**AGENDA**
November 1, 2019
9:00 a.m.-1:30 p.m.
Oregon Housing and Community Services, Room 124 A&B
725 Summer St NE, Salem OR 97301
Call-In: 1-877-273-4202; Participant Code: 4978330

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<th>TIME</th>
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<td>9:00</td>
<td><strong>Meeting Called to Order</strong> Roll Call</td>
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<td>9:05</td>
<td>Public Comment</td>
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<td>9:15</td>
<td>Meeting Minutes Approval</td>
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<td>9:20</td>
<td>Housing Stabilization Division (pg. 13 )&lt;br&gt;Kenny LaPoint, Interim Assistant Director, Housing Stabilization</td>
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<td>• Shelter funding opportunities: $3.5 million funding – Andrea Bell, Homeless Services Section Manager</td>
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<td>10:00</td>
<td>Affordable Rental Housing Division (pg. 19 )&lt;br&gt;Julie Cody, Assistant Director, Affordable Housing Finance</td>
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<td>Multifamily Housing Transactions</td>
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<td>• Merwyn Apartments Transaction - Brad Lawrence, Loan Officer</td>
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<td>• Livingston Village / Northgate Village RAD Conversion – Becky Isom, Loan Officer</td>
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<td>• 2020 &amp; 2021 Funding Calendar – Natasha Detweiler-Daby, Senior Policy Analyst and Interim Multifamily Program Section Manager</td>
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<td>• Programmatic Frameworks for 2020 &amp; 2021 Resources</td>
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<td>11:15</td>
<td>BREAK</td>
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<td>11:30</td>
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<td>• Construction Workforce Equity Strategy Briefing</td>
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<td>12:00</td>
<td>Housing Stabilization Division (pg. 89 )&lt;br&gt;Kenny LaPoint, Interim Assistant Director, Housing Stabilization</td>
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<td>• Energy Assistance Evaluation – Dan Elliott, Senior Policy Analyst, Energy Services and David Carroll, Managing Director, APPRISE</td>
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<td>12:30</td>
<td>Statewide Housing Plan: Quarterly Report Out (pg. 97)</td>
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<td>Report of the Director</td>
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<td>Report of the Chair</td>
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All times listed on this agenda are approximate and subject to change. Agenda items may also be taken out of order and addressed at different times than listed. The agenda may be amended by the Council at the time of the meeting.
The Housing Stability Council helps to lead OHCS to meet the housing and services needs of low- and moderate-income Oregonians. The Housing Stability Council works to establish and support OHCS' strategic direction, foster constructive partnerships across the state, set policy and issue funding decisions, and overall lend their unique expertise to the policy and program development of the agency.

The 2019-2023 Statewide Housing Plan outlines six policy priorities that focuses OHCS' investments to ensure all Oregonians have the opportunity to pursue prosperity and live from poverty.

For more information about the Housing Stability Council or the Statewide Housing Plan, please visit Oregon Housing and Community Services online at https://www.oregon.gov/ohcs/QSHC/Pages/index.aspx

Statewide Housing Plan Policy Priorities

- Equity & Racial Justice
- Homelessness
- Permanent Supportive Housing
- Affordable Rental Housing
- Homeownership
- Rural Communities
Friday, October 4, 2019
Oregon Housing Stability Council Meeting Minutes

Chair Valfre called the meeting to order at approximately 9:00 am, and then asked for the roll call:

**Agenda Item: Roll Call**

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*With seven members voting to approve, we have met the quorum requirements to pass this item.*

**Public Comment:**

Shannon Vilhauer, Executive Director of Habitat for Humanity of Oregon, shared that she has received calls from colleagues in other states with questions about Oregon’s Statewide Housing Plan (SWHP). She added that there is a sense of excitement regarding the SWHP. Ms. Vilhauer expressed concern about the LIFT for homeownership and the timing to implement the changes. She explained that she understands the logic behind the appraisals, but clarified that appraisers, particularly in rural areas, tend to leave the area for months during the winter. Ms. Vilhauer further explained that the timing of the NOFA (Notice of Funds Availability) and notices would most likely be challenging, and asked for some leniency with this. She added that it would be helpful to have something along the lines of 6 months’ notice for ownership.

Evan Wellington, resident of Milepost 5, shared that his residency is converting to LIHTC (Low Income Housing Tax Credits Program) 60 year affordable housing. He explained that a lot of displacement has occurred, for reasons other than affordable housing eligibility. Mr. Wellington emphasized that he believed this is due to the absence of a relocation ordinance rule that should have been adopted, and added that there are unclear standards for current rules. He asked Oregon Housing and Community Services (OHCS) to clarify that the affordable housing policy during the LIHTC conversion process and that OHCS provides clear expectations around the conversion process. Lastly, Mr. Wellington mentioned that it would be great for OHCS to ask for a violence against women transfer policy that would require OHCS regulated LIHTC property to transfer survivors, if they are in danger, to another building.

Linda Hamilton of Eugene, Oregon asked what OHCS is doing in regards to outreach with communities of color. She referenced the SWHP, specifically the aspect that referenced outreach to communities of color. Chair Valfre clarified that the public comment period during the housing stability council meeting, and the caller explained that she wanted to leave the question out on the table for consideration.
Chair Valfre suggested the caller provide her questions in writing either to the housing stability council or to OHCS, and added that both would be able to get back to her.

**Approval of Meeting Minutes for September 06, 2019:**
Chair Valfre introduced meeting minutes for council approval and called to motion. Councilmember Li moved to accept the minutes, and Councilmember Geller seconded the motion. Chair Valfre then called for the vote.

**Agenda Item:** Meeting Minutes Approval  
**Motion:** Move to approve the Oregon Housing Stability Council Meeting Minutes from September 06, 2019

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Pass/Fail - 6:0:1:1 \ Pass

Councilmember Higinbotham briefly introduced herself.

**Affordable Rental Housing Division:** Julie Cody, Assistant Director

**Multifamily Housing Transactions**

**Commons on MLK Transaction**, Brad Lawrence, Loan Specialist  
More information can be found [here](#).

Councilmember Li commented on the detailed description of the community demographics, but pointed out that she does not see a place where the demographic information is being used as a rationale for specific actions.

**Agenda Item:** The Commons on MLK, Conduit Bond 4% LIHTC funding request  
**Motion:** Move to approve Pass Through Revenue Bond in an amount up to and not to exceed $6,500,000 to Commons on MLK, LLC for construction of The Commons on MLK, subject to the borrower meeting OHCS and Umpqua Bank’s underwriting and closing criteria, documentation satisfactory to legal counsel and State Treasurer approval of the bond sale.

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After the motion passed, Nora Cronin of Homes for Good Housing Agency, introduced herself from the audience.

**Affordable Rental Housing Program and Compliance – Administrative Charges** – Caleb Yant, **CFO**; Natasha Detweiler-Daby, **Senior Policy Analyst and Interim Multifamily Program Section Manager**

More information can be found [here](#).

Councilmember Hall expressed appreciation for the responsiveness of the information provided in the presentation. Councilmember Wilhoite seconded Councilmember Hall’s comments, and expressed appreciation for the diligent review of the fee adjustment.

Councilmember Li asked for more information about the staff costs, and asked how the increase in fees will be budgeted. She clarified that she understands the case for why OHCS calibrated the increase, but wanted to see the costs driving that for a better understanding. Councilmember Li asked if applicants can include the costs of these charges in their budget for the money they are asking for, and AD Cody clarified that the application charge is different. Councilmember Li thanked her for the clarification. AD Cody continued to explain that the application charge is due at the time of submission, but that this is something they can put in their construction budget.

Councilmember Li asked how a racial justice lens was applied in the analysis, and wanted to hear how the racial justice lens would be applied to the decision and how it would manifest. AD Cody stated that this topic was spoken about last month, and mentioned that it could be a potential barrier for smaller and culturally specific developers. She added that her team has been reaching out to philanthropy for potential partnership and assistance for certain cases. Councilmember Li asked if those were specific actions coming out of a racial justice lens and analysis, and AD Cody affirmed that it was.

AD Yant clarified that the team did not delve into very much detail about quantifying the costs of the application; however, part of the presentation in September was to look at the different programs where the administrative funds were not currently sufficient in order to pay for the program. He added that they went through this information at a relatively high level, but stated that this was a significant part of their analysis. Councilmember Li stated that the comparison to what other states are doing was appreciated, and added that it is part of their responsibility to let community members know how much the process costs.

Director Salazar pointed out the complexity of the programs and goals OHCS is trying to reach over the next biennium. She added that they could look at the comparison between staff time, program goals and added complexity of the state regulations and technical depth required by the employees.

Councilmember Geller stated her concern for the populations in need of housing outside of the metro areas in Oregon, and the added hardships they experience. Director Salazar referenced the helpful
Councilmember Geller had about small projects at last month’s housing council meeting, and asked if her concerns are primarily on application fees, reservation fees, or both. Councilmember Geller stated that her primary concern was primarily around application fees.

AD Cody shed more light on the twelve changes in the administrative charges outlined in Table 1 on page 33 of the materials packet.

**Agenda Item:** ARH - Charges Agenda; HSC - Increases in Admin Charges Memo – Vote

**Motion:** Motion to Increase Administrative Charges for Affordable Rental Housing Programs

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**Homeownership Division:** Emese Perfecto, Assistant Director

**Oregon Bond Loan Approvals** – Kim Freeman, *Single Family Program Manager*

More information can be found [here](#).

**Agenda Item:** Oregon Bond Residential Loan Consent Calendar

**Motion:** Approve the Oregon Bond Residential Loan Consent Calendar

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After the motion passed, Ms. Freeman shared that OHCS lowered the interest rates on their program. She explained that the rate advantage is now 2.625, and the cash advantage is 3.75, which is the one that provides the 3% closing costs.

**Homeownership Center Framework** – Kim Freeman, *Single Family Program Manager*

More information can be found [here](#).
Councilmember Wilhoite asked if the referral for foreclosure and default counseling services could be a provided phone number or provided list of designated providers in the area. He emphasized the importance of working alongside people throughout this process, particularly since the goal is to keep people from losing their homes. Ms. Freeman explained that OHCS collaborates with specific agencies that provide the Oregon Foreclosure Avoidance Counseling, and that a list of agencies is provided on the website. She added that the agencies OHCS partners with would assist homeowners or renters, if they are not in foreclosure, with their rent or mortgage payment. Councilmember Wilhoite clarified that the services are continuous, and Ms. Freeman confirmed that information.

Councilmember Wilhoite asked what the major issue is for partners, in regards to providing the most comprehensive level of services possible. Ms. Freeman explained that it could be an agency’s capacity or mission. She stated that her team is looking at potential barriers.

Councilmember Li explained that OHCS has an opportunity to learn from this opportunity, and that her understanding of the discussion is how to put the resources into the community with alignment to best practices. She added that it would be a learning process to make this transition, and supported moving in the direction of aligning with best practices.

Councilmember Higinbotham expressed her support for the framework, and agreed with the previous comments made by Councilmembers Li and Wilhoite.

Councilmember Geller and Chair Valfre added their support for the framework. Chair Valfre stated the importance of not making this process burdensome for the client, and appreciated the flexibility.

**Agenda Item:** Framework for HOAP-Homeownership Center Program

**Motion:** Approval on the framework for the HOAP-Homeownership Center Program changes for a new RFA

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**Oregon Bond Demographic Info** – Kate Srinivasan, Research Analyst

More information can be found [here](#).

Councilmember Higinbotham made an observation about the lack of activity in Eastern Oregon, and asked for more information about this. Ms. Freeman explained that OHCS has approved lenders that provide their product, and that there is one specific loan officer in this area that is active, but has sporadic activity. She further explained that this program works best when the loan officer loves the program and uses it. Ms. Freeman stated OHCS could work on increasing their outreach and expanding...
the capacity for the lenders. Director Salazar shared an interest in having a deeper conversation with council about OHCS’ lending strategy, outreach and other issues.

Councilmember Li asked if Ms. Srinivasan and the presenters if they think they will meet the goals set for the year, based on the data presented. She stated that if they do not think they could, to emphasize the reasons preventing the goals from being reached and how the process can be expedited. Councilmember Li stated that the data is phenomenal, but that the challenge may be doing more to meet the needs presented by the data. She added that she is concerned about the number of unknowns in the data, and its continual growth. Councilmember Li asked if a message should be sent out to partners regarding the importance and value of getting that information, so that the expectation is clearly stated. Lastly, she expressed curiosity about the income differential between households of color and Caucasian households, and particularly asked for clarity about the charges. Councilmember Li shared this concern, particularly as it relates to the potential of an oncoming recession and its impact on people of color.

Chair Valfre asked if the councilmembers could receive a link to the tableau.

**Housing Stabilization Division:** Kenny LaPoint, *Interim Assistant Director*

**Shelter $3.5 million framework** – Andrea Bell, *Homeless Services Section Manager*

More information can be found [here](#).

Councilmember Sandoval asked three separate questions:
- How is the culturally specific outreach reevaluated?
- How can the councilmembers and OHCS encourage innovation and out of the box thinking?
- Is there a statewide strategy that community action agencies can use in a more holistic way?

Ms. Bell explained that her team is still figuring out the culturally specific outreach, but that they have committed to having more than just words on paper. She stated that her team wants actionable steps about what is going to happen and how, to encourage collaboration, and to hear from individuals with lived experiences.

Ms. Bell shared feedback from providers about keeping funds as flexible as possible, since this has helped to encourage innovation and out of the box thinking. She added that collaboration with different agencies could also help contribute to more innovative thinking.

Ms. Bell answered the third question and shared that the shelter study is a framework showing what should be prioritized, but that the funding won’t be a component that is the solution to all of the problems they are trying to address. She explained that this could be a platform used throughout the state. Director Salazar stated that she is eager to have the conversation around statewide strategy, but indicated that this warranted a more extensive conversation.

Councilmember Li commented on the balance of immediate and short-term action versus bifurcated action. She stated the importance of expecting OHCS’ partners to participate in more racial justice work, and emphasized the agency and council’s commitment to this work. Councilmember Li asked if the disproportionality of people experiencing homelessness based on race could be analyzed, and if the findings from that can be the measuring point of who is served through the short-term funding for the winter. She then asked how Ms. Bell and her team are thinking about the technical assistance involved with a human-centered design. Councilmember Li commented on the lack of racial justice in some practices that conduct work through the human-centered design. She brought up Councilmember
Sandoval’s comment regarding innovation and thinking out of the box, and recommended asking partners what they are doing differently. Lastly, Councilmember Li asked if the full $5 million could be allocated for this upcoming winter.

Director Salazar shared that the note in legislation around this funding specifically stated that it aligned with the shelter study. She then commented on the possibility of other projects being ready in time to responsibly spend the full funding for this winter, and noted on the need for more information about this. Director Salazar explained that there might be a potential complication with the procurement process as well, particularly since there would not be enough time available before the upcoming winter.

Councilmember Higinbotham pointed out the potential difficulties in launching certain types of shelters in rural areas, and that larger conversations around sustainability should be had in the future. Ms. Bell commented on the weighing and scoring process so that particular areas are not left out, and OHCS’ ability to link technical support and assistance to build up the capacity.

Chair Valfre asked about the messaging he can provide to local agencies regarding the funding allocation. Ms. Bell explained that her team would be sending out weekly or bi-weekly status and progress updates to community partners so there is a clear message about what to expect, and added COCs (Continuum of Care) will be leveraged to guide and make recommendations to the agency.

Affordable Rental Housing Division: Julie Cody, Assistant Director, Affordable Housing Finance

Spring 2019 Portfolio Preservation NOFA Awards Briefing – Tai Dunson-Strane, Tax Credit Program Manager and Natasha Detweiler-Daby, Sr. Operations and Policy Analyst
More information can be found here.

Councilmember Wilhoite asked the presenters about the level of response from this application process. He asked if there is any concern to revise the strategy. AD Cody and Ms. Detweiler-Daby explained that they will wait to see the results of the application process and wait to see what may be needed.

Councilmember Li asked how the results report and policy analysis is specifically tied to the Statewide Housing Plan (SWHP), particularly with the Equity & Racial Justice priority. She noted that she would like to hear how it is specifically tied into the SWHP in the future, and complies with the Diversity, Equity, and Inclusion (DEI) requirements.

Chair Valfre echoed Councilmember Li’s comments and referenced the work partners and agencies are doing to create results in the community. He expressed appreciation for the work being done to bridge the gap between urban and rural communities.

More information can be found here.

Director Salazar asked for context for the councilmembers regarding the preservation and reconstruction funding. Mr. Dunson-Strane stated that OHCS has put out the amount of OAHTC equally (Oregon Affordable Housing Tax Credit), but clarified that preservation has predominately been utilized.
Chair Valfre asked how much flexibility OHCS has to provide guidance, in regards to the reconstruction versus preservation. Mr. Dunson-Strane explained that the specific allotment is dictated by statute. He further clarified by stating that he was not referring to the payment, but the interest rate passed through deduction. Councilmember Li asked if one has to be chosen over the other, or if one is chosen over another due to how effective it would be. Ms. Detweiler-Daby explained that one allotment does not have to be chosen over another, since they program OAHTC into different resource offerings. She provided the councilmembers with additional information about OAHTC. Councilmember Li expressed her support option a in question 1 on page 63, regarding the use of OAHTC in new construction or acquisition projects. She then asked if option a would pose a potential barrier to rural areas. Councilmember Li also asked if the agency is trying to resource what they would like to see in the future for rural areas, particularly in regards to preservation funds. She indicated that no response is needed, but wanted AD Cody’s team to think of any potential unintended consequences.

Councilmember Wilhoite highlighted the importance of preservation, and asked what kind of process exists to make sure the agency is motivating and doing what they can to maintain the units and keep the affordability a reality. AD Cody stated that the agency monitors this aspect of preservation annually through the passing of loans. Ms. Detweiler-Daby added that the agency has a permanent supportive housing preservation program in December, which will include regulations that came out in House Bill 2002. She explained that projects would have to give three years notice if they are attempting to opt out of affordability, and explained that the program managers are in contact with every project on their list that is anywhere near at-risk. Ms. Detweiler-Daby stated that there are multiple strategies at use to motivate the maintenance and preservation of units. Councilmember Wilhoite asked if it is being tracked, and Ms. Detweiler-Daby explained that the regulation has not been in place long enough for tracking at this time.

AD Cody explained that the projects are sometimes able to increase their debt to have more funding available for debt service, instead of going to residents who are covered by the federal rent subsidy. She clarified that her team watches how OAHTC is needed at the beginning of this process, and that it fills gaps in getting substantial rehabilitation completed for the preservation.

Councilmember Li stated that the expansion of OAHTCs to include out-of-cycle 4% LIHTC projects seemed reasonable, in regards to the second policy question on page 64. Councilmember Geller also stated that this would be good to consider, especially if it helps to achieve the goals for the time being. She echoed Councilmember Li’s comments, and indicated that it could be changed when needed. Chair Valfre stated that the agency may approach the councilmembers with what they think is the proper amount.

During the discussion about policy question number three on page 64, Councilmember Li recalled a discussion from the homeownership taskforce in the legislature, and mentioned the issue of housing for agricultural workers. She shared the concern of appropriate housing being built for agricultural worker communities, and the technical assistance needed to engage in these projects. Councilmember Li stated that it may be helpful to speak with colleagues who were part of that conversation, so that the concerns could be better understood. Chair Valfre and Director Salazar recommended pulling Martin Campos-Davis, Executive Director of Oregon Human Development Corporation, into the discussion due to his affiliation with this program.

Councilmember Higinbotham asked for clarity regarding the definition of “rural,” particularly as it relates to the Statewide Housing Plan. Ms. Detweiler-Daby stated that the term “rural” being used is the
one described in the Statewide Housing Plan. She added that it’s described as communities with a population under 15,000 in metropolitan statistical areas, and 40,000 in other areas in the state.

Councilmember Higinbotham mentioned the PSH pilot program where there were twenty-nine applications for ten slots, and stated that there were some rural organizations that intended to apply, but were unable to. She added that there are other potential rural applicants out there, and emphasized the need for technical training and assistance.

Councilmember Li encouraged having a diverse group amongst the applications, and recommended additional outreach or holding slots open to assure this. She added that she would like to see OHCS give preference to proposals and projects that are connecting the shelters to the communities, but clarified that the agency would still continue funding projects that didn’t have this attribute in their proposal.

Director Salazar thanked Councilmember Li for her comment, and shared that they will take this under advisement for the remaining $3.5 million in funding.

