.7 million to balance the budget. The Adopted Budget included an assumption for a bond sale in Convention Center URA for FY 2007-08. Since the bond sale will not occur, tax increment debt proceeds are being adjusted to match only the amount required to be drawn on the line of credit to balance planned expenditures.

Changes to Requirements:

Expenditures for Development increase \$391 thousand. This net increase is the combined result of decreasing expenditures this fiscal year for the Eastside Streetcar planning and Headquarters Hotel (which will move to next fiscal year) and increasing expenditures for the Redevelopment Loan Program and MLK Street Improvements.

Expenditures for Economic Development increase \$418 thousand. The increase is primarily related to business finance loans and grants and Storefront grants that were in progress at the end of last fiscal year, but did not disburse. These funds are added as carryover to FY 2007-08 based on the timing of cash disbursements.

Expenditures for Housing increase a net \$658 thousand. The Affordable Homeownership line item increases \$950 thousand (\$800 thousand is being reallocated from Affordable Rental Housing. Other increases include carryover of FY 2006-07 funds for the Piedmont Place project and predevelopment funds for Lloyd Housing.

Contingency and ending fund balance are decreased \$1.5 million and \$3.5 million respectively. The decrease is related to the assumption for a bond sale changing this fiscal year. No debt proceeds will be drawn above what is required to balance expenditures.

	<i>Adopted FY 2007-08</i>	<i>Change</i>	<i>Revised FY 2007-08</i>
<u>DOWNTOWN WATERFRONT URA</u>			
Resources			
Beginning Fund Balance	1,522,000	4,129,973	5,651,973
Revenue			
Cash Transfer In	1,947,303	0	1,947,303
Program Income	5,254,095	2,964,000	8,218,095
Tax Increment Debt Proceeds	54,470,028	-1,430,046	53,039,982
Total	61,671,426	1,533,954	63,205,380
Total Fund Resources	63,193,426	5,663,927	68,857,353
Requirements			
Expenditures			
Development	28,328,242	1,785,831	30,114,073
Economic Development	5,385,108	309,247	5,694,355
Housing	13,564,007	6,416,774	19,980,781
Operating Department Expenditures	47,277,357	8,511,852	55,789,209
Central Services	284,000	-234,000	50,000
Executive & Legal	0	234,000	234,000
Administrative Department Expenditures	284,000	0	284,000
Total Fund Expenditures	47,561,357	8,511,852	56,073,209
Contingency	4,100,000	-4,100,000	0
Unappropriated Ending Fund Balance	11,532,069	1,252,075	12,784,144
Total Fund Requirements	63,193,426	5,663,927	68,857,353

Changes to Resources:

Resources increase \$5.7 million. The increase is primarily from an increase in the beginning fund balance (\$4.1 million higher than budgeted) and higher program income estimates. The net increase in program income includes that planned property sale that will likely result from the implementation of a DDA by the end of the fiscal year.

Changes to Requirements:

Expenditures for Development increase \$1.8 million. This is a net increase associated with planned financial assistance for a DDA that will result in higher program income (see above). Some expenditures are being decreased as a result of project timing. Examples include Ankeny/Burnside Property Redevelopment, related to the Saturday Market.

Expenditures for Economic Development increase \$309 thousand for carryover of Storefront grant activity from FY 2006-07.

Expenditures for Housing increase \$8.5 million. \$5.2 million is for the Grove Apartments; additional increases are included for the final expenditures on the Mulsof Manor project and the 333 Oak project.

Contingency is decreased \$4.1 and the ending fund balance increases \$1.2 million in balancing resources and requirements.

