

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ESTABLISHING THE)	RESOLUTION NO 20-5121
SUPPORTIVE HOUSING SERVICES FUND AND)	Introduced by Marissa Madrigal, Chief
FOR AMENDING THE FY 2020-21 BUDGET AND)	Operating Officer, with the concurrence of
APPROPRIATIONS SCHEDULE BY)	Council President Lynn Peterson
SUPPLEMENTAL BUDGET)	

WHEREAS, voters in the Metro region approved a measure in May 2020 (the “Supportive Housing Services Measure”) to fund programs designed for supportive housing services for people experiencing homelessness or at risk of experiencing, as described in the ballot title for the Supportive Housing Services Measure; and,

WHEREAS, the Metro Council has reviewed and considered the need to establish a Housing Services Fund to appropriate loan proceeds and income tax proceeds; and

WHEREAS, ORS 294.463(1) provides for transfers of appropriations within a fund, including transfers from contingency that do not exceed 15 percent of a fund’s appropriations, if such transfers are authorized by official resolution or ordinance of the governing body; and

WHEREAS, ORS 294.463(2) provides for transfers of general operating contingency appropriations that in aggregate during a fiscal year exceed 15 percent of the total appropriations of the fund contained in the original budget adopted by the governing body of the municipal corporation for the fiscal year may be made only after adoption of a supplemental budget prepared for the purpose; and

WHEREAS, ORS 294.463(3) provides for transfers of appropriations or of appropriations and a like amount of budget resources between funds of the municipal corporation when authorized by an official resolution or ordinance of the governing body stating the need for the transfer; and

WHEREAS, the need for the increase of appropriations has been justified; and

WHEREAS, Metro Code chapter 2.02.040 requires Metro Council approval to add any new position to the budget; and therefore

BE IT RESOLVED,


1. That the Supportive Housing Services Fund is hereby established as of FY 2020-21.
2. That the FY 2020-21 Budget and Schedule of Appropriations are hereby amended as shown in the column entitled “Revision” of Exhibits A and B to this Resolution for the purpose of recognizing new revenues, approving new FTE, transferring funds from contingency and providing for increased appropriations.

ADOPTED by the Metro Council this 30th day of July, 2020.



 Juan Carlos González, Deputy Council President

APPROVED AS TO FORM:



 Carrie MacLaren, Metro Attorney

Exhibit A
Resolution 20-5121
Schedule of Appropriations

	<u>Current</u> <u>Appropriation</u>	<u>Revision</u>	<u>Revised</u> <u>Appropriation</u>
GENERAL FUND			
Council	7,072,869	68,365	7,141,234
Office of the Auditor	825,955	-	825,955
Office of Metro Attorney	3,042,820	-	3,042,820
Information Services	6,816,493	-	6,816,493
Communications	2,216,773	-	2,216,773
Finance and Regulatory Services	5,708,286	-	5,708,286
Human Resources	3,906,027	-	3,906,027
Capital Asset Management	3,649,197	-	3,649,197
Research Center	30,395,381	-	30,395,381
Parks and Nature	4,556,760	-	4,556,760
Planning and Development Department	3,146,500	-	3,146,500
Special Appropriations	3,583,567	50,000	3,633,567
Non-Departmental		-	
Debt Service	2,263,627	6,000,000	8,263,627
Interfund Transfers	23,895,093	200,000	24,095,093
Contingency	11,830,346	(118,365)	11,711,981
<i>Total Appropriations</i>	112,909,694	6,200,000	119,109,694
Unappropriated Balance	23,664,678	-	23,664,678
Total Fund Requirements	\$136,574,372	\$6,200,000	\$142,774,372
SUPPORTIVE HOUSING SERVICES FUND			
Supportive Housing Services	-	35,402,517	35,402,517
Non-Departmental			
Interfund Transfers	-	6,200,000	6,200,000
Contingency	-	9,852,483	9,852,483
<i>Total Appropriations</i>	-	51,455,000	51,455,000
Total Fund Requirements	\$0	\$51,455,000	\$51,455,000
Total Appropriations	764,649,556	57,655,000	822,304,556
Total Unappropriated Balance	670,047,318	-	670,047,318
	1,434,696,874	57,655,000	1,492,351,874
All Other Appropriations Remain as Previously Adopted			

