January 3, 2020
9:00 a.m. – 2:00 p.m.
Oregon Housing & Community Services
Conference Room 124 A/B
Salem, Oregon 97301
**AGENDA**

January 3, 2020

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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<tr>
<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>Discussion</td>
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<td>9:15</td>
<td><strong>Meeting Minutes Approval</strong></td>
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<td>9:20</td>
<td><strong>Homeownership Division (pg. 15)</strong></td>
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<td>* Emese Perfecto, Assistant Director, Homeownership Division*</td>
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<td><strong>Oregon Bond Loan Approvals</strong> – Kim Freeman, Single Family Program Manager</td>
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<td>9:30</td>
<td><strong>Affordable Rental Housing Division (pg. 17)</strong></td>
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<td><strong>Multifamily Housing Transactions</strong></td>
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<td><strong>Fountain Place</strong> – Andrew Moran, Affordable Rental Housing Loan Officer</td>
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<td><strong>4% LIHTC / Conduit Tax-exempt Bond Policy</strong> – Tai Dunson-Strane, Tax Credit Program Manager and Natasha Detweiler-Daby, Senior Affordable Rental Housing Policy Analyst</td>
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**10:30 BREAK**

**Housing Stabilization Division (pg. 35)**

* Andrea Bell, Assistant Director, Housing Stabilization

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<tr>
<td>10:45</td>
<td><strong>Rental Market Resources</strong> – Andrea Bell, Assistant Director and Sheila Parkins, Program Analyst</td>
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<td><strong>SOAR</strong> – Andrea Bell, Assistant Director and Shawnn Hartley, Program Analyst</td>
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<td><strong>Budget Note #1 Update/EHA/SHAP Report</strong> – Andrea Bell, Assistant Director, Roserria Roberts, Homeless Services, Sam Kenney, Policy Analyst</td>
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<td><strong>TANF Pilot Program</strong> – Andrea Bell, Assistant Director and Daniel Haun, Principal Executive at DHS</td>
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<td>12:30</td>
<td><strong>Affordable Rental Housing Division (pg. 53)</strong></td>
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<td><strong>Publicly Supported Housing (PuSH / HB2002)</strong> – Dolores Vance, Preservation Manager and Natasha Detweiler-Daby Senior Affordable Rental Housing Policy Analyst</td>
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<td>1:30</td>
<td><strong>Report of the Director</strong></td>
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<td><strong>Report of the Chair</strong></td>
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<td>2:00</td>
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All times listed on this agenda are approximate and subject to change. Agenda items may also be taken out of order and addressed at different times than listed. The agenda may be amended by the Council at the time of the meeting.
The Housing Stability Council helps to lead OHCS to meet the housing and services needs of low- and moderate-income Oregonians. The Housing Stability Council works to establish and support OHCS’ strategic direction, foster constructive partnerships across the state, set policy and issue funding decisions, and overall lend their unique expertise to the policy and program development of the agency.

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

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

Statewide Housing Plan Policy Priorities

- Equity & Racial Justice
- Homelessness
- Permanent Supportive Housing
- Affordable Rental Housing
- Homeownership
- Rural Communities
December 6, 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

**Note:** Councilmember Geller informed the chair that she needed to leave the meeting at 11:30am.

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

### Public Comment:

Amy Warren, executive director of Kôr Community Land Trust, read a letter urging the council to expedite the LIFT (Local Innovation and Fast Track) funding.

Ross Cornelius, Client Services Manager of WALSH Construction, commented on the LIFT Framework discussed at last month’s housing stability council meeting, the need to meet social equity demands from the current market, the need to create incentives for the construction of both two and three bedroom apartments, and the need for more three-bedroom units.

Chellema Qolus, tenant at Milepost 5, suggested rent reduction for the studios and a rent schedule. She added that the tenants residing in the smallest units are most vulnerable, and can’t afford the increase in rent costs.

Evan Wellington, another resident at Milepost 5, shared that he’s been a resident at this location for 10 years. He explained that the property was affordable, prior to Community Development Partners (CDP) buying the property. Mr. Wellington explained that the problems began after CDP took over, and asked for more transparency and information about the standards and tenant rights.

