Housing Stability Council
MEETING MATERIALS PACKET

Fairhaven Gardens
NE Salem, Oregon

December 6, 2019
9:00 a.m. – 2:00 p.m.
Oregon Housing & Community Services
Conference Room 124 A/B
Salem, Oregon 97301
**AGENDA**  
December 6, 2019  
9:00 a.m.-2:00 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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<td>9:00</td>
<td><strong>Meeting Called to Order</strong> Roll Call</td>
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<td>9:05</td>
<td><strong>Public Comment</strong></td>
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<td>9:15</td>
<td><strong>Meeting Minutes Approval</strong></td>
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| 9:20     | **Affordable Rental Housing Division** (pg. 13)  
Julie Cody, Assistant Director, Affordable Housing Finance  
Multifamily Housing Transactions  
- **Rockwood** – Scott Shaw, Affordable Rental Housing Loan Officer  
- **RAD Phase II** – Samuel Brackeen, Affordable Rental Housing Loan Officer  
- **Rosewood Homeowners Cooperative MHP** – Samuel Brackeen, Affordable Rental Housing Loan Officer  
- **Mountain View Cooperative MHP** – Terry Neumann, Affordable Rental Housing Loan Officer  
- **Rent Increase Policy Introduction** – Rick Ruzicka, Interim Asset Management Manager and Natasha Detweiler-Daby, Senior Affordable Rental Housing Policy Analyst  
- **4% LIHTC / Conduit Tax-exempt Bond Policy** – Tai Dunson-Strane, Tax Credit Program Manager and Natasha Detweiler-Daby, Senior Affordable Rental Housing Policy Analyst |   | Briefing |
| 11:15    | **Housing Stabilization Division** (pg. 89) 
Kenny LaPoint, Interim Assistant Director, Housing Stabilization  
- **Next Steps for Homeless Veterans** – Sam Kenney, Program Analyst & Gus Bedwell, Community Engagement Integrator  
- **2019 Point in Time Count Report Out and Data Dashboard** – Andrea Bell, Homeless Services Manager  
- **Tenant Education** – Katrina Holland from CAT (Community Alliance of Tenants) presentation |   | Discussion |
| 12:30    | **Chief Financial Officer** (pg. 109)  
Caleb Yant, Chief Financial Officer, CFO Division  
- **2021-23 Legislative Agenda Planning** – Caleb Yant CFO & Kim Travis Interim AD Public Affairs |   | Discussion |
| 1:00     | **Report of the Director**                 |               | Briefing |
| 1:30     | **Report of the Chair**                   |               | Briefing |
| 2:00     | **Meeting Adjourned**                     |               |         |

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/OSHC/Pages/index.aspx
November 1, 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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*Arrived after 9am
*With six members voting to approve, we have met the quorum requirements to pass this item.

**Public Comment:**

Trina Whitman of BRIDGE Housing called in for public comment, and referenced a letter she sent to AD Julie Cody and AD Kenny LaPoint. She asked if she could submit that letter to the council for review, and Chair Valfre shared that she would be welcome to do so. He asked Ms. Whitman if she could share some information about the letter’s contents, and she discussed the LIFT (Local Innovation and Fast Track) framework subsidies. Ms. Whitman highlighted the need for higher subsidies to support the building of projects with larger units. She added that fewer funding sources would need to be used, if the subsidies were higher.

**Approval of Meeting Minutes for October 4, 2019:**

Chair Valfre introduced meeting minutes for council approval and called to 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 OCT 2019

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Housing Stabilization Division: Kenny LaPoint, Interim Assistant Director

Shelter Funding Opportunities: $3.5 million funding, Andrea Bell, Homeless Services Section Manager, Connor McDonnell, Housing Integrator

More information can be found here.

Councilmember DeVries asked how these funds interplay with the annual funding, and what could be expected out of this funding. Ms. Bell explained that these are competitive awards and are available to any eligible provider across the state. She further explained that they might see projects and partnerships that are already in place, but have a gap in funding, and that they will want verification on how the funds have been used for the mixed funding projects. Ms. Bell shared that this may be an opportunity for community action agencies to layer the federal and state resources as part of the service delivery and model design, but reiterated that the funds are meant to be one-time funds.

Director Salazar shared that she had the opportunity to sit with colleagues from Neighbor Impact in central Oregon recently, and that they discussed how some of the gaps in funding would be filled by SHAP (State Homeless Assistance Program) resources. She suggested that other funding be disclosed when the application is put out.

Councilmember Li observed that collaboration with community action agencies was not a requirement in the memo, and shared that it did not seem like the most effective use of dollars since it increases administrative costs for staff and blunts the impact of a collaborative approach with key partners on the ground. She then commented on the importance of funding programs that are aligned with the agency’s best practices. Councilmember Li expressed appreciation for the dedication to the equity and racial justice priority, and emphasized the importance of looking at communities of color in both rural and urban areas.

Ms. Bell agreed with Councilmember Li’s comment about rural communities, and went on to explain her team’s intention to be explicit and clear about the agency’s best practices. Councilmember Geller encouraged the idea of community partnerships, and provided comment on the best practices aspect as well.

Councilmember DeVries asked how the grant funds would be documented, in terms of obligations for receiving the funds. She also asked if the agency is going to continue using that capacity building agreement with the community action agencies, since it does not directly require best practice alignment and reporting. Ms. Bell answered and explained that they are in the middle of the EPIC tool (ending homelessness, preventing homelessness, inclusion and diversity, capacity of the community) and intersecting around data collection, since it is a critical piece of homeless services. Concerning the winter shelter, Ms. Bell explained that it provides an interesting opportunity for data collection. She added that they are working with quite a few partners to help them with their data collection. She
explained that there is a requirement for the use of HMIS (Homeless Management Information System) and reported requirement with regards to the infrastructure building piece, and that there will be some element of deliverables to monitor and have some oversight.

Councilmember DeVries asked if this was a grant or loan agreement, and Ms. Bell clarified that it would be a grant agreement.

Chair Valfre expressed agreement with Councilmember Li’s comment about best practices, and expressed support for Oregon to be the leader in innovation for diverse challenges in different communities. He added that he was interested in seeing more about collaboration, and that he would also like to see more outreach to the veteran community in regards to partners outside of Oregon Housing & Community Services (OHCS).

Director Salazar summarized the councilmembers' feedback regarding collaboration in the application process, best practices, rural and veteran representation, and more conversations around the actual funding process.

**Agenda Item:** Oregon 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.

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

**Multifamily Housing Transactions:** Merwyn Apartments Transaction – Brad Lawrence, Loan Officer

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

Councilmember DeVries asked if this used to be a 9% tax credit application, and AD Cody responded that it was.

Councilmember Li expressed appreciation of the depth and detail around the equity & racial justice priority, and thanked the OHCS staff.

**Agenda Item:** 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.
### Multifamily Housing Transactions: Livingston Village/Northgate Village RAD Conversion – Becky Isom, Loan Officer

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

Councilmember Li observed that the equity & racial justice policy priority lacked specificity and information.

Chair Valfre offered support for the project, and commented on the public supportive housing priority needing more work. Ms. Isom shared that the sponsor for this project, Salem Housing Authority, have caseworkers monitoring the tenants and explained that she could have added more detail about this aspect of the project.

**Agenda Item**: 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.

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**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.
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**2020 & 2021 Funding Calendar** – Natasha Detweiler-Daby, Senior Policy Analyst and Interim Multifamily Program Section Manager

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

Councilmember Geller asked how OHCS would balance the OAHTC (Oregon Affordable Housing Tax Credit Program) funds out of the NOFA (Notice of Funds Available). Ms. Detweiler-Daby explained that they would set aside OAHTC funds for the different NOFAs. Councilmember Geller expressed curiosity about using OAHTC funds to lower rent for some units so that more individuals experiencing homelessness could be accommodated. She also asked if some agencies are doing that already. AD Cody stated that this is possible, and that other agencies may be moving towards that direction.

Councilmember Geller asked what would happen when the lender raises the mortgage payment in the coming years, and AD Cody explained that this has not happened yet, but that the situation will probably be different in the next ten to fifteen years.

Councilmember DeVries shared concerns about approving the 2020 and 2021 cycle without knowing the outcomes, and asked if the council and OHCS can analyze the results next September. She asked if the agency is inadvertently putting the entire state’s funding cycle into the funding calendar, and added that this might be difficult in regards to the administrative burden as well.

Councilmember Geller shared concerns about the timing of construction and the time awards will be posted. AD Cody explained that they understand it will be a longer process, and that they hope the LIFT funds move more quickly and are not as tied to a funding calendar.

Councilmember Li commented on the multifamily energy program funds being attached to these offerings that meet program requirements, and asked if she could hear more about how that would work. Councilmember Li then asked if this would be included in the evaluation piece, and Ms. Detweiler-Daby explained that it is separate. Councilmember Li asked if the agency could think about the possibility of forward allocating resources in anticipation of a potential recession. AD Cody stated that they will take that under advisement and will provide some additional information about that in the future.

Chair Valfre asked how competitive OAHTC are in the current market, and AD Cody stated that there is still a very strong market for them and that lenders continue to utilize them.

Councilmember DeVries stated that the demand is central to banks that have Oregon tax liability, and that she is concerned that sometimes those banks do not offer the most competitive rates. Councilmember Geller agreed with Councilmember DeVries comments.
Director Salazar suggested having a larger conversation about OAHTC at some point. She went on to highlight one of the guiding principles of the statewide housing plan, which is to maximize and leverage resources that are already available.

**Agenda Item:** Funding Calendar 2020-2021

**Motion:** Housing Stability Council moves to adopt the 2020-2021 Affordable Housing Development Funding Calendar as presented [or with noted revisions].

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**Programmatic Frameworks for 2020 & 2021 Resources** – Natasha Detweiler-Daby, Senior Policy Analyst and Interim Multifamily Program Section Manager

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

Councilmember DeVries suggested having minimum thresholds for projects, and being more strategic about layering funding resources. Chair Valfre commented on the council’s general agreement to Councilmember’s DeVries feedback.

Councilmember Higinbotham provided comment on the MWESB (Minority-owned, Women-owned, or Emerging Small Business) program, and highlighted the differences in resource availability between metropolitan and rural areas.

Councilmember Li provided feedback on the interchangeable use of terms such as “equity” and “racial justice” in the meeting materials.

Councilmember Geller referenced Councilmember DeVries’ earlier comment, and stated that there is also value in having different variations and styles for projects as well. She provided additional comment regarding the point system, and how different projects will also vary depending on needs of potential tenants.

**Agenda Item:** Programmatic Frameworks for 2020 & 2021 Resources

**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].

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Chair Adolph “Val” Valfre said this was not a motion, but a consideration. I did not see this in the agenda online or in the housing stability council folder in the DO drive, but I did find a motion for this in the DO drive. Is this a motion?

Councilmember Hall expressed support to OHCS to proceed with NOFA for LIFT Homeownership in 2020, pending any legal issues. She stated it is clear that it needs legal review or changes in the framework, but added that there are some entities that may be able to make this work under the current structure.

Councilmember Higinbotham asked for information regarding the risks of not moving forward with the framework in 2020. AD Cody explained that 20% of the LIFT Homeownership funds would be set aside in 2020, and if that does not get used, more would be set aside the following year.

Councilmember DeVries asked if there is an option to fill the gap with other financing sources, to provide another form of guarantee such as collateral, or a combination of both. AD Cody explained that they would have to bring some of their own resources.

Councilmember Li provided support in moving forward for the offering in 2020, and mentioned the need to continue vetting this process.

Chair Valfre mentioned that the first option is the more prudent option, and stated that they will examine new options as they move through this process next year.

Director Salazar drew councilmembers’ attention to a few edits in the LIFT 3.0 Framework in the meeting materials (pg. 61).

Councilmember Geller asked if there are any comments about the 3-bedroom unit incentive. AD Cody explained that the scoring sets them up to get to the lower subsidy unit. She added that they wanted to consider incentivizing 3-bedroom units, and they think people will see their increased amount as an incentive and benefit.

Councilmember DeVries asked if they get scoring points for electing to do 3-bedroom units, and added that this may incentivize 3-bedroom units and not taking the full 100% of the subsidies. Councilmember Geller stated that she would like to understand the scoring, and Councilmember DeVries agreed.

Director Salazar asked if the presenters could expand on the weighted scoring piece. AD Cody explained that this used to work as a one size fits all subsidy per unit. She stated that the unit could be a studio or a 4-bedroom apartment, but since points are driven to lower subsidy, they are more apt to build studios than multiple bedroom units. AD Cody explained that her team is looking at having the ability to
increase the cap by fifty thousand dollars for any unit that is 3-bedrooms or above. She stated that the market does not usually call for having 3-bedroom units or above as the majority of a single project. Ms. Detweiler-Daby provided information on the scoring based on unit size, and the scale to unit size.

Councilmember DeVries stated that it would be helpful to distribute the revised scoring in the near future.

Councilmember Li asked about the change in subsidy amount from $75 thousand to $50 thousand dollars. AD Cody stated that her team reviewed previous projects, received feedback from stakeholders, and realized that there was room to lower this amount. She added that they would take additional feedback from this year to make sure they make any necessary changes, if needed.

Councilmember DeVries inquired AD Cody and her team about what they should be asking people to do in the selection criteria to get the most out of this process. Director Salazar discussed the importance around serving communities of color, and the scored element for urban and rural areas that address this need.

**Agenda Item**: 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.

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<tr>
<td>Charles Wilhoite</td>
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<tr>
<td>Barb Higinbotham</td>
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<td>Chair Adolph “Val” Valfre</td>
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</table>

Pass/Fail 7:0:0:2 PASS

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

**Construction Workforce Equity Strategy Briefing**

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

AD Cody introduced John Jackley of Advanced Technology Communications as OHCS’ new consultant for Minority-owned, Woman-owned, or Emerging Small Business; and Service-Disabled Veteran Business Enterprise (MWESB/SDVBE). She also introduced Rick Abrego as the newly appointed MWESB and Workforce Development Program Manager at OHCS.

Councilmember Li referenced the stakeholder list and mentioned the absence of Professor Sandoval on the list. She also reiterated the difference between equity and racial justice, and mentioned the importance of understanding the difference in perspectives and agenda for both terms. Councilmember Li discussed the significance of lived experience in information and data, and expressed appreciation for the examples provided about what other jurisdictions are doing in this area. Lastly, she expressed her interest in making sure the work is synced up with weatherization across the board. Mr. Jackley discussed the conversations and work currently being spearheaded.
Councilmember Higinbotham stated that this process tends to be onerous and the state only has so much ability to make some of those changes. She added that she does not know what they can do to afford changes for this process, but that they are interested in figuring it out.

Councilmember Geller suggested being cognizant of any areas that could cause the cost of building affordable housing to go up, and for opportunities to help train and recruit people of color in this area of work.

Chair Valfre suggested reaching out to the League of Cities, and added that it could be influential to utilize that group.

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

**Energy Assistance Evaluation** – Dan Elliott, Senior Policy Analyst, David Carroll, Managing Director of APRISE

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

Councilmember Li asked if these project teams are MWESB, and Mr. Carroll stated that they are not, but that they are nonprofit organizations. He further explained that the project team is committed to marketing these programs to diverse communities and collecting that information. Councilmember Li then asked about the demographics of the project team, and Mr. Carroll provided more in-depth information.

Councilmember DeVries asked if the RFP (Request for Proposal) states the goal they are setting out to do. Mr. Elliott stated that the memo outlines this information.

Councilmember Li shared that it is not clear what the relationship is to this work for the housing stability councilmembers. She clarified that she does not want the councilmembers’ feedback to seem last minute or rushed, especially if they were expected to be more involved from an earlier stage. Director Salazar stated that they would like to provide her with a deeper level of information about this plan, but proposed that her team can follow up with her offline or at next month’s housing stability council meeting.

Councilmember Li asked if they are compensating the culturally specific community organizations for their work in the program. She expressed interest in learning more about the equity analysis mentioned in the memo, and referenced the difficulty of acquiring the racial justice agenda at OHCS when working with the restrictions of the federal government. She asked the presenters how they are going to hold the contractor accountable for the equity and racial justice values since there are federal restrictions that make it challenging. Lastly, Councilmember Li asked for more information about the demographic make-up of the various project teams in this program. Mr. Carroll discussed the level of community engagement that will be prioritized to meet community needs, and explained that their intent is to compensate the community organizations for conducting data research for their communities.

**Statewide Housing Plan: Quarterly Report Out** – Sup Thanasombat, Senior Advisor for Strategic Planning and Business Operations, Ryan Vogt, Chief Operating Officer
More information can be found [here](#).

**Report of the Director:**

Director Salazar discussed the NCSHA (National Council of State Housing Agencies) Conference in Boston, and went over the homeownership taskforce and the changes housing finance agencies across the nation are grappling with. She shared information about their intent to issue an award to a hedge provider on the new TBA (To Be Announced) program, and that they will be coming back to council with more information about programs. Director Salazar indicated that the other taskforce launched was around disaster response and preparedness, and explained that OHCS needs to be prepared and understand their own role.

Director Salazar shared that she was elected to be secretary of the board at NSCHA, and is looking forward to this in the coming future. She shared that OHCS also won an award for their LIFT program.

Director Salazar thanked councilmembers for the additional meeting regarding the QAP (Qualified Allocation Plan), and went on to discuss the time she recently spent in central Oregon with state representatives from Redmond and the Bend area. She shared their visit to the community action agency, a LIFT project groundbreaking, and a LIFT homeownership project that is under development.

Director Salazar shared that Sami Jo Difuntorum will be joining the housing stability council, and provided introductory information regarding her work experience in housing. She went on to discuss where they are in the process of electing representatives for two committees, one on manufactured housing and another around the budget note on HMIS (Homeless Management Information System). Director Salazar shared that Councilmember Higinbotham agreed to serve on that manufactured housing committee, and that someone who has worked with HMIS on a national level will be elected to represent the budget note committee.

Director Salazar shared that Senator Wyden called for a press conference the following Friday in Portland, Oregon for a call to support around the expansion on the low-income tax credit.

**Report of the Chair:**

Chair Valfre congratulated Director Salazar on her three-year anniversary at OHCS. He went on to discuss the metro activity and Moving 2020, which aimed to provide equity access for transit. Chair Valfre discussed the preparation to get shelters ready for the winter and the recent cold temperatures. Lastly, he shared that he will be speaking at groundbreaking in Cedar Grove on November 15th, and speaking on November 18th at a convening in Washington County.

Chair Valfre thanked the presenters and staff at OHCS for the work they’re doing, and congratulated the team on the LIFT award.

Meeting Adjourned at 1:30 pm
Date       December 6, 2019

To:        Housing Stability Council
           Margaret Solle Salazar, Director

From:  Scott Shaw – Loan Officer
        Casey Baumann – Underwriting Manager
        Julie V. Cody – Director Affordable Rental Housing

RE:    Rockwood 10, Conduit Bonds & GHAP funding request

MOTION: Move to approve Pass-Through Revenue Bonds in an amount up to and not to exceed $45,000,000 to Rockwood 10 Limited Partnership for the new construction of the project known as the Rockwood 10, subject to the borrower meeting OHCS and Key Bank underwriting and closing criteria, and documentation satisfactory to legal counsel and State Treasurer approval of the bond sale.