Exhibit B
Resolution 20-5121
Schedule of FTE

	Current FTE	Revision	Revised FTE
GENERAL FUND			
TOTAL FUND FTE	264.10	1.00	265.10
SUPPORTIVE HOUSING SERVICES FUND			
TOTAL FUND FTE	0.00	4.00	4.00
TOTAL FTE	979.66	5.00	984.66

All Other FTE Remain as Previously Adopted

IN CONSIDERATION OF RESOLUTION 20-5121, FOR THE PURPOSE OF ESTABLISHING THE SUPPORTIVE HOUSING SERVICES FUND AND FOR AMENDING THE FY 2020-21 BUDGET AND APPROPRIATIONS SCHEDULE BY SUPPLEMENTAL BUDGET

Date: July 15, 2020

Prepared by:
Annie Wilson, Financial Planning Analyst

Department: Finance and Regulatory Services

Presenters:
Cinnamon Williams, Financial Planning Director
Ben Ruef, Planning & Development Finance Manager
Elissa Gertler, Planning & Development Director

Meeting date: July 30, 2020

ISSUE STATEMENT

This resolution for a supplemental budget will authorize the creation of the Supportive Housing Services Fund, allows for the recognition of up to \$27,500,000 in loan proceeds, recognition of \$14,080,000 in personal income tax, recognition of \$9,875,000 in business income tax, \$51,455,000 in additional appropriations, transfer of appropriations within a fund from contingency, and 5.00 additional FTE in the FY 2020-21 Budget.

ACTION REQUESTED

Council adoption of Resolution 20-5121

IDENTIFIED POLICY OUTCOMES

Council adoption will authorize the additional appropriations and FTE requested by departments for FY 2020-21.

POLICY QUESTION

Council should consider whether the increases of appropriations and FTE have been justified and that adequate funds exist for other identified needs.

POLICY OPTIONS FOR COUNCIL TO CONSIDER

Adoption of the resolution will provide sufficient appropriations and FTE to accommodate the changes in current year operations as outlined in the background section below. Lack of Council adoption will delay planned programs and projects until FY 2021-22.

STAFF RECOMMENDATIONS

The Chief Operating Officer recommends adoption of Resolution 20-5121.

STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

Known Opposition/Support/Community Feedback: None known

Legal Antecedents: ORS 294.463(1) provides for transfers of appropriations within a fund, including transfers from contingency that do not exceed 15 percent of a fund's appropriation, if such transfers are authorized by official resolution or ordinance of the governing body. ORS 294.463(2) provides for transfers of general operating contingency appropriations that in

aggregate during a fiscal year exceed 15 percent of the total appropriations of the fund contained in the original budget adopted by the governing body of the municipal corporation for the fiscal year may be made only after adoption of a supplemental budget prepared for the purpose. ORS 294.463(3) provides for transfers of appropriations or of appropriations and a like amount of budget resources between funds of the municipal corporation when authorized by an official resolution or ordinance of the governing body stating the need for the transfer. Metro code chapter 2.02.040 requires the Metro Council to approve the addition of any position to the budget.

Anticipated Effects: This action provides for the changes in operations as described above, recognizes new revenues, provides additional appropriations authority, and adds 5.0 FTE.

Financial Implications (current year and ongoing):

- This resolution establishes the Supportive Housing Services Fund, allows for the recognition of up to \$27,500,000 in loan proceeds, recognition of \$14,080,000 in personal income tax and \$9,875,000 in business income tax, authorizes \$51,455,000 of appropriations, and adds 4.00 FTE in the Supportive Housing Services Fund. Future budgets will include debt service payments on the loan and program- and project-related appropriations and FTE.
- This resolution adds 1.0 limited duration FTE within DEI for the Capacity Building Grants Program and \$50,000 to support the Reimagine Safety workgroup. It requires \$118,365 to be transferred from the General Fund fund's contingency.

BACKGROUND

Supportive Housing Services Fund

As of the May 2020 election, Metro has been given a new programmatic responsibility by voters: to collect and oversee regional resources intended to invest in increasing the supportive housing services provided by Multnomah, Washington, and Clackamas counties, and to develop a regional system for providing and evaluating these services across jurisdictional boundaries. This requires Metro to undertake new work, design new programs, and put new systems in place in order to manage these resources and accomplish the intended outcomes.