	<i>Adopted FY 2007-08</i>	<i>Change</i>	<i>Revised FY 2007-08</i>
<u>ENTERPRISE FUND</u>			
Resources			
Beginning Fund Balance	3,515,379	1,611,105	5,126,484
Revenue			
Cash Transfer In	359,318	167,250	526,568
Line of Credit	8,000,000	0	8,000,000
Program Income	14,019,525	695,584	14,715,109
Total	22,378,843	862,834	23,241,677
Total Fund Resources	25,894,222	2,473,939	28,368,161
Requirements			
Expenditures			
Economic Development	900,000	1,314,899	2,214,899
Housing	21,006,407	1,105,831	22,112,238
Operating Department Expenditures	21,906,407	2,420,730	24,327,137
Community Rel. & Bus. Equity	27,750	7,250	35,000
Administrative Department Expenditures	27,750	7,250	35,000
Debt Service	820,000	500,000	1,320,000
Cash Transfers Out	31,568	256,000	287,568
Total Fund Expenditures	22,785,725	3,183,980	25,969,705
Contingency	3,108,497	-710,041	2,398,456
Unappropriated Ending Fund Balance	0	0	0
Total Fund Requirements	25,894,222	2,473,939	28,368,161

Changes to Resources:

Resources increase a net \$2.4 million. The beginning fund balance was \$1.6 million higher than budgeted due higher than expected program income as well as under spending on Housing and Economic Development loan funds . Cash transfers increase by \$117 thousand based on the planned contribution from the General Fund for the Headwaters Triangle Project (which is paid for out of the Enterprise Fund). Program income increases by \$695 thousand based on a higher planned activity in the Housing Investment Fund and other loan funds.

Changes to Requirements:

Expenditures for Economic Development increase \$1.3 million. The increase is represents appropriating the actual beginning fund balance for the Economic Development Loan Funds so that the funds can be re-loaned for new business finance loans.

Expenditures for Housing increase a net \$1 million. The increase is largely associated with final planned payments for the Headwaters project and Headwaters Triangle project which is being completed this fiscal year.

Debt service increases \$500 thousand to allow for higher prepayments of debt associated with the Private Lender Participation program (repayment of debt that was secured by pledging housing loans).

Cash Transfers out increase by \$256 thousand for a transfer from the Housing Investment Fund to Housing and Community Development Contract Fund. The transfer is necessary to pay for staff and administration costs that will not be absorbed by the Bureau of Housing and Community Development Contract.

ENTERPRISE MANAGEMENT FUND

Resources

Beginning Fund Balance	0	92,022	92,022
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Revenue

Program Income	1,092,000	0	1,092,000
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Total	1,092,000	0	1,092,000
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Total Fund Resources	1,092,000	92,022	1,184,022
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Requirements

Expenditures

Housing	998,000	42,022	1,040,022
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Operating Department Expenditures	998,000	42,022	1,040,022
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Cash Transfers Out	0	50,000	50,000
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Total Fund Expenditures	998,000	92,022	1,090,022
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Contingency	94,000	0	94,000
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Unappropriated Ending Fund Balance	0	0	0
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Total Fund Requirements	1,092,000	92,022	1,184,022
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Changes to Resources:

Resources increase a \$92 thousand. The increase is for a higher than planned beginning fund balance from revenue associated with the first several months of operation of the Headwaters Apartments.

Changes to Requirements:

Expenditures for Housing increase \$92 thousand. The increase in appropriation will support final project costs as well as the transfer of funds to the City of Portland to pay debt service.

	<i>Adopted FY 2007-08</i>	<i>Change</i>	<i>Revised FY 2007-08</i>
<u>ENTERPRISE ZONE</u>			
Resources			
Beginning Fund Balance	440,000	93,559	533,559
Total Fund Resources	440,000	93,559	533,559
Requirements			
Expenditures			
Economic Development	440,000	93,559	533,559
Operating Department Expenditures	440,000	93,559	533,559
Total Fund Expenditures	440,000	93,559	533,559
Unappropriated Ending Fund Balance	0	0	0
Total Fund Requirements	440,000	93,559	533,559

Changes to Resources:

Resources increase a \$93 thousand based on the actual beginning fund balance at the beginning of the fiscal year.

Changes to Requirements:

Expenditures for Economic Development increase \$93 thousand representing the appropriation of the extra beginning fund balance to support Enterprise Zone activities.