MOTION: Move to approve GHAP Funds in the amount of $4,032,000 to Rockwood 10 Limited Partnership for the new construction of the project known as the Rockwood 10, subject to the borrower meeting OHCS and Key Bank underwriting and closing criteria and documentation satisfactory to legal counsel.

Overview and Location:
At the December 6, 2019 Housing Stability Council (HSC) meeting we will be asking HSC to consider the motions to approve both the funding of Pass-Through Revenue Bonds and GHAP funds for Rockwood 10. The project is a 224-unit, new construction, four–story, mid-rise, affordable development brought forth by Community Development Partners (CDP) in the heart of Gresham’s burgeoning Rockwood neighborhood.
Funding History and Context:
We are currently requesting approval for the use of up to $45,000,000 in Pass-Through Revenue Bonds and $4,032,000 in GHAP funds. The GHAP funds were awarded through a competitive process, specifically, the 2018 Gap Funding Offering NOFA. Rockwood 10 received an Oregon Multifamily Energy Program (OMEP) award for $318,000 on December 13, 2018. The project uses non-competitive 4% Low Income Housing Tax Credits. OHCS Finance Committee granted a reservation of competitive GHAP funds on May 4, 2018. Due to the GHAP funds being greater than $1,000,000, a final approval from Housing Stability Council (HSC) is required.

Project Sponsor and Partnership:
Community Development Partners (CDP), the sponsor and developer of Rockwood 10, has a portfolio of 19 projects in Arizona, California, Nevada and Oregon, providing over 1,400 housing units. Partnering with cities and other public agencies, CDP pursues select opportunities to create unique affordable housing projects whether they be new construction or rehabilitation of existing structures. Committed to improving communities by not only providing quality affordable housing developments, CDP also ensures they are sustainable and enhance the fabric of the overall community. CDP has successfully closed on, and operate, five projects that are in the OHCS portfolio.

Management Agent: Guardian Management, LLC – Guardian operates in Oregon, Washington, Arizona and Texas, and they have been managing affordable housing since 1981. Currently, Guardian manages over 8,500 units in over 130 communities, 46 of which are OHCS projects.
General Contractor: LMC Construction – LMC, in business since 2004, is an experienced construction company with an extensive portfolio of completed affordable and market rate multi-family projects.

Notable Features:
Rockwood 10 incorporates 1.7 acres of open space into its design. Working together, CDP and the City of Gresham created a public space in this urban environment, encouraging interaction and community. The open space is a public park open to the community as well as residents. Central to this open space is the community building which has three ‘wings’. One flexible open space, which is open to community members for workshops, classes and events. The second wing contains additional flexible space and a kitchen for cooking demonstrations. The third wing houses offices for property management, community and parks services that are fully staffed by service coordinators and other on-site staff.

Aside from having a full-time staff onsite, the park will also have recreation areas for play or events, walking paths and community garden space. This space is not only open to residents but encourages the community to join in as well.

OHCS Policy Priorities: This project will help further two priorities outlined in the Statewide Housing Plan: Equity & Racial Justice and Affordable Rental Housing.

- Equity and Racial Justice:
  - Community Demographics: Rockwood 10 is a diverse area where thoughtful affordable housing development can help prevent displacement in a community experiencing a measure of economic revitalization. The Rockwood 10 Census Tract consists of 46.7% people of color, of whom 27.8% identify as Hispanic or Latino and 8.4% identify as African American. It has higher poverty and unemployment rates than comparable census tracts, at 37% and 14.5%, respectively, and over two-thirds of its residents are renters (67.4%). Of those renter households, 53.1% are households headed by people of color.

  - Affirmative Fair Housing Marketing Strategies: Going a step beyond Fair Housing Principles, Hacienda CDC takes the lead. They have signed a partnership agreement with CDP and are utilizing their more than 26 years of experience providing culturally specific services and engaging communities in meaningful ways. Hacienda’s highly skilled staff are trained in outreach with diverse populations, addressing residents’ culturally specific needs, and identifying and eliminating structural, cultural and linguistic barriers. Providing multiple forms of and opportunities for meaningful community engagement to build trust and
demonstrate commitment, Hacienda also continually monitors the effectiveness of its outreach with a goal of creating the most successful outcomes.

Outreach has already begun, and letters of support has been signed by over 90 organizations, local businesses, and community members. A website is in place gathering interest in Rockwood 10 at www.rockwood10.org, and is available in English and Spanish. Future outreach events planned are the Gresham Arts Festival and National Night Out.

- **Contracting, Diversity, Equity & Inclusion**: CDP has committed to a minimum of 20% MWESB participation, on the construction of Rockwood 10, underscoring that commitment, CDP selected contractor LMC Construction’s MWESB participation has been no lower than 25% since 2017 and as high as 48%.

- **Homelessness**: N/A - Project does not contain vouchers or set-asides targeting homelessness.

- **Permanent Supportive Housing**: N/A - The project does not contain a Permanent Supportive Housing component.

- **Affordable Rental housing**: The 224 new units being brought into the Rockwood neighborhood helps expand the affordable housing supply. It is the largest new construction project to close at OHCS in 2019. The project brings not only a large number of units to market, but also a large number of family-sized units. Fully 79% of the project’s units are 2-bedroom (33%), 3-bedroom (40%) or 4-bedroom (6%).

  With public transportation easily accessible, this project also supports the Statewide Housing Plan focus on transit oriented development.

- **Homeownership**: N/A - This project does not contain a homeownership component.

- **Rural Communities**: N/A - Project is located in the Portland MSA.

**Risks and Mitigating Factors:**
This development conforms to all OHCS underwriting standards and guidelines.

*The pages that follow will provide more technical details on the proposed project.*
Project Detail: Rockwood 10

Project Sponsor: Community Development Partners (CDP)

Property: 783 185th Avenue
Gresham, OR 97233

Owner: Rockwood 10 Limited Partnership

Description: Rockwood 10 is a new construction project containing 224 units in five residential and one community building.

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</td>
<td>224</td>
<td>60</td>
<td>60</td>
<td>30</td>
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</table>

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

Environmental Review: The Phase I completed in October 2019 showed no actions required and levels within acceptable limits.

Finance Committee Approval:
OHCS Finance Committee Reviewed and Approved this Project to be recommended to the OHCS Director and the Housing Stability Council on November 13, 2019

Summary:
Rockwood 10 is an innovative approach to affordable development presented by Community Development Partners (CDP). In the heart of Gresham’s Rockwood neighborhood, the project melds public and private space while simultaneously creating community and bringing much needed relief to heavily rent-burdened families.

This new construction, 224 unit, four story mid-rise focused on families is a result of CDP’s collaboration with the City of Gresham and Multnomah County. Rockwood 10 offers a mix of one (47), two (74), three (89) and four (14) bedroom units with attractive amenities such as a community plaza, play mounds for children, a forested picnic area, pedestrian walking paths, and community garden area.
CDP has partnered with Hacienda CDC, who will be the services provider. Hacienda focuses on results-oriented community engagement, providing traditional services such as finance education and support, tutoring, healthcare support and youth services, as well as business development trainings, support and incubator space within the community building for residents. Residents will also be able to use the area as a marketplace to sell their products. All sale proceeds will go directly to these residents/business owners.

OHCS funding sources for Rockwood 10 are 4% LIHTC’s, Conduit Bonds, GHAP and OMEP Funds. While these funding sources did not, at the time of this application, have a requirement for commitment from the sponsor to equity or communities of color, CDP’s selection of Hacienda as a services partner and LMC Construction as contractor underscores their commitment to OHCS’s Statewide Housing Plan policy priority of Equity and Racial Justice.

**Financing Structure:**
Construction Lender: Key Bank
Permanent Lender: Key Bank
Syndicator/Investor: Key Bank CDC

<table>
<thead>
<tr>
<th>SOURCES:</th>
<th>USES:</th>
</tr>
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<tbody>
<tr>
<td><strong>OHCS Sources:</strong></td>
<td><strong>USES:</strong></td>
</tr>
<tr>
<td>Tax Exempt Bonds (Long Term)</td>
<td>Acquisition: $3,170,039</td>
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<tr>
<td>Tax Exempt Bonds (Short Term)</td>
<td>Construction: $41,130,437</td>
</tr>
<tr>
<td>Short Term Use of Bonds ($14,600,000)</td>
<td>Development: $17,842,952</td>
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<tr>
<td>4% LIHTC Equity</td>
<td>$23,519,463</td>
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<tr>
<td>GHAP Funds</td>
<td>$4,032,000</td>
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<tr>
<td>OMEP</td>
<td>$318,000</td>
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<tr>
<td><strong>Non-OHCS Sources:</strong></td>
<td><strong>TOTAL Sources and Uses:</strong> $62,143,428</td>
</tr>
<tr>
<td>Deferred Developer Fee $3,873,965</td>
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**TOTAL Sources and Uses:** $62,143,428

**Bond Structure:**
The total tax-exempt conduit bond amount is $45,000,000, of which $14,600,000 will be short-term, used for the construction of the project and the remaining $30,400,000 will be long-term debt. Key Bank will be the construction and permanent lender.
Project Schedule:
Target construction close date: December 18, 2019
Construction completion: April 2021
Construction period: 16 months

Developer Fee:
Total Developer fee: $7,170,828; 14% of total project costs. This is at the OHCS maximum of 14%.
- Deferred Developer fees: $3,873,965; Deferred fee will be repaid within the first 13 years of operation.
- Cash Developer fee: $3,296,863

Tenant Relocation:
New Construction, Not Applicable

Affordability Restrictions:

<table>
<thead>
<tr>
<th>Unit Type</th>
<th># Units</th>
<th>Income AMI%</th>
<th>Rent AMI %</th>
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<tbody>
<tr>
<td>1 BR</td>
<td>47</td>
<td>60%</td>
<td>60%</td>
</tr>
<tr>
<td>2 BR</td>
<td>74</td>
<td>60%</td>
<td>60%</td>
</tr>
<tr>
<td>3 BR</td>
<td>89</td>
<td>60%</td>
<td>60%</td>
</tr>
<tr>
<td>4 BR</td>
<td>14</td>
<td>60%</td>
<td>60%</td>
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Income:
OHCS – LIHTC commitment will restrict all units to 60% AMI income and rents for 30 years.

Operating Expenses:
- Operating expenses of $5,883 PUPA include resident services offered for the project and real estate taxes. For underwriting purposes, the net operating expenses are used. These are calculated as “annual operating expenses” ($5,883 PUPA) – “resident services” ($300 PUPA) – “real estate taxes” ($931 PUPA) = $4,652 PUPA
- Net operating expenses of $4,652 PUPA are reasonable based on comparables from the market study.

Debt Coverage Ratio:
The DCR conforms to OHCS established guidelines.
- First full year of operations: 1.15
- DCR at year 15: 1.35
- DCR at year 20: 1.42
- DCR at year 30: 1.54
Location Amenities:
Located in the heart of Gresham’s Rockwood neighborhood, near SE 181st Avenue and Stark Street, the Rockwood 10 project part of the city’s concerted effort to revitalize. The neighborhood has readily accessible services nearby which include several grocery stores including a major chain (within ¾ mile), a variety of restaurants (independent Italian, Hispanic and Asian cuisine restaurants as well as major chain fast food (all within ½ mile)), and several houses of worship within walking distance.

Public transportation is easily accessible. 181st Avenue is a major arterial in the area, and there is a bus stop is adjacent the property and a MAX Station light rail stop a ½ mile north.

Services in Proximity:
- Hospital 3.6 miles (Legacy Mount Hood Medical Center)
- Elementary 0.5 miles (Alder Elementary)
- Middle School 1.1 miles (H.B. Lee Middle School)
- High School 4.7 miles (Reynolds High School)
- Park 1 onsite and 2 within 4 blocks
- Police 2.3 miles
- Fire 2.3 miles

Resident Services:
CDP has entered into a partnership agreement with Hacienda CDC and they will be the primary service provider for Rockwood 10.

Services Hacienda will provide:

- **Resident Advocate**
  A resident advocate will be assigned to Rockwood 10 whose focus will be on housing stabilization through advocacy. Working to assist residents through eviction prevention, connecting and advocating for residents with resources such as city of Gresham and Police, Office of Neighborhood and Community Enhancement, Gresham Parks and Recreation, Guardian property management, Multnomah County and other partners.

- **Expresiones**
  Out-of-school programming via Expresiones. Expresiones is estimated to reach 50 youth in grades K-8. Students receive academic tutoring, access to enrichment opportunities, and the support to grow emotionally and celebrate their unique heritage and identities. Parent engagement is another pillar of the program model, and we facilitate
connections between parents and the schools, as well as offering leadership opportunities for parents to volunteer with the program.

- **Niños**
  Hacienda’s early childhood education program, called Niños, which aims to reach 150 children and 20 parents, brings certified parent educators into the homes of families with children age 0-5, helping parents build the skills they need to meet their child’s physical, social and emotional needs.

- **Economics**
  For those residents who are ready to strive for greater economic achievement and independence, Hacienda plans to offer its Economic Opportunity and Entrepreneurship Services. It is anticipated that these services will reach approximately 35 residents.
  - Economic Opportunity training will cover items such as: Financial coaching, Pre-purchase counseling, Lending circles, Credit building, EARN Saver Program – IDAs
  - Entrepreneurship training provides: Business coaching and small business development services to current and aspiring entrepreneurs through:
    - Bilingual business boot camps. One-on-one long-term business advising.
    - Monthly advanced business seminarsKitchen/affordable space for community sponsored retail festivals and fairs – Portland Mercado

- **Other Services Include**
  - **Hacienda Provided Services**
    - Farm to Fork – a comprehensive program that will involve the management of the community gardens (planting, maintaining, harvesting, composting, etc.) and training and education for families and children to educate them about the source of fresh food, the nutritional benefits, and the practical preparation of fresh and local ingredients into culturally relevant and healthy meals
    - Soccer Club – regularly scheduled kids’ soccer and futsal training and games
    - Community Cycling Center – training in simple bicycle mechanics, availability of tools, and bike clubs for children who can earn credit toward a bicycle by volunteering in the center
    - Community Volunteer Committees – empowerment and ownership through the creation of volunteer committees that will range from social programming to peer support to gardening to community activism
    - Exercise and dance classes – Zumba, Latin dance, yoga, and other exercise classes
Volunteer ecological education and classes on sustainability
Movie and live music in the park/community center nights

Multnomah County Services
Cooking Classes
Health Clinics – Including behavioral healthcare
Food Pantry

Amenities:

Project Amenities:
• 1.7 acres of open space including a community plaza
• Play mounds for children
• Forested picnic area
• Pedestrian walking paths
• Community garden area
• Secure bicycle storage
• Business incubator space for residents to market their own products

Unit Amenities:
• Energy efficient appliances
• Vinyl plank flooring
• Refrigerators
• Dishwashers
• Ceiling Fans
Date: December 6, 2019

To: Housing Stability Council
Margaret Solle Salazar, Director

From: Samuel Brackeen IV, Loan Officer
Casey Baumann, Underwriting Manager
Julie V. Cody, Assistant Director Housing Finance

RE: RAD Phase II Conduit Bond 4% LIHTC Funding Request

MOTION: Move to approve Pass through Revenue Bond in an amount up to and not to exceed $17,000,000 to RAD 2 LLC for construction of RAD Phase II, subject to the borrower meeting OHCS, Washington Federal, and Richman Group underwriting and closing criteria, documentation satisfactory to legal counsel and State Treasurer approval of the bond sale.

MOTION: Move to recommend to Housing Stability Council the reservation of Lottery Backed Bonds in the amount of $2,650,000 for the Housing Preservation Funds to be used in junction with 4% LIHTC and Conduit Bonds for the Homes for Good RAD II preservation. This reservation is subject to sponsor meeting the requirements of the 4% LIHTC and Conduit Bond program and may be subject to Housing Stability Council approval.

Overview and Location:

At the December 6, 2019 Housing Stability Council (HSC) meeting, we will be asking HSC to consider the motion to approve the funding of RAD Phase II, which creates both Hayden Bridge Meadows and Taney Place. These properties are 7.1 miles from each other and target families with incomes below 60% MFI. This project is considered preservation because through this Rental Assistance Demonstration project, the public housing subsidies are being converted to project based rent assistance in the newly constructed units being built for the current tenants.

- Hayden Bridge Meadows site’s new construction will consist of 12 residential buildings and one community building for a total of 13 buildings, with both townhouse and flat style units.
- Taney Place site’s new construction will consist of eight, two- and three-story townhouses in addition to one community building for a total of nine buildings.

Together, 119 units will be provided by this project.
RAD Background
Homes for Good (HFG) received a multi-phase award under HUD’s Rental Assistance Demonstration Program (RAD) to convert 112 units of scattered-site public housing that are single family homes and duplexes in the Eugene-Springfield Metropolitan Area. In part this approval was a recognition from HUD that the model of scattered site public housing is not efficient for property management or financial sustainability. Through the RAD conversion, the assistance provided to these units will be transferred to newly constructed units within the HFG portfolio. HFG is partnering with DevNW, formerly NEDCO, to sell the homes to first time homebuyers.

In phase 1, Homes for Good sold 12 scattered sites, and brought back the subsidy at an existing complex named Richardson Bridge. RAD Phase II is the culmination of this ongoing preservation effort targeting the most at-risk portions of the Homes for Good public housing portfolio; having received HUD approval to sell the remaining 100 scattered sites and bring back the subsidy at the proposed new construction at Hayden Bridge Meadows and Taney Place.

Tenant Relocation
HFG follows federal Uniform Relocation Act (URA) requirements for relocating tenants during this process, which ensures that all residents are provided with options; this is detailed further in the transaction memo that follows.

Phase 1: Homes for Good provided relocation assistance to the first 12 public housing units between June and November of 2017. Homes for Good rehabilitated the Richardson Bridge Apartments the home that tenants were living in as part of the RAD Conversion beginning August of 2016.

Below is result of RAD Phase I and those 12 residents:
- 3 residents relocated to Richardson Bridge Apartments,
- 5 residents relocated to other Public Housing Units in Homes for Good portfolio that are not included in the RAD Conversion,
- 1 was evicted for cause
- 2 moved to market rate housing
- 1 purchased a home.

Funding History:
Currently requesting approval of up to $17,000,000 in Pass through Revenue Bonds.
Funding Context:

This project will utilize 4% LIHTC, OAHTC, and Housing Preservation Funds resources which require the developer to be in compliance with federal regulations and requirements. The project sponsored by Homes for Good Housing Agency and participates in HUD’s Rental Assistance Demonstration (RAD), which converts and preserves public housing subsidy to a Section 8 platform. Thus, this is a viable project for Housing Preservation Funds. Upon lease-up, 100 out of the 119 units will utilize project based rental vouchers.