To create these new programs and systems, Metro needs to add capacity in key areas. With the experience of the Affordable Housing Bond, we have gained experience in rapid deployment of resources and development of new programs in close coordination with key partners. Key principles that we have applied in the Housing Bond will be applied to the Supportive Housing Services work as well. Those principles include tight management of administrative costs to ensure maximum public benefit and taking a phased approach to implementation, investing in early opportunities that are ready to go, while taking time to build out work that requires more groundwork and conversation with partners. Additionally, we will be able to leverage the staff capacity that we have established with the Affordable Housing Bond program, and build an integrated programmatic approach between the two efforts.

This budget request outlines the staffing and services needed to begin implementation of the Supportive Housing Services program in FY 20-21. Any future needs will be included as part of Metro's regular annual budget process.

To begin the work essential to program implementation, this amendment requests the following:

- *Establishment of the Supportive Housing Services fund*
There is not an existing fund to account for the program's transactions. Establishing a new Supportive Housing Services Fund is necessary to provide appropriate oversight and accounting for the program's transactions.
- *4.00 FTE; total Personnel Services appropriations of approximately \$503,000*
(Annualized costs for the 4.00 FTE are estimated at \$603,020).
Positions requested include:
 - 1.00 FTE Supportive Housing Manager I, who will build and manage a program and team focused on regional affordable housing and supportive housing services, implementing the measures passed by voters in 2018 and 2020. This work includes managing agreements and relationships with local implementation partners, service providers and other key community partners, integrate program with Housing Bond as appropriate, overseeing the Equitable Housing Initiative, coordinating with the internal Metro teams, including the Community Engagement Team, the Land Use and Urban Development Team, and the Investment Areas Team.
 - 1.00 FTE Supportive Housing Senior Management Analyst who will ensure transparency, accountability, and good stewardship of public funds in program investment activities. The employee in this position will help to develop and manage new systems for reporting, monitoring and evaluation to ensure compliance and to track progress toward unit production targets and other desired outcomes, perform program administration, policy and procedure formulation, manage the day-to-day program responsibilities, committee administration and records management for assigned area, and support a range of policy research and technical assistance activities, including identifying opportunities to advance racial equity throughout all aspects of the program.
 - 1.00 FTE Supportive Housing Program Assistant III who will provide technical and administrative support.
 - 1.00 FTE Program Analyst who will be a core member of the Planning & Development Budget & Finance team and who will play an essential role in ensuring transparency, accountability, and good stewardship of public funds in program investment activities.
- *Materials and Services Appropriations of approximately \$34,900,000*
In addition to the \$493,000 personnel service costs associated with the requested 4.00 FTE, other program costs will occur as implementation moves forward. Anticipated costs include contracted professional services, contributions to other governments, legal fees, and other materials and services costs of approximately \$34,900,000.
- *Transfers of \$6,200,000*
Metro is expected to finance this program with an upfront loan that will be repaid by taxes collected in FY2020-21 and beyond. Metro is forecasting \$6,000,000 of the debt service will be paid in the current fiscal year. This amount will be transferred to the General Fund for the debt service payment. \$200,000 will be transferred to the General Fund to reimburse for contingency seed money.

Diversity, Equity, and Inclusion

The DEI office within the Council Department is requesting to expand its programs and workgroups in order to provide strategic project management support to Council and the COO on special projects related to community response, civic engagement, and reimagining the structures and systems that are needed to ensure the safety of all Oregonians, especially the most vulnerable communities. This expansion will be funded through General Fund contingency transfer and current Council/DEI department budget.

In order to ensure this essential work is performed, this amendment requests the following:

- 1.00 FTE; total Personnel Services appropriations of approximately \$113,365 (Annualized costs for the 1.00 FTE are estimated at \$140,000).
 - 1.00 limited duration FTE Program Analyst who will manage the newly-created Capacity Building Grants Program for Civic Engagement and provide strategic project management support to Council and the COO. The limited duration will end December 30, 2023. DEI will be contributing \$45,000 of their current budget to offset the cost of adding this FTE. This action requests the \$68,365 remainder to be transferred from the General Fund contingency.
- Materials and Services Appropriations of \$50,000

Metro is requesting \$50,000 to be added to the Special Appropriations budget to support the Reimagine Safety workgroup. This community-led, Black-centered workgroup will engage in specific activities to educate, examine, develop and advance policies and practices on reimagining the structures and systems that are needed to truly keep Oregonians safe, especially the most vulnerable communities. This requires a \$50,000 transfer from the General Fund contingency.

ATTACHMENTS:

- Resolution 20-5121
- Exhibit A – Schedule of Appropriations
- Exhibit B – Schedule of FTE