GATEWAY REGIONAL CENTER URA

Resources

Beginning Fund Balance	384,657	706,091	1,090,748
Revenue			
Program Income	20,000	0	20,000
Tax Increment Debt Proceeds	4,168,263	-428,362	3,739,901
Total	4,188,263	-428,362	3,759,901
Total Fund Resources	4,572,920	277,729	4,850,649

Requirements

Expenditures			
Development	1,296,740	196,261	1,493,001
Economic Development	1,262,060	95,043	1,357,103
Housing	1,507,068	-13,575	1,493,493
Operating Department Expenditures	4,065,868	277,729	4,343,597
Central Services	9,195	0	9,195
Administrative Department Expenditures	9,195	0	9,195
Total Fund Expenditures	4,075,063	277,729	4,352,792
Contingency	497,857	0	497,857
Unappropriated Ending Fund Balance	0	0	0
Total Fund Requirements	4,572,920	277,729	4,850,649

Changes to Resources:

Resources increase a net \$277 thousand based on the actual beginning fund balance at the beginning of the fiscal year and a decrease in tax increment debt proceeds. Tax increment debt proceeds (line of credit draws) are reduced by \$428 thousand since they will not be required to balance the budget.

Changes to Requirements:

Expenditures for Development increase \$196 thousand based on carryover from FY 2006-07 for the Gateway Development Opportunity Strategy Grant program and Mixed-Use Development/Acquisition. The increase will support projects that were underway in FY 2006-07, but did not fully spend.

	<i>Adopted FY 2007-08</i>	<i>Change</i>	<i>Revised FY 2007-08</i>
<u>GENERAL FUND</u>			
Resources			
Beginning Fund Balance	427,750	1,614,786	2,042,536
Revenue			
City General Fund	2,773,098	0	2,773,098
Program Income	210,000	150,000	360,000
Service Reimbursements	31,872,132	60,007	31,932,139
Total	34,855,230	210,007	35,065,237
Total Fund Resources	35,282,980	1,824,793	37,107,773
Requirements			
Expenditures			
Development	4,939,250	100,728	5,039,978
Economic Development	4,699,340	528,072	5,227,412
Housing	4,043,390	0	4,043,390
Operating Department Expenditures	13,681,980	628,800	14,310,780
Central Services	8,807,893	-2,351,360	6,456,533
Community Rel. & Bus. Equity	1,076,295	527,599	1,603,894
Executive & Legal	2,177,542	2,171,531	4,349,073
People & Technology	7,527,512	169,443	7,696,955
Administrative Department Expenditures	19,589,242	517,213	20,106,455
Cash Transfers Out	2,011,758	110,000	2,121,758
Total Fund Expenditures	35,282,980	1,256,013	36,538,993
Contingency	0	568,780	568,780
Unappropriated Ending Fund Balance	0	0	0
Total Fund Requirements	35,282,980	1,824,793	37,107,773

Changes to Resources:

Resources increase a net \$1.8 million. The increase is primarily related to higher than expected beginning fund balance three of the four sub-funds that make up the General Fund. The actual beginning fund balances were \$600 thousand higher in the Predevelopment Fund, \$550 thousand higher in the Indirect Fund, and \$467 thousand higher in the General Fund.

Changes to Requirements:

Expenditures for Development increase \$100 thousand for the inclusion of an appropriation for the Farmers' Market study (funded by City of Portland special appropriations). The amount was not included in the PDC Adopted Budget due to the late nature of the change during the budget process for the FY 2007-08 City of Portland Adopted Budget.

Expenditures for Economic Development increase \$528 thousand for carryover of City Economic Development funds that were received but not spent in FY 2006-07. The funds are being appropriated to existing, approved activities this fiscal year.

Increases and decreases for the Administrative Departments largely represent the implementation of a reorganization that occurred in June, 2007 that was too late for implementation in the FY 2007-08 Adopted Budget. Changes include a shift of some functions from Central Services and Community Relations and Business Equity to Executive and from Central Services to Community Relations and Business Equity. There is a net increase of \$550 thousand between the departments to implement higher levels of public affairs, human resources, and information technology support through June 30.