Project Sponsor and Partnership:

Serving the community since 1949, and formerly known as Housing and Community Services Agency of Lane County, or HACSA, Homes for Good is the sponsor and developer. Having developed more than 1,600 units of affordable housing, Homes for Good also is engaged in the restoration and preservation of existing homes. Having a staff of approximately 100 people who are a part of the Lane County community, Homes for Good has provided 236 Veterans Affairs Supportive Housing Vouchers, 3,098 Section 8 Rental Vouchers, 150 units designed for people with special needs and 80 Shelter Plus Care Vouchers helping those who need housing that includes daily support. Homes for Good has expanded their use of partnerships that help align with the statewide housing plan priorities.

OHCS has prior experience with Homes for Good in projects such as:

Oaks @ 14th- 54 units in Eugene Oregon. The facility housed veterans, seniors, and people with disabilities.

Partnerships:

- Homes for Good will be partnering with HIV Alliance and other community partners to refer people with disabilities and those living with HIV/AIDS and their families in both sites.

- Homes for Good will be also partnering with Lane County Homeless Liaisons to identify and refer families to include homeless and unstable housed students and their families.

- Homes for Good works with NEDCO (Neighborhood Economic Development Corporation) and Food for Lane County (On-site services for residents) to provide services and programming. NEDCO provides equity and opportunity for small
businesses, individuals, and families with resources of homeownership and financial advice.

- **Womenspace**: Homes for Good has contacts at Womenspace, an organization providing safety, hope, and healing to survivors of intimate partner violence for over 40 years, including thousands of survivors and children from communities of color, tribal communities, LGBTQIA community, survivors with disabilities, men, and the rural communities in Lane County.

- **General Contractor**: In the last 20 years, Meili Construction has completed or rehabilitated roughly 150 units of affordable housing per year ranging in size from 10 to 80 units. Multifamily housing projects that they have built in Oregon include Stellar Apartments, which consisted of 12 buildings and 54 units, and Bascom Village, which consisted of 53 units.

**Management Agent:**

In business since 1969, Quantum Residential has provided the Pacific Northwest with property management services for over 50 years. They are headquartered in Vancouver, Washington, with satellite offices throughout the region. Quantum is a third-party property management company specializing in large multifamily properties.

The portfolio of communities include management of over 6,500 units at 80+ properties throughout Oregon and Washington, and are licensed with the Oregon Real Estate Agency. Quantum has been an Accredited Management Organization (AMO) with the Institute of Real Estate Management (IREM) since 1984, making them one of only 554 firms in the United States with this accreditation.

Quantum also notifies Equifax, Transunion, and Experian monthly rent payments to help residents improve credit, and they also provide financial tips, videos and spreadsheets for residents.

**Notable Features:**

- **Earth Advantage Home Building**: Recognized green building standard for single and multifamily homes, utilizing products and components in construction that reduce carbon dioxide emissions and energy consumption. Uses standards in conjunction with
other national standards such as Passive House and LEED® for Homes to certify single and multifamily residences in Oregon and Southwest Washington.

- **Northwest Energy Star** - Appliances that have earned the ENERGY STAR meet strict energy efficiency criteria without sacrificing performance or design. They have the same features consumers look for in conventional models, but they use less energy and less water. This means ENERGY STAR qualified appliances help protect the environment while saving consumers money.
- Improved energy performance and conservation, resulting in reduced owner maintenance costs with Energy Star Appliances square foot.
- Solar ready roofs.
- Insulation greater than code minimum for Oregon Energy Code.
- At least 90% LED lighting on entire site.
- All hard surface flooring to improve indoor air quality.

**Policy Priorities:**

This project will help further two priorities outlined in the statewide housing plan, namely Equity and Racial Justice, and Affordable Rental Housing.

**Equity and Racial Justice Priority:**

- **Community Demographics:** The RAD Phase II is a scattered site project, with one site, Taney Place located in Eugene, and the other, Hayden Bridge Meadows, located in Springfield.
  - The census tract that Taney Place is located in consists of 27.9% people of color, of whom 75.4% identify as Hispanic or Latino who make up 20.4% of the total population of the tract. In this tract, more than half of households (50.1%) are renters, but it also has a lower poverty rate (14.4%) and lower unemployment rate (4.7%) than the average of those rates for similar areas, in this case, tracts within cities that are non-Metro Participating Jurisdictions. The tract presents a unique combination of high need in a community of color with many renters and strong opportunity, with low poverty and unemployment, as well as access to better than average public schools and a location abutting Echo Hollow City Park.

  - Hayden Bridge Meadows is located in a census tract that consists of 13.4% people of color. Of those people of color, 45.2% identify as Hispanic or Latino and 30.8% identify as two or more races. The tract has lower poverty and unemployment rates, and higher labor market
engagement, than comparable tracts. Its households are 45.5% renters, and there is a very disproportionate skew of these households when broken out by race: 41% of White households are renters, but 84.7% of households of color are renters, which means rental housing in the tract will be more likely to impact people of color in the area.
**Affirmative Fair Housing Marketing Strategies:** Due to the diversity of communities in Lane County, Homes for Good has adjusted its outreach to keep up with the changing environment. Several Homes for Good staff members are now active in the housing community and have joined boards, including the Rental Owners Association (ROA), Human Rights Commission, United Way Equity Coalition, Housing Policy Board, and Poverty Homeless Commission to ensure marketing reaches a broader horizon.

In addition, they have employed the use of various strategies to address cultural differences and language barriers that inhibit access to housing Homes for Good provides. Homes for Good has identified groups with cultural differences that are underserved and that might benefit most from information and outreach. In Lane County, the group to which language is a major barrier is lower income Latinos.

Cultural differences for this group, as well as African Americans, Pacific Islanders and Asians, inhibit access to housing. To address this, Homes for Good now conducts targeted recruitments for bilingual employees, and there are now seven bilingual employees (English/Spanish) working for them. Homes for Good is also in the process of implementing a language access plan.

This plan includes a language-line, which will facilitate translation for non-English speakers when their language is not one spoken by Homes for Good bilingual staff.
The language-line will also include a function to quickly translate forms into a variety of languages.

Marketing and Training for RAD Phase II - Homes for Good, together with staff from Centro Latino Americano, administered a previous Meyer Memorial Grant aimed at creating educational materials about Fair Housing and access to low income housing for Spanish-speaking community members. Homes for Good also supports the work of its employee Inclusion Council (IC), a committee that is tasked with scheduling training sessions for employees to focus on cultural differences. Furthermore, Homes for Good staff participates in the Centro Latino Americano Health Fair, Asian Celebration, NAACP events, and many other community events to raise community awareness regarding housing issues.

Specific to this project, marketing materials will be developed in Spanish and English prior to lease up and marketed and coordinated with Centro Latino Americano, ShelterCare, Full Access, St. Vincent de Paul, and other partner agencies involved in this project. This marketing will be specifically targeted towards underserved groups through these agencies, as well as events such as the Asian Celebration and the Centro Latino Americano Health Fair. To determine the effectiveness of this early marketing, Homes for Good staff will analyze the demographics that comprise the initial waitlist for this project and compare it to census and neighborhood data to ensure that typically underserved groups are being fairly and equitably represented. If it is found that a group (or groups) is not represented to adequate levels, Homes for Good will work with partner agencies to increase communication with the under-represented group and provide additional information about the project. Once the project is up and running, this analysis and outreach will occur quarterly for both existing tenants and the waitlist.

- **Contracting, Diversity, Equity & Inclusion:** Meili Construction is updating their website to show previous statistics in MWESB, online bidding and previous partners. Currently, Meili Construction uses a consistent approach in advertising in the Eugene Register Guard and Springfield Daily Journal of commerce.
  
  - In addition, Meili uses a MWESB list to ensure they are reaching out themselves to contract and meet their personal 20% thresholds. Also, for previous subcontractors that are not currently registered MWESB businesses, Meili is encouraging eligible contractors to register as well, with personal solicitation using five different exchange sites and more than 15 registered subcontractors MWESB entities they work with. Below are other avenues of approach Meili Construction takes to ensure contracting, diversity, equity, and inclusion.
• Placing qualified small and minority businesses and women's business enterprises on solicitation lists.
• Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources.
• Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority business, and women's business enterprises.
• Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority business, and women's business enterprises.
• Working with Disadvantaged Business Enterprise (DBE)
• Working with Emerging Small Business (ESB)
• Working with Minority Business Enterprise (MBE)
• Working with Service-Disabled Veteran Business Enterprise (SDVBE)
• Working with Women Business Enterprise (WBE)
• Working with Airport Concessionaire Disadvantaged Business Enterprise (ACDBE)

• Homelessness Priority
  o N/A
• Permanent Supportive Housing Priority
  o N/A
• Affordable Rental Housing Priority
  o Providing 119 units of affordable housing
• Homeownership Priority
  o N/A as this is an urban project
• Rural Communities Priority
  o N/A as this is an urban development

Risks and Mitigating Factors:
The development conforms to OHCS underwriting standards and there are no exceptions to normal underwriting practices, policies or guidelines.

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

**Project Sponsor:** Homes for Good Housing Agency

**Property:** RAD Phase II  
1975 5th St Springfield OR, 97477 & 1600 Taney St Eugene OR, 97402

**Owner:** RAD 2 LLC

**Description:** RAD Phase II is a scattered site project in Eugene & Springfield with 119 units, 20-two and three residential buildings and 2 community buildings

<table>
<thead>
<tr>
<th>Affordability:</th>
<th>Funding Source</th>
<th># Units</th>
<th>% Income</th>
<th>% Rents</th>
<th># Years</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>LIHTC</td>
<td>119</td>
<td>60</td>
<td>60</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td>HPF/LBB</td>
<td>22</td>
<td>60</td>
<td>60</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td>OAHTC</td>
<td>119</td>
<td>60</td>
<td>60</td>
<td>20</td>
</tr>
</tbody>
</table>

**Target Population:** Families and 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.

**Finance Committee Approval:** OHCS Finance Committee Reviewed and Approved this Project to be Recommended to the OHCS Director and the Housing Stability Council on November 26, 2019

**Summary:**

RAD Phase II consists of twenty, two- and three-story residential buildings located in Eugene and Springfield, and will include 119 units (including two manager’s units) with a mix of 17-one bedrooms, 22 two-bedrooms, 72 three-bedroom units and 8 four-bedrooms. Along with 4% LIHTCs and tax-exempt bonds, RAD Phase II will utilize OAHTC and LBB/Housing Preservation Funds.
**Financing Structure:**

- **Construction Lender:** Washington Federal
- **Permanent Lender:** Washington Federal
- **General Contractor:** Meili Construction
- **Equity Investor:** Richman Group

<table>
<thead>
<tr>
<th>SOURCES</th>
<th>USES:</th>
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<tbody>
<tr>
<td><strong>OHCS Sources:</strong></td>
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<tr>
<td>Tax Exempt Bonds (Long Term)</td>
<td>Acquisition $1,860,000</td>
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<tr>
<td>Tax Exempt Bonds (Short Term)</td>
<td>Construction $24,820,721</td>
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<tr>
<td>Short Term Use of Bonds</td>
<td>Development $6,554,757</td>
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<tr>
<td>4% LIHTC Equity</td>
<td></td>
</tr>
<tr>
<td>Housing Preservation Funds</td>
<td></td>
</tr>
</tbody>
</table>

| **Non-OHCS Sources:**            |         |
| Home Loan (From Eugene)          | $750,000 |
| Deferred Development Fee         | $950,000 |
| Cash                             | $13,043,062 |

| **TOTALS:** $33,235,478          |         |

**Bond Structure:**

The total tax-exempt conduit bond amount is $17,000,000, of which $10,400,000 will be short-term, used for the construction of the project and the remaining $6,600,000 will be long-term debt. Washington Federal will be the construction and permanent lender.
Scope of Work:
RAD Phase II is twenty, two- and three-story, residential buildings located in Eugene and Springfield, and will include 119 units (including two manager’s units) with a mix of 17-one bedrooms 22 two-bedrooms, 72 three-bedroom units and 8 four-bedrooms. This new construction will be concrete slab foundation, wood frame, fiber cement lap siding, solar ready roofs with composition asphalt shingles with hard surface flooring to improve indoor air quality.

Construction costs per unit are $208,577.50 ($162.63 per square foot). These costs are reasonable and consistent with comparable projects in the area.

Project Schedule:
- Closing is targeted for December 23, 2019
- Completion is anticipated to be February 2021
- Construction period is 13 months.

Developer Fee:
The Developer fee is $2,000,000, which is 4.66% 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 12%. The Developer is deferring $950,000 and it will be repaid on the tenth year of operation.

Tenant Relocation:
An important note is that on site staff training has been provided by DDV Consulting Services, LLC. Ongoing guidance from the HUD Handbook 1378 and 49 CFR 24 will be followed during the duration of the project.

The current public housing units will be disposed of by sale of current properties and the rental assistance provided to these units will be transferred to the new construction, therefore Uniform Relocation Act (URA) regulations will apply and preservation remains. Tenants can choose to move to new housing being built, transfer to another voucher based or rental assistance property in or out of the Homes For Good Portfolio. Homes for Good Housing will:
Provide residents with reimbursement or direct payment of costs - Homes for Good will pay all costs associated with Relocation allowed under the URA. Costs which cannot be directly paid, will be reimbursed quickly as to not cause financial strain.

Provide physical and psychological support for moving - Beyond financial support, relocation can present physical and psychological burdens to those who have to move.

Priorities of Moving

First Priority – Households with school-aged children. Any families with elementary aged children will have priority with in this category, followed by middle school children and the high school, private or alternative school options will be last.

Second Priority – Households with residents over age 62

Third Priority – Households with disabled residents

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>17</td>
<td>60%</td>
<td>60%</td>
</tr>
<tr>
<td>2 BR</td>
<td>22</td>
<td>60%</td>
<td>60%</td>
</tr>
<tr>
<td>3 BR</td>
<td>72</td>
<td>60%</td>
<td>60%</td>
</tr>
<tr>
<td>4 BR</td>
<td>8</td>
<td>60%</td>
<td>60%</td>
</tr>
</tbody>
</table>

- OHCS 4% LIHTC restrictions and LBB/HPF restrictions

Income:

OHCS – LIHTC commitment is for 119 units at 60% AMI Income and Rents.
Operating Expenses:
Operating expenses of $4,693 PUPA include resident services offered for the project and real estate taxes which are in line and comparable with recent appraisal. The operating expenses are within OHCS guidelines.

Debt Coverage Ratio:
After the first full year of operations, the debt coverage ratio will be 1.20. The DCR complies with lender, investors, and OHCS.

DCR at first full year of operations: 1.18
DCR at year 15: 1.31
DCR at year 20: 1.34

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

Location Amenities:

Hayden Bridge Meadows & Taney Place

- Hospital – 2 mi and 5 mi
- Elementary School – 2 mi and 4.2 mi
- Middle School – 0.7 mi and 0.6 mi
- High School – 0.9 mi and 0.7 mi
- Park – 1.5 mi and 2.9 mi
- Market – 1.0 mi and 3.2 mi
- Transit stop – 1 mi for both
- Highway or major street – less than one mi
- Police – 1.2 mi and 7 mi
- Fire – 2.5 mi and 3.5 mi

Resident Services:

Housing Stability Services- Resident Services supports residents in their housing stability, providing tenant education opportunities, lease violation interventions, information and referral services.
Financial Management and Asset Building: Access to budgeting classes, credit counseling, financial planning, Home Ownership Programs, and Individual Development Accounts (IDA’s)

Job Skills Training: Referrals are available to free Job Search and Vocational Services Programs. Training and services include resume writing, interviewing, job search strategies, and job placement.

Family Self Sufficiency Program: Families and individual living in the units with project based vouchers will be eligible. Voluntary program designed to help families achieve financial independence.

Food and Nutrition Programs: Programs such as Extra Helping, Senior Grocery and Health Cooking will be offered. These programs supplement the monthly food budget and provide education on meal planning and cooking with a focus on nutrition.

Amenities:

<table>
<thead>
<tr>
<th>SITE AMENITIES</th>
<th>UNIT AMENITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Laundry Facilities</td>
<td>Energy Star Refrigerator</td>
</tr>
<tr>
<td>Courtyard</td>
<td>Energy Star Dishwasher</td>
</tr>
<tr>
<td>On Site Management</td>
<td>Patios</td>
</tr>
<tr>
<td>Clubhouse Meeting Room</td>
<td></td>
</tr>
<tr>
<td>Computer Lab</td>
<td></td>
</tr>
</tbody>
</table>
1600 Taney St Eugene OR, 97402

1975 5th St Springfield OR, 97477
Date December 6, 2019
To: Housing Stability Council
Margaret Solle Salazar, Director
From: Samuel Brackeen IV, Loan Officer
Ed Brown, GHAP Program Manager
Julie V. Cody, Assistant Director Housing Finance

RE: Rosewood Homeowner’s Cooperative GHAP Funding Request

MOTION: Move to approve General Housing Account Program (GHAP) funding in an amount up to and not to exceed $3,535,000 to Rosewood Homeowners Cooperative for the purchase and preservation of the Rosewood Mobile Home Park, subject to the borrower meeting OHCS and Banner Bank’s underwriting and closing criteria and documentation satisfactory to legal counsel.

Overview and Location:

Rosewood Manufactured Home Park consists of 101 spaces on a single 28 acre lot located at 252 NW Bree Drive Winston OR 97496. The residents who live in this park are homeowners, but they are paying space rent for their individual homes. Rosewood Manufactured Home Park is located near Interstate 5 with a presence of abundant natural attractions that benefit the local tourism industry.

The OHCS Manufactured Dwelling Park Preservation (MDPP) NOFA offers GHAP and OAHTC resources to be utilized specifically for the preservation of manufactured home parks. These GHAP and OAHTC resources will be utilized by Rosewood Homeowners’ Cooperative for the purchase and preservation of the Rosewood Manufactured Home Park.

Funding History:

There is no prior OHCS funding in this manufactured home park.
Funding Context:
The project is using GHAP funding, and will also utilize OAHTCs to serve the rural community of Winston, OR. GHAP funding provided by OHCS will be used to purchase and preserve the park for the Rosewood Homeowners Cooperative.

At application, the park is more than 60% of residents below 80% MFI. All new residents will be at or below 80% AMI. The cooperative, with assistance from the Property Manager, will insure that the 60% or households will have incomes below 80% of the area median, thereby consistently meeting the affordability restrictions.

Consultant and Partnership:
The consultant, CASA of Oregon, has completed over 1,000 housing units throughout the State of Oregon with over 30 years of history. The Board of Directors provides leadership and direction and helps local organizations provide housing for farmworkers and other marginalized populations in primarily rural areas such as Winston, Oregon. Focusing on those who are often unable to advocate for themselves, CASA of Oregon is positioned as a liaison to the community with government, industry and community organizations.

Previous CASA of Oregon projects with OHCS include:
• Elk Meadow Homeowners Cooperative in Warrenton, Oregon helping 37 residents.
• Mountain View Cooperative in Estacada Oregon, supporting 42 units in financing and help with consulting as well.