Councilmember Sandoval referenced the third policy question on page 64, and asked if the Agricultural Workforce Housing Tax Credit (AWHTC) has been run through a committee. Ms. Detweiler-Daby shared that they spoke with the committee at the Agricultural Housing Facilitation team in September, and shared that they were excited and felt this was going in the right direction.

Councilmember Geller expressed an interest in seeing more analysis on the way OAHTC is used, and to discuss what happens to projects when OAHTC goes away.

Councilmember Wilhoite expressed appreciation for the way the presenters provide a recommendation to the council.


More information can be found [here](#).

Chair Valfre asked if the presenters could provide more information about the $75,000 increase referenced on page 87 of the meeting materials. Ms. Detweiler-Daby mentioned the sample project data, and explained that adding a bedroom could increase the size of a unit by 200 square feet. She further explained that taking a one-bedroom unit to a three-bedroom unit would cost up to $80,000 in construction, and that this served as the baseline measurement for the monetary increase. Director Salazar shared that one of the goals of LIFT (Local Innovation and Fast Track Housing Program) is cost containment, and AD Cody’s team shared that the maximum caps in this program are still lower than other programs.

Councilmember Higinbotham pointed out the score criteria for services to communities of color on page 81, and shared that the word usage may exclude populations in rural communities. Councilmember Geller agreed with Councilmember Higinbotham’s comment.

Councilmember Wilhoite asked if they would be in violation of something in the bond provision, if they do not have the appraisal and land valuation serving as collateral. AD Cody explained that her team did quite a bit of research into this area, and have been working with DOJ (Department of Justice) and legislature on this. She then posed a few examples to offer additional information.
Councilmember Li asked if the recommendations for the homeownership aspect of LIFT intersected with the minority homeownership program. AD Cody affirmed that it has. Councilmember Li then asked fellow Councilmembers Higinbotham and Councilmember Geller for clarity about their previous comments regarding the word usage around communities of color, and added that she wanted to make sure she understood the comment being made. Councilmember Higinbotham explained that she does not want the communities that do not fit the criteria presented in the framework to feel excluded. She added that she is open to more information about displacement and is open to speaking with Councilmember Li in more depth about this subject. Councilmember Wilhoite emphasized the importance of word usage in this section of the materials, particularly for minority populations in rural areas.

Councilmember Sandoval asked if urban and rural areas are scored the same, and Ms. Cole explained that they are not scored the same. She added that the point structure is different based on the subsidy being requested and local resources. Councilmember Sandoval asked if there was a way to differentiate the equity issues related to communities of color in urban areas versus the rural areas, since they are very different. Ms. Detweiler-Daby stated that the application criteria is different for both areas.

**Report of the Director:**

Director Salazar mentioned the September Housing Oregon Conference where Chair Valfre was honored and Councilmember Wilhoite spoke. She discussed the permanent supportive housing announcement that will be made in the near future, and shared that the cohort is slated to kick off in early November. Director Salazar reminded the councilmembers of the special council meeting which they can attend in person or over the phone, regarding the QAP (Qualified Allocation Plan), and added that the public comment will be closing this upcoming weekend. Ms. Chase (Executive Support Specialist to Director Salazar) stated the two times being held for this meeting later during the month.

Director Salazar shared information about the NCSHA (National Council of State Housing Agencies) conference which is being held in Boston during the middle of October. She provided information about OHCS’ recruitment for leadership positions, and shared that she is welcome to any information the council would be able to provide.

Director Salazar then asked Shannon Singleton, the new policy advisor for Governor Brown, to introduce herself to the council.

**Report of the Chair:**

Chair Valfre provided information about the League of Cities conference in Bend, and shared that Kim Travis, Interim Director of Public Affairs, gave a good presentation. He shared that he had the opportunity to speak on Director Salazar’s behalf at the Red Rock Creek Commons groundbreaking. Lastly, Chair Valfre updated the council on the severe weather and seasonal shelter ordinance which recently passed.

Meeting Adjourned at 1:50 pm.
Date: November 1, 2019

To: Housing Stability Council Members
Margaret Solle Salazar, Director

From: Andrea Bell, Manager of Homeless Services
Kenny LaPoint, Interim Assistant Director, Housing Stabilization Division

Re: Shelter Framework

Motion: Move to approve the proposed competitive application framework for the $3.5 million in long term shelter capacity funding. In addition, a verbal update on the $1.5 million will be provided.

The 2019 Legislative Session brought OHCS historic levels of funding towards preventing and ending homelessness and included in this budget is a one-time allocation of $5 million specifically for shelter capacity. Capacity could be defined as activities including but not limited to the purchase or renovation of shelter, beds, staff, and other operational needs. In addition, HB 5512 stated that these funds were to be implemented in alignment with the results and findings of the Statewide Shelter Study.

The 2019 Point-In-Time count further validates the need for OHCS to urgently and responsibly invest in shelter. The PIT count indicates that 15,800 persons are unhoused throughout the State of Oregon—a 13% increase from 2017. Of this number over 10,000 Oregonians are unsheltered. The need for shelter is absolute.

We are taking a balanced funding approach to meet both the imminent and long term shelter capacity needs. The longer term shelter capacity funds ($3.5 million) will be made available through a competitive RFP process, utilizing a framework of elements that will be considered and weighed for funding. This framework was presented at the October Housing Stability Council meeting.

1. **Weighted Rating System**
   A weighted rating system will be used for evaluating the overall sufficiency of each proposal in meeting specifications.

2. **Minimum Threshold Requirements**
   The proposal may earn up to 100 points as shown below. A minimum of 65 points is required for funding.

3. **General Conditions and Minimum Standards**
   The RFP will include non-weighed required elements. Examples of General Conditions and Minimum Standards include Project Hours, Resident Eligibility and Continued Stay Eligibility, Data Collection, and Property Management.
4. Based on HSC feedback at the October meeting, the revised framework with additional
detail is as follows:

<table>
<thead>
<tr>
<th>Evaluation Criteria Elements</th>
<th>Weight Rating</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity Centered Design</td>
<td>25</td>
<td>Specific actions that will be in place to address racial disparity and to ensure equal access</td>
</tr>
<tr>
<td>Applicant Capacity</td>
<td>20</td>
<td>Outline of the applicant’s overall capacity and the respondent’s capacity to provide operations and services to the target homeless population or contract/partner with a third-party to deliver the services</td>
</tr>
<tr>
<td>Alignment to Best Practices and Community Needs</td>
<td>20</td>
<td>Description of how the project provides an appropriate and financially feasible service delivery plan including but not limited to non-time limited housing resources</td>
</tr>
<tr>
<td>Policy and Practice Expectations</td>
<td>15</td>
<td>Description of how policies or value statements convey clear expectations that shelter guests will be treated with dignity and respect, and how will the shelter monitor adherence to these expectations</td>
</tr>
<tr>
<td>Collaboration</td>
<td>10</td>
<td>Description of what formal partnerships will be involved in this project and each of their roles or responsibilities</td>
</tr>
<tr>
<td>Financing, Site Control and Leverage</td>
<td>10</td>
<td>Detailed budget including administrative costs, other funding sources that will be leverage with supporting documentation</td>
</tr>
<tr>
<td><strong>Total possible points</strong></td>
<td><strong>100</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Alignment with the Statewide Housing Plan**

**Priority: Equity and Racial Justice**
Discussions about homelessness are often absent honest conversation and action about the racial dimensions of homelessness. Furthermore, the pathways out of homelessness for people of color
are further complicated by ongoing discrimination across systems that have historically excluded them. OHCS has the responsibility of not perpetuating these wrongs through our role as a funder, ensuring that our grantees not only deliver services in alignment with our policy priorities but that these are put into practice. Applicants for this funding will be expected to utilize culturally specific outreach and service provision to ensure that shelter beds are accessible and available to our neighbors of color who are experiencing homelessness. Additionally, OHCS will expect that applicants are seeking to provide low to no barrier shelter opportunities; providing greater access across homeless populations including for people of color and LGBTQ+ community members.

**Priority: Homelessness**
Shelter is often seen as the “front door” for individuals and families experiencing homelessness to receive services. OHCS’ infusion of this funding into communities across Oregon will help open doors for opportunity for those seeking to exit homelessness. Every front door needs a back door; the back door out of shelter is non-time limited housing solutions. OHCS will ask applicants to show their plans for shelter exit into non-time limited housing solutions as they are available. In addition, OHCS will provide incentive points to shelter projects serving families with children.

**Priority: Permanent Supportive Housing**
Permanent Supportive Housing (PSH) is an evidence-based practice and intervention used to successfully house individuals with multiple barriers including but not limited to individuals that are chronically homeless and have co-occurring mental health/substance use disorder. PSH to fidelity, is a model in which individuals pay no more than 30% of their income towards rent (if required) and have access to a rich, community-based array of services available up to 24/7. Commonly, individuals demonstrating a need for PSH are referred to this resource through the coordinated entry process during their time in shelter. Again, OHCS will ask applicants to show their plans for shelter exit into non-time limited housing solutions, such as PSH.

**Priority: Affordable Rental Housing**
N/A

**Priority: Homeownership**
N/A

**Priority: Rural Communities**
Similarly, to urban and suburban communities, many rural communities lack sufficient shelter. Many rural communities have had to utilize hotels or motels to meet imminent needs to a lack of shelter infrastructure. OHCS hopes to utilize this funding to build up shelter capacity and infrastructure in both rural and urban areas of the state, creating less reliance on hotels and motels and create a long-term shelter strategy.

**Housing Stability Council Involvement and Next Steps:**
At the November 1, 2019 HSC meeting, the Homeless Services Section will present the finalized shelter framework and the winter shelter award recipients. We plan to update HSC on the progress of each winter shelter project as well the RFP process.
**Request for Motion**

The Homeless Services Section asks the Housing Stability Council to approve the proposed competitive application framework for the $3.5 million in long term shelter capacity funding.
Date       November 1, 2019
To:        Housing Stability Council
           Margaret Solle Salazar, Director
From:      Brad Lawrence, Loan Officer
           Casey Baumann, Underwriting Manager
           Julie V. Cody, Director Affordable Rental Housing

RE:        Merwyn Apartments, Conduit Bond 4% LIHTC Funding Request

MOTION: Move to approve Pass Through Revenue Bonds in an amount up to and not to exceed $3,150,000 to Innovative Merwyn LLC for acquisition and rehabilitation of Merwyn Apartments, subject to the borrower meeting OHCS, Wells Fargo Bank, and Network for Oregon Affordable Housing’s underwriting and closing criteria, documentation satisfactory to legal counsel and State Treasurer approval of the bond sale.

Overview and Location:

At the November 1, 2019 Housing Stability Council (HSC) meeting, we will be asking HSC to consider the motion to approve the funding of Merwyn Apartments. This project consists of an existing, non-residential, 5-story, midrise style building, located in downtown Astoria, and will include 40 affordable rental housing units.
Funding History:
We are currently requesting approval for the use of up to $3,150,000 in Pass Through Revenue Bonds. Previously, this project was awarded Local Innovation and Fast Track Housing Program (LIFT) funds of $2,879,964 in May 2019.

Funding Context:
This project uses non-competitive 4% Low Income Housing Tax Credits as well as competitive LIFT resources, which were reserved to the project in 2019. As a LIFT transaction awarded in 2019 the project was required to serve Rural Communities or Communities of Color, use low subsidy, and include outreach to minority, women, and emerging small business (MWESB) entities.

Project Sponsor and Partnership:
The sponsor and developer of Merwyn Apartments is Innovative Housing, Inc. (IHI), an Oregon non-profit 501(c)(3) corporation founded in 1984. IHI currently owns properties providing over 1,500 units and has previously used all the OHCS funding sources utilized in the project including LIFT (which was used on Magnolia Phase 2).

IHI has successfully closed six deals with OHCS in the last five years alone including the following:

- Erickson Fritz – Portland
- Woodwind Apartments – Albany
- Magnolia Phase 1– Portland
- Magnolia Phase 2– Portland
- Center Village - Portland
- 14th & Raleigh – Portland

General Contractor:
IHI has chosen to work with Silco Commercial Construction as its General Contractor. Silco has 30 years of construction experience and is extremely skilled at working with smaller firms from all around the state. By utilizing a flexible scheduling process, hands on oversight, and carefully crafted scopes of work, Silco supports subcontractors in overcoming challenges such as smaller crews, crews on multiple jobs, and limited paperwork capacity. These supportive company strategies are especially helpful in working with MWESB subcontractors, which tend to be smaller.
Management Agent:
The project will be managed by Coast Property Management, a full service property management company. Founded in 1987 by brothers Tom and Shawn Hoban, Coast has grown into one of the region’s largest and most respected property management firms. A privately held company managing over $3 billion of multi-family, commercial and self-storage assets from offices in the Puget Sound region, Portland, Spokane, and Boise. Tom and Shawn are also partners in related ventures within the Coast Group of companies including investments, facilities management, and general construction. In 2019, Coast acquired Quantum Management Services in Lynnwood, WA to add over 6,000 affordable units to the Coast team. Coast now manages over 100 properties and 19,300 units.

Notable Features:
IHI has partnered with the Clatsop Community College (CCC) Historic Preservation Program and a local window and woodwork restoration subcontractor (Pacific Windows) to restore original windows and wood reception desk. This provides hands on training for the students, no-cost labor for the project, and the involvement/hiring of a local subcontractor for the project through a negotiated contract. The subcontractor will provide training and oversight for the students, while also working on several contracted scopes of work for the project. CCC’s enrollment was approximately one-third people of color in 2017, meaning the construction of this project will help to provide asset-building opportunities, particularly human and social capital building, to people of color living in this region.

IHI has also partnered with the Clatsop Community College to provide Employer Assisted Housing. The college will master lease two of the unrestricted non-LIFT units and use them for new employee retention and/or housing for out-of-area scholarship students. This benefits the project by providing stable operating income at market rent, allowing the project to incorporate and cross subsidize more 30% units.

IHI has partnered with Clatsop Economic Development Resources to connect future Merwyn residents to job training, an annual job fair with accompanying on-site session at the Merwyn, and the creation of a downtown Live/Work digital bulletin board website that connects downtown employers, landlords, and residents to downtown jobs and apartments to promote the concept of living and working downtown.

Additionally, IHI has partnered with Tongue Point Job Corps Center to do interior painting. Job Corps is a federal education and career training program for young people ages 16 to 24 that provides academic and on the job training. This not only helps provide local people with valuable skills, it helps to lower the cost of the project for the developer.
Policy Priorities:
This project will help further multiple priorities outlined in the statewide housing plan. Namely Equity and Racial Justice, Affordable Rental Housing, and Rural Communities.

- **Equity and Racial Justice Priority:**
  
  **Community Demographics:** The census tract for Astoria is made up of 9.9% people of color, and 28.2% of the people of color living in Astoria live in poverty. This disproportionality is indicative of the need for more affordable housing for people of color, and with the partnership with LCHC (detailed below in the AFFH section), this housing will be intentionally connected to the Latino community and help to mitigate this disparity.

- **Affirmative Fair Housing Marketing Strategies:** IHI has partnered with the Lower Columbia Hispanic Council (LCHC). Formally incorporated in 2006, the LCHC is a community-based nonprofit 501(c)(3) organization whose mission is the equitable integration of resident Latinos into the broader social and economic fabric of the Lower Columbia Community. Although LCHC became a nonprofit in 2006, the founding members have been working with the Latino immigrant community since 1992. LCHC provides culturally specific services in Spanish to Latinos in Clatsop, Columbia, and Tillamook County. IHI identified this as a target
population for housing because the Latino population is growing and integral part of the local labor force in Astoria. Hispanic/Latino workers make up a large portion of the region’s low-wage/seasonal positions on fish processing lines, in the service and tourism industries, and increasingly, in the forestry sector. In addition to year-round residents, many Latino families LCHC serves are first-generation immigrants who find language a major barrier to navigating local systems. LCHC strives to create opportunities for Latino families to gain skills that empower them and that create greater self-sufficiency. LCHC also seeks to help Latino families integrate into the greater community. To accomplish these goals, LCHC offers programs and services that focus on education, health, financial empowerment and advocacy, and civic engagement. IHI will refer residents to services at LCHC as well as provide space and opportunities for LCHC to meet with residents on-site at the Merwyn.

- **Resident Services**: Innovative Housing Inc. has partnered with Clatsop Community Action (CCA) to be the primary service provider. Specifically, Clatsop Community Action will provide Eviction Prevention Services, Comprehensive Assessment Services, and Essential Resource Referrals. These are discussed in more detail below under the Resident Services section.

- **Contracting, Diversity, Equity & Inclusion**: The project will use required Affirmatively Furthering Fair Housing strategies, and will use 20% MWESB. This was a LIFT communities of color project and to meet that set aside, is doing a partnership with the Lower Columbia Hispanic Council (LCHC), LCHC estimates that 10%-15% of the total population living or working in Astoria are Hispanic and has entered into an agreement with the IHI to provide programs and services that focus on education, health, financial empowerment and advocacy & civic engagement. LCHC will consult IHI to determine what services IHI should provide to Hispanic residents, such as translation services, job assistance, and other services. LCHC will also provide outreach to the Latino/Hispanic community in informing them of new housing opportunities at the Merwyn through social media and print material.

- **Homelessness Priority**
  - No specific set asides or project based vouchers

- **Permanent Supportive Housing Priority**
  - No specific set asides

- **Affordable Rental Housing Priority**
o Astoria’s economy, severely challenged by the near collapse of the logging industry and a dramatic reduction in fishing and canning, is experiencing new growth from tourism and related services. However, the influx of service workers needed for Astoria’s new economy is not supported by housing stock – apartments are very hard to come by, and when they do become available, they are expensive. Creating new affordable housing for Astoria’s service workers is a top priority for the city and county, as jobs are left unfilled due to lack of housing and many workers commute long distances on a daily basis. The median annual household income is $44,747, and the average household size is two. This project will provide 36 units of affordable rental housing to the Astoria community.

- **Homeownership Priority**
  o Not applicable; This is a rental property development

- **Rural Communities Priority**
  o Astoria is a rural community with a population of 9,976

The pages that follow will provide more technical details on the proposed project.
Project Detail: Merwyn Apartments

Project Sponsor: Innovative Housing, Inc.

Property: Merwyn Apartments
1067 Duane Street
Astoria, Oregon 97103

Owner: Innovative Merwyn LLC

Description: Merwyn Apartments is an existing, non-residential, five-story building that will be a 40-unit project located in downtown Astoria.

Affordability:

<table>
<thead>
<tr>
<th>Funding Source</th>
<th># Units</th>
<th>% Income</th>
<th>% Rents</th>
<th># Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>LIHTC/Bond</td>
<td>36</td>
<td>60</td>
<td>60</td>
<td>30</td>
</tr>
<tr>
<td>LIFT</td>
<td>32</td>
<td>60</td>
<td>60</td>
<td>30</td>
</tr>
<tr>
<td>LIFT</td>
<td>4</td>
<td>30</td>
<td>30</td>
<td>30</td>
</tr>
</tbody>
</table>

32 of the units will be affordable to residents with incomes under 60% AMI, 4 will be affordable to those under 30% AMI, and 4 will be market rate units to those with incomes at 100% of area median.

Target Population: Individuals at or below 60% MFI

Environmental Review: A Phase I report review has been completed and all recognized environmental conditions or issues on the site have been addressed with a remediation plan acceptable to DEQ, lender, investor, and OHCS is in place.

Finance Committee Approval: OHCS Finance Committee Reviewed and Approved this Project to be Recommended to the OHCS Director and the Housing Stability Council on October 15, 2019

Summary:
Merwyn Apartments is an existing, non-residential, 5-story, midrise style building,
located in downtown Astoria, and will include 40 units with a mix of 10 affordable one-bedroom, 26 affordable studio, 2 market one-bedroom, and 2 market studio units. Along with 4% LIHTCs and tax-exempt bonds, Merwyn Apartments will utilize OHCS LIFT funds of $2,879,964 (awarded May 2019.)

This project was conceived in response to Astoria’s economy, which is severely challenged by the near collapse of the logging industry and a dramatic reduction in fishing and canning. Astoria is now experiencing new growth from tourism and related services; however the influx of service workers needed for Astoria’s new economy is not supported by housing. Additionally, the Latino/Hispanic community in Astoria is significant and underserved. The Lower Columbia Hispanic Council estimates that 10-15% of the total population living or working in Astoria are Hispanic. Merwyn Apartments will address both needs, providing 40 units of housing directly in downtown Astoria.

