

# PDC

## PORTLAND DEVELOPMENT COMMISSION

**DATE:** May 14, 2009  
**TO:** Board of Commissioners  
**FROM:** Bruce A. Warner, Executive Director  
**SUBJECT:** Report Number 09-59  
FY 2009-10 Budget Process Update

### EXECUTIVE SUMMARY

#### BOARD ACTION REQUESTED

None – information only.

#### SUMMARY

Since the February Budget Requested Budget Work Sessions with the Commission and Mayor in February, PDC staff has taken the Requested FY 2009-10 Budget and Forecast to Council for review and comment. The first review occurred on March 17, which provided a high-level look at the PDC budget and forecast and prompted several questions about key projects such as the Resource Access Center and policy issues such as the use of URA program income across urban renewal areas. PDC staff followed up with Council with an overview of key programs and initiatives included in the Proposed Budget on May 5.

Staff recently completed the creation of the Proposed Budget, which will be released on May 15 and presented to Council, acting as PDC's Budget Committee on May 21. A public hearing will be held the evening of May 21 followed by Budget Committee action to approve the budget on May 27.

The projects and programs included in the Proposed Budget are materially the same as the Requested Budget that was reviewed during the February budget work sessions with the Commission and Mayor. However the following key changes are represented based on the recent decision to move forward with the FY 2009-10 budget with PDC Housing operations and capital to be continued as part of the PDC budget until information technology and accounting transitional issues are completed in order to implement the full implementation of the Housing Transition into the newly created Portland Housing Bureau. The impact to the budget will be to continue all housing activity in the budget as loans or grants and to reincorporate the positions previously slated to be incorporated into the new Portland Housing Bureau budget. Specific changes are:

- Federal Contract (CDBG, HOME, Lead) funds for Housing will be added to PDC's budget for new and ongoing loan and grant disbursements for Rental Housing Projects;
- Inclusion of First Mortgage homebuyer budget authority using the Fannie Mae and Oregon Residential Lending programs; and

- Operations to account for the Housing staff for FY 2009-10.

In addition to the Housing changes the Proposed Budget includes the following funding from transition of the Economic Opportunity Initiative moving to PDC and the Mayor's Proposed Budget for General Fund Economic Development:

- A total of \$4.5 million in Economic Opportunity Initiative funding (\$2.7 million CDBG/\$1.8 million General Fund); and
- A total of \$3.4 million in General Fund resources for Target Industry and Community Economic Development programs (such as storefront and small business start-ups).