Below are some highlighted priorities of CASA of Oregon General Mission in helping projects like this one.

• Work with national partners to support permanent program status for USDA’s rural housing preservation program.

• Develop legislative policy recommendations, including Opportunity to Purchase legislation.

• Collaborate with partners to organize and annual state conference to highlight the need for state initiatives that support asset building and financial security for low-income residents.

General Contractor: N/A – no construction contemplated
**Management Agent:** The Cooperative’s Board of Directors, alongside an operations committee, will be responsible for onsite management of the community, but reserves the option of hiring an on-site manager at a later date. CASA has a representative at every board meeting and will assist the Board with this process and with hiring if they should choose that option at a later date.

**Policy Priorities:**
The Rosewood Manufactured Home Park project aligns with multiple key OHCS statewide housing plan priorities.

**Equity and Racial Justice Priority:**

**Community Demographics:**
- The Rosewood Homeowners Cooperative MHP is a manufactured home park preservation project located in Winston. The census tract that Rosewood is located in consists of 18.2% people of color, of whom 44.4% identify as Latino, 29.6% identify as some other race, and 10.9% identify as Asian. When compared with other rural tracts in the state, it has a higher than average poverty rate (20.2%) and a lower than average unemployment rate (7.1%). The tract also has a relatively high concentration of people of color and a greater percentage of renters (37.8%). This percentage of renters is far higher for the communities of color in the area, however, with 48.4% of households of color being renters as opposed to just 36.1% of white households.

![Rosewood Homeowners Cooperative MHP Census Tract Race/Ethnicity](image-url)
Affirmative Fair Housing Marketing Strategies:

- The cooperative will own and operate the community and do outreach when filling the other 19 spaces. CASA of Oregon, the cooperative’s technical assistance provider, has partnered with UCAN (United Community Action network) and Umpqua Bank to market the other 19 spaces across all communities for available future homeownership. The below areas in which UCAN in tandem with the cooperative are resources that will be used in marketing for the remainder of the empty spaces:
  - Head Start and Early Head Start
  - Healthy Families, Healthy Start, Nurse Home Visiting
  - Food Banking
  - Nutrition Programs
  - Other affordable Housing Developments
  - Others Using Rental and Housing Assistance
  - Those using supportive Housing Services
  - Those using Energy Assistance and Weatherization Programs

Resident Services:

- Cooperative Management Solutions allows their clients (Rosewood Manufactured Home Park) to pay their space rent on a website. The cooperative is also working with CASA of Oregon to coordinate work with local financial institutions in providing financial education to the residents of the park. The Technical Assistance (CASA of Oregon) provider will also attend every board meeting, which allows for a coordinated effort of the resident services described above.

Contracting, Diversity, Equity & Inclusion:

- N/A – this project has no construction contemplated. The consultant, CASA of Oregon, however, is an organization with a 30-year history of working with marginalized populations, and racial equity is one of their stated core values.

Homelessness Priority

- N/A -- this is a homeownership model manufactured home park and not targeted to the homeless population. The park residents are largely, however, on low or fixed income, and the preservation and stabilization of their homes greatly decreases their risk of becoming homeless.
Permanent Supportive Housing Priority
  o N/A - there is no permanent supportive housing component of this project.

Affordable Rental Housing Priority
  ▪ N/A – the residents of the park will own the manufactured homes in the park.

Homeownership Priority
  o The purchase of the park using OHCS GHAP funds will preserve the park, allowing homeowners to remain. All members of the cooperative own their homes.

Rural Communities Priority
  o This is in a rural community located just over seven miles south of Roseburg with just over 5,500 people.

The pages that follow will provide more technical details on the proposed project.
Project Detail: Rosewood Homeowners Cooperative

Project Sponsor: Rosewood Homeowners Cooperative

Property: Rosewood Manufactured Home Park
252 NW Bree Drive
Winston OR 97496

Owner: Rosewood Homeowners Cooperative

Description: 101 mobile park spaces on a single 28 acre lot

Affordability:

<table>
<thead>
<tr>
<th>Funding Source</th>
<th>Spaces</th>
<th>% Income</th>
<th># Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>GHAP</td>
<td>101</td>
<td>80% AMI</td>
<td>60</td>
</tr>
</tbody>
</table>

Target Population: Families making 80% AMI

Environmental Review: A Phase I report review has been completed and all recognized environmental conditions or issues on the site have been addressed.

Finance Committee Approval: OHCS Finance Committee Reviewed and Approved this Project to be Recommended to the OHCS Director and the Housing Stability Council on November 26, 2019

Summary:

The property is located at 252 NW Bree Drive Winston OR 97494 located on the south side of Lookingglass Road on the north side of Lookingglass Creek. The Manufactured Home Park is a 101-space park located in Winston, Oregon and the residents are homeowners who make 80% AMI or below. The park was built in 2000 and currently has 82 spaces leased and the residents will fill in the 19 remaining after the purchase of park from the cooperative. The residents in this park are homeowners and the GHAP funds provided will be used to purchase the park.

Residents of the park own their homes individually and the park collectively. The most important service the Cooperative will have is Technical Assistance from CASA of Oregon.
on how to operate their business, given the laws, rules and contracts they agreed to. The homeowner’s will also have access to basic outlines of park rules like shared decision making, controlled monthly rent, and remaining as a park collective.

Members of the Cooperative annually elect a board of directors, who have the primary responsibility of operating the park. The Board, through the establishment of committees, addresses the needs of the cooperative members. If any member has a specific need, the Board will refer them to the appropriate service within the larger community.

**Financing Structure:**

**Construction Lender:** N/A – no construction contemplated

**Permanent Lender:** Banner Bank

**General Contractor:** N/A – no construction contemplated

**Equity Investor:** N/A – no construction contemplated

<table>
<thead>
<tr>
<th>SOURCES</th>
<th>USES:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OHCS Sources:</strong></td>
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</tr>
<tr>
<td>MDPP GHAP Grant</td>
<td>Acquisition $6,515,500</td>
</tr>
<tr>
<td></td>
<td>Construction 0</td>
</tr>
<tr>
<td></td>
<td>Development $694,500</td>
</tr>
</tbody>
</table>

| Non-OHCS Sources: |       |
| Banner Bank w/OAHTC | $2,900,000 |
| CASA of Oregon Loan | $775,000 |
| **TOTALS:** | $7,210,000 |

**Bond Structure:**

N/A as this project is using GHAP Grant Funds to only purchase park
**Scope of Work:**
N/A as this project is using GHAP Grant Funds to only purchase park

**Project Schedule:**
Closing is targeted for December 23, 2019

**Developer Fee:**
The total developer fee is $146,250

**Tenant Relocation:**
N/A - No relocation of existing residents will be necessary.

**Affordability Restrictions:**

<table>
<thead>
<tr>
<th>Unit Type</th>
<th># of Spaces</th>
<th>Income AMI%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spaces</td>
<td>101</td>
<td>60% of spaces make 80% MFI</td>
</tr>
</tbody>
</table>

**Operating Expenses:**
Operating expenses are $2,331 PUPA. The operating expenses are within OHCS guidelines as they are comparable to the recent appraisal of an average $2,433 for comparable mobile home sites.
- There will be a total of 101 spaces and 60% restricted at 80 MFI for 60 years

**Debt Coverage Ratio:**
Year 1 Primary DCR is slightly low at 1.11. However, this is a rising DCR and eventually maintains an acceptable DCR for throughout 30 years
DCR at first full year of operations: 1.11
DCR at year 20: 1.36
DCR at year 30: 1.47

**CASA of Oregon Services available to cooperative:**

**Individual Development Accounts (IDAs):** Matched savings accounts enable individuals and families with limited financial resources to save and build assets. The IDA program is for those seeking to pursue post-secondary education at an accredited institution or vocational training, or for those saving for retirement.

**Financial Coaching:** One-on-one financial coaching to help achieve financial goals. Financial coaches don’t do the work, but they will support in taking those important steps to get in control of finances and plan for a sound financial future.

**Financial Education:** Financial Household Resiliency (FHR) Group Workshops at the Portland office every month on Tuesday evenings from 5:30-7:30 pm. Though this class is offered a significant distance away, residents can contact CASA of Oregon technical assistance to get notes or find potential webinars on class given.

**Sister Adele Scholarships** Individual awards will range from $1,000 to $2,500 per scholarship winner. The Sister Adele Scholarship is funded by CASA of Oregon, a private non-profit committed to improving the quality of life of farmworkers and their families. This is not specifically for the project but residents have the ability to apply.
FIGURE 3: TOPOGRAPHIC MAP
Project No. 19-254698.1

USGS 7.5 Minute Winston, Oregon Quadrangle
Created: 2017
Figure 2: Site Plan
Project No. 19-254698.1

KEY:
- Subject Property
- Transformer

GROUNDWATER FLOW
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Date: December 6, 2019

To: Housing Stability Council
Margaret Solle Salazar, Director

From: Terrance Murdock, Loan Officer
Ed Brown, Program Manager
Julie V Cody, Director Affordable Rental Housing

RE: Mountain View Mobile Home Park

MOTION: Move to approve General Housing Account Program (GHAP) funding in an amount up to and not to exceed $1,890,000 to Mountain View Cooperative for the purchase and preservation of the Mountain View Mobile Home Park, subject to the borrower meeting OHCS and Banner Bank’s underwriting and closing criteria and documentation satisfactory to legal counsel.

Overview and Location:

OHCS Manufactured Dwelling Park Preservation (MDPP) NOFA offers GHAP and OAHTC funds to be utilized specifically for the preservation of manufactured home parks. These GHAP and OAHTC resources will be utilized by Mountain View Cooperative for the purchase and preservation of the Mountain View Mobile Home Park. There are 42 spaces for residents living on low or fixed incomes, with 60% of the current homeowners living in the park are making less than 80% of the area medium income.

Funding History:

There are no prior OHCS funds in this project

Funding Context:

This project will use non-competitive GHAP resources for the funding of this purchase and preservation of this mobile home park by the resident cooperative.
Project Sponsor and Partnership:
The sponsor is a non-profit cooperative that was organized for the purchase and upgrade of Mountain View Mobile Home Park so the residents will have an ownership interest.

General Contractor: There are two contractors working on the project; Lauzon Contracting, LLC, and Steve’s Pump Service. Due to the scope of work there is no need for a general contractor.

Management Agent: The project is in a conversion to resident cooperative ownership (Cooperative) of an existing mobile home park. The Cooperative will outsource property management to a full-service provider in the future. This mobile home park will be resident owned and does not require an approved management company as a condition of funding. However, CASA of Oregon has been hired as a consultant on the project and will assist with setting up the structure and future management of the park.

Notable Features: Not applicable

Policy Priorities:

- Equity and Racial Justice Priority:
  - Community Demographics: The census tract in which this project is located is made up of 6.7% people of color and 13.5% renters. The poverty rate is 9.3%, which is lower than the average of other rural census tracts. However, the unemployment rate is 10.1%, which is higher than the average of other rural census tracts, and the high school graduation rate is 88.3%, which is below the average of other rural census tracts in the state.
**Affirmative Fair Housing Marketing Strategies:** Not applicable.

Mountain View Mobile Home Park homes are owned by tenants, who can sell their homes at anytime. Homeowners will use Real Estate Agents to effectively market their homes following all federal fair housing rules and guidelines.

**Resident Services:** The Cooperative will outsource their property management to a full-service property management provider after conversion to a resident owned park. The services they will provide will be bill payment services, notices to residents, and general bookkeeping under the guidance of CASA who will be post-purchase technical assistance provider. CASA of Oregon will provide training with the Board of Directors as they own and operate their own community. There is no named management agent at this time.

**Contracting, Diversity, Equity & Inclusion:** The Interim Board President of Mountain View Cooperative has signed DEI agreement.

- **Homelessness Priority:** The census tract in which this project is located has a higher median age (42.4) than both Clackamas County (41.4) and Oregon as a whole (39.2), with 31.9% of its residents age 55 or over. Manufactured homes make up 30.4% of the census tract’s housing stock, far more than and are a crucial housing supply in an area.
without many other options available. Preserving this supply of housing will reduce residents’, many of whom are low or fixed income, risk of homelessness.

- **Permanent Supportive Housing Priority:** Not applicable. This is an established resident owned mobile home park.

- **Affordable Rental Housing Priority:** Not applicable. This is an established resident owned mobile home park.

- **Homeownership Priority:** This is a cooperative where residents are homeowners. With the single-family home purchase prices in Clackamas averaging $435,000, the urgency to preserve their community as a form of affordable homeownership is greatly needed. Manufactured homes make up over 30% of the housing stock in the census tract. Preservation of the Mountain View Mobile Home Park through the Cooperative will have a significant positive impact on the well-being of residents, namely, by preserving affordability and creating housing stability.

- **Rural Communities Priority:** This community is located thirty miles southeast of Portland, Oregon, and is outside of the Portland Urban Growth Boundary. However, because it is still in Clackamas County, which is part of the Portland Metro Area, this Project is defined by OHCS as urban and thus is not applicable to our rural communities priority.

**Risks and Mitigating Factor**

No known risks. Phase 1 environmental report stated there was a concern regarding an open burn pit and a 500-gallon above ground fuel tank (reportedly no longer used). OHCS requested soil sampling of the two sites. Phase 2 environmental reports show no environmental risk on the tested sites. A condition of funding will be to decommission and remove the fuel tank. There are consistent rents, with low turnover in the mobile home park. The pro forma shows expected cash flow to increase in future years.

**The pages that follow will provide more technical details on the proposed project.**
Project Detail: Mountain View Mobile Home Park

Project Sponsor: Mountain View Cooperative

Property: Mountain View Mobile Home Park
34395 SE Duus Road
Estacada, OR 97023

Owner: Mountain View Cooperative

Description: Mountain View Mobile Home Park is a 42-space manufactured home community located on approximately 11.4 acre site located at 34395 SE Duus Road in Estacada. The park was constructed in the early 1970s and is surrounded by open fields and sparse development.

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>GHAP</td>
<td>42</td>
<td>80%</td>
<td>80%</td>
<td>60</td>
</tr>
</tbody>
</table>

Target Population: Residents living on low-or-fixed-incomes that is less than 80% of the area medium income.

Environmental Review: Phase 1 environmental report stated there was a concern regarding an open burn pit and a 500-gallon above ground fuel tank (reportedly no longer used). There was concern that there might be soil contaminants above safe limits. OHCS requested soil sampling of the two sites. Phase 2 environmental reports show no environmental risk on the tested sites. A condition of funding will be to decommission and remove the fuel tank.

Finance Committee Approval: OHCS Finance Committee Reviewed and Approved this Project on November 12, 2019.
Summary:
The park was constructed in the early 1970s. Spaces in the park are located in a compact “P” shape, yet also allow for privacy and can accommodate virtually any size mobile home. Currently, the park is fully occupied with a mix of single and doublewide homes. Historically, the park has had less than a 3% vacancy rate at any given time.

The current owner reports that the majority of residents are living on low-or-fixed-incomes. With the single-family home purchase prices in Clackamas averaging $435,000 and the median rent price of $2,200, the urgency to preserve their community as a form of affordable homeownership is evident. Preservation of the Mountain View Cooperative will have a significant positive impact on the well-being of residents, namely, by preserving affordability and creating housing stability.

Financing Structure:

Construction Lender: Banner Bank
Permanent Lender: Banner Bank
General Contractor: Lauzon Contracting, LLC and Steve’s Pump Service are the two contractors responsible for completing the scope of work. Due to the limited scope of work, a general contractor is not necessary.

Equity Investor: N/A

<table>
<thead>
<tr>
<th>SOURCES</th>
<th>USES:</th>
</tr>
</thead>
<tbody>
<tr>
<td>OHCS Sources:</td>
<td></td>
</tr>
<tr>
<td>GHAP Grant</td>
<td>Acquisition $3,005,100</td>
</tr>
<tr>
<td></td>
<td>Rehabilitation $703,000</td>
</tr>
<tr>
<td></td>
<td>Development $666,900</td>
</tr>
<tr>
<td>Non-OHCS Sources:</td>
<td></td>
</tr>
<tr>
<td>Banner Bank</td>
<td></td>
</tr>
<tr>
<td>Banner Bank w/ OAHTC</td>
<td>$2,225,000</td>
</tr>
<tr>
<td>CASA of Oregon</td>
<td>$260,000</td>
</tr>
<tr>
<td></td>
<td>TOTALS: $4,375,000</td>
</tr>
</tbody>
</table>
**Bond Structure:**
N/A. Bond funds not being used in this project.

**Scope of Work:**
The community has two existing wells onsite and has its own park run septic system. The septic system has been well maintained and has had recent upgrades to the storage tanks, controls, baffles, and electrical system that runs the system. The wells will need to be updated as part of the scope of work as well as the water lines that distribute the water to each space.

**Project Schedule:**
- Closing is targeted for March 1, 2020
- Construction completion is anticipated to be August 1, 2020
- Construction period is ten months.

**Developer Fee:**
The total developer fee is $127,500. The developer fee percentage is 10.7%, which is within the OHCS limit.

**Tenant Relocation:**
Not Applicable. There will be no tenant relocation during the upgrades to the mobile home park.

**Affordability Restrictions:**

<table>
<thead>
<tr>
<th># of Spaces</th>
<th>Income AMI%</th>
<th>Rent AMI %</th>
</tr>
</thead>
<tbody>
<tr>
<td>42</td>
<td>80%</td>
<td>80%</td>
</tr>
</tbody>
</table>

Per Banner Bank LOI the borrower shall certify annually to Lender that 100% of the pads were
occupied by households earning no more than 80% of Area Median Income at initial occupancy of each pad.

**Income:**

Income of $678 gross monthly rent per space is from individual space rent in the mobile home park.

**Operating Expenses:**

The expected annual operating expenses are $3,046 per space per year after funding. This amount is slightly, though not alarmingly, higher than other mobile home parks in rural parts of Oregon. This can mostly be attributed to its proximity to Portland. In particular, professional services and maintenance of the property were more expensive for this project and others in the Portland Metro Area than for comparable projects in more rural parts of the state.

**Debt Coverage Ratio:**

The total debt coverage ratio with OAHTC is 1.15 in year one. The DCR is within OHCS guidelines.

DCR at first full year of operations: 1.15
DCR at year 20: 1.44
DCR at year 30: N/A

**Location Amenities:**

- The nearest grocery stores are approximately three miles away (Harvest Market and Big Jim’s Corner Market).
- Clackamas River Elementary, Estacada Junior High and Estacada High School are within two miles of the park.
- The mobile home park is located three miles outside of the downtown area of Estacada.
- The nearest access road is on SE Duus Road.

**Resident Services:**

The Cooperative will outsource their property management to a full-service property management provider after conversion to a resident owned park. The services they will provide will be bill payment services, notices to residents, and general bookkeeping under
the guidance of CASA who will be post-purchase technical assistance provider. CASA of Oregon will provide training with the Board of Directors as they own and operate their own community. There is no named management agent at this time.