**Financing Structure:**

- **Construction Lender:** Wells Fargo Bank NA
- **Permanent Lender:** Network for Oregon Affordable Housing
- **General Contractor:** Silco Construction
- **Equity Investor:** Raymond James Tax Credit Fund, Inc.

<table>
<thead>
<tr>
<th>SOURCES</th>
<th>USES:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OHCS Sources:</strong></td>
<td></td>
</tr>
<tr>
<td>Tax Exempt Bonds (Long Term)</td>
<td>Acquisition $99,753</td>
</tr>
<tr>
<td>Tax Exempt Bonds (Short Term)</td>
<td>Construction $4,454,758</td>
</tr>
<tr>
<td>Short Term Use of Bonds</td>
<td>Development $2,362,934</td>
</tr>
<tr>
<td>4% LIHTC Equity</td>
<td></td>
</tr>
<tr>
<td>LIFT</td>
<td></td>
</tr>
<tr>
<td><strong>Non-OHCS Sources:</strong></td>
<td></td>
</tr>
<tr>
<td>Main Street Historic Grant</td>
<td></td>
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<tr>
<td>Deferred Development Fee</td>
<td></td>
</tr>
<tr>
<td>Historic Tax Credits</td>
<td></td>
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<tr>
<td>Energy Trust</td>
<td></td>
</tr>
<tr>
<td><strong>TOTALS:</strong> $6,917,445</td>
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</tr>
</tbody>
</table>
**Bond Structure:**
The total tax-exempt conduit bond amount is $3,150,000, of which $2,275,000 will be short-term, used for the acquisition and rehabilitation of Merwyn Apartments and the remaining $875,000 will be long-term debt. Wells Fargo will be the construction lender and Network for Oregon Affordable Housing will be the permanent lender.

**Scope of Work:**
Merwyn Apartments is currently in disrepair. It has been vacant for 30 years and has extensive water intrusion, as well as damage from pigeon habitation and waste. Plaster walls and ceilings are damaged, and plumbing, electrical, heating, and elevator systems are beyond their useful lives and disconnected.

The structure is primarily wood framed, constructed atop a concrete foundation. The North and South exterior wall assemblies are constructed of un-reinforced concrete with wing wall sections wrapping onto the East and West elevations. The roof has a low-slope profile with a perimeter parapet wall and a stairwell enclosure. The elevator located adjacent to the primary stair well is non-functioning. The useful life of the roof has expired in combination with the parapet coping flashings and counter flashings.

The property does not offer off-street surface parking spaces. There is limited street parking in front of the building on Duane Street. The site has a WalkScore of 88 and is designated as very walkable. No parking is required by code.

A recent Capital Needs Assessment was performed by Structural Waterproofing Consultants and determined the following:

- **Foundation - Repairs to the existing wood framed structure at all locations of damage.** During the repair process, perform seismic retrofit upgrades as necessary per applicable standards.

- **Cladding, Windows, and Doors - Removal and replacement of the cladding systems located on the side elevations.** Replacement and/or repair to the existing window assemblies. Paint and reseal the front elevation wood windows. Replace moisture damaged trim as necessary. Replace glazing units in front elevation windows, including new hardware. Install additional storm windows within the interior rough-opening of the window. Remove and replace storefront assemblies located at North elevation ground level. Waterproof coating application to all weather exposed concrete locations. During the re-clad process, all moisture damaged building components will require repair, replacement, and treatment.
- Exterior Stairs, Landings, and Decks - Remove the wall mounted fire escape. Develop secondary means of egress through an additional interior stairway. Patch and repair penetrations as necessary.

- Roof Assembly / Attic Cavity - Replacement of the roof assembly, including new parapet coping flashings, counter-flashings at roof intersections to adjacent structures and new overflow drain. Recommended installation of rigid insulation atop the existing roof deck with protection board prior to a new single ply roof membrane. Replace roof access door, including new sill pan flashing and surface mounted store door.

- Interiors – Common Areas - Remove and replace all damaged building components, including abatement and or treatment of hazardous materials as necessary. Redesign of interior to allow for dwelling units and commercial space.

- Interiors – Dwelling Units - Remove and replace all damaged interior components. Provide structural repairs and upgrades to all MEP.

- Vertical Transportation - Replacement of the elevator, components and mechanical systems. Rebuild and expand elevator shaft.

- Plumbing Systems - Removal and replacement of all plumbing components. Reuse of existing storm drain and sewer lines as feasible. Abatement of asbestos insulation on existing piping. Components should be upgraded to meet existing code requirements and technologies, including a central hot water boiler for the structure.

- HVAC Systems - Install new heating and cooling systems as necessary per the recommendations of a licensed mechanical engineer. Install new mechanical exhaust and ducting provisions as necessary throughout the structure.

- Electrical Systems - Rewiring existing structure, including new outlets, switches, fans and lighting.

- Fire Detection, Suppression and Alarm Systems - Installation of new fire suppression system and controls.

- Site Utilities - Upgrades/repairs/replacement to services as necessary where they enter the structure.
• Problematic Materials - Refer to the DEQ approved work plan regarding abatement/treatment of hazardous materials.

Construction Costs:

Construction costs per unit are $111,369 ($192 per square foot). These costs are reasonable and within OHCS standards.

**Project Schedule:**
• Closing is targeted for November 14, 2019
• Completion is anticipated to be November 2020
• Construction period is 12 months.

**Developer Fee:**
The Developer fee is $1,025,174, which is 15.52% of total project costs calculated as total developer fee divided by total project costs less acquisition, developer fee, and capitalized reserves. This is below the OHCS maximum of 18% for a LIFT project. The Developer is deferring $210,174, and it will be repaid within the first 11 years of operation.

**Tenant Relocation:**
Not Applicable

**Affordability Restrictions:**

<table>
<thead>
<tr>
<th>Unit Type</th>
<th># Units</th>
<th>Income AMI%</th>
<th>Rent AMI %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Studio</td>
<td>2</td>
<td>30%</td>
<td>30%</td>
</tr>
<tr>
<td>Studio</td>
<td>8</td>
<td>60%</td>
<td>60%</td>
</tr>
<tr>
<td>1 BR</td>
<td>2</td>
<td>30%</td>
<td>30%</td>
</tr>
<tr>
<td>1 BR</td>
<td>24</td>
<td>60%</td>
<td>60%</td>
</tr>
</tbody>
</table>

• 4% LIHTC restrictions and LIFT restrictions
Income:
OHCS – LIHTC and LIFT commitment is for thirty-two units at 60% AMI Income and Rents. There are additional LIFT restrictions of 30% AMI Income and rents on four units. There are no other restrictions being overlaid on the property.

Operating Expenses:
Operating expenses of $4,863 PUPA are acceptable and within OHCS guidelines.

Debt Coverage Ratio:
Year 1 Primary DCR is slightly high at 1.32, however this is a declining DCR and a higher yr 1 DCR is needed to maintain a positive DCR for entire restriction period

- First full year of operations: 1.32
- DCR at year 15: 1.21
- DCR at year 20: 1.11
- DCR at year 30: N/A

Primary debt is amortized for 20 years, therefore DCR at year 30 is N/A

Location Amenities:
The subject site is located in downtown Astoria, approximately 0.2 miles south of Marine Drive. The immediate neighborhood consists of Commercial/retail uses and single-family homes. Residential uses in the subject’s neighborhood are generally in average to good condition. A number of government properties are adjacent to the subject site including City Hall and Astoria Public Library. Commercial areas in downtown Astoria are approximately 90 percent occupied. The subject site is designated as “very walkable” by WalkScore with a score of 88, which means most errands can be accomplished on foot.

Services in proximity to subject property:

- Columbia Memorial Hospital – 0.9 mi
- John Jacob Astor Elementary School – 1.5 mi
- Astoria Middle School – 2.0 mi
- Astoria High School – 2.1 mi
- McClure Park – 0.3 mi
- Astoria Downtown Market – 0.1 mi
- Astoria Transit Center – 0.2 mi
- US-30 – 0.1 mi
- Police – 1.1 mi
- Fire – 1.1 mi

**Resident Services:**

Innovative Housing Inc. has partnered with Clatsop Community Action (CCA) and Lower Columbia Hispanic Council (LCHC) to be the primary service provider.

Specifically, Clatsop Community Action will provide:

- **Eviction Prevention Services**
  CCA will support housing stability in a number of ways. Staff will receive notices issued by management, and contact affected residents to provide relevant resource referrals and education to make sure that residents are aware of all their options and the potential consequences of any action or inaction. If rent is paid late, CCA staff can coordinate with building management to waive the late fee if the resident meets with staff for a needs assessment and budgeting session. If a resident is unable to pay their monthly rent, staff can help them design a payment plan to spread the owed balance over several months, which allows them to maintain their tenancy while paying their debt in smaller amounts. If residents are under employed or unemployed, CCA will refer individuals to employment services through the Clatsop Goodwill and Worksource Oregon in Astoria. These referrals will be made based on the outcome of a comprehensive and holistic assessment given to tenants.

- **Comprehensive Assessment Services**
  CCA staff will meet with new tenants prior to move-in to discuss the rental agreements, help explain building rules (along with the on-site manager), and offer support to the tenants if they don’t understand any of the move-in paperwork or lease requirements. Staff will use this opportunity to introduce residents to the ongoing service program. If there are any language barriers, CCA will provide bi-lingual staff or coordinate with LCHC to provide translation services.

- **Essential Resource Referrals**
  IHI resident services staff will circulate flyers and quarterly newsletters promoting site-specific community resources and events. Resident Services
staff will hold events and coordinate introductions with CCA and LCHC to ensure that all residents are aware of service opportunities. When the building manager suspects a resident may need services, they will do targeted outreach to be sure residents have sufficient information about available resources. Once a resident is working with CCA, their staff will conduct coordinated assessments to identify risks related to employment, mental health, traumatic events, health issues, etc. CCA will help connect tenants to other community resources for employment services, mental health treatment, Oregon Health Plan enrollment, language classes, education, etc. to meet the needs and barriers identified on the assessment.

**Amenities:**

**Project Amenities will include:**
- On-Site Office
- Community Room
- Laundry Room
- Secure Bike Room

**Unit Amenities will include:**

- Range
- Refrigerator
- Ceiling Fan
- Radiant Heating
Date    November 1, 2019
To:      Housing Stability Council
         Margaret Solle Salazar, Director
From:    Rebecca Isom, Loan Officer
         Casey Baumann, Underwriting Manager
         Julie V. Cody, Director Affordable Rental Housing

RE:      SHA RAD Group II, Conduit Bond 4% LIHTC and Lottery Back Bond/Housing Preservation Fund funding request

MOTION: Move to approve Pass Through Revenue Bond Financing in an amount up to and not to exceed $10,700,000 to Salem Housing Preservation 4 Percent Limited Partnership for the acquisition and rehabilitation of SHA RAD GROUP II, subject to the borrower meeting OHCS and US Bank’s underwriting and closing criteria and documentation satisfactory to legal counsel and Treasurer approval for the bond sale.

MOTION: Move to approve Lottery Backed Bonds for Housing Preservation Fund in the amount of $1,725,000 to Salem Housing Authority for the acquisition and rehabilitation of SHA RAD GROUP II, subject to the borrower meeting OHCS and US Bank’s underwriting and closing criteria and documentation satisfactory to legal counsel.

Overview and Location:

At the November 1, 2019 Housing Stability Council (HSC) meeting, we will be asking HSC to consider two motions to approve the funding of SHA RAD Group II. This project is a scattered site, 54-unit RAD conversion and preservation project, with both sites located on Hawthorne Ave in Northeast Salem.

1- Livingston Village Apts
2- Northgate Village Apts
Funding History:
We are currently requesting approval for the use of up to $10,700,000 in Pass Through Revenue Bonds and $1,725,000 in Lottery Backed Bond (LBB) Housing Preservation Funds (HPF). OHCS Finance Committee approved reservations for the Oregon Affordable Housing Tax Credits (OAHTC) and 4% Low Income Housing Tax Credits (LIHTC) on October 15, 2019.

Funding Context:
This project uses noncompetitive 4% LIHTC resources as well as OAHTC. SHA RAD Group II was granted a reservation of LBB/HPF on December 18, 2018 through the First Level Priority set-aside for RAD and/or Section 18 Pool, which allowed for an expedited review and reservation on a first-come first serve basis. As part of that set-aside, a pool OAHTC’s were offered as well. OHCS Finance Committee has approved the issuing of $1,604,150 in OAHTC’s and $604,693 in 4% federal LIHTCs on October 15, 2019. As a RAD conversion, all 54 units will have project-based rental assistance issued by HUD.

Project Sponsor and Partnership:
The sponsor is the Salem Housing Authority (SHA). OHCS has successfully worked with SHA in the past, helping them with their first RAD conversion, the Robert Lindsey Tower & Parkway East Apartment Bundle, as well as four other projects since 1991. Currently, SHA has four projects in OHCS’s pipeline, including both SHA RAD Groups, Redwood Crossings, and the Yaquina Hall/Southfair Apartments Bundle. Established in 1969, SHA serves approximately 9,000 Salem area residents within Salem’s Urban Growth Boundary. It has directly developed 11 of the 12 multifamily developments it owns.

General Contractor:
The general contractor is Gerding Builders LLC. Originally known as Dale Ramsay Construction Company, Gerding Builders LLC was started in Corvallis Oregon in 1967. They have previously constructed a few affordable housing projects in the OHCS portfolio such as Seavey Meadows, Alexander Court, and Camas Commons, all of which are located in Corvallis.

Management Agent:
Salem Housing Authority, as a public housing authority, will be providing their own property management. SHA is the third largest public housing agency in Oregon, providing quality housing units and rental vouchers for families, seniors and persons with disabilities living in Salem and Keizer. SHA has day-to-day asset and property management responsibilities to oversee a rental-housing portfolio serving over 1,800
residents across 110 properties and 646 units of public, affordable, and LIHTC housing. SHA administers the Section 8 Housing Choice Voucher and Moderate Rehabilitation Programs for the City of Salem.

Notable Features:
This project is the second Rental Assistance Demonstration conversion that Salem Housing Authority has proposed. It was approved by HUD in tandem with a 9% LIHTC project that also is a scattered site project. As part of the scope of work, the current 5-bedroom townhome units will be reconfigured into 1 & 2-bedroom flats in order to serve the target populations better.

Policy Priorities:
This project will help further multiple priorities outlined in the statewide housing plan, namely Homelessness, Permanent Supportive Housing, Affordable Rental Housing, and Homeownership priorities.

- **Equity and Racial Justice Priority:**
  - **Community Demographics:** The project is located across two very high-need census tracts in Salem. Livingstone Village is located in a tract made up of 55.2% people of color. It has a disproportionately high poverty rate of 27.8% and a similarly disproportionate unemployment rate of 8.1%. The tract in which Northgate Village is located is made up of 52.5% people of color and 73.8% renters. It has the highest poverty rate (36.4%) and the highest unemployment rate (17.6%) of any census tract in Marion County.
  - **Affirmative Fair Housing Marketing Strategies:** Salem Housing Authority encourages and supports an affirmative advertising and marketing program in which there are no barriers to obtaining housing because of race, color, religion, sex, handicap, familial status or national origin.
  - **Contracting, Diversity, Equity & Inclusion:** Gerding Builders will have a 15% goal of direct construction costs contracted to state-certified MBE/WBE. As part of their approach to hit their goal of 15%, they will contact their qualified list of MBE/WBE contractors and suppliers by phone to explain the project and their invite to bid process. They’ll also advertise in the DJC, local contractor exchanges, and minority contractor periodicals such as El Latino De Hoy and Hispanic News, and “Impact Minority Plan Center”. Also, the proposed Project Manager is fluent in Spanish and will provide additional support for those in need of interpretation.
November 1, 2019
SHA RAD Group II Recommendation

Based on preliminary numbers provided by Gerding, they are currently at 17% MBE/WBE awarded work.

- **Homelessness Priority**
  - These properties serve very low-income populations at risk of homelessness. With 100% of the units utilizing project based rental assistance, this allows residents who are experiencing homelessness to qualify for rental housing.
  - Salem Housing Authority also advertises their rentals with the Emergency Housing Network (EHN) newsletter.

- **Permanent Supportive Housing Priority**
  - While not officially designated as Permanent Supportive Housing, SHA will have a permanent supportive housing model, with case managers for any tenants who need them. The case managers will be working on programs with the tenants that will teach them how to avoid being evicted.

- **Affordable Rental Housing Priority**
  - SHA RAD Group II is a RAD-conversion that will preserve 52 existing units of public housing, as well as create two additional units of affordable rental housing.
  - The majority of units will be family sized (3 & 4-bedroom) townhomes, while the hard to rent 5-bedroom units will be converted into 1 and 2-bedroom flats.

- **Homeownership Priority**
  - As part of the resident services provided to tenants, SHA provides a program called Family Self Sufficiency (FSS), which can be paired with their free VIDA Program. The majority of participants in this paired program use it to purchase a home.

- **Rural Communities Priority** – N/A – This is an urban development.

**Risks and Mitigating Factors:**

This development conforms to OHCS underwriting standards. OHCS staff is comfortable with current underwriting.

The pages that follow will provide more technical details on the proposed project.
Project Detail: SHA RAD Group II

Project Sponsor: Housing Authority of the City of Salem

Property:
- Livingston Village
  2903-2977 Hawthorne Ave NE
  Salem OR 97301

- Northgate Village
  3501-3575 Hawthorne Ave NE
  Salem OR 973014

Owner: Salem Housing Preservation 4 Percent Limited Partnership

Description: SHA RAD Group II is an acquisition/rehabilitation scattered-site project, consisting of 2 properties with 54 affordable units.

Affordability:

<table>
<thead>
<tr>
<th>Funding Source</th>
<th># Units</th>
<th>% Income</th>
<th>% Rents</th>
<th># Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>LIHTC/Bond</td>
<td>54</td>
<td>60</td>
<td>60</td>
<td>30</td>
</tr>
<tr>
<td>LBB/HPF</td>
<td>54</td>
<td>60</td>
<td>60</td>
<td>30</td>
</tr>
</tbody>
</table>

Target Population: Individuals and Families at or below 60% MFI

Environmental Review: The Phase I for both sites did not reveal any concerns, however a separate Hazardous Materials inspection did find asbestos throughout all residential buildings. The community building at Northgate Village was built in 1999 and did not have any asbestos findings. An O&M plan has been developed for mitigation of environmental concerns.

Finance Committee Approval: OHCS Finance Committee Reviewed and Approved this Project to be Recommended to the OHCS Director and the Housing Stability Council on October 15, 2019
Summary:
SHA RAD Group II is a scattered site, 54-unit RAD conversion and preservation project. Currently with a unit mix of 3, 4, and 5-bedroom townhomes, part of the scope will be to renovate the four (4) 5-bedroom townhomes into 1 and 2 bedroom flats, with the 1 bedrooms also becoming accessible. Paired with a 9% LIHTC scattered site project, SHA RAD Group I, this will help preserve a total of 108 units of public housing.

Financing Structure:

**Construction Lender:** US Bank  
**Permanent Lender:** Network for Oregon Affordable Housing (NOAH)  
**General Contractor:** Gerdling Builders, LLC  
**Equity Investor:** US Bank

<table>
<thead>
<tr>
<th>SOURCES</th>
<th>USES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OHCS Sources:</strong></td>
<td><strong>USES:</strong></td>
</tr>
<tr>
<td>Tax Exempt Bonds (Short Term)</td>
<td>Acquisition</td>
</tr>
<tr>
<td>$10,700,000</td>
<td>$9,530,000</td>
</tr>
<tr>
<td>Short Term Use of Bonds</td>
<td>Construction</td>
</tr>
<tr>
<td>($10,700,000)</td>
<td>$8,310,179</td>
</tr>
<tr>
<td>4% LIHTC Equity</td>
<td>Development</td>
</tr>
<tr>
<td>$5,804,472</td>
<td>$3,194,991</td>
</tr>
<tr>
<td>Housing Preservation Funds (LBB)</td>
<td>TOTALS: $21,035,170</td>
</tr>
<tr>
<td>$1,725,000</td>
<td></td>
</tr>
</tbody>
</table>

| **Non-OHCS Sources:**        |            |
| NOAH Permanent Loan          |            |
| $3,492,101                   |            |
| Seller take-back loan        |            |
| $8,958,200                   |            |
| Deferred Development Fee     |            |
| $392,297                     |            |
| Sponsor Loan                 |            |
| $503,000                     |            |
| GP Capital Contribution      |            |
| $100                         |            |
| Cash flow During Rehab       |            |
| $160,000                     |            |
| **TOTALS:** $21,035,170     |            |
Bond Structure:
The total tax-exempt conduit bond amount is $10,700,000, of which all of it will be short-term, used for the acquisition and rehabilitation of the project.