HCD CONTRACT FUND

Resources

Beginning Fund Balance	300,000	-1,607	298,393
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Revenue

Cash Transfer In	0	256,000	256,000
Federal and Other Grants	3,964,096	-40,525	3,923,571
Program Income	1,200,000	0	1,200,000

Total	5,164,096	215,475	5,379,571
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Total Fund Resources	5,464,096	213,868	5,677,964
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Requirements

Expenditures

Housing	5,164,096	213,868	5,377,964
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Operating Department Expenditures	5,164,096	213,868	5,377,964
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Cash Transfers Out	300,000	0	300,000
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Total Fund Expenditures	5,464,096	213,868	5,677,964
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Unappropriated Ending Fund Balance	0	0	0
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Total Fund Requirements	5,464,096	213,868	5,677,964
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Changes to Resources:

Resources increase a net \$214 thousand. The increase represents a true-up of the BHCD contract funds as well as a cash transfer in form the Enterprise Fund to fund staff and administrative costs that will not be absorbed by the BHCD contract.

Changes to Requirements:

Expenditures increase \$213 thousand related to the true-up of staff and administrative costs based on updated estimates of the BHCD contract amounts.

	<i>Adopted FY 2007-08</i>	<i>Change</i>	<i>Revised FY 2007-08</i>
<u>INTERSTATE CORRIDOR URA</u>			
Resources			
Beginning Fund Balance	1,806,201	720,536	2,526,737
Revenue			
Program Income	1,251,840	25,889	1,277,729
Tax Increment Debt Proceeds	14,996,191	-1,974,069	13,022,122
Total	16,248,031	-1,948,180	14,299,851
Total Fund Resources	18,054,232	-1,227,644	16,826,588
Requirements			
Expenditures			
Development	7,940,982	-1,001,266	6,939,716
Economic Development	2,295,422	585,040	2,880,462
Housing	7,395,704	-1,411,418	5,984,286
Operating Department Expenditures	17,632,108	-1,827,644	15,804,464
Central Services	17,655	0	17,655
Administrative Department Expenditures	17,655	0	17,655
Cash Transfers Out	0	600,000	600,000
Total Fund Expenditures	17,649,763	-1,227,644	16,422,119
Contingency	404,469	0	404,469
Unappropriated Ending Fund Balance	0	0	0
Total Fund Requirements	18,054,232	-1,227,644	16,826,588

Changes to Resources:

Resources decrease a net \$2 million. The change recognizes higher beginning fund balances, and a decreased need for tax increment debt proceeds do to the higher beginning fund balance and changes in project timing.

Changes to Requirements:

Expenditures for Development decrease \$1 million. The change is primarily associated with the movement of project dollars associated with streetscape projects to future fiscal years.

Expenditures for Economic Development increase \$585 thousand for the carry over of business finance loans and storefront grant activity that was already in progress from last fiscal year.

Expenditures for Housing decrease a net \$1.4 million. The decrease is primarily associated with a change in timing for the Killingsworth Station and Crown Motel projects. The budget includes a higher allocation for Homeownership Development and Homeownership Assistance programs (increase of \$200 thousand for the two programs).

	<i>Adopted FY 2007-08</i>	<i>Change</i>	<i>Revised FY 2007-08</i>
<u>LENTS TOWN CENTER URA</u>			
Resources			
Beginning Fund Balance	3,400,057	277,350	3,677,407
Revenue			
Program Income	271,980	0	271,980
Tax Increment Debt Proceeds	11,703,256	-1,172,956	10,530,300
Total	11,975,236	-1,172,956	10,802,280
Total Fund Resources	15,375,293	-895,606	14,479,687
Requirements			
Expenditures			
Development	6,226,833	-740,662	5,486,171
Economic Development	1,896,616	684,698	2,581,314
Housing	5,903,849	-839,642	5,064,207
Operating Department Expenditures	14,027,298	-895,606	13,131,692
Central Services	121,791	-111,791	10,000
Executive & Legal	0	111,791	111,791
Administrative Department Expenditures	121,791	0	121,791
Total Fund Expenditures	14,149,089	-895,606	13,253,483
Contingency	1,226,204	0	1,226,204
Unappropriated Ending Fund Balance	0	0	0
Total Fund Requirements	15,375,293	-895,606	14,479,687

Changes to Resources:

Resources decrease a net \$900 thousand. The change recognizes higher beginning fund balances, and a decreased need for tax increment debt proceeds do to the higher beginning fund balance and changes in project timing.