**Amenities:**

The park is located three miles from downtown Estacada and seven miles from Milo McIver State Park.
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DATE: December 6, 2019

TO: Housing Stability Council
    Margaret Solle Salazar, Executive Director

FROM: Rick Ruzicka, Interim Asset Management Manager
      Natasha Detweiler-Daby, Senior Affordable Rental Housing Policy Analyst
      Julie V. Cody, Director Affordable Rental Housing

SUBJECT: Rent Increase Policy; Review and Update

At the December Housing Stability Council (HSC) meeting, we will be introducing an update to our established Rent Increase Policy and Processes, in the hopes of finalizing such modifications at the January HSC meeting. The existing policy has been in place since April 2018. The following recommendations are a result of stakeholder feedback and an internal policy evaluation, and are designed to streamline processes, align with the current market, and enhance transparency.

Background

In April 2018, the Housing Stability Council adopted a Rent Increase Policy, which established the parameters and methods by which OHCS can approve annual revisions to established rent rates at projects.

Under the previous policy, OHCS had the right to approve each property’s rent structure at lease-up, and to pre-approve all rent increases throughout the affordability period per each of the OHCS programs. For properties with rent restrictions, OHCS had discretion to approve or disapprove of all rent increases up to the maximum allowable.

The 2018 adopted policy\(^1\) established that “rent increase requests will be limited to not more than 5% for any resident household during a 12 month period [for applicable programs]... Increase requests greater than 5% will require Finance Committee approval within OHCS.”

\(^1\) Current Rent Increase Policy and Process, Reference Material:
In order to implement this policy, OHCS adopted a strategy where rent increase requests that were 5% or less would be approved by staff, and any requests above 5% would require an enhanced review and approval by the OHCS internal Finance Committee and the OHCS Executive Director.

The criteria adopted for consideration of approval in excess of 5 percent are as follows:

- Reasonableness to area rent comparables
- Reasonableness for resident population
- Comparison to the current maximum rent limits for the property
- Reasonableness of the vacancy rate history
- Comparison to pro forma rent projections

Policy Intent
The rationale for establishing such a policy is to balance the financial sustainability of projects with the stability of residents in affordable housing. Research has demonstrated that for every 10% increase to rents there is a corresponding 13.6% increase to the rate of homelessness. While rents within OHCS funded affordable housing, including for properties financed with Low Income Housing Tax Credits, are not able to exceed HUD defined rent restrictions, it is often the case that actual rents charged on units are below the maximum eligibility. This issue is exacerbated by recent market trends, where, following a relatively steep decline in HUD program rents during the years of the recession, there has been a corresponding rapid increase in maximum allowable rents as the economy has improved.

As can be seen in the following graph of a selection of Oregon Counties, the HUD max rents for a 50% AMI 4-person household tended toward modest increases from 2010 – 2012. Beginning in 2013 program rents began to decline; in Jackson County you can see the rents declined by 5 percent year to year between 2012 and 2013 and most recently we see back to back annual increase of 10 percent between both 2017 and 2018, as well as 2018 and 2019. Deschutes County rents peaked in 2012 at $830 then consistently declined until they finally exceeded the 2012 rents in 2018.

https://www.oregon.gov/ohcs/APMD/PCS/pdf/OHCS-Rent-Increase-Policy.pdf (Current Rent Policy Approved HSC Write-up)
https://www.oregon.gov/ohcs/APMD/PCS/pdf/OHCS-Rent-Increase-Policy-FAQ.pdf (Current Rent Policy FAQ)
https://www.oregon.gov/ohcs/Pages/asset-management-program-compliance-section.aspx (Current Rent Request Forms)

While many projects placed in service prior to 2008 are held harmless to declining rents due to the federal stimulus HERA legislation\(^3\), over 200 projects have been placed in service since that time. Further, all projects are subject to local market conditions where there may not have been the ability or attention paid to adopt modest annual increases.

These factors have led to a situation where many projects have rents that, within program limits, could be increased upwards of 20 percent. For vulnerable low-income households, those increases put their housing stability at risk; in particular because there are often households living in an affordable unit with household incomes well below the unit’s rent restriction. For example, a household earning 40% AMI may be benefiting from a unit that has its rents at an affordable level for 40% AMI household, but was funded to, and is thus programatically allowed to, have rents at 60% AMI. Incorporating significant increases to these households’ housing expenses with a rent increase would prove very difficult if not impossible for these households to financially manage.

At the same time, the financial health of project’s operation is of the utmost importance in ensuring the long-term viability and sustainability of all affordable housing projects. Each year the cost of operating these projects has continued to increase. While owners may be able to sustain operations for a period of time without corresponding increases to rents, over time the inability to cover needed operational costs results in deferred maintenance and eventual health and safety issues.

The goal of this Rent Increase Policy is to ensure that increases to rents at the project level are:
- In compliance with applicable funding sources, regulatory documents and established affordability restrictions;
- Implemented modestly so as to prioritize housing stability for tenants;
- Necessary to sustain and support the operational needs of the building.

Statewide Housing Plan Alignment

In understanding this policy, we can also look to areas where there are impacts across a wide array of Statewide Housing Plan priorities.

- Equity and Racial Justice Priority:
  - Communities of color are overrepresented among low-income households; we are working to compile household data from our current portfolio and would

expect that a substantial portion of the residents impacted by rent increases would represent communities of color.

- **Homelessness Priority:**
  - As established, increases to rent have a direct correlation with increasing the risk of housing instability and homelessness. A 10% increase in rents increases the rate of homelessness 13.6%.

- **Permanent Supportive Housing Priority:**
  - The impact of increasing rents on households is the reason why having operational subsidy, like rent assistance for each household in permanent supportive housing, is imperative to long term success. With operating resources or rent assistance, no matter the rent charged on a unit, the household will likely only pay thirty percent of their household income on rent. This type of support is critical to long-term tenancy and household stability; in particular for those with little or fixed incomes.

- **Affordable Rental Housing Priority:**
  - Ensuring the long-term viability of funded affordable housing is critical to preserving the public investment in affordable housing statewide.

- **Rural Priority:**
  - While low vacancy rates are a statewide challenge, the relatively low supply of housing options, and rent assistance, in rural areas places additional priority on wanting to secure housing stability for current residents.

- **Homeownership Priority:**
  - While there is not a direct tie to homeownership with this policy, we do want to encourage over-income tenants to explore homeownership opportunities, which would have the added benefit of being able to open their unit to serve a more vulnerable household. These households may not suffer due to a rent increase, however they could also expand their financial freedom with asset building or homeownership investments.

**Policy Feedback**

Since implementing this policy, staff have reviewed over 600 requests for rent increases. Throughout those processes, we have taken and responded, to the best of our abilities, to feedback on both the policy and processes. In assessing performance, we have also initiated a survey of property management and owners that have gone through a rent increase to garner additional feedback. While this survey is still outstanding, we have early results from feedback.
of nearly 40 property owners and management entities. Across the board, this survey is confirming perspectives expressed to staff over the past year of implementing this policy.

These are:
- Fundamentally, project owners and managers do not believe that they should need to have increases to their rents approved. Nearly 75 percent of initial survey respondents expressed that OHCS should not need to approve rent increases.
  - While the need for this policy is based on balancing resident stability with the financial needs of owners, the fact that project owners see it as a burden highlights the importance of having an implementation strategy that is user-friendly, clear, and predictable.
  - We must clearly define the expectations for owners and management agents when pursuing a rent increase.
    ▪ While nearly 40 percent of initial survey respondents indicated that the rent increase was handled in an appropriate amount of time, another 30 percent felt it took too long and ten percent did not understand what their expectations on timeliness should be.
    ▪ Over 90 percent of initial respondents expressed wanting clear rights to appeal any decision that is made regarding their rent increases.

- Requests for rent increases are seen as critical to project operations; 84% of survey respondents indicated that they only request the increase that is necessary to support their building operations.
  - Our evaluation criteria must place a deliberate focus on financial sustainability of project operations.
  - Initial survey respondents expressed that a review should not be necessary for increases at or below 5 percent; additionally eighty-five percent of respondents expressed wanting a streamlined approach for allowing rent increases above 5 percent. Over half of respondents felt that affordable housing should use the same standards for rent increases as the market\textsuperscript{4}.

Policy Recommendations:
In the new draft Rent Increase Policy that follows this memo, several meaningful changes are proposed.

- Defining expectations:
  - Lays out an updated time period for the evaluation to take place
  - Establishes clear rights to appeal decisions

\textsuperscript{4} In 2019 the Oregon Legislature adopted SB 608 that restricted increases on market rate units older than 15 years to be seven percent above the annual change in consumer price index.
o Describes the core process and expectations for documentation

- Clarifies criteria:
  o Solidifies that the financial sustainability of the project or portfolio operations will be the basis for any rent increase determination
  o Addresses how specific scenarios, such as combined resources (e.g. units with HOME or Project-Based Funding) or unapproved rent increases will be addressed

- Streamlines processes:
  o Establishes a low-barrier path to requesting up to 5 percent increase on existing tenants and up to Oregon SB 608 standards for any unit being leased to a new tenant
  o Creates two different submittal forms with documentation needs up front for those requests within the new broader streamlined path, as well as for enhanced review

Next Steps:

We have a few specific policy questions (below) for Housing Stability Council feedback; in addition we plan to garner additional stakeholder feedback on this revised policy through our open survey, as well as individual and roundtable interviews. Once all needed feedback is incorporated over the next several weeks, staff plan to bring a final draft policy to Housing Stability Council for approval in January 2020.

Questions for Housing Stability Council:

1. It is clear that increases to a household rent have direct implications for their household stability. At the same time, given that affordable housing rents are guided by HUD restrictions, it is understandable that project owners would be resistant to adding this oversight over their business operations.

   Is Housing Stability Council comfortable with OHCS continuing to apply this policy to our affordable housing portfolio?

2. What, if any, concerns does Housing Stability Council have with the proposed rent increase options?

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5 Though SB 608 is not applicable to affordable rental housing projects, OHCS is utilizing the standards as its definition for reasonableness.
3. What additional information would Housing Stability Council like to see prior to finalizing an update to this policy?
Affordable Rental Housing –
Request for Approval of Rent Increase Policy

A. Purpose

Oregon Housing & Community Services (OHCS) provides financial and program support to create and preserve opportunities for quality, affordable housing for Oregonians. To assure affordability, properties receiving funding through OHCS have affordability restrictions that may include the requirement that OHCS approve each property’s rent structure at lease-up and pre-approve all rent increases throughout the affordability period as required per funding source and regulatory documents.

OHCS offers two rent increase request options: 1) Standard Rent Increase and 2) Elevated Review Rent Increase. Required supplemental information and instructions align with the rent increase option chosen. Please carefully examine each option and choose the appropriate submittal option and corresponding instructions for the specific rent increase request.

OHCS seeks to maintain a balance between healthy properties and affordability for current and future residents. To assure this, OHCS will assess all rent increase requests and may approve, deny or modify in coordination with the owner or management agent any rent increase request based on the criteria specified under each option. All requests will be subject to the same guidelines and review principles within their specific option type.

B. Rent Increase Request Requirement

For most properties with rent restrictions that are receiving OHCS funding, it is required that OHCS approve the property’s rent structure at lease-up and pre-approve all rent increases throughout the affordability period as required per the funding source. Funding sources requiring rent increase approval include, but may not be limited to:

- The Low Income Housing Tax Credit Program (LIHTC) both 9% and 4%,
- The General Housing Account Program (GHAP)
- The Local Innovation & Fast Track Program (LIFT)
- Risk Share Loan Program
- Elderly/Disabled Bond Program
- Oregon Affordable Housing Tax Credit (OAHTC) Program
- HOME Program
- Operating Agreements such as those extending affordability
OHCS Request for Approval Rent Increase Policy – DRAFT 12/6/2019

OHCS will not approve more than one rent increase during a 12-month period. Subsequent approved rent increase requests may take place 12 months from the effective date of the previous increase as outlined in the approval letter and subject to other implementation rules and regulations.

Retroactive rent increase requests will not be considered (see Section d of this policy for more information on Unapproved Rent Increases).

Please allow approximately 30 days to process standard rent increases requests and approximately 60 days to process elevated review rent increase requests. Rent increase requests submitted in compliance with the applicable submittal criteria outlined below must be received no sooner than 120 days and/or no later than 90 days prior to the eligible effective date and/or the intended implementation date. OHCS cannot begin its review until all required information has been received.

C. Rent Increase Options
   1. Standard Rent Increase Request
      For rent increase requests that meet the Standard Rent Increase criteria option (see section c (1)(A)), please fill out the rent increase submittal packet called the Standard Rent Increase Request. For the financial well-being of the property, rent increases are essential to meeting increasing costs associated with maintenance and operational responsibilities. However, market pressures often dictate the timing and the size of these increases. Ideally, rent rates will increase moderately on an annual basis allowing for the property and those that live in the property the ability to meet annual expense and cost of living increases. Therefore, OHCS has created a streamlined standard rent increase process for those owners seeking annual increases to rents within the Standard Rent Increase criteria.

   i. Standard Rent Increase Request Criteria
      A Standard Rent Increase Request is defined as the lesser of the maximum allowable programmatic rent limit or:
      - up to a five percent rent increase for existing residents; and
      - an amount not greater than seven percent plus the Consumer Price Index (CPI)\(^1\) for new resident move-ins after a specified date

      Approved rents will not exceed program rent limit maximums.

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\(^1\) No later than September 30 of each year, the Oregon Department of Administrative services shall calculate the maximum annual rent increase (at turnover) allowed by ORS 90.323 (3) or 90.600 (2) for the following calendar year as seven percent plus the September annual 12-month average change in the Consumer Price Index for All Urban Consumers, west region (All Items), as most recently published by the Bureau of Labor Statistics of the United States Department of Labor. This information can be found on the Oregon Department of Administrative Services website.
ii. **Standard Rent Increase Assessment Criteria**

OHCS considers multiple criteria when assessing a request to increase rents for a property. Under the Standard Rent Increase submittal, the following criteria will be used to determine modification, approval or denial of the request.

- A comparison of the rent request to the maximum allowable programmatic rent.
- Property’s vacancy history. OHCS will place particular weight on those properties with occupancy rates lower than 90% and properties with extended vacancies (units vacant for longer than 90 days).
- Unresolved compliance issues determined by OHCS to be of a severe nature (with a goal of resolution or mediation plan prior to rent increase approval). Examples include but are not limited to:
  - unapproved rent increases
  - unresolved health and safety issues – as outlined in the property’s most recent compliance audit
  - unresponsiveness to compliance requirements such as a history of not responding timely or unaddressed issues

1. **Standard Rent Increase Documentation**

OHCS will require the following documentation to be submitted with the Standard Rent Increase Submittal:

- OHCS Rent Increase Request Form
- Current Rent Roll with move-in dates and rent amounts
- 12-month Occupancy Report
- Current utility allowance documentation, with calculations
- Current OAHTC worksheets (if applicable)
- HOME Monitoring Report (if applicable)

iii. **Standard Rent Increase Assessment Process**

OHCS will make every effort to make an initial determination on requests received meeting the Standard Rent Increase Criteria within a 30-day timeframe. These requests will not need additional approval by an internal governing body and therefore decisions are made in the most streamlined method available.
Properties wishing to request an increase meeting the Standard Rent Increase criteria should use the follow the submittal instructions found here (website link).\(^2\)

2. Elevated Review Rent Increase Request

Market fluctuations sometimes dictate extremes when it comes to affordable housing rent changes. Stagnant economies might require a property to forgo rent increases or even lower rent rates to encourage full occupancy. This can result in large revenue increasing events during times of economic boom or high property demand to compensate for lost revenue during the times of economic downturn. Rent increases that follow this pattern are not ideal and can be harmful to both the tenants and the property. Tenants might be unable to budget for such large swings and property management can easily be overwhelmed with duties caused by apartment turnover such as lease up pressures and property rehabilitation requirements. Big rent swings can also often result in inaccurate predictions of market demand resulting in high vacancy rates (harming families) and even more lost revenue (harming owners).

Therefore, to the extent possible, OHCS desires to avoid these types of increases and strongly encourages property owners to stay within the standard rent increase parameters.

Recognizing this is not always possible and that affordable housing is different than market rate housing in that affordability requirements are already in place, OHCS understands that there may be instances where it is appropriate to seek a rent increase request outside of the standards set forth in the Standard Rent Increase Criteria. Because of the hardships that may be caused under this rent increase scenario, these approvals will only be granted after elevated review of tenant, market and property conditions by OHCS staff. Requests of this nature are called **Elevated Review Rent Increase Requests**. This type of assessment will be required for any rent increase request outside the scope of the **Standard Rent Increase Criteria**.

i. Elevated Review Rent Increase Request Criteria

An Elevated Review Rent Increase is defined as:

- any rent increase request for existing residents that exceeds a five percent increase of the approved rent level, in whole or in part; and
- any rent increase greater than seven percent plus the Consumer Price Index (CPI) for new resident move-ins after a specified date.

Approved rents will not exceed program rent limit maximums.

\(^2\) *Link to be updated when web page is active upon policy approval*
ii. Elevated Review Rent Increase Assessment Criteria

The purpose of this level of assessment is to provide reasonable protections to both the funded property and those residents the State of Oregon has intended the project to serve. Specific information related to operational needs, replacement reserves, capital plans, resident impact, etc. and specific to the property needs justifying the request, may be required with the submittal. Because of the detail involved, it is possible that OHCS may require additional information. OHCS will do its best to keep these information requests to a minimum. Under the Elevated Review Rent Increase Assessment Criteria OHCS will do an assessment that may include, but is not limited to, the following to determine the need for the requested rent increase:

- A review of current rents, subsidy information and household income.
- A comparison of the request to the maximum allowable programmatic rent.
- Property’s vacancy history. OHCS will place particular weight on those properties with occupancy rates lower than 90% and properties with extended vacancies (units vacant for longer than 90 days).
- Property needs including, but not limited to, capital repair needs, maintenance, services, and staffing
- Reasonableness to area market comparable rents
- Assessment of resources including replacement reserve
- Unresolved compliance issues determined by OHCS to be of a severe nature. Examples include but are not limited to:
  - unapproved rent increases
  - unresolved health and safety issues - as outlined in your most recent compliance audit
  - unresponsiveness to reporting requirements such as a history of not reporting timely or unaddressed compliance issues
- Rent burden of current residents.

1. Elevated Review Rent Increase Documentation

OHCS will require the following documentation to be submitted with the Elevated Review Rent Increase Request:

- OHCS Rent Increase Submittal Form
- 12-month Occupancy Report
- Current utility allowance documentation, with calculations
- Most recent audited financials with YTD totals or year to date unaudited property financials if audited information is not available.
• Replacement Reserve Analysis
• OHCS-10 if this information has not been updated in WCMS or Prolink to correspond with rental increase request.
• Detailed information on capital needs which may include any of the following:
  o Third party reports documenting the property needs and estimated timing of repair/replacement.
  o CNA when available
  o Updated replacement schedule clearly assessing property needs including estimated replacement costs and estimated remaining life.
• Other information supporting request for a higher increase such as health and safety issues, increase staffing costs, etc.
• Current OAHTC worksheets (if applicable)
• HOME Monitoring Report (if applicable)

iii. Elevated Review Rent Increase Process
Due to the risk associated with increases of this nature, all Elevated Review Rent Increase Requests will go through an internal approval process involving a recommendation from the OHCS Housing Finance Committee and approval from the Executive Director.