Scope of Work:
SHA RAD Group II includes Livingston Village Apartments and Northgate Village Apartments, which have a total of fourteen (14) two-story townhome buildings, with a current unit mix of thirty-six (36) 3-bedroom units, ten (10) 4-bedroom units, and four (4) 5-bedroom units.

The scope of work for both sites includes converting the four 5-bedroom units into four (4) accessible 1-bedroom flats and four (4) 2-bedroom flats. It also includes the following inside work: replacing the kitchen and bathroom cabinets and countertops, replacing the flooring, updating lighting, updating heating system, and updating the sewer and plumbing. As well as the following envelope work: new siding, roofing, exterior doors, and windows.

There will be a total of 99 open parking spaces between the two complexes, with an overall ratio of 1.83 spaces per unit after the 5-bedroom units are converted to 1 and 2 bedroom flats. Livingston Village will have 45 of those spaces with a ratio of 1.73 spaces per unit, and Northgate Village will have 54 of those spaces with a ratio of 1.93 spaces per unit.

- Total Rehabilitation Construction cost per unit is $153,892.20 ($142.87 per square foot). This is on the low end of our comparables, however this is in a non-Metro area and is based on pricing for multiple sites that will be under construction in the near future.

Project Schedule:
- Closing is targeted for December 6, 2019.
- Completion is anticipated to be completed in November 2021.
- Rehabilitation period is 23 months.

Developer Fee:
The Developer fee is $900,000, which is 5.82% of total project costs calculated as total developer fee divided by total project costs less acquisition, developer fee, and capitalized reserves. This is below the OHCS maximum of 20%. The Developer is deferring $392,297, and it will be repaid within the first 11 years of operation.

Tenant Relocation:
SHA is planning for a temporary relocation of up to 50 households (100% of the current unit mix) to ensure resident safety during the proposed rehabilitation. Uniform Relocation Act
requirements will be used to guide project specific relocation planning efforts, as is required under the HUD Rental Assistance Demonstration Program. SHA staff will serve as the primary point of contact for residents, conducting interviews with residents to best understand their needs. Residents will have an option of either temporarily relocating to another SHA owned apartment in their portfolio, or to a weekly rate hotel suite. SHA intends to short term master lease units in the area for tenants who are unable to stay in hotel suites due to family size of unavailability of rooms.

Due to the four 5-bedroom units being converted to 1- and 2-bedroom units, any tenants currently residing in them will need to be permanent relocation. However, most 5-bedroom units are currently occupied by families who meet the occupancy standards for the 4-bedroom units, and thus will be relocated to suitable 4-bedroom vacant units to minimize impacts to the families.

SHA will work to minimize the inconvenience and burden on the households by providing assistance that includes but is not limited to packing, moving, arranging bus pick-ups for children and school, assisting with mail forwarding, temporarily moving or suspending services for regular utilities. Also, any tenant who has special accommodation needs will be relocated to a suitable unit that meets those needs, such as being located near transportation, assistance providers, or accessible/ground floor units.

Affordability Restrictions:

<table>
<thead>
<tr>
<th>Unit Type</th>
<th># Units</th>
<th>Income AMI%</th>
<th>Rent AMI %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 BR</td>
<td>4</td>
<td>60%</td>
<td>60%</td>
</tr>
<tr>
<td>2 BR</td>
<td>4</td>
<td>60%</td>
<td>60%</td>
</tr>
<tr>
<td>3 BR</td>
<td>36</td>
<td>60%</td>
<td>60%</td>
</tr>
<tr>
<td>4 BR</td>
<td>10</td>
<td>60%</td>
<td>60%</td>
</tr>
</tbody>
</table>

- 4% LIHTC and HPF/LBB restrictions

Income:

OHCS – LIHTC and HPF/LBB commitment is for 54 units at 60% AMI Income and rents. All 54
units will have Section 8 Project Based Rental Assistance issued through HUD. The PBRA will have 80% MFI restrictions and the contract will be for a term of 20 years with possible extensions to follow.

Operating Expenses:
Operating expenses are $5,280 per unit per year, which excludes resident services of $189. This is within OHCS guidelines and are based on current operating costs.

Debt Coverage Ratio:
The DCR presented to OHCS is within OHCS established guidelines and conforms with OHCS, lender and investor underwriting principles. OHCS anticipates SHA will refinance the debt after year 20, when the OAHTCs expire.

DCR at first full year of operations: 1.20
DCR at year 20: 1.27
DCR at year 30 (without OAHTC): 0.80

Location Amenities:
Both sites are located on Hawthorne Ave, which runs parallel to Interstate 5. It has convenient access to supporting uses and community development in the area. Both sites are located within proximity to parks, supportive services, transportation systems, schools, and medical facilities.

<table>
<thead>
<tr>
<th>Amenity</th>
<th>Northgate Village</th>
<th>Livingston Village</th>
</tr>
</thead>
<tbody>
<tr>
<td>Park</td>
<td>(Northgate Park) .6 miles</td>
<td>(Livingston Park) 272 feet</td>
</tr>
<tr>
<td>Grocery Store (Megafoods)</td>
<td>.6 miles</td>
<td>.8 miles</td>
</tr>
<tr>
<td>Bus stop</td>
<td>.1 miles</td>
<td>.5 miles</td>
</tr>
<tr>
<td>Doctor’s Office (Salem Clinic)</td>
<td>1.9 miles</td>
<td>2.1 miles</td>
</tr>
<tr>
<td>Dental Office (Willamette Dental)</td>
<td>.7 miles</td>
<td>.9 miles</td>
</tr>
<tr>
<td>Department Store (Wal-mart)</td>
<td>.8 miles</td>
<td>1.0 miles</td>
</tr>
<tr>
<td>Elementary School</td>
<td>(Hallman) .6 miles</td>
<td>(Washington) .8 miles</td>
</tr>
<tr>
<td>Waldo Middle School</td>
<td>.8 miles</td>
<td>.8 miles</td>
</tr>
</tbody>
</table>
### Resident Services:

Salem Housing Authority will be providing Family Self Sufficiency (FSS) to all residents of Livingston Village and Northgate Village. It is a voluntary program offered to Salem Housing Authority Public Housing and Section 8 PBRA participants. They also have a VIDA Program that is included under the FSS umbrella. Currently, there are a total of four residents who live in either complex enrolled in the FSS program.

### Amenities:

Site amenities include playgrounds at both sites, basketball courts at both sites (with tetherball and four-square only at Northgate Village), and a community building that includes a community room and leasing office (located at Northgate Village). Livingston Village also has a community garden.

Unit amenities ground level patios, washer and dryer hook-ups in the three and four bedroom units, and dishwashers in a few units.
DATE: November 1, 2019

TO: Housing Stability Council
Margaret Solle Salazar, Executive Director

FROM: Natasha Detweiler-Daby, Senior Affordable Rental Housing Policy
Tai Dunson-Strane, Tax Credit Program Manager
Julie V. Cody, Director Affordable Rental Housing

SUBJECT: Funding Frameworks 2020-2021

Motion: Housing Stability Council moves to adopt the Funding Frameworks applying to gap funds, Oregon Affordable Housing Tax Credits, Ag Workforce Housing Tax Credits, and Oregon Rural Rehab for 2020-2021 as presented [or with noted revisions].

The prior memo presented the Affordable Rental Housing Funding Calendar; beyond the timing and resources, it is important to establish the focus and parameters for each Notice of Funding Availability (NOFA).

In this memo, staff will lay out:

- Proposed NOFA policy frameworks
- Next Steps

In the memo that follows, the LIFT program manager will introduce the updated revisions to the detailed LIFT program framework.

NOFA policy frameworks

In order to streamline NOFA offerings, staff are proposing Housing Stability Council adopt NOFA policy frameworks which includes target population, project types, funding caps, and scoring principles. As reviewed with HSC at the October 2019 meeting, these principles are established in alignment with Statewide Housing Plan priorities and are supported by stakeholder input.

Together this policy framework information provides adequate guidance to staff who will be able to develop NOFA scoring criteria in alignment with the established principles. In doing so, staff will be able to streamline and increase consistency in measures across NOFAs.
Draft Funding Frameworks

<table>
<thead>
<tr>
<th>Fund Offering</th>
<th>9% LIHTC NOFA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development Type</td>
<td>New; Acq/Rehab; Federal Rent Assistance Preservation</td>
</tr>
<tr>
<td>Geography</td>
<td>Statewide; allocated to regions</td>
</tr>
<tr>
<td>Subsidy Limits</td>
<td>9% LIHTC - QAP defined HOME - $500,000 minimum request Gap - $400,000 per project max OAHTC - $3MM loan per project</td>
</tr>
<tr>
<td>Scoring Principles</td>
<td>QAP determined</td>
</tr>
<tr>
<td>Equity</td>
<td>- Affirmative Fair Housing Marketing - DMWESB Construction Workforce Engagement - Tribal Set-Aside - Resident Services; culturally responsive partnerships with resources - Opportunity Area and Vulnerable Gentrification Area preference, points - Diversity, Equity and Inclusion (DEI) agreement, requirement - 9% LIHTC Regional Allocation formula; inclusion of communities of color</td>
</tr>
</tbody>
</table>
## HOME NOFA

<table>
<thead>
<tr>
<th>Fund Offering</th>
<th>HOME NOFA</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Development Type</strong></td>
<td>New; Acq/Rehab; Federal Rent Assistance Preservation</td>
</tr>
<tr>
<td><strong>Geography</strong></td>
<td>Balance of State</td>
</tr>
<tr>
<td><strong>Subsidy Limits</strong></td>
<td>HOME - $500,000 minimum request&lt;br&gt;Gap - $400,000 per project max&lt;br&gt;OAHTC - $3MM loan per project</td>
</tr>
<tr>
<td><strong>Scoring Principles</strong></td>
<td>Consolidated Plan&lt;br&gt;(<em>To be revised for 2021</em>)</td>
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**Equity**

- Affirmative Fair Housing Marketing
- DMWESB Construction Workforce Engagement
- Resident Services; culturally responsive partnerships with resources
- Opportunity Area and Vulnerable Gentrification Area preference, points
- Diversity, Equity and Inclusion (DEI) agreement, requirement
<table>
<thead>
<tr>
<th>Fund Offering</th>
<th>LIFT Rental NOFA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development Type</td>
<td>New Housing Units</td>
</tr>
<tr>
<td>Geography</td>
<td>Split between Urban &amp; Rural</td>
</tr>
<tr>
<td>Subsidy Limits</td>
<td>LIFT: Urban: 0-2 bds, $75k; 3+ bds, $125k Rural: 0-2 bds, $125k; 3+ bds, $175k OAHTC: $3MM loan per project</td>
</tr>
<tr>
<td>Scoring Principles</td>
<td>Detailed LIFT framework follows: generally Communities of Color / Costs / Partnerships / Equity</td>
</tr>
<tr>
<td>Equity</td>
<td>- Affirmative Fair Housing Marketing - DMWESB Construction Workforce Engagement - Resident Services; culturally responsive partnerships - Location Accessibility - Diversity, Equity and Inclusion (DEI) agreement, requirement</td>
</tr>
<tr>
<td>Fund Offering</td>
<td>LIFT Homeownership NOFA</td>
</tr>
<tr>
<td>---------------</td>
<td>------------------------</td>
</tr>
<tr>
<td>Development Type</td>
<td>New Housing Units</td>
</tr>
<tr>
<td>Geography</td>
<td>Split between Urban &amp; Rural</td>
</tr>
<tr>
<td>Subsidy Limits</td>
<td>LIFT: land value, max $100k/unit</td>
</tr>
<tr>
<td>Scoring Principles</td>
<td>LIFT framework: Communities of Color / Costs / Partnerships / Equity</td>
</tr>
</tbody>
</table>
| Equity | - Affirmative Fair Housing Marketing  
| | - DMWESB Construction Workforce Engagement  
| | - Resident Services; culturally responsive partnerships  
| | - Location Accessibility  
| | - Diversity, Equity and Inclusion (DEI) agreement, requirement |
## Permanent Supportive Housing (PSH) NOFA

<table>
<thead>
<tr>
<th>Fund Offering</th>
<th>Permanent Supportive Housing (PSH) NOFA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development Type</td>
<td>PSH units in New / Acq/Rehab or Existing / Preservation</td>
</tr>
<tr>
<td>Geography</td>
<td>Split between Urban &amp; Rural</td>
</tr>
<tr>
<td>Subsidy Limits</td>
<td>$20 MM PSH; connected to PSH Institute/HSC framework; OAHTC: $3MM loan per project</td>
</tr>
<tr>
<td></td>
<td>Rent Assistance - TBD</td>
</tr>
<tr>
<td>Scoring Principles</td>
<td>Pilot: existing framework</td>
</tr>
<tr>
<td></td>
<td>$30 MM offering to be developed based on lessons learned from Pilot</td>
</tr>
<tr>
<td>Equity</td>
<td>- Affirmative Fair Housing Marketing</td>
</tr>
<tr>
<td></td>
<td>- DMWESB Construction Workforce Engagement</td>
</tr>
<tr>
<td></td>
<td>- Resident Services; culturally responsive partnerships</td>
</tr>
<tr>
<td></td>
<td>- Location Accessibility</td>
</tr>
<tr>
<td></td>
<td>- Diversity, Equity and Inclusion (DEI) agreement, requirement</td>
</tr>
</tbody>
</table>
### Fund Offering

<table>
<thead>
<tr>
<th>Development Type</th>
<th>Federal Rent Assistance and Publicly Supported Preservation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Geography</td>
<td>Split between Urban &amp; Rural</td>
</tr>
<tr>
<td>Subsidy Limits</td>
<td>Gap: cost justified by capital needs assessment, subsidy per bedroom as tie-breaker; OAHTC: $3MM loan per project site</td>
</tr>
<tr>
<td>Scoring Principles</td>
<td>Risk of Loss; Impact to tenants; Physical condition needs; Community supply / need; Family sized units; Compliance Risk</td>
</tr>
<tr>
<td>Equities</td>
<td>- Affirmative Fair Housing Marketing - DMWESB Construction Workforce Engagement - Resident Services; culturally responsive partnerships - Diversity, Equity and Inclusion (DEI) agreement, requirement</td>
</tr>
</tbody>
</table>
### Fund Offering

#### Development Type

- for projects without other OHCS resources: New; Acq/Rehab; Federal Rent Assistance and Publicly Supported Preservation; Manufactured Home Park Preservation

#### Geography

- Statewide

#### Subsidy Limits

- OAHTC: $3MM loan per project site

#### Scoring Principles

- Statewide Housing Plan Alignment; projects must serve Very Low Income Households

#### Equity

- Affirmative Fair Housing Marketing
- DMWESB Construction Workforce Engagement
- Diversity, Equity and Inclusion (DEI) agreement, requirement
# Manufactured Home Park Preservation NOFA

<table>
<thead>
<tr>
<th>Fund Offering</th>
<th>Manufactured Home Park Preservation NOFA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development Type</td>
<td>Preservation of existing Manufactured Home Parks</td>
</tr>
<tr>
<td>Geography</td>
<td>Statewide</td>
</tr>
<tr>
<td><strong>Subsidy Limits</strong></td>
<td>Gap: $35,000 cap per space in gap funding for parks with 51 spaces or more; $45,000 cap per space in gap funding for parks with 50 spaces or less; OAHTC no cap</td>
</tr>
<tr>
<td>Scoring Principles</td>
<td>First Come First Served</td>
</tr>
<tr>
<td>Equity</td>
<td>- Diversity, Equity and Inclusion (DEI) agreement, requirement</td>
</tr>
<tr>
<td></td>
<td>- Community engagement / representation</td>
</tr>
</tbody>
</table>
## Veterans NOFA

<table>
<thead>
<tr>
<th>Fund Offering</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Development Type</strong></td>
<td>Units for Veterans in any New / Acq/Rehab project; excludes Preservation</td>
</tr>
<tr>
<td><strong>Geography</strong></td>
<td>Split between Urban &amp; Rural</td>
</tr>
<tr>
<td><strong>Subsidy Limits</strong></td>
<td>Vets GHAP; studio: $115k/unit 1 bdrm: $165k/unit 2 bdrm: $215k/unit 3 bdrm: $265k/unit OAHTC: $ million cap per project</td>
</tr>
<tr>
<td><strong>Scoring Principles</strong></td>
<td>Service connections; Location accessibility; Family sized units; AMI served; Low Subsidy; Homelessness</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td>- Affirmative Fair Housing Marketing - DMWESB Construction Workforce Engagement - Resident Services; culturally responsive partnerships - Location Accessibility - Diversity, Equity and Inclusion (DEI) agreement, requirement</td>
</tr>
</tbody>
</table>
## Fund Offering

### Small Projects NOFA

| Development Type                  | New or Preservation of Small Projects 35 units or less  
<table>
<thead>
<tr>
<th></th>
<th>Ag Project set-aside</th>
</tr>
</thead>
<tbody>
<tr>
<td>Geography</td>
<td>Majority Rural</td>
</tr>
</tbody>
</table>
| Subsidy Limits                    | Vets GHAP;                                  
|                                  | studio: $100k/unit                          
|                                  | 1 bdrm: $150k/unit                         
|                                  | 2 bdrm: $200k/unit                         
|                                  | 3 bdrm: $250k/unit                         
|                                  | OAHTC: $ million cap per project           
|                                  | AWHTC: no cap                              |
| Scoring Principles                | Service connections;                       
|                                  | Location accessibility;                    
|                                  | Family sized units;                        
|                                  | AMI served;                                
|                                  | Low subsidy;                               
|                                  | Asset building partnerships / service       |
| Equity                            | - Affirmative Fair Housing Marketing       
|                                  | - DMWESB Construction Workforce Engagement 
|                                  | - Resident Services; culturally responsive partnerships 
|                                  | - Location Accessibility                   
|                                  | - Diversity, Equity and Inclusion (DEI) agreement, requirement |

---

**Equity**

- Affirmative Fair Housing Marketing  
- DMWESB Construction Workforce Engagement  
- Resident Services; culturally responsive partnerships  
- Location Accessibility  
- Diversity, Equity and Inclusion (DEI) agreement, requirement  

![Small Projects NOFA Diagram](image-url)
### Agricultural Workforce Housing Tax Credit (AWHTC)

<table>
<thead>
<tr>
<th><strong>Development Type</strong></th>
<th>New or Acq/Rehab of housing that serves Agricultural Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Geography</strong></td>
<td>Statewide</td>
</tr>
<tr>
<td><strong>Subsidy Limits</strong></td>
<td>AWHTC: no cap/50% eligible costs</td>
</tr>
<tr>
<td><strong>Scoring Principles</strong></td>
<td>Currently First-Come First-Served; in 2020</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td>- Affirmative Fair Housing Marketing</td>
</tr>
<tr>
<td></td>
<td>- DMWESB Construction Workforce Engagement</td>
</tr>
<tr>
<td></td>
<td>- Resident Services; culturally responsive partnerships</td>
</tr>
<tr>
<td></td>
<td>- Location Accessibility</td>
</tr>
<tr>
<td></td>
<td>- Diversity, Equity and Inclusion (DEI) agreement, requirement</td>
</tr>
<tr>
<td>Fund Offering</td>
<td>Oregon Rural Rehabilitation (ORR)</td>
</tr>
<tr>
<td>----------------------</td>
<td>-----------------------------------</td>
</tr>
<tr>
<td>Development Type</td>
<td>Agricultural Workers</td>
</tr>
<tr>
<td>Geography</td>
<td>Statewide</td>
</tr>
<tr>
<td>Subsidy Limits</td>
<td>ORR: $250k/unit (proposed)</td>
</tr>
<tr>
<td>Scoring Principles</td>
<td>First Come First Served Loan; and offered within NOFAs as applicable</td>
</tr>
</tbody>
</table>
| Equity               | - Affirmative Fair Housing Marketing  
                          - Diversity, Equity and Inclusion (DEI) agreement, requirement |
Next Steps:
At the November Housing Stability Council, staff will review the components of these proposed NOFA policy frameworks to solicit any final revisions before requesting Housing Stability Council approval of the presented 2020-2021 frameworks.