Changes to Requirements:

Expenditures for Development decrease \$740 thousand. The changes include an increase to the Lents Town Center project (project funds carryover from FY 2006-07), but the carryover is offset by decreases in other projects where part of the project funding is moving to next fiscal year (Lents Parks, Foster Housing Reuse, and Lents Transportation Projects).

Expenditures for Economic Development increase \$685 thousand for the carry over of business finance loans and storefront grant activity that was already in progress from last fiscal year.

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Expenditures for Housing decrease a net \$895 thousand. The decrease represents Affordable Rental Housing being decreased by \$2 million based on timing of projects, but an increase in Homeownership Development for \$1.1 million based on carryover of unspent funds from FY 2006-07 and moving funds from future fiscal years to accelerate development opportunities.

	<i>Adopted FY 2007-08</i>	<i>Change</i>	<i>Revised FY 2007-08</i>
<u>NORTH MACADAM URA</u>			
Resources			
Beginning Fund Balance	0	1,027,912	1,027,912
Revenue			
Federal and Other Grants	752,000	0	752,000
Program Income	9,332,504	-4,000,000	5,332,504
Tax Increment Debt Proceeds	14,383,682	1,902,105	16,285,787
Total	24,468,186	-2,097,895	22,370,291
Total Fund Resources	24,468,186	-1,069,983	23,398,203
Requirements			
Expenditures			
Development	7,758,769	-1,049,584	6,709,185
Economic Development	1,288,216	2,327	1,290,543
Housing	9,406,121	-22,726	9,383,395
Operating Department Expenditures	18,453,106	-1,069,983	17,383,123
Central Services	15,080	0	15,080
Administrative Department Expenditures	15,080	0	15,080
Debt Service	6,000,000	0	6,000,000
Total Fund Expenditures	24,468,186	-1,069,983	23,398,203
Unappropriated Ending Fund Balance	0	0	0
Total Fund Requirements	24,468,186	-1,069,983	23,398,203

Changes to Resources:

Resources decrease a net \$1 million. The change recognizes higher beginning fund balances, and a decreased need for tax increment debt proceeds do to the higher beginning fund balance and changes in project timing.

Changes to Requirements:

Expenditures for Development decrease a net \$1 million. The change is primarily associated with the movement of project dollars associated with the Neighborhood Park and Central District Greenway Design and Construction to future fiscal years. An increase for the final payment on the Tram is included within the changes.

Changes in Economic Development and Housing expenditures are related to rebalancing staffing and administrative costs.

	<i>Adopted FY 2007-08</i>	<i>Change</i>	<i>Revised FY 2007-08</i>
<u>OTHER FEDERAL GRANTS</u>			
Resources			
Revenue			
Federal and Other Grants	5,903,954	200,000	6,103,954
Program Income	300,000	0	300,000
Total	6,203,954	200,000	6,403,954
Total Fund Resources	6,203,954	200,000	6,403,954
Requirements			
Expenditures			
Housing	6,203,954	200,000	6,403,954
Operating Department Expenditures	6,203,954	0	6,403,954
Total Fund Expenditures	6,203,954	200,000	6,403,954
Unappropriated Ending Fund Balance	0	0	0
Total Fund Requirements	6,203,954	200,000	6,403,954

Changes to Resources:

Resources increase \$200 thousand for the planned reimbursement of expenses through a grant with the Department of Defense for BRAC activity.

Changes to Requirements:

Expenditures for Housing increase \$200 thousand for expenditures associated with the implementation of the grant from the Department of Defense for BRAC planning.

	<i>Adopted FY 2007-08</i>	<i>Change</i>	<i>Revised FY 2007-08</i>
<u>RISK MANAGEMENT FUND</u>			
Resources			
Beginning Fund Balance	380,000	16,109	396,109
Total Fund Resources	380,000	16,109	396,109
Requirements			
Contingency	380,000	16,109	396,109
Unappropriated Ending Fund Balance	0	0	0
Total Fund Requirements	380,000	16,109	396,109

Changes to Resources:

Resources decrease a net \$16 thousand based on recognizing the actual beginning fund balance for the fiscal year.

Changes to Requirements:

The increased beginning fund balance is added to contingency.