Margot Black, a tenant organizer and co-chair of Portland Tenants United, stated that the transition at Milepost 5 has had negative impacts towards their most vulnerable residents, and that the lowest income tenants are most at risk for displacement.
Amber Cook, a Milepost 5 tenant, discussed feelings of harassment and demeaning behavior by the property management company. She added that another tenant at this location experienced a hazard in his unit, but when the incident was brought to the attention of the management company, help was not provided.

Eric Paine, CEO of CDP, and Jessica Woodruff, Director of Development at CDP, provided public comment. Mr. Paine stated that they are fully accountable, and that this is the first time their organization has experienced issues such as the ones mentioned by Milepost 5 tenants. He discussed the role of the management company, miscommunications, and how to address problems in the future. He indicated that in light of the problems at the property, CDP is moving to change out the property management company for Milepost 5. Ms. Woodruff stated that mistakes were made, but that CDP is working to address them.

**Approval of Meeting Minutes for November 1, 2019:**
Chair Valfre introduced meeting minutes for council approval and called to motion.

**Agenda Item:** Meeting Minutes Approval
**Motion:** Move to approve the Oregon Housing Stability Council Meeting Minutes from November 1, 2019

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**Pass/Fail - 6:0:2:1\ PASS**

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

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

**Multifamily Housing Transactions**

**Rockwood – Scott Shaw, Affordable Rental Housing Loan Officer**

Councilmember Li asked for more information regarding the equity and racial justice part of the project. Mr. Shaw described the project’s partnership with a culturally specific organization, Hacienda CDC, and their plan to assess and determine applicants’ needs. AD Cody further explained the plan to provide information in different languages, and plan to understand needs of the population. She added that they are working with a minimum of 20% of MWESB (Minority-owned, women-owned, or emerging small business) participation.

Councilmember Li noted that this proposed project is sponsored by CDP. Referencing the public comment on Milepost 5, another CDP owned property, she discussed the difference between intent and
impact of the project sponsor, and suggested being more proactive about producing the desired impact. Director Salazar stated that OHCS has the authority to approve the management company on the Rockwood transaction, and AD Cody shared that OHCS will be working very closely with the management company to make sure everything is being implemented as intended. She further explained that if OHCS does not see the performance desired by CDP on this project, this will be noted and reflected in scoring in the category of sponsor capacity, should CDP apply for any future funding from OHCS.

Councilmember DeVries directed the councilmembers and presenters’ attention to page 20 of the packet and asked for clarity regarding the term “partnership agreement,” in regards to the development team and service providers. The presenters confirmed that Hacienda CDC has an ownership stake in this development in addition to providing services to residents. Councilmember DeVries stated that this provides additional comfort with regard to the capacity of the project sponsor and helps address the concerns raised during public comment. She asked if the youth services will be provided on site, and the presenters confirmed that this was accurate. She followed-up by asking for additional information about the on-site services, and the presenters clarified that they will take place in indoor and outdoor spaces.

Councilmember Sandoval expressed appreciation for the location of this project to transportation. He added that this project displays various elements of equity in their outreach and services, as they reflect the surrounding population’s needs.

Councilmember Wilhoite reiterated the councilmembers’ and OHCS staff’s dedication to addressing the issues they face in various affordable housing projects, including responding to the concerns of residents.

**Agenda Item: Rockwood Transaction**

**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.

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Pass/Fail 8:0:0:1/ PASS

**Agenda Item: Rockwood Transaction**
**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.

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Pass/Fail  8:0:0:1/ PASS

**RAD Phase II – Samuel Brackeen, Affordable Rental Housing Loan Officer**

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

Councilmember Sandoval shared concerns about the accessibility to public transportation for these projects. Councilmember Wilhoite reiterated Councilmember Sandoval’s comments.

Director Salazar commented on Homes for Good (HFG), the complexity of the project, and thanked the sponsor for its approach in making homes available to first-time homebuyers.

**Agenda Item:** RAD Phase II Transaction

**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.

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**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.