Once approved staff can develop responsive NOFA offerings, and will report out on NOFA policy performance when presenting funding recommendations. NOFA specific criteria will be standardized and coordinated wherever possible; in the case of new re-tooled Preservation NOFA, staff are engaged in conversations with Preservation advocates and stakeholders to ensure appropriate interpretation of data.

Notably, the above frameworks do identify several areas where additional work will take place over the upcoming biennium to further define appropriate funding approaches. These include:
- Developing a 5 year Consolidated Plan for 2021-2026, which guides the use of HUD HOME and National Housing Trust Funds
- Developing a project based rent assistance program for the funds allocated by the Oregon Legislature in partnership with the Oregon Health Authority for the creation of PSH units
- Programming the remaining $30 million in PSH resources.

The following memo will present the details on the LIFT framework, which had previously been developed in partnership with Housing Stability Council.
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Date: November 1, 2019

To: Housing Stability Council Members; Margaret Solle Salazar, Director

From: Amy Cole, LIFT Program Manager
Natasha Detweiler-Daby, Interim Manager, Affordable Rental Programs and Senior Policy Advisor, Affordable Rental Housing Division
Julie V. Cody, Director, Affordable Rental Housing Division

Re: LIFT 3.0 Framework

Motion: Approve LIFT 3.0 framework as presented [or with noted revisions] for use in creating LIFT Rental and LIFT Homeownership Notices of Funding Available, for release in January 2020.

At the upcoming Housing Stability Council meeting, we will be presenting the recommended LIFT 3.0 Framework for the LIFT Rental and Homeownership programs for the approval. The framework sets out high level policies to guide the program and will be used to create the Notices of Funds Available (NOFAs), to be released in January 2020.

The next round of LIFT NOFAs will allocate approximately $75 million in LIFT funds: $60 million for LIFT rental and $15 million for LIFT homeownership. These funds are the first of the $150 million in Article XI-Q bond proceeds awarded by the 2019 Legislature for the LIFT program. In addition, any available funds or interest earnings from the LIFT account will be added to the offerings.

We have received feedback on the draft Framework from Council, as well as, from stakeholders since the October Housing Stability Council meeting. The feedback is incorporated into this version of LIFT framework.
The previous LIFT 2.1 framework\(^1\) was the basis for the LIFT 3.0 framework. The few changes proposed are discussed below and are redlined in the attached framework document.

**LIFT Homeownership Consideration**
This framework document, and implemented changes, serves to move forward OHCS policy recommendation for the use of LIFT Article XI-Q bonds for homeownership in a refined structure that will ensure greater project viability under the structure the state has adopted for the use of Article XI-Q bonds for affordable housing development. As noted in last month’s discussion, that approach requires OHCS to secure its LIFT loan against the property in homeownership at 100% loan to value.

Affordable homeownership development partners have consistently requested that OHCS modify these constraints in order to have the opportunity to better subsidize these investments. At this point, staff in consultation with the Department of Justice, has not found comfort in alternative proposals that do not secure the LIFT loan against the developer’s property. However, stakeholders have developed additional suggested structures that would not limit LIFT subsidy to land value, for OHCS to test with legal counsel.

Staff are recommending that we proceed with the revised LIFT framework as presented, which is based on the model where LIFT loans are secured against the property, which would allow us to put out LIFT for Homeownership funds in January 2020, in time for a late Spring 2020 Bond Sale as previously negotiated with DAS and the Department of Treasury. In the meantime, the Department of Justice could review and opine on proposed revisions and if adopted those could influence a 2021 offering. We recognize that it is unlikely that this alternative approach could be vetted and in place in time for a January 2020 offering. However, an alternative scenario would be to skip a LIFT Homeownership offering in 2020 in order to allow time to vet another structure in case it would give greater flexibility for 2021 and attempt to utilize the entire set-aside.

- **Is Housing Stability Council comfortable with OHCS continuing as planned on a Homeownership offering in 2020 while allowing legal counsel time to opine on revisions that could impact offerings in 2021, or would you prefer to hold off until 2021 to offer additional LIFT resources for homeownership?**

Proposed Framework Changes

The changes being recommended are based on discussion with Housing Stability Council on the most recent LIFT Rental and Homeownership NOFAs\(^2\) and engagement with stakeholders. The primary goal of this framework revision is to continue to fine tune the framework to meet the goals and priorities of the LIFT program; serving communities of color, rural areas, and families. Because we have continued to refine the LIFT framework and program through the previous iterations of LIFT, the recommended changes to the framework are modest.

Reflected in the summary list of changes below are several updates that have been made since the October 2019 HSC meeting. These include:

- Per unit subsidy and Family sized units: We are recommending adjusting the subsidy increase to $50,000 for LIFT Rental to focus increased subsidy on units that can serve larger families with three bedrooms; further refining the scoring to encourage a mix of bedroom sizes, notably 2 bedrooms and greater; moving points for low subsidy to prioritize those projects requiring even lower amounts of subsidy per unit than in LIFT 2.0;
- LIFT Homeownership valuation: We recommend revising the requirement for valuation for LIFT Homeownership at application to allow sponsors to request above a preliminary estimate as long as they are able to cover any resulting gap once the final appraisal is submitted.

Specifically, the changes to the framework are:

- Adding a minimum score requirement for the service to the communities of color criterion for rural projects. This was established for urban projects in LIFT 2.1 (LIFT Rental and Homeownership);
- Refining the scoring structure for projects in rural areas so that requesting larger subsidies does not mean a loss of all points in the subsidy criterion (LIFT Rental);
- Removing the scattered site preference. This preference was created to increase the competitiveness of rural applications, as well as to work to leverage investment for tax credits in rural areas of the state. Staff has seen an increase in competitiveness of rural only applications and investors have increasingly been willing to invest in rural projects. Partners and staff agree that this preference is no longer needed. (LIFT Rental);

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- Increased subsidy caps for units with 3+ bedrooms (*LIFT Rental*)
- Addition of a threshold requirement that the requested loan amount be supported by valuation of land or land and infrastructure provided at application. Where appraisals are not able to be provided by application submission date, requests above the Real Market Value or Assessed Value (required to be provided at application) will be considered only if the applicant is able to guarantee coverage of any gap in the requested LIFT loan amount due to an appraisal coming in lower than the LIFT request. (*LIFT Homeownership*)
- Addition of a threshold requirement that land condominiums be owned by the party who is receiving the LIFT loan at construction closing, not application. (*LIFT Homeownership*)

**Next Steps**

These resources represent the first offering LIFT resources for the 19-21 biennium. The Article XI-Q bonds for this $75 million are scheduled to be sold in late spring 2020. Prior to the bond sale, we need to be able to ensure our ability to commit all resources. In order to meet these deadlines, the LIFT NOFAs will be published in January 2020.

Once the framework is approved by Housing Stability Council, staff will begin to work on drafting the NOFAs.
The Local Innovation and Fast Track (LIFT) Housing Program's objective is to build new affordable housing for low income households, especially families. In 2015, the Oregon Legislature committed $40 million of general obligation Article XI-Q bonds to fund the LIFT program. Using this new funding source will allow Oregon Housing and Community Services (OHCS) and its partners to add to the supply of affordable housing, in particular, for historically underserved communities. In 2017, the Oregon Legislature committed $80 million of general obligation Article XI-Q bonds to fund the LIFT program in 2018 and 2019. In 2019, the Oregon Legislature committed $150XX million of general obligation Article XI-Q bonds to fund the LIFT program in 2020 and 2021.

OHCS worked with the Housing Stability Council and program stakeholders to develop a plan to efficiently use the newly committed funds and maximize the impact it will have in communities across the state. Key to LIFT program design was identifying an effective way to use the Article XI-Q bond funding for housing development; these funds require the state to own or operate any real property development that utilizes this resource which has not yet been utilized in housing development investments made by the state. This document will be used to establish a fund offering framework for the third-first allocation of these resources for the 2020-2021 biennium; referred to as LIFT 3.0.

**Program Goals and Outcome Measures:**

The primary goals of the LIFT program are:

1. Create a large number of new affordable family-sized housing units to serve low income Oregonian families.

2. Serve historically underserved communities, including communities of color and rural communities throughout Oregon.

Secondary goals of the LIFT program are:
1. Place affordable housing units to serve families in service as quickly as possible.

2. Serve families earning at or below 60% Area Median Income (AMI) through multifamily rental housing earning at or below 60% County Area Median Income (AMI) and families earning at or below 80% AMI (AMI as defined in ORS) in homeownership housing earning at or below 80% County Area Median Income (AMI as defined in ORS); focusing on service connections including but not limited to those from the Oregon Department of Human Services (DHS) child welfare or family self-sufficiency programs, Community Action Agencies, Coordinated Care Organizations, and Homeownership Centers.

3. Identify building strategies that require lower state subsidy or results in a lower cost of affordable housing development.

Outcome measures of the LIFT program are:

1. Increase in affordable housing inventory; measured by the number of new units built.
   a. More affordable housing units available in small rural communities.
   b. More affordable housing units available that serve color communities of color.

2. Low state subsidy per unit; measured by program target.

3. Implement construction cost evaluation; measured through comparison of the construction costs for projects funded with LIFT proceeds to traditional housing construction, such as RS Means.

LIFT 3.02.4 Fund Allocations and Rental and Homeownership Set-Asides

OHCS was awarded a total of $150 80 million in Article XI-Q bonds for the LIFT program. These funds will be allocated to OHCS in two different $75 40 million bond sales of anticipated for the springspring of 20 2018 (completed) and the springspring of 20 2119. In total, 80 percent of the LIFT funds will be set-aside to develop multifamily rental housing opportunities, and 20 percent will be set-aside to develop homeownership opportunities.

After the first offering of both rental and homeownership funding in spring and summer 2018 respectively, there is approximately $17.3 million available for the next offering of LIFT rental funding and $10.4 million available for the next offering of LIFT homeownership funding. This includes remaining funds from the $80 million allocated in the 2017 legislative session, as well as interest earnings and funds returned from initial awards in 2017.
Housing Stability Council
DRAFT LIFT 3.0 Program Design Framework
– redline from prior version

November 14, 2019

If either of the next offerings are undersubscribed and the other is oversubscribed, OHCS reserves the right to move funding from the undersubscribed offering to the oversubscribed offering in order to fund additional projects and reserve as much of the LIFT funding as possible.

Rural and Urban Set-Asides and Serving Historically Underserved Communities

To meet the statutory goals of LIFT and to further OHCS’ policy priorities around racial equity, all projects, in both rural and urban areas, are required to serve communities of color. More detail on this is discussed below.

Rural and Urban Set-asides

Half of the LIFT funds will be set-aside to serve rural communities and half will be set aside for urban communities; if there are not enough viable applications to utilize all resources within either one of these set-asides, they will be moved to the general pool for consideration.

Projects in rural areas will be scored against other rural projects and urban projects will be scored against urban projects.

Scattered site projects with both urban and rural locations will receive preference through points and will be scored within the set-aside pool where the majority of their units are located; if selected for funding the resources will be drawn from their respective set-aside pool based on unit location.

Rural communities
Rural communities are defined as Oregon communities outside the Portland Metro Urban Growth Boundary with a population of 15,000 or less in counties within Metropolitan Statistical Areas (Benton, Clackamas, Columbia, Deschutes, Jackson, Lane, Marion, Multnomah, Polk, Washington and Yamhill Counties) and in communities with a population of 40,000 or less in the balance of the state.

Urban communities include all locations that do not meet the criteria for rural communities as defined above. Urban projects will be required to meet minimum thresholds for service to Communities of Color.

Prior offerings of LIFT were limited to projects serving either rural communities OR communities of color. While this approach focused LIFT on historically underserved communities, it did not reflect the fact that there are communities of color in rural areas, nor did it provide opportunity to incentivize comprehensive service to communities of color. In LIFT 2.1, projects in both urban and rural areas are able to apply. In order to maintain the intent of serving historically underserved communities, any urban projects will be required to meet threshold standards for service to communities of color in addition to being incentivized through points to approach such service in a comprehensive manner. Projects in historically underserved rural areas will be incentivized through points to serve communities of color.

Service to Communities of Color

As discussed above, all projects must demonstrate efforts to serve communities of color to be eligible for LIFT funding. Service to communities of color can be achieved in a number of ways, and should be relevant to the community in which the project is located, and the target population anticipated to be served. OHCS recognizes that these approaches may look very different in urban communities which could have a larger array of culturally specific or responsive developers or service providers in close proximity, than in rural communities where such organizations may not be as present. Furthermore, we are aware that some communities are more diverse than others and the outreach strategies must be tailored appropriately. Any approach that is chosen...
must include intentional and meaningful engagement of communities of color in services planning for the development.

All LIFT projects are required to plan to address equity and diversity in the project through the use of Disabled Veteran, Minority, Women and Emerging Small Business (DMWESB) contracting, sub-contracting, and professional services.

Each sponsor is required to sign a Diversity, Equity, and Inclusion agreement. Each sponsor will also be required to submit a relevant marketing and outreach plan designed to publicize the availability of new housing opportunities created by the project to communities of color in the applicant’s service area, the availability of the new housing opportunities created by the project, and to affirmatively further fair housing. Beyond those threshold requirements, OHCS will create a scored element related to serving communities of color. Urban projects will compete with other urban projects to earn points for their work in this area; and rural projects will compete with other rural projects to earn points for their work in this area.

OHCS will assign scoring to the below factors that would show service to communities of color:

i. Development, sponsorship or management of the property by a culturally specific or culturally responsive organization with a diverse and representative leadership.

ii. An ongoing service partnership with a culturally specific or culturally responsive organization (applies to rental projects only).

iii. A project explicitly designed and located to address displacement of communities of color.

iv. Agreements with area service providers to engage in culturally appropriate services

Note: It is not expected that a single project would incorporate all of the criteria listed above.

Project selection

A solicitation for projects will be conducted through a streamlined competitive notice of funding availability (NOFA); there will be separate applications developed for LIFT Rental
activities and LIFT Homeownership activities. There will be an associated application fee for all LIFT 3.0 applications.

a. All applications need to meet threshold minimum requirements as summarized below and articulated in the NOFA in order to move forward to competitive scoring.

b. A scoring committee (Committee) comprised of representatives from Communities of Color, rural communities, OHCS and DHS leadership, and other relevant policy and development expertise will be assembled to review all applications that have met the threshold minimum requirements.

c. The job of the Committee will be to rate and rank project applications, and to make funding recommendations to the Executive Director of OHCS.

d. The Executive Director of OHCS will review the recommendations of the Committee, and reserves the right to modify the recommendations before making a final funding recommendation to the Housing Stability Council.

**Minimum Requirements**

All projects must meet the following threshold minimum requirements to be eligible for competitive scoring. In some cases, OHCS will have a preference for exceeding these minimum requirements which are detailed below under selection criteria.

1. LIFT Subsidy:

   a. LIFT Rental Subsidy:

      i. In addition to LIFT funds:

         1. OHCS will make $5 million in OAHTC available where it results in deep rent skewing; serving households at or below 50% AMI.

         2. Projects are encouraged to leverage OHCS weatherization funds through the Multifamily Energy Program (MEP) for which they will be able get a conditional reservation in advance of the NOFA application; these funds are helpful to offset costs of building that directly result in energy savings.

         3. Multifamily Rental housing projects may utilize 4% Low Income Housing Tax Credits (LIHTC). If applicant chooses to do so, all
components of the 4% LIHTC program, including project feasibility review and due diligence associated with the 4% LIHTC program, will apply; upon reservation of LIFT funds the 4% LIHTC timeline will be determined.

ii. LIFT Rental Applicants may request up to the following maximum subsidies based on location and bedroom size:

<table>
<thead>
<tr>
<th></th>
<th>0-2 Bedroom</th>
<th>3+ Bedroom</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban</td>
<td>$75,000</td>
<td>$125,000</td>
</tr>
<tr>
<td>Rural</td>
<td>$125,000</td>
<td>$175,000</td>
</tr>
</tbody>
</table>

Scoring based on maximum subsidies will be as follows:

<table>
<thead>
<tr>
<th>Request</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>50% of maximum subsidy</td>
<td>20</td>
</tr>
<tr>
<td>60% of maximum subsidy</td>
<td>10</td>
</tr>
<tr>
<td>70% of maximum subsidy</td>
<td>5</td>
</tr>
<tr>
<td>More than 70% of maximum subsidy</td>
<td>0</td>
</tr>
</tbody>
</table>

iii. up to $75,000 per LIFT unit in urban areas:

a. Projects requesting $45,000 per LIFT unit or less will receive primary consideration and be attributed with 20 points in the application process.

b. Projects requesting $45,001 – $55,000 per LIFT unit or less will receive secondary consideration and be attributed with 10 points in the application process.

c. Projects requesting $55,001 – $75,000 per LIFT unit will not receive low-subsidy consideration and will receive no
points but will still be reviewed and scored based on the rest of their application.

2. up to $125,000 per LIFT unit in rural areas
   a. Projects requesting $80,000 per LIFT unit or less will receive primary consideration and be attributed with 20 points in the application process
   b. Projects requesting $80,001 – $100,000 per LIFT unit or less will receive secondary consideration and be attributed with 10 points in the application process
   c. Projects requesting $100,001 – $125,000 per LIFT unit will not receive low subsidy consideration and will receive no points but will still be reviewed and scored based on the rest of their application.

3. up to $100,000 per LIFT unit when used with scattered site projects that leverage 4% LIHTC and include substantial representation in both urban and rural areas of the state. Applications that propose this scattered site approach and include at least one rural development will receive a 2 point bonus in scoring as part of Innovation.
   a. Projects requesting $75,000 per LIFT unit or less will receive primary consideration and be attributed with 20 points in the application process
   b. Projects requesting $75,001 – $90,000 per LIFT unit or less will receive secondary consideration and be attributed with 10 points in the application process
   c. Projects requesting $90,001 – $100,000 per LIFT unit will not receive low subsidy consideration and will receive no points but will still be reviewed and scored based on the rest of their application.

It is the expectation that, despite the hard caps on fund requests listed here, the majority of projects funded will be funded at or below $55,000 per unit in urban
areas and below $80,000 in rural areas. As established in the above listing of LIFT subsidy caps, there will be low subsidy consideration given to those projects requesting funding amounts below the funding caps.

iii. There will also be a scaled incentive for larger units

b. LIFT Homeownership subsidy:

i. Homeowners will be eligible to access the Oregon Bond Residential Loan Program in LIFT projects.

ii. Sponsors of LIFT Homeownership applications may request LIFT subsidy up to the lesser of:

1. The value of the Land plus Land Improvements / Site-Work (excluding any structures).

   a. Valuation can be shown through:

      i. an as-built appraisal

      ii. Real Market Value

      iii. Assessed Value

   b. LIFT loans can only be secured against the land used for the project

1,2, 10075,000 per LIFT homeownership unit

a. Projects requesting $7565,000 per LIFT unit or less will receive primary consideration and be attributed with 20 points in the application process

b. Projects requesting $7565,001 - $10075,000 per LIFT unit or less will receive secondary consideration and be attributed with 10 points in the application process
2. LIFT funds are eligible for any net increase to housing; this can be through new construction of homeownership or multifamily rental housing units or the repurposing of existing non-residential structures for homeownership or rental housing units.

3. When used without 4% LIHTC, a minimum affordability period of 20 years from the time the project is placed in service, or the length of time the Article XI-Q Bonds are outstanding, whichever is greater will be required. When used with 4% LIHTC, a minimum affordability period of 30 years from the time the project is placed in service, will be required.

4. In LIFT Multifamily Rental housing: 100% of the new units funded with LIFT resources must be available for households earning at or below 60% AMI at the time of initial lease. Tenants may stay in their unit regardless of future income.
   a. If a rental project is structured to serve a mix of incomes, and will serve households with incomes greater than 60% AMI, OHCS will work with the sponsor to establish a “next available unit rule” and protocols regarding rents for low-income tenants who become over-income.

5. In LIFT Homeownership housing: 100% of the new units funded with LIFT resources must be available and affordable to households earning at or below 80% AMI at the time of sale for the duration of the affordability period.

6. In LIFT Multifamily Rental housing, maximum rents allowable for 100% of the units financed with LIFT will be based on 60% AMI standards and home purchases must be affordable to households with incomes at or below 80% AMI.