In determining staff recommendations of partner requests, some of the general standards that would indicate property or portfolio need or would be looked upon favorably when determining a rent increase request include, but are not limited to:

• Debt to Credit Ratios below 1.25 or a trending of DCR rates that would imply a future trending of rates less than 1.25
• Clear explanation and documented need for additional resources
• Limited impact to existing residents. Specifically, OHCS tracks the percentage of families that are considered severely rent burdened (over 50% of income toward housing costs). Projects with a high percentage of families severely rent burdened are more likely to displace residents with large rental increases.
• Clear demonstration of capital needs and a subsequent explanation of how rental increase will be utilized to resolve those capital needs.
• Projects that have maintained an occupancy rate of 97% or higher for over 12 months or projects that can clearly articulate why a rental increase would have limited impact on vacancy rates (example: the rental increase corresponds with capital investments in the property).
Rent increase requests utilizing a portfolio approach should provide a clear explanation of the portfolio plan and the significance associated with the rental increase request(s) in that plan.

All effort will be given to provide a response within 60 days of the submittal receipt but additional time may be necessary. Timing will also be influenced by the response time to any additional information requests by OHCS, though OHCS will endeavor to keep additional informational requests as limited as possible. OHCS expects a five business day turnaround on informational requests, if additional information is required. If additional time is needed to gather information, OHCS expects this to be communicated and negotiated. Properties wishing to request an increase meeting the Elevated Review Rent Increase criteria should use the follow the submittal instructions found here (website).³

3. Unapproved Rent Increases
If OHCS determines that the owner is or was charging rents that exceed the most recent approved amounts, the owner may be required to refund the excess rents to the tenants and/or local housing authority where determined appropriate. Proof of rent credit or refund may be required by OHCS. When a refund or credit is required, OHCS will not consider new rent increase requests until repayment or credit is made and proof provided to OHCS satisfaction. Refunding of rents does not satisfy other non-compliance reporting requirements (for example 8823’s will still be required to be filed with the IRS).

4. Oregon Affordable Housing Tax Credit (OAHTC) Program
During the term when the property is receiving the OAHTC pass through, rent increases for OAHTC units are approved at the rent level prior to OAHTC pass through. To ensure that OHCS has this pass through information, OAHTC properties will need to fill out the OAHTC supplement information form, which is a part of both rent increase options. Please consult your Reservation and Extended Use Agreement (REUA) for additional information on OAHTC requirements.

Upon OAHTC expiration, owners may set rents to pre-pass through approved rent levels without additional OHCS approval. Any rent increases above pre-pass through OAHTC rents levels are bound by the terms of this policy if a rent increase approval requirement exists with any remaining program.

³ *Link to be updated when web page is active upon policy approval*
5. **Units with Project-based Rent Assistance**

Project-Based Rent Assistance is defined as a residential home with rent assistance tied to the unit. The assistance can come from any source including the federal, state or local government but the resident generally pays no more than 30% of their adjusted income towards rent costs when living in the project-based unit (with some exceptions). Because resident rent payments are capped by the program itself, this policy does not apply to project based rent assistance properties when 100% of the units receive project based rent assistance. Properties that contain five or more unassisted (non-project based) units must request a rent increase for the non-Project Based assisted units as outlined in this policy. Non-Project-based assisted units totaling four or less units (property wide) are exempt from this policy if located in the same property as Project Based assisted units. HUD Project Based Rent Assisted units that are outside of the OHCS funded portfolio are not subject to this policy; those projects have rent adjustments reviewed by the HUD Contract Administration team at OHCS. Program rental caps still apply.

i. **HOME Project Based Units:**

Rent collected in a HOME-funded unit with a Project-Based Voucher (PBV) in a designated **Low-HOME** unit occupied by a very low-income household may set rents up to the maximum PBV level (even if above FMR/HOME maximum): 24 C.F.R. 92.252(b) (2). This does NOT apply to designated High-HOME units.

Designated **High-HOME units must cap rents at the High HOME rent amount.**

Rent increases for these project-based units are exempt from the review criteria (Section c) of this policy.

HOME units monitored by other Participating Jurisdictions (PJ’s) may utilize rent approval documents from the PJ. OHCS will require proof of the approved rent such as a letter from the PJ. HOME rents may not exceed LIHTC max or HOME max (unless PBV as outlined above).

ii. **Rural Development Units with LIHTC:**

Rural Development project-based units are exempt from this rent increase policy. Gross rent does not include any rent payment to the owner of the unit to the extent such owner pays an equivalent amount to the USDA Rural Housing Service under Section 515 of the Housing Act of 1949. See IRC §42(g)(2)(B)(iv). As long as the owner pays Rural Development the rent amount over the limit (all of the overage) that unit is considered to be in compliance.
Non-USDA units with OHCS rent increase restrictions are bound by this policy. Developments with less than five non-USDA units are exempt from this policy but rents may not exceed program restrictions.

iii. Over Income Tenants in Project Based Units:
When a household’s income increases and/or the household is no longer eligible to receive project-based assistance, the rent charged must be adjusted to be at or below the property funding requirements based on the most restrictive funding source for the specific unit. Because the tenant is no longer receiving subsidy, this rent increase policy is applicable to these tenants provided there are five or more total unassisted units on the property.

6. Housing Choice Vouchers (Section 8) and Program Rents
This policy is applicable to these programs but there are additional restrictions. OHCS does not approve the tenant share of rent for Housing Choice Vouchers (Section 8) utilized within OHCS affordable housing units. However, unit rents must be capped at or below the required housing authority payment standard per unit type to ensure the tenant portion of the rent is not increased to a level that would result in rent burden (above 30% of the families adjusted income or 10% of unadjusted income) for the applicable family.

Housing Choice Voucher (Section 8) rents in HOME funded units cannot exceed the applicable HIGH or Low HOME rent for the designated HOME unit. The Subsidy, Total Tenant Payment (TTP) and Utility Allowance (UA) must calculate to at or below the HOME rent.

7. Decision Review
   i. Request Approval
   If a property rent increase request received approval at the level requested, that decision is final. No additional reviews for the property will take place until the next eligible increase date (see Section b).

   ii. Request For Decision Review
   In the event that a rent increase request has been denied or was approved at a level different than the requested amount (modified), a Request For Decision Review may be submitted should the requestor wish to challenge the determination. To submit this request, the entity that made the rent increase request must submit a written Request For Decision Review explaining the following:
• The basis for the decision review request
• The requested resolution sought
• Supplemental documentation to support the decision review request
• Any additional documentation or information that is pertinent to why the requesting entity feels a decision review is appropriate.

Any Requests For Decision Review should be sent to the same electronic location as the original request. Generally, OHCS will not request additional information, but will rely solely on the appeal information submitted. Though OHCS does retain the right to gather additional information, specifically in regard to clarifications or questions that arise from the decision review request.

All Decision For Review requests, after information is gathered by OHCS staff, will be submitted to the OHCS Finance Committee for a recommendation. The OHCS Executive Director will make the final determination. It is important to note that the OHCS Executive Director retains the right to modify the approval or denial as they deem appropriate. Decision Review determinations are final.
DATE: December 6, 2019

TO: Housing Stability Council
Margaret Solle Salazar, Executive Director

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

SUBJECT: 4% Low Income Tax Credit Program Policy

At the December Housing Stability Council (HSC) meeting, we will be introducing an update to our policies for 4% Low Income Housing Tax Credit (LIHTC) transactions. This proposed change is to limit the amount of tax-exempt bonds issued to any project to 55 percent of aggregate basis of land and building, and requiring that any additional funding needs be from the issuance as taxable bonds for the Conduit financing.

Background

Developments that are financed with private activity tax-exempt bonds (PAB) allow the State to allocate 4% LIHTCs, which are above and beyond the State’s annual 9% LIHTC allocation. PABs are issued for the express purpose of benefiting private users and are repaid with revenues provided by private users, which differentiates them from public purpose bonds. 4% LIHTCs are limited by the State’s annual volume cap on PAB financing. Per IRS rules, in order to maximize the amount of 4% LIHTCs allocated to a development, 50 percent or more of the aggregate basis of land and building must be financed with tax-exempt bond proceeds. Most projects that OHCS funds use more than this 50 percent minimum, usually financing somewhere between 55 and 70 percent of their aggregate basis with tax-exempt bond proceeds.

In 2019, the State of Oregon was allocated approximated $440 million in PAB authority. Historically, OHCS has received $125 million in current year PAB allocation annually, which will increase to $250 million beginning in 2020. Any unused current year allocation by the State is turned into carryforward that can be used over a 3-year period before it expires. State Treasury’s Private Activity Bond Committee has the responsibility of allocating carryforward to specific applicants; these resources are used both for housing as well as economic development investments. Historically, OHCS has received a large portion of available PAB carry forward.
The 4% LIHTC program is not the only OHCS program that utilizes private activity bonds. The Oregon Bond Residential Loan Program (OBRLP) is also funded with tax-exempt bonds that utilize the private activity cap.

The Problem

The future of OHCS’s 4% LIHTC program is dependent on the availability of tax-exempt private activity bonds. Since the housing crisis, and until recently, there has been little demand for PAB in Oregon. This has allowed OHCS to create complementary state-funded programs like LIFT, Permanent Supportive Housing, Lottery-backed bonds for preservation, and the increased Document Recording Fee that leverage 4% LIHTCs. The Portland and Metro Housing Bonds are also expected to leverage 4% LIHTCs frequently, adding even more users of this resource. These programs are able to be as effective as they are, or forecast as well as they do, as a result of OHCS receiving much of the State’s private activity bonds cap carry forward since 2009, usually effectively allocating over three times the $125 million guaranteed PAB allocation our agency has received in the past.

More recently, there has been more PAB demand from non-housing users, which has reduced the amount of carryforward coming to OHCS. Given the changes in the bond markets and increased demand for tax-exempt private activity bonds, 4% LIHTCs are becoming more constrained. While we are comfortable there will be enough bond cap for projects scheduled to close in 2020, this will become a bigger concern in 2021 and after.

Recommendation

In order to stretch our availability of tax-exempt bonds that create 4% LIHTCs, we are recommending capping the amount of allocation to any 4% LIHTC project to 55 percent of the aggregate basis of the land and building. Doing so will:

- Meet the IRS requirements, while providing a cushion to address potential concerns of LIHTC investors if the environment of tax-exempt financing were to end up less than 50 percent of aggregate basis and therefore generate less tax credit equity.

- Create an overall reduction in our use of Tax Exempt financing by approximately 15 percent; requiring that some projects assume a taxable portion of a loan. Taxable debt traditionally has somewhat higher interest rates, however in today's market these differences are modest.

This policy would be implemented, once approved by Housing Stability Council, to any new 4% LIHTC applications received.
Statewide Housing Plan Alignment

- **Equity and Racial Justice Priority:**
  - Extending the use of this resource will help to expand our housing investments where we are focusing on deliberate ties to equity and racial justice.

- **Homelessness Priority:**
  - No direct tie

- **Permanent Supportive Housing Priority:**
  - It is likely that our resources to build Permanent Supportive Housing units will depend largely on leveraging the 4% LIHTC.

- **Affordable Rental Housing Priority:**
  - In order to meet our production goals for housing development, we need to extend the use of our 4% LIHTC program to the best of our abilities.

- **Rural Priority:**
  - Gap resources, like LIFT, which are heavily targeted to rural Oregon are dependent on our ability to leverage the 4% LIHTC program.

- **Homeownership Priority:**
  - The Oregon Bond Residential Loan Program is also dependent upon our use of limited ability to issue Tax-Exempt bonds.

**Next Steps**

Staff seek HSC guidance on what additional information is needed before presenting this policy change recommendation to council in January for adoption.
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Date: December 6, 2019

To: Housing Stability Council Members
   Margaret Solle Salazar, Director

From: Kenny LaPoint, Acting Assistant Director Housing Stabilization Division
   Andrea Bell, Homeless Services Manager
   Gus Bedwell, Veteran Housing Integrator
   Sam Kenney, Homeless Services Policy Analyst

Re: OHCS Veteran Initiative 2020

Purpose: Informational briefing to the Housing Stability Council on the recommended next steps to end Veteran homelessness in Oregon

Summary and motivation
In 2016 the Oregon Legislature referred Measure 96 to voters and it passed with an overwhelming majority. Measure 96 dedicates 1.5% of lottery bonds to Veteran services. In March of 2017, following the passing of Measure 96, Governor Brown charged the Oregon Department of Veterans Affairs (ODVA) and OHCS to marshal their resources and work in collaboration to end Veteran homelessness in Oregon. Subsequently, OHCS received $1.5M in one-time funds to house Veterans experiencing homelessness. Furthermore, the Statewide Housing Plan (SWHP) Homelessness policy priority declares a focus on serving Veterans experiencing homelessness. Specifically, the SWHP recognizes best and promising practices—such as the United States Interagency Council on Homelessness (USICH) criteria on ending Veteran homelessness, collaboration with partners who serve Veterans, and coordination of funding sources—as paramount to achieving the 2019 – 2023 goal of ending Veteran homelessness in the State of Oregon.

These efforts commenced when Oregon Housing and Community Services (OHCS) in partnership with ODVA launched Operation Welcome Home (OWH). OWH was a nine-month campaign to assist ten communities in their work to house Veterans experiencing homelessness, establish a Veteran Leadership Team (VLT), and create a Veteran By-name List (VBNL). These goals derived from best and promising practices such as the USICH criteria on ending Veteran homelessness, lessons learned from states who have ended Veteran homelessness, and other successful national campaigns to end Veteran homelessness.

OWH Results and Feedback
- The ten OWH communities housed 587 Veterans using diverse fund sources.
- Communities with robust VLTs and VBNLs most effectively serve Veterans experiencing homelessness.
- Most communities need hands-on HMIS/VBNL support to refine and share their VBNL.
• Needs assessments should be conducted with communities prior to operationalizing Technical Assistance (TA).
• One-size fits all TA is not responsive to specific community needs and does not meet communities where they are.
• Communities expressed that OWH increased their workload but did not yield more benefits.
• Communities expressed a need for flexible resources to complement existing funds.
• Some participating communities experienced limited stakeholder engagement and insufficient collaboration from the necessary partners.
• OHCS recognizes that working with ten communities exceeded internal capacity to provide each community with adequate attention.

**Strategy Proposal: OHCS Veterans Initiative 2020**

Moving forward with our next Veteran initiative, we endeavor to build on Operation Welcome Home, integrate feedback, and make improvements. In practice, this means leaning into national best practices and drilling down into local challenges. Where OWH worked to fit communities to the TA, with the next campaign we recommend providing tailored, community specific TA. To incorporate and address community specific challenges and abilities, OHCS staff, in collaboration with each community, will conduct a *Veteran services needs assessment*. This assessment will identify where each community is at with their *Ending Veteran Homelessness Infrastructure* and will outline how OHCS can support their efforts.

The infrastructure each community should work towards constructing is: 1) a robust VLT where all stakeholders have a seat at the table, 2) a detailed VBNL, 3) a standing meeting where the VLT utilizes the VBNL to case-conference Veterans in crisis, and 4) offer the most appropriate resource to each Veteran. This foundation will position communities to create a sustainable system to serve Veterans at risk of or entering into homelessness.

After OHCS and the communities identify needs and challenges, we will work together to map out specific topics for TA and how to creatively utilize existing fund sources to fill gaps in the Veteran service system and move towards a more sustainable system. The graphic below illustrates levels where communities may be based on the needs assessment, in the work toward honing their Veteran service system.
Funding
To support a robust *Ending Veteran Homelessness Infrastructure*, OHCS will require funds to support TA tailored to community needs and flexible resources to bridge gaps, overcome challenges, and support partners. Participation in the campaign and access to funds will be competitive and will depend on meeting goals outlined in the community assessment and adherence to the *Ending Veteran Homelessness Infrastructure*. OHCS will endeavor to creatively use existing fund sources to support communities striving to end Veteran homelessness. Furthermore, due to the ongoing nature of work to end Veteran homelessness and the success of the OWH campaign, OHCS is providing input to partners who may be interested in advancing a legislative request for additional funds.

Equity & Racial Justice Considerations
The data collected from OWH communities during the campaign was used to create an OWH Dashboard. OWH data was not standardized across communities and often did not include demographic details. Without individual level data, OHCS and partners cannot assess the specific needs and trends of communities of color.

Moving forward, OHCS will work with communities to align ongoing equity and racial justice work—such as the EPIC Outcomes Tool implementation—with Veteran work to incorporate best and promising practices and create a shared understanding of racial equity. Veteran Leadership Teams should seek to include participation from community specific organizations. These can be Veteran specific such as National Association of Black (NAB) Veterans or other culturally specific communities and organizations.
Furthermore, OHCS is positioned to step-up our involvement in HMIS related challenges. Our goal is that all VBNLs will be housed in HMIS and future campaign reports will be sent directly to OHCS staff. This will allow us to play an integral role in data quality, data sharing, reporting, and data visualization at a statewide level. These are critical steps in understanding equity and racial justice considerations.

**Discussion/Recommendation**
We are seeking feedback and buy-in from Housing Stability Council on the direction of our next body of work.
Date: December 6, 2019

To: Housing Stability Council Members
   Margaret Solle Salazar, Director

From: Andrea Bell, Manager of Homeless Services
   Megan Bolton, Senior Research Analyst, Research Section
   Julia McKenna, Research Analyst for Homeless Services Section
   Elise Cordle Kennedy, Hatfield Fellow for Research Section

Re: 2019 Point-in-Time (PIT) and Recommendations for the Future of the PIT Count

Purpose: Briefing to inform the Housing Stability Council on the 2019 PIT Report

Materials
- Final 2019 PIT Brief
- Tableau Dashboard Link: https://public.tableau.com/profile/oregon.housing.and.community.services#!/vizhome/2019Point-in-TimeDashboard/Story1

Introduction
This memo complements the information in the 2019 Point-in-Time Count brief and dashboard and will not duplicate language contained in the brief and dashboard. This memo serves to orient the discussion of the role OHCS plays in the count.

OHCS’s Role in the PIT
Continuums of Care (CoCs) are required by HUD to complete a sheltered and unsheltered Point-in-Time (PIT) count in odd years and a Housing Inventory Count (HIC) every year. It is the responsibility of the CoCs and they set the policies and methodologies for the counts in alignment with HUD requirements. Community Action Agencies (CAAs) are partners in this effort with the CoCs and often implement the PIT count in their area.

