

# Director's Message



March 14, 2016

Dear Partners and Stakeholders:

In the midst of the worst housing crisis in decades, I share with you today a rather long report with plenty of good news. Oregon Housing and Community Services Department has new resources, and is continuing to make sure our long-standing programs are as effective as possible.



In my last Director's Message, I shared with you that I thought that the legislative session would have an unprecedented focus on affordable housing. That was indeed the case as many Legislators and the Governor worked to meet the needs faced by Oregonians with low incomes. Thanks to Legislators as well as partners who spent many hours tirelessly advocating on behalf of Oregonians, Oregon Housing and Community Services will receive:

- An additional \$10 million for the Emergency Housing Account and the State Homeless Assistance Program to address the immediate crisis of homelessness. In the coming weeks, we will be working with our partners at the Community Action Partnership of Oregon to decide how to best deploy these funds;
- An additional \$2.5 million to ensure we are preserving existing affordable housing. This will mean that OHCS has \$5 million total during the 2015-17 biennium to do this critical work; and
- An additional \$2.7 million to continue serving Oregonians impacted by foreclosure through the Oregon Foreclosure Avoidance program, which provides counseling and legal assistance.

We were also very pleased that the Legislature passed Governor Brown's bill, [SB 1582](#), to provide guidance as we work to implement the Local Innovation and Fast Track (LIFT) Development Program. The passage of SB 1582 also came with additional resources for staffing for the program. We believe we now have the pieces in place to make LIFT – the \$40 million new program created by the 2015 Legislature to fund new affordable housing for families - a success. Readers can find the latest program design information on the OHCS [website](#).

Besides the Legislative wins, we've been busy building our 2016 Qualified Allocation Plan, or QAP. At its March 4<sup>th</sup> meeting, the Housing Stability Council approved the final version and forwarded it to Governor Brown for her signature. The QAP is critical because it sets out our plan for allocating our largest new rental housing resource, the federal Low Income Housing Tax Credit (LIHTC). I am proud of the engagement process OHCS used over the last seven months to arrive at the final document, and grateful to the many business and community partners who helped shape it. Not only does this year's QAP include updates to OHCS policies aimed at



improving predictability for developers while maximizing program efficiency and financial oversight, but it also will better ensure that our investments serve to further public policy goals. In particular, the QAP:

- Brings the use of historically disadvantaged businesses in development and construction processes into the competitive scoring for 9% LIHTC;
- Seeks to address continuing bias in the rental housing market by rewarding strong policies and real strategies that will further fair access to housing by protected groups;
- Give us an avenue to provide preferences for development in areas vulnerable to gentrification while also more explicitly seeking proposals in areas of high opportunity; and
- Considers national best practices for administration of the credit, including providing a fair and objective formula for establishing development fees.

You can view the version approved by the Housing Stability Council [here](#).

I am equally happy to announce that in February 2016, Oregon Housing and Community Services and Oregon Health Authority were named as selectees for a program operated by the Center for Medicaid and Medicare Services, or CMS. The program, a partnership between CMS, the Substance Abuse and Mental Health Services Administration, the Office of the Assistant Secretary for Planning and Evaluation, and the US Interagency Council on Homelessness, promotes partnerships between State Medicaid and Housing agencies. The Innovation Accelerator Program will support our two agencies with technical assistance and training as we strengthen collaboration, enabling us to better serve the lowest income Oregonians. The goals of the program are to:

- Increase the adoption of tenancy sustaining services to assist Medicaid beneficiaries;
- Expand housing development opportunities through facilitation of partnerships; and
- Increase the adoption of strategies that tie together quality, cost, and outcomes.

If you have questions about how this effort is going, one of our Housing Integrators, [Kenny LaPoint](#), is participating in the effort.

Many of you saw the news that Oregon is slated to receive \$36.4 million in new Hardest Hit Fund money from the US department of Treasury. HHF is the primary resource that we use for foreclosure avoidance programs, including mortgage payment assistance, reinstatement, and loan refinancing. Further, Oregon's status as a high performer nationally means we are eligible to apply for up to \$110 million more to be used over the next four years for these and related neighborhood stabilization efforts. The staff team at OHCS is working diligently to prepare for a major new infusion of program dollars that potentially will serve several thousand more Oregonians. We will of course keep our partners informed as work continues on this front, and as guidance from our federal partners becomes clearer.



Lastly, I want to thank the [Housing Stability Council](#) for their hard work and dedication over the past several months. Since the passage of HB 2442 in the 2015 Legislative session, the Housing Stability Council has taken their new and expanded role to heart. They are investing time in understanding the broad diversity of programs operated by OHCS, the role others play in housing development and housing stabilization, and the influences of other public safety net systems and policies on affordable housing. In May, we hope to have two new appointees to the Council to bring the total membership to nine people. The Housing Stability Council is truly becoming the body which will give OHCS the oversight and policy direction as we envisioned in HB 2442, and I appreciate their dedication and deliberation. I invite readers to attend their meetings to learn more about the process and to help ensure that these dedicated volunteers have the chance to hear from partners and practitioners in the field.

As you can see, it's a very busy time for all of us at OHCS. The current challenges of homelessness and housing instability across Oregon are daunting, but we are as committed as ever to doing our part to ease the crisis. We genuinely appreciate your partnership as we work towards our vision of all Oregonians having the opportunity to pursue prosperity and live free from poverty.

Best regards,



Margaret S. Van Vliet

Director

[Margaret.VanVliet@oregon.gov](mailto:Margaret.VanVliet@oregon.gov)