7. Minimum Construction Standards:
   a. Methods: Both traditional and alternative methods of construction are allowable; construction which is innovative or contains costs is encouraged.
   b. Quality: Construction that balances initial cost of building with on-going cost of operation for both the building owner and the tenants (energy standards); ensuring that additional costs are not passed on to tenants.
   c. Durability: 30-year building standards.
   d. Other Requirements: If other public capital or operating subsidy is used from any source, relevant requirements of those sources will be assumed to apply.
8. Timeline of development:
   a. LIFT Rental units must be ready for initial lease-up within 36 months of a LIFT funding reservation.
   b. LIFT Homeownership units must be ready for initial sale within 36 months of a LIFT funding reservation.

   Not abiding by established milestone deadlines in good faith will result in OHCS rescinding the funding reservations. A guiding principle of Key to LIFT is the expedient delivery of housing to serve Oregonians; submitted projects must be able to move forward in a timely and responsive manner.

9. Sponsors need to demonstrate that the development team has relevant experience with the development and operation of affordable housing.

   Where needed, technical assistance may be provided to applicants looking to create sustainable partnerships; project sponsors without development experience will be urged to create partnerships with developers with adequate experience in affordable housing development.

10. Underwriting guidelines will be applied by OHCS in its due diligence and project review process to ensure ongoing project viability, and risk mitigation associated with the funding source’s requirement for OHCS to own or operate the project. Such guidelines will require the inclusion of applicable LIFT program charges (e.g., application charges, document preparation charges, OHCS’ legal charges, recipient charges, on-going compliance monitoring charges, etc.); and will be consistent with the industry standard minimum requirements of mortgage lenders, investors, and other potential public funding sources.

   a. For LIFT Multifamily Rental these will likely include loan-to-value, debt coverage, expense ratios, and reserve requirements.

   b. For LIFT Homeownership these will likely include valuation of land, operating budget, and market considerations.

11. Developer Fees:

   a. LIFT Multifamily Rental Developer Fee will be capped at a rate 2 percentage points less than allowed through federal tax credit projects as defined in the most recent OHCS Qualified Allocation Plan.

   b. The LIFT Homeownership Developer Fee is the profit on the sales of homes and is expected to be reasonable and below market rate. This profit will be restricted at below-market rates.
12. Compliance monitoring throughout the period of affordability will be similar to other state-funded housing. The purpose of compliance monitoring is to minimize risk to the State investment and to affordable housing developments.

a. For rental projects it will include:
   i. Initial household income verification.
   ii. Annual income verification through self-certification.
   iii. Risk-based physical inspections every 1-3 years based on property condition.
   iv. Other Requirements: If other public capital or operating subsidy will be used from any source, relevant compliance requirements of those sources will be assumed to apply. For example, if 4% LIHTC are used, all 4% LIHTC compliance requirements will pertain.

b. For homeownership projects it will include:
   i. Initial household income verification at home purchase.
   ii. For any home’s subsequent sales during affordability period, verification of homebuyer income / asset transfer to seller.
   iii. Annual verification of agreement with sponsorship entity (for example: community land trust / condo association / HOA Management Company).
   v. Annual notification of any homebuyers in arrears (of association fees, taxes, insurance, etc.) and corresponding action plan.

13. Because the LIFT program is to be funded with Article XI-Q bonds, OHCS will need to assume either an ownership or operational role with the properties that receive LIFT funding. For the purposes of LIFT 2.1 the Operational structure will be pursued for both Rental and Homeownership LIFT activities.

a. Operational structure for LIFT Rental housing: (Subject to change based on the State’s bond counsel)
   i. The State of Oregon, by and through Oregon Housing and Community Services (OHCS), will loan the LIFT funds to the project in a first position.
b. Operational structure for LIFT Homeownership housing: (Subject to change based on the State’s bond counsel)

i. The State of Oregon, by and through Oregon Housing and Community Services (OHCS), will loan the LIFT funds to the project in a first position wherein that first position could be shared with another primary lender and a repayment waterfall would be recorded along with the loan documents that establishes that the other primary lender receives any and all payment in advance of the state.

ii. The loan must be secured by the value of the project as determined by income-based assessment.

iii. Through an operational agreement, OHCS is provided certain rights including but not limited to the hiring and firing of the property management firm, setting of rents, initial lease up, and use of reserves.

iv. LIFT program rules are and will continue to be established that describe the terms for loan satisfaction at the end of the affordability period; the rules that are established at the time of loan issuance are those that will continue to pertain to the loan regardless of any future revision to said rules. Current rules prescribe that the loan may be satisfied through repayment or through agreement for extended affordability.
Selection Criteria for LIFT Rental Applications:
Urban and rural criteria will differ in implementation in order to effectively target resources.

Projects that meet or exceed the minimum requirements outlined will be ranked based on clear selection criteria, which will be further developed in the NOFA solicitation. Below are some initial selection criteria for primary consideration applications:

1. Preference for lower subsidy per unit; preference points will be given to those projects requiring less LIFT subsidy per unit within the allowable per-unit caps as established above. Scaled preference points will be awarded for family-sized units.

2. Higher subsidies are available for units that are 3+ bedrooms.

3. Demonstration of readiness to proceed; preference points will be given to those projects that can demonstrate they are ready to move forward with the development process in a short time frame.

4. Established partnerships (through Memoranda of Understanding) to serve DHS, Community Action Agency, Coordinated Care Organization or other service organization clients earning at or below 60% AMI.

5. Rents affordable to households at lower AMI.

6. Demonstration of construction costs that are lower than comparable industry norms.

7. Demonstrated innovation, efficiency and replicability of building development or finance strategy.

8. Plans to address equity and diversity in the project through the use of Disabled Veterans, Minority, Women and Emerging Small Business (DMWESB) contracting, subcontracting, and professional services and each sponsor signing a Diversity, Equity, and Inclusion agreement.

9.10. Demonstration of capacity of the development team.

10.11. Demonstration of sponsor capacity with OHCS Asset Management and Compliance

11. Urban and Rural Scattered Site

12. Serving Communities of Color

13. 811 PRA incentives on 10-25% of the units

Selection Criteria for Homeownership Applications:
Urban and rural criteria will differ in implementation in order to effectively target resources.

Projects that meet or exceed the threshold requirements outlined will be ranked based on clear selection criteria, which will be further developed in the NOFA solicitation. Below are some initial selection criteria for primary consideration applications:

1. Requested loan amount supported by valuation of land or land and infrastructure provided at application. Where appraisals are not able to be provided by application submission date, requests above the Real Market Value or Assessed Value (required to be provided at application) will be considered only if the applicant is able to guarantee coverage of any gap in the requested LIFT loan amount due to an appraisal coming in lower than the LIFT request. Acceptable forms of gap coverage are cash or a loan.

2-3. Preference for lower subsidy per unit; preference points will be given to those projects requiring less LIFT subsidy per unit within the allowable per-unit caps as established above.

2.3. Demonstration of Readiness to proceed; preference points will be given to those projects that can demonstrate they are ready to move forward with the development process in a short time frame.

3.4. Established partnerships (through Memoranda of Understanding) with Homeownership Center providing pre and post purchase homeownership counseling and support.

4.5. Demonstration of construction costs that are lower than comparable industry norms.
5-6. Demonstrated innovation, efficiency and replicability of building development strategy.

6-7. Plans to address equity and diversity in the project through the use of Disabled Veterans, Minority, Women and Emerging Small Business (DMWESB) contracting, sub-contracting, and professional services and each sponsor signing a Diversity, Equity and Inclusion agreement.

7-8. Demonstration of financial viability

8-9. Demonstration of capacity of the development team.

9-10. Demonstration of capacity of management group.

11. Serving Communities of Color

10.12. The land for condominiums must be owned at closing by the party who is receiving the LIFT loan
DATE: November 1, 2019

TO: Housing Stability Council
   Margaret Solle Salazar, Executive Director

FROM: Julie V. Cody, Director Affordable Rental Housing

SUBJECT: Multifamily Development – MWESB / SDVBE Strategy, Data, and Tools Briefing

This month the Affordable Rental Housing Division will provide a briefing on its steps to formalize its Minority-owned, Woman-owned, or Emerging Small Business; and Service-Disabled Veteran Business Enterprise (MWESB / SDVBE) Strategy and Equity Policy. The culmination of this work will guide the Affordable Rental Housing Division’s funding frameworks, data collection, compliance, and reporting efforts.

In an effort to move forward with our MWESB / SDVBE Strategy and Equity Policy, OHCS has contracted with John Jackley of Advanced Technology Communications, formerly of the Oregon Department of Transportation (ODOT) and Prosper Portland, to assist us in our strategy and policy development. This effort will include an evaluation of key data points, review of tools, and outreach plan; and provide an analysis of issues and opportunities across the state of Oregon, by region. The analysis will also assist us in understanding what is already happening in those regions with respect to MWESB / SDVBE targets.

Staff is hopeful that this effort may also assist in building statewide contractor capacity, but in particular in rural areas through a concerted emerging small business strategy.

You will be able to see the detailed project plan for this initiative at the end of this memo under Exhibit A.

In anticipation of executing a contract to advance this work, the Affordable Rental Housing division request and received a position in the 2019-21 legislatively adopted budget. I am pleased to announce that we have filled that position with an internal candidate, Rick Abrego from our Underwriting Team. Rick will be working with our contractor during the development phase of the strategy and policy and will then be responsible for implementing the strategy, developing and maintaining relationships, and monitoring and reporting our progress.
Statewide Housing Plan Alignment

In developing this MWESB / SDVBE Strategy and Policy, it is our hope to ensure alignment with our Statewide Housing Plan using the approaches described below.

- **Equity and Racial Justice Priority:** This initiative is one of the cornerstones of the Affordable Rental Housing division’s efforts to move forward our equity work. We have the opportunity to not only equitably house Oregonians, but also to ensure equitable distribution of economic opportunities created by the development of affordable housing through the jobs created to develop, design, build, and operate projects funded with resources from OHCS.

- **Affordable Rental Housing Priority:** One expectation of this initiative is to increase the number of certified MWESB / SDVBE firms that will be able to benefit from this strategy and policy. We believe that this will augment the number of contractors available to participate in the development, design, and building of affordable housing.

Since the recession, Oregon lost a number of individuals and construction firms that has led to a shortage in the workforce. This has contributed to higher construction costs and delays in projects being able to get under construction. We are hopeful that this initiative will increase the number in the construction workforce, as well as building capacity in areas most impacted by defection of subcontractors during the housing crisis.

This should help to hold costs down as well as getting affordable housing on the ground faster.

- **Rural Priority:** A rural lens will be used in the development of the MWESB / SDVBE strategy and policy. We are aware that it is not practical to apply the strategies and policies that work in large urban areas to very rural Oregon. If nothing else, availability of contractors may be more constrained in specific trades which will have an impact on how we determine an appropriate target.

Mr. Jackely will be looking at the availability of MWESB / SDVBE certified firms in rural Oregon, as well as reaching out to developers and contractors in rural areas of the state to get a better sense of the landscape. It is our intention to be very clear about our implementation strategy and provide specific tools and examples of how project sponsors can be successful in applying this strategy and policy.
Anticipated Policy Questions:
In developing this strategy and policy to be responsive to Statewide Housing Plan priorities and stakeholder feedback there will be a number of policy questions that may arise about which we will seek Housing Stability Council input at the appropriate time in the process. We anticipate the policy questions below to be a few that will be coming your way through the development of the strategy and policy.

1. Definition of rural for the context of the strategy and policy
2. Have we gotten the regions “right”
3. Should the policy require MWESB / SDVBE firm be certified
4. How will availability be defined
5. Best practices – urban / rural
6. The importance of timing, sequence, phasing-in and partnership-building

Attachments

- Exhibit A: Project Plan for Multifamily Development – MWESB / SDVBWE Data, Tools, and Work Plan
1. Executive Summary

The Oregon Housing and Community Services Department seeks to increase contracting opportunities for minority-owned, woman-owned and emerging small businesses; and service disabled veteran business enterprises (MWESB / SDVBE) on OHCS Affordable Rental Housing-funded construction projects and increase the participation of women and minorities in the construction workforce on those projects, including architectural and engineering firms.

OHCS has contracted with Advanced Technology Communications (ATC) in this effort to assist the department in developing a strategy and policy for MWESB / SDVBE and workforce development, which will include an evaluation of key data points and analysis of issues and opportunities across the state of Oregon, by region.

A successful statewide construction and workforce strategy recognizes that Oregon’s regions have different needs; one size does not fit all; the concept of availability is key; and regional differences in population and economic demographics will result in goals, strategies, and outcomes aligned by region. A top priority is to assist existing local contracting and workforce development entities to help grow those sectors locally.

This project has a schedule of deliverables and deadlines ending on April 30, 2020, and has a total approved budget of $9,500.

The OHCS contract manager is Julie Cody, Director, Affordable Rental Housing. The consultant project manager is John Jackley, CEO, Advanced Technology Communications.
2. Deliverables

Deliverable 1: Detailed Project Plan
a) Develop a project plan that details the approach to completing an MWESB / SDVBE and workforce development strategy. The resulting strategy must include key data points regarding MWESB / SDVBE contractor availability and provide an analysis of issues and opportunities across the state to expand OHCS’ capability to engage MWESB / SDVBE contractors and participate in efforts to expand the workforce related to construction and operations of affordable housing.

b) Identify and define regions for analysis.

Deliverable 2: Data Analysis and Housing Stability Council Report
a) Regionalize all data by OHCS-defined regions.

b) Obtain and analyze construction, workforce and apprenticeship data for the most recently available past five years from the Portland Housing Bureau, Prosper Portland, City of Portland, Home Forward, housing non-profits in Portland, Metro, Multnomah County, Clackamas County, Washington County and, if available, the cities of Eugene, Salem, Bend, Redmond and Pendleton.

c) From the Bureau of Labor and Industries, retrieve race and gender data by apprenticeable trades for apprentices and journey workers (30 apprenticeable trades in Oregon, by region), organized by union and open shop (non-union), understanding that not all apprenticeship programs are available in all parts of the state.

d) From the Oregon Building and Construction Trades Council and Pacific NW Regional Council of Carpenters, retrieve apprenticeship and journey worker data by trade in Oregon and compare with data received from BOLI.

e) From the Oregon Department of Transportation, retrieve the past five years of apprenticeship, workforce and certified firm utilization data by region.

f) Receive existing disparity studies from ODOT, Prosper Portland and the City of Portland.

g) Retrieve from BOLI the Prevailing Wage Rate determinations on housing projects in the past three years.

h) Retrieve data from the Certification Office for Business Inclusion and Diversity (COBID), Data Universal Numbering System (DUNS) and other databases for small businesses in construction in Oregon by North American Industry Classification Systems (NAICS) or other, by OHCS region.

i) Retrieve information on Federal Disadvantaged Business Enterprise (DBE) firms in Oregon by OHCS region.

j) Retrieve narrative description of relevant U.S. Supreme Court and 9th Circuit Court case law (Western States Paving Co. vs. Washington Department of Transportation, Adarand Constructors vs. Pena,
k) Document tools and make recommendations for enhancing electronic tools with other methods of establishing contractor availability.

l) Research and retrieve social equity, construction and workforce policies and procedures, and bid document specifications from the Portland Housing Bureau, Prosper Portland, the City of Portland, Home Forward, housing non-profits in Portland, Metro, Multnomah County, Clackamas County, Washington County, ODOT, and the cities of Eugene, Salem, Bend, Redmond and Pendleton. This information will provide an extensive range of tools currently in use that have passed legal review by their respective jurisdictions.

m) Identify all possible race- and gender-neutral processes, requirements, etc. in use in Oregon, Washington and selected California entities. Examples include time requirements to submit bids, making bid documents available at times and locations convenient to small contractors, use of Historically Underutilized Businesses (HUB), and flexibility to assign any goals or expectations by project based on that locale’s and regional data.

n) Analyze cost and logistics of conducting a disparity study (for comparison purposes).

o) Identify key relationships to engage in the Portland metropolitan area and other regions.

p) Conduct personal interviews.

q) In coordination with OHCS, determine the order and timing of individuals contacted by Contractor, and develop a script for the interactions to include talking points on the approach and the right and relevant data, tools and questions.

r) Contractor must be able to communicate in English and in Spanish. Deliverable to include notes, emails and other correspondence related to informal interview process.

s) Prepare a report on findings and next steps to be presented as an update to the Housing Stability Council at a date to be determined by OHCS, but no later than June 30, 2020.

**Deliverable 3: MWESB /SDVBE and Workforce Development Strategy**

a) The data and information collected will provide a clear idea of the available pool of small businesses, COBID and other certified firms, as well as the demographics of people of color and women currently in the construction trades as apprentices, in the training center programs (union and non-union), and as journey workers in the OHCS regions of the state.

b) Multifamily housing is the most accessible type of commercial construction for small and certified firms to participate in, especially as prime contractors. Almost all of the sizes of the scopes are within the typical bonding capacity and construction skills of the smaller firms.

c) Following the interviews, the collection of necessary data elements and the identification of a
comprehensive inventory of potential tools, Contractor will work with OHCS to make an informed decision regarding timing, specific requirements and incentives, outreach and communications, public processes, and other elements of the plan to increase the utilization of minorities, women and small businesses in housing construction financed by the department.

3. Schedule/Major Milestones

The contract specifies a schedule with the following deadlines and deliverables:

<table>
<thead>
<tr>
<th>Deliverable</th>
<th>Due Date</th>
<th>Approved Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Detailed Project Plan</td>
<td>August 31, 2019</td>
<td>$2,000.00</td>
</tr>
<tr>
<td>Data Analysis and Housing Stability Council Report</td>
<td>December 31, 2019</td>
<td>$3,500.00</td>
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<tr>
<td>MWESB / SDVBE and Workforce Strategy</td>
<td>February 28, 2020 – Draft</td>
<td>$4,000.00</td>
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<tr>
<td></td>
<td>April 30, 2020 – Final</td>
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</tr>
<tr>
<td>Total Approved Budget:</td>
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<td>$9,500.00</td>
</tr>
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Working Detailed Schedule – Deliverable 1

This detailed project management plan is the principal item for Deliverable 1.

The second is the issue of regions for the purposes of the plan and the eventual policy. existing relevant regions include:

For the 9% LIHTC funding: Portland metro, Eugene/Springfield and Salem/Keizer, and rest of state.

State Employment Department: Clackamas, East Cascades, Eastern Oregon, Lane, Mid Valley, NW Oregon, Portland Metro, Rogue Valley, and SW Oregon. [https://www.qualityinfo.org](https://www.qualityinfo.org)

State Economist: Columbia Gorge, North Coast, NE Oregon, Portland Metro, South Coast, SE Oregon, Southern Oregon, Willamette Valley.

Associated General Contractors: Portland Metro, NW, SW, Central, Eastern and SE (image attached).

In addition, the Oregon Department of Labor and Industries publishes annual apprentice wage rates here [https://www.oregon.gov/boli/WHD/PWR/docs/January%201,%202019%20Apprenticeship%20rates.pdf](https://www.oregon.gov/boli/WHD/PWR/docs/January%201,%202019%20Apprenticeship%20rates.pdf) but are not tied to a specific zone or region.

In defining regions for the purposes of an MWESB / SDVBE policy, particularly since the policy will be new and will be applicable to OHCS Affordable Rental Housing-funded projects as defined in the future, our observation is that the department will want to consider the locations of the upcoming construction project forecast, administrative efficiency, the ability of staff to track and manage data from multiple regions, and the issue of local availability as the key. The availability of COBID firms to work on any given project in any given region or location will change over time depending on the local, state and national economy. Therefore, our recommendation is to put this issue on the list of topics to discuss with
the interviewees upon departmental approval of the list because it is an issue where stakeholder input will be important.

**Working Detailed Schedule – Deliverable 2**

Deliverable 2 has 16 separate deliverables in three categories: information retrieval, information collection and analysis.

Ongoing – Creation of a spreadsheet matrix populated as data and other information comes in and categorized by region [Deliverable (a)]. ATC will create a platform in SharePoint accessible to the department to serve as the project management tool for documents, schedules and other materials.

September 3, 2019 – Requests sent via email to the appropriate contacts in the public agencies for contracting and workforce data, policies and outcomes. [Deliverables (b) through (m).] Follow-up will be ongoing.

September 10, 2019 – Retrieve and catalog all data and policy information obtainable online via agency website and other sources.

September 10, 2019 – First round of interview requests sent out via email with telephone follow-up; prior department consultation/approval required. [Deliverable (o) through (r).] Follow-up will be ongoing.

September 10 – October 31, 2019 – Complete interviews [Deliverable (o) through (r)].