	<i>Adopted FY 2007-08</i>	<i>Change</i>	<i>Revised FY 2007-08</i>
<u>RIVER DISTRICT URA</u>			
Resources			
Beginning Fund Balance	425,973	9,890,447	10,316,420
Revenue			
Program Income	3,085,000	-500,000	2,585,000
Tax Increment Debt Proceeds	26,416,725	-16,304,233	10,112,492
Total	29,501,725	-16,804,233	12,697,492
Total Fund Resources	29,927,698	-6,913,786	23,013,912
Requirements			
Expenditures			
Development	6,811,034	5,101,883	11,912,917
Economic Development	3,794,343	119,032	3,913,375
Housing	2,787,485	-706,971	2,080,514
Operating Department Expenditures	13,392,862	4,513,944	17,906,806
Central Services	284,000	-234,000	50,000
Executive & Legal	0	234,000	234,000
Administrative Department Expenditures	284,000	0	284,000
Total Fund Expenditures	13,676,862	4,513,944	18,190,806
Contingency	1,200,000	0	1,200,000
Unappropriated Ending Fund Balance	15,050,836	-11,427,730	3,623,106
Total Fund Requirements	29,927,698	-6,913,786	23,013,912

Changes to Resources:

Resources decrease a net \$6.9 million. The change recognizes significantly higher beginning fund balance (\$10.3 million) and an overall decrease in tax increment debt proceeds of \$16.3 million. Like the Convention Center URA, the FY 2007-08 Adopted Budget included a potential bond sale that would have yielded tax increment debt proceeds higher than what was needed to fund current year projects. Since the bond sale will not occur this year, tax increment debt proceeds are being decrease to only include short-term (dujour) debt.

Changes to Requirements:

Expenditures for Development increase \$5.1 million. The increase includes a \$3 million add for the Meier and Frank Redevelopment and \$2.2 million for the Post Office.

Expenditures for Economic Development increase \$119 thousand for the carry over of business finance loans and storefront grant activity that was already in progress from last fiscal year.

Expenditures for Housing decrease a net \$707 thousand. The decrease is primarily associated movement of project funding for Station Place Lot 5 Family Housing to future fiscal years.

	<i>Adopted FY 2007-08</i>	<i>Change</i>	<i>Revised FY 2007-08</i>
<u>SOUTH PARK BLOCKS URA</u>			
Resources			
Beginning Fund Balance	6,142,406	7,325,542	13,467,948
Revenue			
Program Income	3,475,000	-1,300,000	2,175,000
Tax Increment Debt Proceeds	36,961,339	-468,638	36,492,701
Total	40,436,339	-1,768,638	38,667,701
Total Fund Resources	46,578,745	5,556,904	52,135,649
Requirements			
Expenditures			
Development	15,572,280	-3,077,775	12,494,505
Economic Development	2,250,788	1,110,154	3,360,942
Housing	11,630,681	670,490	12,301,171
Operating Department Expenditures	29,453,749	-1,297,131	28,156,618
Central Services	284,000	-234,000	50,000
Executive & Legal	0	234,000	234,000
Administrative Department Expenditures	284,000	0	284,000
Total Fund Expenditures	29,737,749	-1,297,131	28,440,618
Contingency	3,000,000	0	3,000,000
Unappropriated Ending Fund Balance	13,840,996	6,854,035	20,695,031
Total Fund Requirements	46,578,745	5,556,904	52,135,649

Changes to Resources:

Resources increase a net \$5.5 million. The increase includes an increase to beginning fund balance of \$7.3 million to recognize the actual beginning fund balance. Tax increment debt proceeds are decreased \$1.8 million based on a true-up proceeds from a the planned debt issuance.

Changes to Requirements:

Expenditures for Development increase decrease \$3.1 million. The decrease is primarily related to moving funds from FY 2007-08 to future fiscal years.

Expenditures for Economic Development increase \$1.1 million for carryover of storefront and business finance loan/grant activity from FY 2006-07.

Expenditures for Housing increase a net \$1.4 million. The increase is related to a true-up of the Jeffery housing project budget and Martha Washington budget. Some other program allocations are moved to future fiscal years.