As with all Homeless Management Information System (HMIS) and data sharing work, the role of OHCS as a direct funder to CAAs, but not to CoCs, puts OHCS in a role of serving as a convener and partner in service of the statewide effort to end homelessness. OHCS does not have direct purview or authority in making decisions about the PIT count methodology or process. OHCS can assist in building capacity and sponsoring the use of newer PIT technology coordinating processes with CoCs.
The Utility of the PIT
OHCS uses PIT Count Estimates in the allocation formulas for all of our Homeless Services funds, HUD uses them to make CoC funding decisions, and they inform the Governor’s legislative priorities. The PIT and the HIC are the main data sources used in the shelter study to examine discrepancies between need and supply of shelter across the state. As OHCS endeavors to keep a pulse on improving the balance of need for shelter and supply of shelters, we need to invest in the PIT. The PIT is the only count that attempts to reach and count the unsheltered population. The PIT is a valuable exercise and OHCS has a responsibility to support the annual count to make it as informed, inclusive, and accurate as possible. The work of improving the PIT count aligns with the larger HMIS data sharing strategies and the implementation EPIC Outcome Tool.

Rural PIT Challenges
- Improvements and increased investment in the PIT help rural areas the most, as the Rural Oregon CoC (ROCC) and Central Oregon CoC are the only CoCs in Oregon that have multiple counties within the CoC. The tools HUD develops for CoCs to use are not as useful or illuminating to multi-county CoCs. The ROCC covers 28 counties and Central Oregon CoC covers three.
- OHCS has served a supportive function to the ROCC in past years specifically to break down the PIT numbers by county since what gets reported the HUD is at the CoC level, for the ROCC a 28 county aggregate.
- The PIT data in the ROCC in particular had significant errors this year. There were numerous compounding issues, such as manual entry errors, errors in the HMIS ServicePoint reports that allow the ROCC to separate the PIT data by county, and turnover in the staff who managed the count.
- The issues within the ROCC severely limit the ability of communities within the ROCC to understand the scope of the issue within their county or city.
- Central Oregon CoC has faced similar difficulties in getting reliable data at the county level in the past, and in 2019, Central Oregon CoC took matters into their own hands by implementing the use of a mobile app for their PIT count.

Equity and Racial Justice
One of the primary concerns with the current PIT count is its undercount of communities of color. The Coalition of Communities of Color (CCC) provided a number of recommendations to the Multnomah County CoC on how to improve their counts of communities of color in the PIT\(^1\). OHCS is exploring with CCC how to support the implementation of the recommendations on a statewide level. This is an important step for OHCS to intentionally follow the direction of CCC and to invest resources in culturally specific organizations to implement the guidance of CCC.

\(^1\) https://www.coalitioncommunitiescolor.org/research-and-publications/pit2017
Some of CCC’s recommendations include:
- Expanding the definition of homelessness to be more comprehensive and include people who are precariously housed, couch surfing, or doubled up.
- Supporting relationships with culturally specific organizations to be partners and leaders in the PIT count.
- Supporting training of volunteers on how to ask questions about race and ethnicity.

**Recommendations for the Future of the PIT Count**
OHCS continues coordination with all CoC’s to make the PIT a useful data collection process with usable data for communities to do specific local analysis and for OHCS to have a clear statewide picture of people experiencing homelessness. The Research Section and Homeless Services Section are implementing a plan to engage more intentionally with CoCs and communities doing the count that could greatly improve the accuracy and usefulness of the Point-in-Time count in Oregon. Elements of the plan include:
- Lead with Equity and Racial Justice by implementing recommendations by the CCC
- Improve the quality of the data through the use of a mobile application
- Use de-identified client level information for analysis

**Alignment with the Statewide Housing Plan**
Homelessness
Rural
Equity and Racial Justice

**Housing Stability Council Involvement and Next Steps**
We would like you to review the 2019 PIT Dashboard and Research Brief to ensure you have an idea of what the most recent data shows. In addition, we would like the Council to provide input on these recommendations on the future of the PIT count.
What is the Point-in-Time Count and Why is it Important?

The Point-in-Time (PIT) Count is an attempted census of people who are without housing in our communities\(^1\). In order to qualify for funding, The Department of Housing and Urban Development (HUD) requires communities and Continuums of Care (CoC)\(^2\) to conduct this survey every two years during the last 10 days of January. The PIT Count Survey informs funding and policy decisions, and is the only officially sanctioned count of people experiencing homelessness\(^3\) that is recognized by HUD as well as other public and private funders.

The PIT categorizes the experience of homelessness in two ways:

- Unsheltered – individuals or families whose primary nighttime residence is a public place not meant for human habitation including but not limited to: street or sidewalk, vehicle, park, abandoned building, garage, bus/train station, under a bridge or overpass, the woods or outdoor camp.
- Sheltered – Individuals or families residing in a place (shelter or transitional living program) dedicated to serving people who would otherwise be unsheltered.

To obtain a snapshot census of our neighbors experiencing homelessness, staff from homeless assistance agencies, county and city employees, and hundreds of volunteers across Oregon conduct a sheltered and unsheltered count. The unsheltered count includes a street count of people living in unsheltered locations. Numbers for the sheltered count come from surveys of people staying in shelters collected by providers of emergency shelters and transitional housing properties throughout the state. Each year, all seven CoCs provide Oregon Housing and Community Services (OHCS) with the summary PIT report from the information they submit to HUD. The data these CoCs provide allow us to aggregate the numbers across the state and publish a statewide report detailing who is experiencing homelessness in Oregon. The numbers published in this report are a result of the Point-in-Time count survey data provided by the CoCs.
Each individual CoC reports their PIT numbers to HUD who then publishes their own report, the Annual Homeless Assessment Report (AHAR). The numbers reflected in this report are slightly dissimilar to the numbers reported to HUD in early 2019. The AHAR, which should be released in November or December 2019, will show 15,876 people experiencing homelessness compared to the total shown in this report of 15,800. The difference of 76 people in the data is a result of complexities of using raw PIT data for Central Oregon CoC to do a county-by-county break down. These data sources do not exactly match because of HUD requirements of the use of extrapolation to fill in blanks in demographics and differences in reporting specifications when aggregating at a CoC level. An example of the challenges of the HUD extrapolation tool is provided later in this brief.

What Does the Point-in-Time Ask People?
The PIT Count is a survey that asks people experiencing homelessness several questions including but not limited to:

- Gender identity, race, ethnicity, veteran status, geographic location, age
- Family status (with children or without children)
- Living situation (sheltered or unsheltered)
- Frequency and duration of their experience(s) of being without shelter
- Chronic homelessness and disabling conditions

For the purpose of this research brief, OHCS focuses on reporting the PIT Reported numbers and percentages of the total number of people experiencing homelessness broken down by certain demographic groups. It is important to emphasize that the numbers obtained during the PIT Count do not provide a full picture of everyone experiencing homelessness in Oregon. This number should be understood as an absolute minimum number of people experiencing homelessness in Oregon. The PIT Count methodology is only able to provide a snapshot number of people experiencing homelessness and the numbers are not intended to be a definitive all-encompassing number of people experiencing homelessness in a given geography. OHCS is using “PIT Reported” throughout to emphasize this context to the numbers being reported.

This brief and the accompanying interactive dashboard (available here on OHCS's Tableau Public Page) provides information on the PIT Reported number of people experiencing homelessness. The brief provides an overview of the number of people experiencing homelessness in Oregon in 2019, details the limitations of the PIT Count, and outlines alternative methodologies to more comprehensively understand the number of people experiencing homelessness in Oregon in the future. The interactive dashboard provides detailed information on:

- Changes in the number of people experiencing homelessness over a 5 year period at both the state and county level
- Changes and trends in numbers of people of color experiencing homelessness
- The ratio of the people experiencing chronic homelessness to the overall number people experiencing homelessness at the county level
- A breakdown of sheltered and unsheltered populations by demographics like race, gender identity and age
- Information on veterans experiencing homelessness

Oregon’s PIT Reported 2019 Number of People Experiencing Homelessness

Total PIT Reported Number: 15,800 of Oregon’s neighbors were experiencing homelessness the night of the PIT Count in January 2019. This number should be understood as an absolute minimum number of people who are experiencing homelessness in Oregon.

- 13.2% increase from 2017\(^5\) in the number of people experiencing homelessness
- Unsheltered: 10,139 people (64%)  
  1 in 3 people experiencing homelessness are experiencing Chronic Homelessness\(^6\) in 2019, this means 4,877 people (31%)
- 4 out of every 5 people experiencing chronic homelessness were unsheltered the night of the PIT Count. Of these 4,877 people, only 1,023 people experiencing chronic homelessness were sheltered on the night of the count.
- Adults without Children: 11,628 adults (74%)
- Adults with Children: 3,449 people in families (22%)
- Children Alone: 651 children (4%)

As housing prices rise throughout the state and country, access to permanent and stable housing becomes more and more of a challenge. As a result, affordable housing and homelessness has become a greater issue with each passing year and Oregon experiences a higher rate of people experiencing homelessness per capita than many other states.

It is important to note the increase in the overall number of people experiencing homelessness, specifically unsheltered homelessness in southern counties such as Josephine and Lane and coastal counties such as Coos and Clatsop. Many of our families experiencing homelessness live outside the metropolitan area, mainly in coastal counties or southern Oregon.

Lane County had the second largest PIT Reported number of people experiencing homelessness, which increased from 1,529 to 2,165 people experiencing homelessness from 2017 to 2019 (a 41% increase). What’s more, people experiencing unsheltered homelessness in Lane County account for 75% of the total number of people experiencing homelessness. The county with the largest percentage of people experiencing chronic homelessness is Wasco County with 55% of the total number of people experiencing homelessness being chronically homeless. Multnomah and Lane County follow with 44% and 39%.

Marion counties’ total PIT Reported number of people experiencing homelessness declined from 2017, but the rate of people experiencing unsheltered homelessness in Marion County rose by 62% with the sheltered rate declining by 34%. In Multnomah, the overall number of people experiencing homelessness declined, but the number of people experiencing unsheltered homelessness increased by 22%. Linn County saw a dramatic increase in the number of people who were sheltered during the PIT count, moving from a PIT Reported 80 people in 2017 to 194 people in 2019.

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\(^5\) Caution should be taken when identifying trends in the number of people experiencing homelessness over time. Many factors affect the results of the Point-in-Time count including changes in methodology, volunteer availability, agency staff involvement, and weather conditions.

\(^6\) Chronic homelessness is defined by HUD as a homeless individual or head of household with a disability who: lives in a place not meant for human habitation in an Emergency Shelter, or a Safe Haven; AND has been homeless continuously for at least 12 months (stays in an institution of fewer than 90 days do not constitute a break); OR has been homeless on at least 4 separate occasions in the last 3 years where the combined occasions total at least 12 months (occasions are separated by a break of at least 7 nights).
Families with Children

- **Total Number:** 3,449 individuals of all ages living in families with children experiencing homelessness
- **Children Under 18:** 2,558 children under the age of 18 are experiencing homelessness
- **Unsheltered:** 63% of the 2,558 children under 18 were unsheltered
- **Children Only:** 651 children are living on their own, without an adult over the age of 18

While most people experiencing homelessness (74%) are living without children, 22% reported that they are living in households with children, and 4% of the surveyed population reported that they themselves are children under the age of 18 living alone.

**Twenty-five percent** (4,100 people) of people experiencing homelessness are either caring for children or are children themselves. This quarter of the population is an important focus for OHCS, as one of our agency priorities is to eliminate homelessness for children and families with children. Sadly, roughly 2,500 families with children and children living on their own are unsheltered, meaning that 61% of the total number of families with children experiencing homelessness were unsheltered. Only 1,576 families with children and children living on their own were sheltered on that night of the count in January 2019.

Josephine County has the highest number of families with children experiencing homelessness than any other county in the state, with 706 people living with children experiencing homelessness. Josephine County also has the highest PIT Reported number (386) of children under the age of 18 who are experiencing homelessness. Clatsop County has the second highest number of children under the age of 18 experiencing homelessness. Clatsop County reported that there are 270 children living alone, which is the highest number of children living on their own without an adult experiencing homelessness in the state, followed by Coos at 133 children living alone experiencing homelessness. These numbers are the numbers that were reported to HUD, and they may be subject to the lack of clarity mentioned above.

**Gender and Homelessness**

According to the survey, 59% of the people experiencing homelessness are men, mostly over the age of 25, yet women make up the vast majority of the population of households with children. While women make up 41% of the total number of people experiencing homelessness, women account for 56% of the people who are either caring for children or are children themselves. In Oregon’s eastern counties, particularly Wallowa, Baker, Grant, and Harney, the number of women experiencing homelessness is greater than men, and most of these women are in households with children.

When discussing gender and homelessness, it is important to understand that experiencing homelessness is a highly gendered experience. Different gender identities experience lack of housing in vastly different ways and shelter services are predominantly gender segregated across the state. Not only are women more likely to be caring for children, but

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7 OHCS by no means wants to downplay the severity of the issue of child homelessness. That said, there were concerns about the data that was submitted that reported unaccompanied youth from the school systems particularly. It is possible that the discrepancies between the Department of Education and HUD in the definition of “unaccompanied” and “homeless” contributed to a higher number of youth who were doubled up or precarious houis ed with an adult who is not their legal guardian were inappropriately categorized as literally homeless and unaccompanied. For the Department of Education unaccompanied means not living with legal guardian, which means they could be living with someone who isn’t their legal guardian and be precarious housed instead of literally homeless living on the street alone. For HUD unaccompanied means living on the street alone without the presence of anyone over 18, regardless of their legal guardian or familial status. For the Department of Education, “Unaccompanied” means not accompanied by a parent or legal guardian, even if with an adult. For HUD “Unaccompanied” only applies if the youth is not in the company of any adult.
women often experience domestic violence and sexual assault at higher rates than men. According to multiple studies, domestic and sexual violence is frequently cited as the leading cause of homelessness for women across the country.\(^8\)

Transgender people experience homelessness disproportionately across the country and national figures from the 2018 PIT Count reveal that transgender people are more likely to be unsheltered than other populations.\(^9\) Another survey done in 2015 reported that nearly 1 in 3 trans/non-binary people surveyed had experienced homelessness at some point in their lives.\(^10\) Additionally, transgender/non-binary people are more likely to experience housing discrimination than other gender identities, often leading to experiences of homelessness.

In Multnomah County, the number of trans/non-binary people experiencing homelessness increased by 44% and the number of women experiencing homelessness declined slightly. According to Multnomah County, this increase could be due to a number of factors, from less persons identifying as female, to discrepancies between local and federal level reporting. Additionally, this increase is from 59 people to 85 people. Regardless of methodology, this number is almost certainly an under-estimate in both the number of women who are currently homeless and the number of transgender or non-binary people who are experiencing homelessness, not just in Multnomah County, but also across the state.

Not understanding the full picture of the number of people of a particular gender who are experiencing homelessness creates problems across the state, and segregated shelters create unfair barriers for transgender and non-binary people. Transgender people are often inappropriately turned away from gender specific shelters due to lack of staff training and bias. This was a key finding in the Lived Experience Survey OHCS conducted as a component of the Statewide Shelter Study\(^11\).

**Race and Homelessness**

The PIT Count asks people to select the race(s) they primarily identify with which include: Native American, Asian, Black/African American, Native Hawaiian/Pacific Islander, Two or More Races, or White. This data does not allow us to understand disparities that happen within these populations, as the experiences within subpopulations of a group tend to vary dramatically. This data misses the experience of subgroups within each racial group, and the lack of precision does not inform the full experience for people inside of each traditionally marginalized group. Additionally, the category of two or more races offers us a limited understanding on people who selected two or more races (which makes up the second largest percentage of people experiencing homelessness after White).

People of every race except White and Asian are disproportionately represented in the number of people experiencing homelessness in Oregon when compared with the overall population across the state. For example, Black/African Americans make up 1.9% of Oregon’s overall population, but account for 6% of the people experiencing homelessness in Oregon. It should be noted that broad categories (such as Asian, for example) erase differences between different sub-groups, some of which may be overrepresented in the experience of homelessness as well. Without collecting and analyzing detailed, sub-group data we are not able to have a complete picture of racial disparities in homelessness\(^12\).

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\(^8\) National Law Center on Homelessness and Poverty (2018).
\(^9\) National Alliance to End Homelessness, 2018.
\(^10\) Holder, Sarah (2019).
\(^12\) Coalition of Communities of Color: The Asian & Pacific Islander Community in Multnomah County: An Unsettling Profile
Table 1: Race as a percentage of the statewide population vs. race as a percentage of those experiencing homelessness

<table>
<thead>
<tr>
<th>Race</th>
<th>Statewide Population</th>
<th>Experiencing Homelessness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asian</td>
<td>4.1%</td>
<td>.5%</td>
</tr>
<tr>
<td>Black/African American</td>
<td>1.9%</td>
<td>5.7%</td>
</tr>
<tr>
<td>Native Hawaiian/Pacific Islander</td>
<td>0.4%</td>
<td>1.3%</td>
</tr>
<tr>
<td>Native American</td>
<td>1.1%</td>
<td>4.7%</td>
</tr>
<tr>
<td>Two or More</td>
<td>4.6%</td>
<td>6.7%</td>
</tr>
<tr>
<td>White</td>
<td>84.9%</td>
<td>80.5%</td>
</tr>
</tbody>
</table>

When aggregated, people who selected their race as either Asian, Black/African American, Native Hawaiian/PI, Native American, or Two or more accounted for 19% of the PIT.

Reported number of people experiencing homelessness in January 2019. Comparatively, non-white groups account for 15% of the statewide general population, broadly articulating the over-representation of communities of color not only in those who experience homelessness, but also in the number of people who experiencing poverty as well.

The above referenced 19% does NOT include people whose race was recorded missing or refused. HUD requires the use of an extrapolation tool\(^15\) to fill in unknown demographic responses based on extrapolating the percentages of demographics that exist within the data that is completed. As an example of the problems with this extrapolation tool:

- Suppose there is a community of 10 people that are 80% White (8/10) and 20% African American (2/10). Now suppose that on the night of the PIT Count, there were five African American people counted during the PIT count in that community, but their race was marked “unknown or missing” on the PIT survey. Because of this tool, the race for 4 (80%) of those African Americans would be noted as white, and only 1 of them would accurately be noted and recorded as Black/African American.

It is probable that people who are marked as “unknown race” on the PIT survey are more likely to be people of color. This extrapolation method required by HUD is one of the reasons the PIT count may be undercounting the number of people of color in its data. There are many additional reasons that people of color are undercounted in PIT data, including inadequate volunteer training, lack of partnership with culturally specific organizations, and lack of representation of people of color in volunteer recruitment efforts, among others detailed by the Coalition of Communities of Color. The Coalition of Communities of Color provides clear recommendations and remedies to address these issues\(^16\).

