

# OHCS Statewide Housing Plan Year One Summary August 2020 Report to HSC

## EQUITY AND RACIAL JUSTICE

5-Year Target: Pending target finalization

In year one of the SWHP, our work on the Equity and Racial Justice (ERJ) priority focused on building internal organizational capacity. Thirteen staff graduated from a 9-month Government Alliance on Race and Equity (GARE) program, we executed an ERJ assessment survey, hosted a number of trainings and opportunities for staff to deepen their understanding of ERJ, and stood up a workgroup to support equity in our data systems and the way we collect and use data to advance equity. We also hired an Equity, Diversity, and Inclusion Manager who conducted an organizational assessment and recommended a structure to advance and support ERJ within all areas of OHCS. The approved internal ERJ structure will help us accomplish the following:

- Collect, analyze, and report on housing data by race, ethnicity and language. This will culminate in a regularly published “State of Data Equity at OHCS” report.
- Training plans and requirements for managers and staff to deepen knowledge about strategies regarding equity, racial justice, diversity and inclusion and how to implement them.
- Consistent execution of racial equity reviews on budget and legislative proposals, and a deepened racial equity review process in our Programmatic and Policy Review Committee.
- Expand diversity recruitment strategies, including purchasing memberships with Partnerships in Diversity, Minority Professionals Network, etc.

This past year, all staff were required to take a fair housing training, which is now required for all new staff during on-boarding. Within programs, we are developing funding mechanisms to encourage additional funding for culturally specific organizations to increase services to underserved communities and to increase the number and dollar amounts of contracts awarded to minority, women, and emerging small businesses (MWESBs). We are working on finalizing metrics for this priority including, where possible, performance targets. In the next couple months, we will collect year-end data from all of our divisions, which will give us baseline numbers to inform our 5-year ERJ priority targets. In year two, we plan to focus on building out our ERJ/D&I structure and managing capacity to meet our goals. Below is the ERJ/D&I organizational structure that was approved by the OHCS Executive Team in July, 2020.

### Approved OHCS ERJ/D&I Organizational Structure



## HOMELESSNESS

**5-Year Target:** 85% housed for more than 6 months after receiving homelessness services. We are receiving data from funding recipients this month and should be able to identify our progress on this target in the next few weeks.

Ending homelessness means that every community has a comprehensive system in place to prevent homelessness—and where it cannot be completely prevented—ensure it is a brief, singular experience. In the first year of SWHP implementation, Homeless Services Section (HSS) has made substantial progress in building a foundation for planning and engagement across intersecting economic, social, and health systems. This interdisciplinary work is critical to a high functioning statewide homelessness response system. The OHCS Veteran Leadership team established recurring information-sharing sessions with federal, state, and local partners. In service of meeting the requirements of Budget Note SB 5512, HSS has also convened Oregon HMIS stakeholders to build recommendations and co-construct a path forward toward realization of a new HMIS implementation and data warehouse.

Furthermore, documenting the characteristics and needs of Oregonians experiencing homelessness, as well as the reach and number of people receiving services, is essential to identifying the right strategies to improve service delivery. While homeless services data is notoriously difficult to collect and leverage, HSS has established successful workflows that allows for the examination and analysis of disaggregated demographic data of those entering and exiting the homeless services system. This provides a better understanding of who is seeking services and where there are gaps in service delivery. It also further positions the homeless services system to shift to data-informed decision making and targeted services, ensuring that we make strides against the disparities that exist in service delivery and outcomes. To further build data literacy across the system, HSS continues to provide training and technical assistance to CAAs to improve data quality and timeliness.

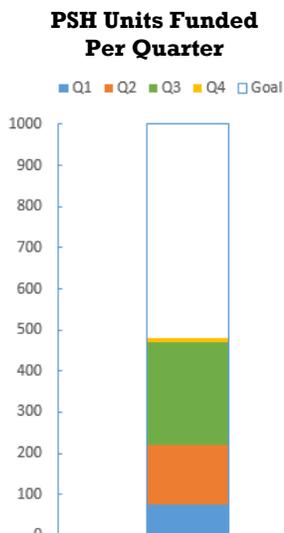


Image from HMIS Budget Note meeting in December 2019

Despite significant gains toward our goals, there is still much work to be done. Unfortunately, the COVID-19 pandemic has only exacerbated the existing crisis and has shifted the work of HSS in substantial ways. Our year two work will focus on incorporating persons with lived experience into program design, identifying models of success and implementing best practices, utilizing better data, and continuing to seek community feedback.

## PERMANENT SUPPORTIVE HOUSING

**5-Year Target:** 405 of 1,000 PSH units built or in the development pipeline



OHCS's five-year PSH policy priority target was to fund 1,000 permanent supportive housing units. The year one strategies that were chosen were designed to build a foundation to support this ambitious goal. We wanted to identify new resources to help build a sustainable funding source specifically for PSH units, as well as incentivize PSH units more directly in our existing funding sources. We also wanted to build a new cohort training model based on Indiana's PSH Institute, and weave in funding sources from other agencies to create a workable rent assistance program to help make more of these units feasible.