September 19, 2019 – ATC will attend the Housing Oregon Support Conference in Portland, specifically the MWESB / SDVBE and workforce diversity workshop tracks, and follow up with individuals as needed.

October 1, 2019 – Complete data collection for cost of logistics of disparity study based on previous relevant studies in Oregon and Southwest Washington.

October 15, 2019 – Preliminary analysis for cost of logistics of a disparity study.

November 1, 2019 – Finalize analysis of cost of logistics of a disparity study.

November 1, 2019 – Attend meeting of Housing Stability Council in Salem.

December 15, 2019 – All data and information collected and categorized by region; all interviews completed; complete first draft for Deliverable 2.


**Working Detailed Schedule – Deliverable 3**

January 2020 – Schedule series of meetings with department staff through February 28, 2020, deadline for submission of draft report.
4. Project Strategy

Deliverable 2
Deliverable 2 has two major elements: data and information retrieval and collection, including interviews; and analysis and recommendations based on the data (numbers and statistics collected) and information (insights, observations, recommendations) from stakeholders and interviewees.

Data and information retrieval and collection: Deliverables (a) through (j) and (l) represent a list of existing data and information held by other parties, most of which are other public agencies at the local, regional and statewide level. ATC will begin these requests immediately as it can take some time for public agencies to respond.

Deliverables (k) and (n) through (p) represent interviews and analyses of data, issues and information in order to lay the groundwork for Deliverable 3, the development of an MWESB / SDVBE and workforce strategy by the department.

ATC will develop a matrix for comparison, including supporting documentation and analysis for housing projects funded by the department.

Interviews and Analysis – ATC will provide a list of people to interview for department review. The stakeholder list is subject to approval by the department and will require discussion between ATC and the department. A partial list of recommended stakeholders is attached.

Deliverable 3 – Key Policy Issues
Deliverable 3 combines the data, information and analysis to help the agency make inclusive, informed decisions “regarding timing, specific requirements and incentives, outreach and communications, public processes, and other elements of the plan to increase the utilization of minorities, women and small businesses in the housing construction financed by the Agency.”

While not presupposing the outcome of the data, information and analysis, some key issues will include the following:

Thresholds. One of the most important aspects of a construction and workforce policy is the threshold(s) for applicability. Projects can range from small rehab and TIs to multimillion-dollar multifamily buildings. This project will examine the thresholds used by public agencies in the state, how they are calculated, and the reasoning behind them to prepare recommendations for options for the agency.

Continuation. Because the department is a funder of affordable housing and does not hold many significant contracts for construction on its own, a key issue will be to determine how far down the funding stream any new requirements will go.

Prevailing wage. The project will need to examine the applicability of prevailing wage rates (PWR) o
affordable housing with respect to wages paid in any required apprenticeship program involved in construction funded by the department and subject to a future department workforce policy. See https://www.oregon.gov/boli/whd/pwr/pages/w_pwr_covered.aspx. ATC is meeting on September 5, 2019, with the BOLI Apprentice Training Director to discuss how BOLI would approach this issue.

Timing and transition of policy implementation. The timing of implanting any new policy will be a key issue. It will be less so in the Portland metro area, where many of the jurisdictions already have some version of a MWESB / SDVBE and workforce policy, and more so in areas of the state that are unfamiliar with these kinds of policies. One option is to look at different implementation timetables for different regions and other aspects of a flexible policy tool based on the data.

Training. For areas of the state unfamiliar with construction equity and workforce policies, or that will need to align existing policies with the department’s, the department may want to consider the training needs and opportunities of those jurisdictions and organizations.

Alignment with the construction pipeline. If an organization, development or general contractor has not worked with these types of policies before, or has based project decisions on budgets that did not include these types of policies, new requirements may cause challenges for projects that have already secured their funding stack.

Financial impacts of MWESB / SDVBE policies vs. workforce policies. Although closely linked in the workplace and the policy world, these two types have policies can have significantly different impacts on a project budget. Requirements/goals for MWESB / SDVBE participation should not have a significant affect because those firms have to bid anyway and all general contractor bidders will have the same requirement. Given that anecdotal estimates range from a 10 percent to 20 percent increase in labor costs, this issue would be one to add to the list to be discussed with stakeholders. In the Portland metro area, most public agencies already have some kind of apprenticeship requirements and goals; in other parts of the state, less likely so.
Potential Stakeholder Interview List

Mary Li, OHCS Housing Stability Council Member
Charles Wilhoite, OHCS Housing Stability Council Member
Barb Higinbotham, OHCS Housing Stability Council Member
Steve Sims, Apprentice Training Director, BOLI
Mike Salsgiver, Associated General Contractors of Oregon
Gabriele Schuster, Procurement Manager, METRO
Lee Fleming, Supplier Diversity Officer, Multnomah County
John Cárdenas, Sr. Construction, Business, and Workforce Equity Project Manager, Prosper Portland
Lester Spittler, Chief Procurement Officer, City of Portland
Tiffani Penson, Minority Program Evaluator and Supplier Diversity, City of Portland
Kimberley Phillips, Small Business Development Program Manager, Port of Portland
Komi Kalevor, Housing Director, Washington County
Jill Smith, Housing Director, Clackamas County
Deborah Imse, Metro Multifamily Housing Association
Willy Myers, Oregon Building and Construction Trades Council (AFL-CIO)
Michael Burch, Pacific NW Regional Council of Carpenters
NW College of Construction (non-union apprentice training programs)
Portland Community Reinvestment Initiatives
Andrew Colas, President, Colas Construction
Maurice O’Neill, O’Neill-Walsh Joint Ventures
Nate McCoy, NAMC-OR
Rosa Martinez, LatinoBuilt
Tony Jones, Rubitone Development (former executive director, MCIP)
Linda Degman, Portland Community College
Robert Low Portland Community College
Doug Chrisman, Chrisman Development
Jason Elzy, Housing Authority of Jackson County
Jacob Fox, Homes for Good
Jes Larson, Metro Regional Government
Metro housing bond jurisdictions – (if not already included) City of Hillsboro, Washington County, City of Portland, City of Gresham, Clackamas County, City of Beaverton, Home Forward
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Date: November 1, 2019

To: Housing Stability Council Members
   Margaret Solle Salazar, Director

From: Kenny LaPoint, Acting Assistant Director Housing Stabilization Division
      Tim Zimmer, Energy Services Manager
      Dan Elliott, Senior Energy Policy Analyst
      David Kaufman, Energy Assistance Coordinator

Re: Briefing on the Energy Assistance Programs Evaluation: LIHEAP and OEAP

Purpose: Briefing to inform the Housing Stability Council regarding the LIHEAP/OEAP Program Evaluation for the State of Oregon

Background
The Low-Income Home Energy Assistance Program (LIHEAP) provides energy assistance to low-income Oregonians, especially those households with the lowest incomes and the highest home energy need in relation to income. The purpose of this program is to supplement home heating and cooling costs to income eligible households regardless of the utility company or primary fuel type. LIHEAP is an energy assistance program provided on a first come first served basis. Program services include bill payment assistance, heating and cooling equipment repair and replacement, and energy education.

The U.S. Department of Health and Human Services (HHS) offers applications to states, territories, and tribes to administer LIHEAP. Oregon, in turn, provides grants to non-profit Community Action Agencies (CAA) and county governments throughout the state to provide energy assistance services to their local communities. Oregon distributes the annual LIHEAP funding via a needs-based formula, developed with input from Community Action Partnership of Oregon (CAPO).

Funding amounts remain uncertain for program year 2020; however, we anticipate a similar award as received for program year 2019 totaling just over $36 million. Last year the program provided assistance to more than 57,000 low-income Oregon households.

The Oregon Energy Assistance Program (OEAP) has the same goals as LIHEAP and is also delivered throughout the state by CAAs, but is exclusively a payment assistance program for customers of Pacific Power and Portland General Electric.

The purpose of this program is to reduce service disconnections to those customers. Priority assistance is given to customers in danger of having their service disconnected. Last year the program provided assistance to nearly 34,000 households.
OHCS staff would encourage Council members to refer to the LIHEAP state plan presentation made on August 5, 2019 for further reference.

**Evaluation Overview**

Due to the complex and varied circumstances that generate the demand for energy assistance, designing assistance programs with high success is a difficult process requiring a periodic reassessment of program design. The level and range of services offered through these programs differs within the state. OHCS has never administered a comprehensive evaluation of the energy assistance programs in Oregon; this is the primary reason we are investing in and prioritizing this work over the next 12 to 18 months.

The intent of this evaluation is to conduct an end-to-end assessment of the LIHEAP and OEAP programs.

OHCS collaborated with a variety of stakeholders to develop and to utilize a mutually agreed upon evaluation plan. The Request for Proposal (RFP) development process consisted of collaboration between OHCS and CAPO. We utilized CAPO’s Energy Policy Committee to assemble an RFP subcommittee to advise OHCS in the development of the priorities and objectives of the evaluation.

Participants in the RFP Development Subcommittee included the following organization experts:

<table>
<thead>
<tr>
<th>CAPO</th>
<th>Portland General Electric</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pacific Power</td>
<td>NW Energy Coalition</td>
</tr>
<tr>
<td>Citizen’s Utility Board of Oregon</td>
<td>Cascade Natural</td>
</tr>
<tr>
<td>Oregon Public Utility Commission</td>
<td>Consumer –Owned Utility Association(s)</td>
</tr>
<tr>
<td>NW Natural</td>
<td>Community Action Team</td>
</tr>
<tr>
<td>Avista</td>
<td>Oregon Department of Energy</td>
</tr>
</tbody>
</table>

The RFP resulted in an extremely competitive pool of strong proposals and OHCS has accepted and finalized the contract with APPRISE, Inc. The initial term of the contract is anticipated to be 12 months with the option to renew up to a maximum of 18 months, or as deemed necessary by OHCS.

APPRISE is the on-going contractor for the Department of Health and Human Services (HHS) federal LIHEAP program office. They lead the on-going development of low-income energy statistics for the Federal LIHEAP program and the development of the Federal LIHEAP Web-Based Performance Management System. APPRISE is the leading expert in the nation for energy burden and LIHEAP program policy.
The Evaluation Plan objectives include:

- Assess the impact of the current state energy assistance programs
- Evaluate the service reliability from the state, local, and utility perspectives
- Assess the marketing, outreach, and access of the state programs
- Evaluate effectiveness of unique and varying current delivery models/programs in Oregon

The Evaluation will consider and include, but not be limited to, analysis and recommendations for the following key elements:

- Refine and streamline energy assistance efforts into a holistic anti-poverty services experience that is easily accessible for all customers while reducing and/or stabilizing administrative burden
- Leverage multiple partnerships and funding opportunities in both the design and implementation of the programs
- Assess the client experience; evaluate customer satisfaction and culturally specific strategies for delivery
- Identify barriers to service delivery experienced by customers
- Conduct focus groups/interviews for in-depth customer reviews
- Provide translation services, as needed, for specific client and customer feedback
- Conduct an equity analysis of Programs by identifying gaps and make recommendations on overcoming identified barriers
- Identify underserved populations and the barriers to access the Programs
- Assess the unmet need in the state by county and evaluate program targeting effectiveness
- Help to produce significantly higher rates of targeted outreach to underserved communities of color; recommend benchmarks
- Illustrate program value including but not limited to non-energy benefits
- Identify emerging challenges and best practices from state, local, and utility perspectives
- Analyze the effectiveness of Programs’ eligibility income levels in Oregon, including intake documentation processes such as *categorical eligibility*
- Evaluate the effectiveness of reducing utility disconnection and loss of services
Current/Next Step

1. On Friday, October 4, 2019 the Evaluation Kick-Off Meeting/Objectives (Advisory Committee) met. The agenda included:
   - Work Plan Overview
   - Work Plan/Objectives Crosswalk
   - Feedback on Evaluation Plan
   - Targeted Community Based Organizations Discussion
   - Population Characteristics – Preliminary Results
   - See attached roster for attendance/participation

2. APPRISE will involve Community Engagement/Participating Organizations. The goal will be to engage up to 15 organizations. There are five currently committed:
   - Coalition of Communities of Color
   - Hacienda Community Development Corp
   - Immigrant and Refugee Community Organization
   - Native American Youth and Family Center
   - Verde, Inc. (Advisory Committee Member)

The targeted organizations will be geographically diverse with representation at the State, Regional, and Community level; have a positive track record serving and representing underserved populations; embedded in, well respected by, and involved with the communities in which they work; and have a proven history of culturally competent and multi-lingual service provision.

Housing Stability Council Involvement and Next Steps:
OHCS Staff and APPRISE are seeking recommendations for community engagement. The following are characteristics we are seeking that are specific to the work and program objectives:

Types of organizations:
- An organization that represents Asian households or possibly more than one if there are important Asian subgroups
- One or more organizations that represent Hispanic households, including both those living in the Metro area and those who work in the agricultural sector
- One or more tribal organizations
- An organization that represents households with disabled individuals
- An organization that speak mainly for elderly households, particularly frail elderly individuals
- An organization that is focusing on the needs of young children
Organization Characteristics:

- Geographically diverse representation at the State, Regional, and Community level
- Positive track record serving and representing underserved populations
- Embedded in, well respected by, and involved with the communities in which they work
- Proven history of culturally competent and multi-lingual service provision
# Project Kickoff Meeting on 10/4 - List of Attendees

| Name            | Title                                      | Organization                                                        | Email Address                   | Phone          |
|-----------------|--------------------------------------------|                                                                    |                                |                |
| Dan Elliot      | Senior Policy Analyst                      | OHCS                                                                | dan.elliott@oregon.gov          | 503-986-2016   |
| David Kaufman   | Energy Assistance Coordinator              | OHCS                                                                | david.kaufman@oregon.gov        | 503-986-2134   |
| Lisa Goben      | Energy Programs Compliance Officer          | OHCS                                                                | lisa.goben@oregon.gov           | 503-986-2094   |
| Tim Zimmer      | Section Manager                            | OHCS                                                                | tim.zimmer@hcs.state.or.us      | 503-986-2067   |

**Advisory Committee**

| Name            | Title                                      | Organization                                                        | Email Address                   | Phone          |
|-----------------|--------------------------------------------|                                                                    |                                |                |
| Al Spector      | Manager, Energy Efficiency Policy          | Cascade Natural                                                    | alyn.spector@cngc.com           | 206-310-1120   |
| Britni Davidson | Member Services Manager                    | Salem Electric                                                      | davidson@salemelectric.com      | 503-362-3601   |
| Charity Spires  | Manager, Low Income Projects               | Pacific Power                                                       | charity.spries@pacificorp.com   | 503-813-7228   |
| Dan Brown       | Executive Director                         | Community Action Team                                               | dbrown@cat-team.org             | 503-366-6563   |
| Danelle Romain  | Advocate for OPUD                          | Oregon People’s Utility District                                    | ddomain@theromaingroup.com      | 503-226-8090   |
| Heather Moline  | Energy and Environmental Justice Policy Associate | NW Energy Coalition                      | heather@nwenergy.org            | 503-956-6186   |
| Janet Merrell   | Executive Director                         | Community Action Partnership of Oregon                              | janet@caporegon.org             | 503-316-3951   |
| Jennifer Joly   | Director                                   | Oregon Municipal Electric Utilities                                 | jenniferjoly@omeu.org           | 971-600-6976   |
| Lisa McGarity   | Energy Efficiency Program Mgr.             | Avista                                                              | lisa.mcgarity@avistacorp.com    | 541-858-4719   |
| Lois Douglass   | Low-Income Manager                         | NW Natural                                                          | ldd@nwnatural.com               | 503-226-4211   |
| Margo Bryant    | Manager, Social Equity Customer Policy      | PGE                                                                 | margo.bryant@pgn.com            | 503-464-7616   |
| Oriana Magnera  | Climate and Energy Policy Coordinator       | Verde                                                               | orianamagnera@verdenw.org       | 720-530-8401   |
| Sam Pastrick    | Outreach Manager                           | Citizen’s Utility Board                                             | samuel@oregoncub.org            | 503-227-1984 Ext. 19 |

**Community Organizations**

| Name            | Title                                      | Organization                                        | Email Address                   | Phone          |
|-----------------|--------------------------------------------|                                                    |                                |                |
| Marcus Mundy    | Executive Director                         | Coalition of Communities of Color                  | marcus@coalitioncommunitiescolor.org | (503) 200-5722 |
| Taren Evans     | Environmental Justice Manager              | Coalition of Communities of Color                  | taren@coalitioncommunitiescolor.org | (503) 200-5722 |
| Jaclyn Sarna    | Director of Youth and Family Services       | Hacienda Community Development Corps.               | jsarna@haciendacdc.org          | 503-459-7608   |
| Delores Burgos  | Housing to Homeownership Manager           | NAYA Family Center                                   | deloresb@nayapdx.org            | 503-288-8177 Ext. 235 |
| Morgan Valentine| Lead Housing Advocate                      | NAYA Family Center                                   | morganv@nayapdx.org             | 503-288-8177 Ext. 332 |
OHCS Statewide Housing Plan Milestone 1 Update
November 2019

EQUITY AND RACIAL JUSTICE
Equity and Racial Justice Year 1 Strategies
1. Identify an approach to advance equity and racial justice for OHCS, our stakeholders, and customers
2. Improve data collection of equity measures
3. Adopt framework for inclusion and equity

A key part of OHCS’ equity and racial justice (ERJ) strategy is becoming an active member of the Government Alliance on Race and Equity (GARE). We are in the 4th month of the 9-month GARE Northwest program, with 13 staff across OHCS training to become resources for the rest of the agency.

In September, we initiated the GARE organizational assessment, which marks a vital step to establish a baseline to track our internal progress on racial equity. The assessment will provide a standard by which we can measure OHCS’ progress on equity and racial justice.

We have established a Data Equity Workgroup (DEW) whose aim is to assess and standardize equity measures in our data systems. The first steps will be to decide on an assessment tool and begin evaluating our systems.

The Diversity, Equity, and Inclusion (DEI) Council helped 30 OHCS staff attend the statewide Diversity Conference in September and they hosted a discussion for OHCS participants to identify key conference takeaways for the agency. The DEI Council will continue to host monthly events through the rest of the year.

Related Legislative Investments
- $150M for Local Innovation and Fast Track (LIFT) funds to create affordable housing
- Joint Task Force on Addressing Racial Disparities in Home Ownership

HOMELESSNESS
Homelessness Year 1 Strategies
1. Coordinate with partners and providers, and build capacity to address homelessness
2. Coordinate to end veteran homelessness
3. Integrate asset-building and anti-poverty resources to support housing stabilization
4. Enhance homeless service provider data and research capacity

The 2019-2021 biennium is a foundation-setting period to build our homeless response system. This work will focus on equity, data capacity, aligning Emergency Housing Assistance (EHA) and State Homeless Assistance Program (SHAP), and building new infrastructure. We finalized all Master Grant Agreements (MGAs) in September and we are focusing our efforts on EPIC outcomes reporting and capacity building in the field.

The Housing Stabilization Division (HSD) hosted a convening with Community Action Agencies (CAAs) in late October to discuss support for service equity and improving data quality – both important topics as we gain more traction in addressing housing stability throughout the state, and as we draft our Homeless Management Information System (HMIS) Budget Note report due June 2020.

Additionally, HSD is developing the TANF pilot programs, allocating funds for rental market resources, and distributing new funding to strengthen shelter capacity across the state. We are also cataloguing anti-poverty resources and programs as we begin drafting the Statewide Poverty Report.

Our Operation Welcome Home communities surpassed their goal and found permanent housing for 587 veterans over the course of our engagement. We hosted over 130 attendees from across the state at our statewide veteran homelessness convening. We are more intentionally leading engagement across agencies to develop our next program aimed at addressing veteran homelessness.

Related Legislative Investments
- $45M in EHA and SHAP
- $10M TANF pilot
- $5M shelter capacity
- $4.5M TANF program
- $3M rental housing resources
- HMIS Budget Note

PERMANENT SUPPORTIVE HOUSING
Permanent Supportive Housing Year 1 Strategies
1. Solicit new permanent supportive housing (PSH) funding and align capital for supportive services
2. Explore creation of state-funded tenant and project-based rental assistance program
3. Incorporate incentives for PSH housing development in existing funding sources

We solicited and aligned funds and incentives for the development of permanent supportive housing (PSH). This includes funds for rental assistance and services in collaboration with Oregon Health Authority – totaling $54.5M in PSH investment from the 2019 legislative session. The intent of these resources is to provide development capital and/or rent assistance and supportive services funding to 500 households.