\(^13\) ACS Table S170: 5 year estimates 2013-2017
\(^14\) Statewide population includes “other” which the PIT does not include, so those numbers have been omitted from this report and thus will not add up to 100%
\(^15\) https://www.hudexchange.info/resource/4433/point-in-time-count-implementation-tools/
\(^16\) https://www.coalitioncommunitiescolor.org/research-and-publications/pitc2017
Race and Shelter

When looking at the experience of being sheltered or unsheltered by race, Native Americans consistently have the highest rates of people experiencing unsheltered homelessness throughout the state. This is demonstrated by the graph below. It is important to understand that while the raw number of people of color who are sheltered during the PIT count are increasing, this does not mean that access to shelter is equitable, nor does it indicate that people of color have the same experiences as white/non-Hispanic people once they enter a shelter and receive services.

The Hispanic population in the PIT count is both misunderstood and underreported. People who identify as Hispanic can select Hispanic as part of their ethnicity but not as a race category. Because OHCS only receives the aggregate data from CoCs and not the raw client-level data, we are limited in our understanding of Hispanics who identify as White versus Hispanics who identify as people of color. The CoCs can make these distinctions with their client-level data.

<table>
<thead>
<tr>
<th>Race/Origin</th>
<th>Sheltered</th>
<th>Unsheltered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Native American</td>
<td>65.77%</td>
<td>34.23%</td>
</tr>
<tr>
<td>White</td>
<td>63.19%</td>
<td>34.81%</td>
</tr>
<tr>
<td>Native Hawaiian/Pacific Islander</td>
<td>59.39%</td>
<td>40.70%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>55.04%</td>
<td>44.96%</td>
</tr>
<tr>
<td>Black/African American</td>
<td>48.66%</td>
<td>51.34%</td>
</tr>
<tr>
<td>Asian</td>
<td>44.58%</td>
<td>55.42%</td>
</tr>
</tbody>
</table>

*Table 2: The percentage of people of a certain racial group who were sheltered on unsheltered the night of the PIT Count.*

Veterans Experiencing Homelessness

- There were 1,439 veterans experiencing homelessness in Oregon
- Veterans experiencing homelessness represent 8% of the PIT Reported total number of people experiencing homelessness
- 43% of vets experiencing homelessness are chronically homeless, 12% of the total people experiencing chronic homelessness are veterans
- 11% increase in number of veterans experiencing homelessness from 2017
- 58% of veterans were unsheltered, 42% were sheltered

Wasco County has the highest rate of veterans as a percentage of the overall number of people experiencing homelessness (19%). In Harney and Curry counties, 100% of the veterans are chronically homeless. Outside of metropolitan areas like Multnomah and Lane counties, Jackson has the 3rd highest number of total veterans experiencing homelessness in the state (107 vets experiencing homelessness).
Gender Identity and Veterans

While men represent the vast majority of veterans in the state (90%), female veterans are primarily located in Multnomah and Deschutes County and make up almost 10% of the veterans experiencing homelessness. According to the Department of Veterans Affairs, rates of homelessness for female veterans are increasing at a faster rate than men. Across the United States from 2016-2017, the number of female veterans experiencing homelessness increased by 7%, compared to 1% for their male counterparts.  

Men: 1,321
Women: 145
Non-binary/Trans: 11 people

While the majority of veterans in Oregon are White/Non-Hispanic, 8% of veterans experiencing homelessness are Black/African American, compared to 6% of the overall population of people experiencing homelessness, unhoused population and 2% of our statewide population.

People Experiencing Homelessness by County

The number of people experiencing homelessness across the state has increased since 2017, notably throughout the state’s rural, southern, and coastal regions. Multnomah County had a decline in the number of people experiencing homelessness, declining from 4,177 people in 2017 to 4,015. In 2019, Multnomah County accounts for 25% of the state’s PIT Reported number of people experiencing homelessness, but in 2017 represented 30% of the people experiencing homelessness across the state. Furthermore, the percentage of people experiencing homelessness that were sheltered the night of the PIT count in urban counties is close to 50% across most demographics and for veterans. In fact, Jackson, Marion, and Linn are the only rural counties where almost or slightly above 50% of the people experiencing homelessness were sheltered on the night of the PIT count.

The highest percentage of people experiencing chronic homelessness as a percentage of the total county population is highest in Wasco, Polk, Multnomah, and Linn Counties, as over 40% of the people experiencing homelessness in each of those counties are considered chronically homeless. While the total number of people experiencing homelessness across the state rose, 10 of Oregon’s 36 counties reported a decline in the number of people experiencing homelessness between 2017 and 2019.

17 National Coalition for Homeless Veterans (2018). *Homeless Female Veterans*
Limitations to PIT Methodology - the limitations to using the PIT Count as a primary data source for understanding homelessness

While the PIT Count is an important source of information for the number of people experiencing homelessness, it is important to understand that these numbers do not provide a full picture of our neighbors experiencing homelessness in Oregon. The PIT provides a limited understanding of:

- Groups that are most disproportionally affected by homelessness
- Leading factors contributing to a person’s experience of homelessness
- Who has access to the most critical services and who does not
- Needs and experiences of people with mental illness
- LGBTQ people and youth
- Survivors of domestic and sexual violence/abuse

Each community, county, and city have their own method of surveying the experiences of people experiencing homelessness in their community. Some communities’ Point-in-Time counts are large-scale events driven by volunteers and local community agencies. Other communities may not have the financial or volunteer capacity to conduct a thorough canvassing of a large geographic area. Limited capacity for conducting surveys and counts often leads to prioritizing locations that will yield the most respondents. These areas are often larger sites that are frequented by majority populations. Smaller, culturally specific sites may not be prioritized, leading to under-representation of people from certain minority populations (LGBTQ, youth, people of color, survivors of domestic violence, people suffering from mental illness, etc.). The inconsistency in data collection and survey methodology across the state does not allow our agency, non-profits, other government agencies, service providers, policy makers, or community members to have a complete picture of homelessness across the state.

Each CoC throughout the state is not provided with the same level of support to conduct their PIT Count each year. For example, Multnomah County had 142 volunteers from the public and 136 outreach workers for their PIT Count, while other counties have much smaller numbers of volunteers. The inconsistency in funding, capacity, organization, and resources across the state leads to undercounting some of our most vulnerable populations, specifically in rural areas where there are often fewer resources than in urban areas.

In 2017, The City of Corvallis League of Women Voters and the Corvallis Housing Committee did an analysis of the way the current PIT methods are both a liability and limitation for our communities and government agencies. The report details the painstaking efforts required to use...

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18 Increases and decreases in the number of people experiencing homelessness should be interpreted with extreme caution as increases and decreases are subject to a variety of factors including changes in methodology, volunteer availability, agency staff involvement, and weather conditions. Interpreting all increases to be bad and all decreases to be good is a flawed approach. For example, a community may have considerably increased their outreach and in-depth street counts and thus will have higher PIT Reported numbers of people experiencing unsheltered homelessness than previous years. This increase in information and quality of data is not a negative. It gives the community a more thorough understanding and a truer representation of the magnitude of the issue. On a different note, decreases in the numbers of people counted during the sheltered count may be due to the community losing critical shelter capacity and should not be uniformly interpreted as a positive. Each community knows its context best and broad sweeping judgments or assertions should not be made based solely on PIT Reported numbers or without the local knowledge of what is happening on the ground in each community.

19 Multnomah County (2019). *PIT Count starts with unprecedented coordination among outreach workers, volunteers*
the PIT data in tandem with other data sources in the hopes of getting a more complete picture of who is experiencing homelessness at the city level. Their report highlights the problem of undercounting people experiencing homelessness in the PIT survey. For example, the 2016 PIT Count found there were 199 people experiencing homelessness in Corvallis in January 2016, while data from the Department of Human Services found the number to be upwards of 287 people who were experiencing homelessness during this same period of time.

A report by the National Law Center on Homelessness and Poverty (NLCHP) details the methodological limitations of the HUD PIT count, specifically citing estimates that the number of people actually experiencing homelessness is often between 2.5 to 10.2 times greater than can be obtained using a PIT count. As an example of the discrepancies in counting the number of people experiencing homelessness, the 2015 PIT Count counted 564,708 people experiencing homelessness, while the National Center for Education Statistics counted 1.3 million children experiencing homelessness attending public schools the same year. NLCHP detailed the flaws of the PIT and provided recommendations for improvement including more rigorous methodology, disaggregating data by race and ethnicity, including an estimate of people who are “doubled up” or living with friends and family due to economic hardship, and other recommendations. The PIT count, even with its flaws, provides an important opportunity to better understand who experiences homelessness and at what level across Oregon.

Alternatives to the Point-in-Time – Understanding Oregon’s housing crisis through the Department of Education’s student data

The Department of Education defines homelessness in a broader way than the Point-in-Time allows. While the PIT only counts those individuals who are experiencing “literal homelessness”, the Department of Education includes individuals who may be staying with friends or family due to economic hardship and loss of housing, or folks who are staying in a motel due to eviction or lack of housing. Each school district tracks and reports to the state and federal government the number of students who are homeless/without stable housing over the course of the school year.

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21 Id, 13


24 Id,

25 ODE refers to this as being “doubled up”
Table 3 shows a comparison of the PIT Data and The Department of Education’s data on homeless students.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Children Experiencing Homelessness</td>
<td>2,558</td>
<td>22,363</td>
</tr>
<tr>
<td>Living with Friends/Family (Doubled-up)</td>
<td>Not included</td>
<td>16,709 (74% of ODE total homeless youth)</td>
</tr>
<tr>
<td>Sheltered</td>
<td>934 (28%)</td>
<td>1,841</td>
</tr>
<tr>
<td>Unsheltered</td>
<td>1,624 (74%)</td>
<td>2,572</td>
</tr>
<tr>
<td>Youth in Hotel</td>
<td>Not included unless hotel paid for by social service agency on the night of the count</td>
<td></td>
</tr>
<tr>
<td>% Change Total Youth from 2017</td>
<td>3% decrease</td>
<td>3% decrease</td>
</tr>
</tbody>
</table>

Moving Forward – creating a more comprehensive and equitable point in time count

While the PIT Count is limited in both its methodology and its comprehensiveness, it still paints a picture of the homelessness crisis in Oregon. When coupled with other data sources, such as the Oregon Department of Educations’ Homeless Students data and Coordinated Entry data, the breadth and depth of our understanding around who is experiencing homelessness and why will only continue to expand. An increasingly accurate understanding of both who is experiencing homelessness and why will allow state agencies, legislators, and the Federal Government to make more informed policy choices.

OHCS is exploring options for providing greater investment and focus on the PIT count. Improving our data and methodology for the PIT count will lead to greater impact on the ability of communities and providers to respond to the crisis of homelessness in their area. Inclusive and equitable data leads to more inclusive and equitable services across the state. If we can offer more support and resources for our rural CoCs with a focus to dedicate more resources to count our hard to count populations, the PIT Count can become a valuable and informative catalyst to change Oregon’s response to homelessness.

\(^{26}\) Source: Homeless Student Data, Oregon Department of Education.
Appreciation

We want to thank the following Continuums of Care for providing OHCS with the data necessary to complete this analysis. The people listed below can be contacted for more information about the counts in their regions and local initiatives to prevent and end the crisis of homelessness:

Central Oregon CoC (Crook, Deschutes, and Jefferson Counties)
Molly Heiss, NeighborImpact; mollyh@neighborimpact.org
Report Link: Central Oregon CoC 2019 PIT Count

Clackamas County CoC:
Abby Ahern, Clackamas County; AbbyAhe@clackamas.us
Report Link: Clackamas County CoC 2019 PIT Count

Eugene, Springfield/Lane County CoC:
Lise Stuart, Lane County; Lise.Stuart@co.lane.or.us
Report Link: Eugene, Springfield/Lane County CoC 2019 PIT Count

Hillsboro, Beaverton/Washington County CoC:
Annette Evans, Washington County Department of Housing Services; Annette_Evans@co.washington.or.us
Report Link: Hillsboro, Beaverton/Washington County CoC 2019 PIT Count

Medford/Ashland/Jackson County CoC:
Constance Wilkerson, Jackson County CoC; cwilkerson@accesshelps.org
Report Link: Medford/Ashland/Jackson County CoC 2019 PIT Count

Oregon Balance of State CoC:
Justina Fyfe, Service Point System Administrator. justina.fyfe@ucancap.org

Portland, Gresham/Multnomah County CoC:
Denis Theriault, Multnomah County; Denis.Theriault@multco.us
Report Link: Portland, Gresham/Multnomah County CoC 2019 PIT Count

28 https://dochub.clackamas.us/documents/drupal/f8a9eed3-d19b-46ca-9ca9-03db9ed106d
29 https://laneCounty.org/government/county_departments/health_and_human_services/human_services_division/point-in-time_pit_homeless_count
31 https://jacksoncountyccoc.org/annual-pit-count/
32 https://static1.squarespace.com/static/566631e8c21b864679ff4de/t/5d434f685800f0001847e20/1564692373569/2019+PIT+Report_FINAL.pdf
TO: Housing Stability Council Members
FROM: Caleb Yant, Chief Financial Officer
       Kim Travis, Acting Assistant Director of Public Affairs
DATE: November 18, 2019
SUBJECT: 2021 Legislative Agenda Development

The purpose of this memo is to introduce the state budget development process and provide context to Council members regarding the Council’s role as well as the opportunities for involvement. Oregon Statute provides a broad outline for the Council’s involvement by establishing:

- The Council is responsible for studying, commenting on, and advising the Department, Governor, Legislative Assembly, other state agencies, and local governments concerning legislation or rules that affect the cost and supply of affordable housing, both before and after the legislation and rules are enacted. [ORS 456.571]
- The Council will advise the Department on personnel, materials, services and capital outlay items in its biennial budget prior to submittal to DAS. [ORS 456.567, 456.555]

Budget development within state government is a carefully choreographed process with many pre-established deadlines. At the highest level, state agencies establish priorities related to statutory changes as well as resource requests. These priorities formulate the Agency Request Budget which is submitted to the Department of Administrative Services (DAS) around August 1, 2020. DAS then works with agencies and the Governor’s Office to develop a Governor’s Budget based on her priorities and the fiscal constraints of the statewide enterprise. The Governor’s Budget will be released around December 1, 2020 in advance of the 2021 legislative session. Ultimately, the legislature will take both budgets into consideration as they create the final Legislatively Adopted Budget for OHCS, dictating programs and resources between July 1, 2021 and June 30, 2023.

The state budget process is always challenging because resource requests are due 12 months ahead of a period that lasts for 24 months. Essentially, it requires agencies to understand and predict what resources and statutory updates will be required up to three years ahead. Given the number of new initiatives secured during the last legislative cycle, for OHCS to predict exactly what is needed to advance programs (which may not even be designed or have dedicated staff in place yet) presents an additional layer of complexity.

The state budget process relies on Legislative Concepts (LCs) and Policy Option Packages (POPs) to adjust statutes and modify funding and staffing levels. LCs are the mechanism to create and
modify statutes that impact our programs or the supply and cost of affordable housing. POPs are the way agencies request new or additional funds to begin or augment a program, renew expenditure limitation associated with temporary funding sources, and request changes in staffing. We have begun the process earlier than we did for the 2019 legislative agenda, and this memo provides some of the key dates related to LC and POP development.

2021 Legislative Agenda Development Timeline

<table>
<thead>
<tr>
<th>Date Range</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>July to November 2019</td>
<td><strong>2019 Legislative Process Debrief, 2021 Process Preparation</strong> Gather feedback on what worked well and what to improve in the next session, develop Guiding Principles for 2021 Legislative Agenda development, create timelines and tools for staff, Executive Team process review.</td>
</tr>
<tr>
<td>December 6, 2019</td>
<td><strong>Presentation to Housing Stability Council</strong> Review the process and timeline with HSC.</td>
</tr>
<tr>
<td>December 16, 2019</td>
<td><strong>SALT Meeting</strong> Gather Executive Team, managers, and policy staff to inventory ideas for Legislative Concepts and POPs, with a focus on funding investments to current programs, minor statutory changes, and anticipated interests of advocates and stakeholders.</td>
</tr>
<tr>
<td>January to March 2020</td>
<td><strong>Legislative Concept and Policy Package Preparation</strong> Possible second brainstorming session, All Staff meeting with updates on process and content, Executive Team refines concepts and package lists.</td>
</tr>
<tr>
<td>March 6, 2020</td>
<td><strong>Presentation to Housing Stability Council</strong> Provide content update and results of February Session.</td>
</tr>
<tr>
<td>April 2020</td>
<td><strong>Legislative Concepts Place-holders Due</strong> Preliminary information due to DAS. Date depends on number of concepts submitted.</td>
</tr>
<tr>
<td>April 2020</td>
<td><strong>Stakeholder Engagement</strong> Initial engagement to provide stakeholders with OHCS’ proposed legislative agenda and get feedback. Additional engagement will occur throughout the process.</td>
</tr>
<tr>
<td>April to June 2020</td>
<td><strong>DAS and Governor’s Office Staff Reviews LCs</strong> The CFO’s staff reviews concepts for policy and fiscal issues and request more information as needed. The Governor’s Policy Advisors review concepts and recommend concepts to move forward for drafting. OHCS is notified and provides additional information to Legislative Counsel for drafting. Due date depends on number of concepts to be drafted.</td>
</tr>
<tr>
<td></td>
<td><strong>OHCS Continues POP Development</strong> Staff refine requests, including amounts, expected outcomes from additional funding, and additional personnel needed. Final requests due June 30, 2020.</td>
</tr>
<tr>
<td>June 5, 2020</td>
<td><strong>Presentation to Housing Stability Council</strong> Final content update and LCs recommended by the Governor’s Office.</td>
</tr>
<tr>
<td>July 31, 2020</td>
<td><strong>Agency Request Budget Binders Due to DAS</strong> All narratives, POPs, reduction options, and other information is submitted to DAS.</td>
</tr>
<tr>
<td>Date</td>
<td>Event Description</td>
</tr>
<tr>
<td>----------------------</td>
<td>-------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>August 7, 2020</td>
<td><strong>Presentation to Housing Stability Council</strong> Summary budget information provided to Housing Stability Council.</td>
</tr>
<tr>
<td>September to October 2020</td>
<td><strong>Analyst’s Recommended Budget and Appeals</strong> CFO staff review and make recommendations on POPs. Agencies may be asked for additional information, and are allowed to appeal packages that are denied.</td>
</tr>
<tr>
<td>December 1, 2020</td>
<td><strong>Governor’s Budget is Released</strong> The Governor’s Budget containing priorities for the coming biennium is released.</td>
</tr>
<tr>
<td>January to June 2021</td>
<td><strong>Legislative Session</strong> The Legislature convenes and holds hearings on bills, including agency budgets. The timing of budget presentations varies. OHCS has presented as early as February and as late as May. All bills that affect OHCS programs become the Legislatively Adopted Budget, and determine the department’s direction for the next two years.</td>
</tr>
</tbody>
</table>
Members:
Chair, Adolph “Val” Valfre, Jr.
Sarah DeVries
Sami Jo Difunorum
Claire Hall
Barbara Higinbotham
Anna Geller
Mary Li
Gerardo F. Sandoval, PhD
Charles Wilhoite

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