With so many unknowns going into this PSH endeavor, it is an accomplishment that we funded almost half of our PSH-unit target. Over half of those units were the result of the NOFA tied to the first PSH Institute cohort and we funded more units than we had originally planned because of the strength of the project proposals. With social distancing challenges brought on by the pandemic, the PSH Institute and the PSH projects coming to us may be more challenging to implement in year two, but we are in a good position to continue our success. Our year two plans include developing PSH project-based rent assistance, increasing and aligning resources for PSH, and executing our second PSH Institute and second round of mini-NOFAs to fund PSH unit development.



## AFFORDABLE RENTAL HOUSING

5-Year Target: 12,185 of 25,000 units built or in the development pipeline

With a five-year goal of 25,000 units, our year one goals for the Affordable Rental Housing policy priority aimed at making it easier for developers to apply to our funds and to broaden the pool of developers. We leveraged technology and streamlined our processes, implementing a new electronic application and widespread adoption of system work modules. We also established a capacity building team to assess and recommend opportunities for growth in our development priorities, and began providing training and technical assistance to potential PSH and rural developers.

Even though we focused on foundation-building efforts, our development production performed as planned. Starting with a baseline of 8,408 units that was in the pipeline at the start of the year, we increased our pipeline with 3,777 units in year one. This represents 22.8% of the additional units we need from year one to year five (25,000 - 8,408 = 16,592 units needed). We had a large quarter three spike in units from the 2019 SGAP NOFA, which targeted



Identifying best practices in ARH development with stakeholder in a day-long convening in September 2019

small projects and large-scale developments leading to the funding of 632 units, and the 2020 PSH mini-NOFA, which funded almost 500 total units.

Our success with being on-track with our target, despite spearheading new efforts and centering on capacity building, is a testament to our efforts to keep the focus on funding affordable units and the work of our Production Analysts and Underwriting Team to process and finalize these deals. In year two, we will continue to support

predictable development resources with the creation of a template NOFA, continued buildout of our new system platform, and improved state program coordination. We will also increase contracting to MWESBs and align resources to increasing capacity and land acquisition funds, as well as update our Loan Guarantee program to further support affordable housing development during the pandemic.



## HOMEOWNERSHIP

5-Year Target: 678 out of 6,500 mortgage-lending products (170 went to households of color, or 25% of the total)

In year one, we pursued a strategy to align our programs to the needs of communities of color, improved our Homeownership Center framework and Down Payment Assistance product, began developing our TBA program, and focused on low-cost homeownership through manufactured housing. Additionally, we began developing our Restore Health and Safety program and shifted our focus from winding down OHSI to re-opening it and maximizing available resources for the program. We also spent many hours supporting the Joint Task Force on Racial Equity in Homeownership and advocating for additional funds to support communities of color. Our program development and improvement frameworks took longer than we expected, but we know our efforts are a critical investment to our equity priority. We obtained partner input for all new and existing programs and worked to build strong relations with culturally specific organizations, rural partners, and existing providers to ensure we are meeting the needs of each community we serve.



OHCS-sponsored event with Freddie Mac promoting *All for Home: Reducing Barriers and Raising Hope for Homeownership*

Unfortunately, our loan production was lower than expected overall. In the first half of year one, this was due to inventory issues and our higher-than-market rates in early 2019. We were able to implement a new process to ensure our mortgage rates are more nimble to the market. In the second half of year one, our loan production was

lower due to the COVID-19 pandemic and the volatility of the market mortgage interest rates. In year two, we hope to launch a new mortgage lending program that will not rely on Mortgage Revenue Bonds – the TBA product – as well as focus on increasing lender access to OHCS products and improving marketing and outreach to try to close the gap to reach our 5-year target.

We also plan to finalize the TBA product, increase lender access to OHCS products, improve outreach to communities of color, preserve and improve manufactured housing, and focus on home retention through the Oregon Homeownership Stabilization Initiative and Restore Health and Safety programs. We will continue to expand our equity and racial justice lens in program design, with the goal of closing the gap in Homeownership for communities of color.

## RURAL COMMUNITIES

5-Year Target: 532 of 2,543 units built or in the development pipeline

Year one strategies around the Rural Communities priority focused on developing a better understanding of rural community needs and increasing rural capacity to build more affordable housing. Despite numerous setbacks in our plans due to the pandemic, including a pause in implementing the Greater Oregon Housing Accelerator program and the agricultural workforce housing study, there were also a number of successes around our capacity building efforts.



**OHCS' activity board from our Funding, Planning, and Alignment event with developers**

We hired a full-time capacity building analyst who has conducted outreach to key stakeholders across the state representing rural communities and developed a strategy to address those needs. We funded 532 units in rural communities, out of a total of 2,543 units in our 5-year goal (21% of our target). We have offered more balanced funding throughout the year and incentivized rural projects through our various offerings, as no one offering was able to markedly outperform the rest in rural areas. We have also seen an uptake in noncompetitive funds that are not bound by a cycle starting to be used in rural communities and small towns. In year two, we plan to align and increase resources for development in rural communities, including updating our HOME program and Agricultural Workforce Housing Tax Credit program, increasing LIFT funding, and supporting rural outreach and training.