In order to launch this effort, we have established an internal PSH workgroup and identified a technical assistance provider to launch the first Oregon PSH Institute. We have selected 10 project teams to participate in this training cohort, and we hosted a kick-off webinar in mid-October.

In addition to launching these legislative investments, we have incorporated PSH incentives into the draft QAP for the 9% LIHTC program and we were able to fund over 200 units that can serve extremely low-income households. We will present our PSH project-based rental assistance (PBRA) framework to HSC at the end of the year.

Related Legislative Investments
- $50M for PSH capital development
- $1.6M for PSH services
- $2.9M for PSH PBRA

### Affordable Rental Housing

Affordable Rental Housing Year 1 Strategies
1. Expedite affordable housing delivery with technology, improved processes, and partnerships
2. Provide training and technical assistance on funding sources, application, and compliance to partners and project sponsors
3. Support affordable housing in transit-oriented areas and near affordable transportation

A core piece of our Affordable Rental Housing (ARH) priority is to streamline processes and adopt our new data system, ProLink. ProLink is a technology platform that facilitates collaboration and communication. In order to pilot the move toward an electronic application and system, we have created a test application with the release of the Gap NOFA this summer. In addition to testing the impact of moving forms to a consolidated application, we will be reviewing applications electronically.

In order to expand capacity for delivering affordable housing statewide, the ARH Division has established a capacity-building team that has been connecting with partners across the state in order to document capacity needs and develop a cohesive strategy. The team worked closely with Housing Oregon to plan their recent conference and convened a successful daylong event with OHCS partners to discuss future fund offerings and garner their input. We also drafted a capacity building strategy to support housing development across the state.

We presented a QAP draft to HSC in September that reflected, among other things: our streamlined application process, our transit priority, and our SWHP rural and equity and racial justice priorities. We hope to get HSC approval of the final QAP draft on 10/24/19.

We are on track to meet our 5-year unit target. As of mid-October, we have 10,016 units towards our 25,000-units goal.

Related Legislative Investments
- $150M for Local Innovation and Fast Track (LiFT) funds to create new affordable housing units
- $25M to preserve existing affordable housing
- $15M for acquisition of attainable rental market housing

### Homeownership

Homeownership Year 1 Strategies
1. Engage with organizations that can connect communities of color to OHCS homeownership programs and ensure program parameters are aligned with the needs of communities of color
2. Support programs that address unmet need of low- and moderate-income potential homebuyers
3. Support low-cost homeownership opportunities through manufactured housing

We are working to support homeownership, including trying to increase homeownership for communities of color. We met face-to-face with eight of our homeownership partners across the state. We also worked with the Joint Task Force on Addressing Racial Disparities in Home Ownership by providing testimony, data, and support to advance programs and support task force priorities.

We are developing programs to support homeownership needs of low- and moderate-income households. We selected a Hedge Provider for our TBA program in October and we will post a Down Payment Assistance (DPA) RFA to help maximize our DPA product. We also supported communication, equity, and best practices by working through our internal teams and HSC, and hosting two stakeholder calls to hone our Homeownership Center framework to ensure consistent offerings across the state.

We are reorganizing the structure of our manufactured housing (MH) team to support our leadership and
growing body of work in this field. We hope to continue to foster the continuance of cross-collaborative efforts we initiated to develop this new line of work.

Related Legislative Investments
- $9.5M for MH park preservation
- $3M for development of an MH park in Springfield
- $2.5m to decommission old MH homes and provide loans for new MH homes
- MH tenant support and MH Advisory Committee

RURAL COMMUNITIES

Rural Communities Year 1 Strategies
1. Build relationships with providers, development partners, local government, and tribal communities to facilitate access to OHCS resources
2. Tailor programs for small towns and rural communities to the needs and context of those areas
3. Develop strategies to meet farmworker needs and engage the agricultural community to understand their needs

In August, HSC approved a gap-offering framework that directed the majority of resources to rural areas of the state. The small-project NOFA, offered in September 2019, included the ability to link capacity-building resources to projects that may have difficulty meeting requirements.

Our capacity-building team drafted a rural capacity building strategy and we are incorporating internal feedback before vetting the strategy with OHCS leadership. Additionally, in conjunction with the Agricultural Workforce Housing Facilitation Team, we hired a research firm to assess farmworker housing needs and gaps, and to develop recommendations to support housing access and development.

Related Legislative Investments
- $150M for Local Innovation and Fast Track (LIFT)
- $5M for Greater Oregon Housing Accelerator
- HB 2056 Housing Development Guarantee Account
- lessens risk for developers in rural areas

Challenges

Project Planning
- We have a hard time identifying metrics for our milestone targets; we are working on developing more SMART goals in our project planning.
- We have not finalized our 5-year SWHP data collection plan (DCP) yet, like we intended by M1. Specifically, we are working through identifying meaningful targets in our ERJ and Homeownership policy priorities. We are developing a proposal on our approach to address these issues and will present our plan to the Executive Team this month.
- We have a learning curve in using a new system to track and report on SWHP milestones, but having a dedicated resource to plan and report on our strategic priorities helps us align and better communicate our efforts.

Staffing Needs
- We are in the process of hiring numerous staff, including several key management positions. We are not operating at full capacity and need to devote efforts to staffing up – including resources for hiring, onboarding, facility planning, and IT support.
- We are developing a new Manufactured Housing section within our Homeownership Division.
- We are reorganizing our CFO, Housing Stabilization, and Affordable Rental Housing divisions to support program management and better align our work.

Process Bottlenecks
- The Department of Justice’s (DOJ’s) existing structure and staffing capacity cannot handle our current workload, but they are training new attorneys to do this work. This will continue to delay procurement and rules development for OHCS.
- New programs will increase the amount of procurement and rules development in our pipeline and this, along with staffing needs and DOJ constraints, may be a pinch point in our legislative and SWHP progress.
- We are in “launch mode” and busy coordinating and developing plans that it is tough to get partners together to get buy-in, so this process will take time.

Areas for HSC Support

Supporting Change Efforts with our Partners: Leveraging HSC connections to encourage adoption of and gather constructive feedback on OHCS efforts, including: GAP changes with developers, data sharing with COCs and CAAs, and ending veteran homelessness with local and state agencies.

Advocacy: We would like HSC to continue to share our work and progress on the Statewide Housing Plan.
**OHCS Statewide Housing Plan Year 1**

**Summary of Strategies and Upcoming Milestones**

This is an overview of the strategies we are pursuing for each policy priority in Year 1 of the Statewide Housing Plan (SWHP). We provide an outline of the milestones that we are currently reporting on, as well as our targets for the next quarterly milestone.

### EQUITY AND RACIAL JUSTICE

**Strategy 1. Identify approach to advance equity and racial justice (ERJ)**

<table>
<thead>
<tr>
<th>Milestone 1</th>
<th>Milestone 2</th>
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</thead>
<tbody>
<tr>
<td>Participate in Government Alliance on Race and Equity (GARE) Northwest to identify a framework for promoting ERJ at OHCS</td>
<td>Establish communication plan and organize subgroups to move the equity and racial justice work forward at OHCS</td>
</tr>
<tr>
<td>Provide inventory of equity work occurring at OHCS and work with GARE to administer an OHCS organizational assessment</td>
<td>Share results of organizational assessment and ERJ training with the OHCS Executive Team (ET) and Housing Stability Council (HSC)</td>
</tr>
<tr>
<td>Provide diversity, equity, and inclusion-related materials and link to resources on the OHCS intranet</td>
<td>Develop a plan to implement staff training</td>
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**Strategy 2. Improve data collection of equity measures throughout OHCS**

<table>
<thead>
<tr>
<th>Milestone 1</th>
<th>Milestone 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finalize Data Equity Workgroup (DEW) charter and schedule regular meetings</td>
<td>Report to ET and HSC on DEW accomplishments</td>
</tr>
<tr>
<td>Finalize DEW work plan and host a meeting/session</td>
<td>Develop 2020 internal education plan and report to all staff</td>
</tr>
<tr>
<td>Choose an assessment tool and pilot one system assessment to identify equity data points</td>
<td>Complete an initial assessment for selected systems and draft findings and recommendations</td>
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</table>

**Strategy 3. Adopt framework for equity and inclusion for the agency**

<table>
<thead>
<tr>
<th>Milestone 1</th>
<th>Milestone 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revise Diversity, Equity, and Inclusiveness (DEI) Council charter</td>
<td>Clarify purpose and decision-making authority for the DEI Council</td>
</tr>
<tr>
<td>Plan training and speaker series to educate OHCS staff on equity and racial justice and host an event</td>
<td>Provide Fair Housing training for all staff and create calendar of events for upcoming year</td>
</tr>
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### HOMELESSNESS

**Strategy 1. Coordinate with OHCS partners to address homelessness**

<table>
<thead>
<tr>
<th>Milestone 1</th>
<th>Milestone 2</th>
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</thead>
<tbody>
<tr>
<td>Consolidate feedback and assess participation of the Community Action Agency (CAA) and COFEE Convenings</td>
<td>Disseminate learnings and feedback from CAA and COFEE Convenings with partners</td>
</tr>
<tr>
<td>Summarize workplan to establish peer-to-peer focus groups</td>
<td>Meetings underway to support EPIC implementation and Master Grant Agreement (MGA) process improvements</td>
</tr>
<tr>
<td>Identify approach to incorporate voice of the customer in program design and assessment, including providing technical assistance to partners to do the same</td>
<td>Implement training plan to incorporate voice of the customer in program design and assessment</td>
</tr>
<tr>
<td>Assess and determine MGA capacity building strategies</td>
<td>Finalize annual training plans for MGA capacity building</td>
</tr>
<tr>
<td>Schedule meetings with CAAs for EPIC outcomes review using new assessment process</td>
<td>Complete review process for all CAAs, share feedback, and incorporate revisions to plans</td>
</tr>
<tr>
<td>Milestone 1</td>
<td>Milestone 2</td>
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<td>---------------------------------------------------------------------------</td>
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</tr>
<tr>
<td>Collaborate with partners to inventory resources to end veteran homelessness</td>
<td>Identify new funding opportunities for veteran homelessness and share information with service providers</td>
</tr>
<tr>
<td>Include preference for Operation Welcome Home (OWH) communities in the GHAP NOFA</td>
<td>Identify other opportunities for funding preferences for veterans within OHCS</td>
</tr>
<tr>
<td>Host 2019 veterans homelessness convening</td>
<td>Provide success report for 2019 veterans convening and share preliminary dates and site for 2020 event</td>
</tr>
<tr>
<td>Facilitate info sharing on federal benchmarks between HUD, Veterans Administration, and Oregon communities</td>
<td>Develop a plan for the next veteran homelessness program, based on lessons learned from OWH</td>
</tr>
<tr>
<td>Launch OHCS statewide veteran homelessness dashboard</td>
<td>N/A: Pending quarterly reports from CAAs to populate data in the veteran homelessness dashboard</td>
</tr>
</tbody>
</table>

**Strategy 2. Drive funding and information to support veteran homelessness (VH)**

<table>
<thead>
<tr>
<th>Milestone 1</th>
<th>Milestone 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research board governance and draft recommendations for Oregon IDA Advisory Board development</td>
<td>On hold until SWHP Year 2: Conduct interviews and complete the selection process; develop on-boarding process and create a written orientation plan for board members</td>
</tr>
<tr>
<td>Complete Oregon IDA Initiative needs assessment and RFP</td>
<td>On hold until SWHP Year 2: Publish RFP, assemble review team and review proposals, and provide recommendation for award</td>
</tr>
<tr>
<td>Summarize ideas for integrating the Oregon IDA Initiative in other programs from discussions with OHCS staff</td>
<td>On hold until SWHP Year 2: Write recommendations for a minimum of two new ideas for implementation in 2020</td>
</tr>
<tr>
<td>Create plan for data transfer and analysis with OHCS and IDA partners to develop an IDA dashboard</td>
<td>On hold until SWHP Year 2: Develop a framework (finalized plan for analysis) for an IDA Dashboard in 2020</td>
</tr>
<tr>
<td>Collaborate with agency partners to catalogue programs and resources; outreach to at least 2 external partners and OHCS staff for input on expansion, format, and use of this information</td>
<td>Based on outreach, modify resource information; complete format design and develop at least two ideas for its use in 2020</td>
</tr>
<tr>
<td>Research poverty and racial justice, build a custom data file and generate at least 5 focus areas; outreach to at least 2 external partners for input</td>
<td>Conduct additional research on focus areas and develop a framework to include demographics, root cause analysis (poverty and racism), support programs, stories, and recommendations</td>
</tr>
</tbody>
</table>

**Strategy 3. Integrate IDA and anti-poverty efforts**

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<thead>
<tr>
<th>Milestone 1</th>
<th>Milestone 2</th>
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</thead>
<tbody>
<tr>
<td>Establish plan, timeline, and process to assess and recommend improvements to the HMIS implementation structure</td>
<td>Host a HUD Technical Assistance Convening meeting and select members for a new HMIS implementation structure workgroup</td>
</tr>
<tr>
<td>Summarize findings from CAA data quality assessment and HMIS staffing needs; identify reporting requirements for quarter 1 and provide instructions to CAAs</td>
<td>Perform analysis of CAA’s submitted reports and ensure that each CAA confirms that only active participants are included in the system</td>
</tr>
<tr>
<td>Summarize outcomes of meetings with CoCs related to data sharing and complete legal reviews and gather required documentation</td>
<td>Incorporate more robust data into OHCS homeless services dashboards and begin a competitive bid process for a data warehouse/repository</td>
</tr>
<tr>
<td>Finalize Wellsky scope of work and develop specifications for EPIC outcomes report</td>
<td>Finalize EPIC outcomes report specifications and mechanisms for data sharing with Portland Housing Bureau</td>
</tr>
</tbody>
</table>

**Strategy 4: Enhance service provider data and research capacity**
### PERMANENT SUPPORTIVE HOUSING

<table>
<thead>
<tr>
<th>Strategy 1. Identify funding and align capital with services for permanent supportive housing (PSH)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Milestone 1</strong></td>
</tr>
<tr>
<td>Launch PSH pilot effort and hold first round of public engagement</td>
</tr>
<tr>
<td>Solidify PSH workgroup roles and responsibilities to carry out the PSH pilot launch effort</td>
</tr>
<tr>
<td>Ensure there is a session on PSH at the Housing Oregon conference</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Strategy 2. Explore development of state-funding tenant and project-based rental assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Milestone 1</strong></td>
</tr>
<tr>
<td>Solicit organizations to participate in the PSH pilot to help develop OHCS project-based rental-assistance program framework</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Strategy 3. Incorporate incentives for PSH housing development in existing funding</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Milestone 1</strong></td>
</tr>
<tr>
<td>Evaluate 30% gap funding model and other state approaches to funding PSH unit development</td>
</tr>
</tbody>
</table>

### AFFORDABLE RENTAL HOUSING

<table>
<thead>
<tr>
<th>Strategy 1. Expedite housing delivery through ProLink, improved processes, and partnerships</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Milestone 1</strong></td>
</tr>
<tr>
<td>Present Affordable Rental Housing (ARH) dashboard to HSC and post to the OHCS website</td>
</tr>
<tr>
<td>Establish advisory group for implementing ProLink and test the electronic application that is released with the Gap NOFA</td>
</tr>
<tr>
<td>Present the final QAP draft to HSC reflecting the streamlined application</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Strategy 2. Support access to OHCS resources through training and technical assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Milestone 1</strong></td>
</tr>
<tr>
<td>Draft 2020 capacity strategy for ARH development</td>
</tr>
<tr>
<td>Issue small-project NOFA that includes the ability to tie capacity-building resources to projects that may have difficulty meeting deliverables</td>
</tr>
<tr>
<td>Finalize contract with technical assistance provider and select participants for the first training cohort</td>
</tr>
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<thead>
<tr>
<th>Strategy 3. Support affordable housing in transit-oriented areas</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Milestone 1</strong></td>
</tr>
<tr>
<td>Include best-practice method for the scoring of 9% LIHTC in the QAP, include transit access in the GHAP NOFA, and present to HSC</td>
</tr>
</tbody>
</table>
**HOMEOWNERSHIP**

**Strategy 1. Engage partners and align programs to support homeownership in communities of color**

<table>
<thead>
<tr>
<th>Milestone 1</th>
<th>Milestone 2</th>
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</thead>
<tbody>
<tr>
<td>Complete first draft of partner and stakeholder network directory</td>
<td>Collaborate with Housing Stability Division and Public Affairs to develop a project plan for developing a community resource catalogue</td>
</tr>
<tr>
<td>Engage with 8 priority stakeholders across Oregon, including 3 culturally-specific organizations</td>
<td>Complete Homeownership Director engagement with stakeholders across Oregon</td>
</tr>
<tr>
<td>Assess OHCS homeownership programs, funding and measurement of activities and results</td>
<td>Ensure Down Payment Assistance (DPA), TBA, and Homeownership Center Network (HCN) RFAs/RFPs are developed with an equity and racial justice lens</td>
</tr>
<tr>
<td>Develop a plan to be more competitive in a market-rate environment</td>
<td>800 home loans provided in 2019 through the Oregon Bond Residential Loan Program and launch of TBA product</td>
</tr>
<tr>
<td>Incorporate OHSI data into the homeownership dashboard</td>
<td>Review and update data elements required for DPA and Homeownership Centers RFA</td>
</tr>
</tbody>
</table>

**Strategy 2. Support programs for low- and moderate-income potential homebuyers**

<table>
<thead>
<tr>
<th>Milestone 1</th>
<th>Milestone 2</th>
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</thead>
<tbody>
<tr>
<td>Award contract to TBA Hedge Provider</td>
<td>Solicit Master Servicer RFP for TBA program and continue to engage with HSC through program implementation</td>
</tr>
<tr>
<td>Present HCN framework to PPRC, Executive Team, and Housing Stability Council for feedback</td>
<td>Publish Homeownership Center RFA</td>
</tr>
<tr>
<td>Draft Down Payment Assistance RFA</td>
<td>Publish Down Payment Assistance RFA</td>
</tr>
<tr>
<td>Complete staffing plan for transition</td>
<td>Complete OHSI/OHAC funding and operations analysis and transition timeline</td>
</tr>
</tbody>
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**Strategy 3. Support low-cost homeownership through manufactured housing**

<table>
<thead>
<tr>
<th>Milestone 1</th>
<th>Milestone 2</th>
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</thead>
<tbody>
<tr>
<td>Identify an OHCS staffing strategy and draft timeline to support the manufactured housing initiative</td>
<td>Submit draft rules to OHCS Rules Team and hold first Manufactured Housing Advisory Committee meeting</td>
</tr>
<tr>
<td>Work with staff across OHCS to develop a strategy around 3 new legislative manufactured-housing initiatives</td>
<td>Provide position descriptions to OHCS Human Resources for 3 MHI staff</td>
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**RURAL COMMUNITIES**

**Strategy 1. Build relationship with service providers, developers, local government, and tribes**

<table>
<thead>
<tr>
<th>Milestone 1</th>
<th>Milestone 2</th>
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<tbody>
<tr>
<td>Support project-specific rural capacity effort (outlined in affordable rental housing strategy) and engage with rural development stakeholders through housing integrators</td>
<td>Develop rural capacity strategy</td>
</tr>
<tr>
<td>Develop list of potential projects and interested parties to engage in anticipation of program development</td>
<td>Finalize list of potential projects and interested parties to engage in anticipation of program development</td>
</tr>
<tr>
<td>Engage with the League of Cities (LOC) on their debrief of rent-burdened communities</td>
<td>Complete interviews with select rent-burdened communities</td>
</tr>
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**Strategy 2. Tailor programs to the needs and context of those areas**

<table>
<thead>
<tr>
<th>Milestone 1</th>
<th>Milestone 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Develop small-gap framework and issue NOFA</td>
<td>Collect stakeholder input on barriers and develop scoring of gap framework</td>
</tr>
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</table>

**Strategy 3. Develop strategies to meet farmworker needs and engage the agriculture community**

<table>
<thead>
<tr>
<th>Milestone 1</th>
<th>Milestone 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initiate contract with identified research company and begin research and analysis on housing needs</td>
<td>Continue agricultural workforce needs assessment and convene group to provide ongoing input and feedback</td>
</tr>
</tbody>
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Members:
Chair, Adolph “Val” Valfre, Jr.
Sarah DeVries
Claire Hall
Barbara Higinbotham
Anna Geller
Mary Li
Gerardo F. Sandoval, PhD
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