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Pass/Fail  8:0:0:1/ PASS

**Rosewood Homeowners Cooperative MHP** – *Samuel Brackeen, Affordable Rental Housing Loan Officer*

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

Councilmember Li mentioned the demographics and expressed an interest in seeing a plan for the 19 unfilled spaces to be aligned with the external community.

Councilmember Wilhoite asked for more information about an open space at the location of this project. Lisa Rogers from CASA Oregon responded, and stated that this open space is in a flood plain so no development is likely to occur in that area.

Councilmember DeVries asked for more information regarding the development costs and what work is being completed at the site, and Mr. Brackeen stated that the funds are mostly being used to purchase the park. Councilmember DeVries then asked about the capital needs assessment being done and future repairs that may be needed, and AD Cody stated that those items are part of the work done by CASA and that due diligence was completed. Councilmember DeVries then asked if CASA is involved in any ownership of this property, and AD Cody stated that they are not.

Councilmember Sandoval asked if residents’ access to IDAs (Individualized Development Account) is specific to this project, and Mr. Brackeen stated that the IDAs are offered by CASA, and is not unique to this project. Director Salazar stated that OHCS has been discussing ways to tie the IDA program to other efforts at the agency, and that they anticipate having this conversation with the council sometime next year.

**Agenda Item:** Rosewood Homeowners Transaction

**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.

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More information can be found here.

Councilmember DeVries asked if OHCS has a list of management companies, and if the agency approves them. AD Cody confirmed that OHCS approves of the management company for this project, and a representative of CASA Oregon also affirmed that they approve of the management company.

Councilmember Li reiterated her earlier stated comments regarding the commitment to impact, as well as intention, in regards to the equity and racial justice priority.

**Agenda Item:** Mountain View Cooperative Transaction

**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.

Rent Increase Policy Introduction – Rick Ruzicka, Interim Asset Management Manager and Natasha Detweiler-Daby, Senior Affordable Rental Housing Policy Analyst

More information can be found here.

Councilmember Wilhoite and AD Cody discussed the rising and lowering of rents charged to tenants under the maximum allowable rent caps based on utility hikes and changing costs in the market. Councilmember Wilhoite discussed rent escalation and the requirements for financial statements from project owners. He explained that rent escalation is the last thing they want to see, and AD Cody explained that this is the basis of their review.
Councilmember Hall discussed the importance of communication with tenants regarding the impact of rent increases.

Councilmember Higinbotham referenced information in the packet regarding the correlation between rent increases and homelessness. She then asked to have additional conversations regarding this aspect of the materials offline.

Councilmember Geller commented on the challenges with the existing income verification process for affordable housing, and encouraged staff to consider the impact of the rent increase policy on the overall affordable housing industry and participation of housing providers in these programs.

Councilmember DeVries discussed the narrow review of profit and the full picture of the work developers provide. She also encouraged staff to consider the administrative burden and efficiency of this policy, both from the perspective of staff and property owners.

Councilmember Li stated that she agrees with OHCS continuing to apply this policy to their affordable housing portfolio. She mentioned stakeholder outreach, and highlighted the intentional effort to also speak with tenants. Councilmember Li asked what a racial justice lens would look like when applied to this rent increase policy, discussed the use of culturally specific incomes, and suggested taking that calculation into consideration. She added that a tenant impact statement could be implemented, as well. Lastly, Councilmember Li raised the idea of challenging assumptions when considering developers’ experience.

Chair Valfre stated the importance of monitoring and streamlining the rent increase, and commented on the complexity of work proposed by the staff. He encouraged staff to consider ways to further streamline the reviews of rent increase requests under 5% per year so that staff time can be focused on the larger and more impactful requests.

Director Salazar acknowledged how challenging the topic is, and stated how valuable it is to have this conversation with some tenants in the room. She stated the importance of finding a way to ask the right questions, taking a balanced approach when looking at this, and streamlining this process so it’s less burdensome on OHCS staff.

AD Cody shared that she will take the feedback back to her team for more dialogue.

4% LIHTC / Conduit Tax-Exempt Bond Policy – Tai Dunson-Strane, Tax Credit Program Manager and Natasha Detweiler-Daby, Senior Affordable Rental Housing Policy Analyst

More information can be found here.

Councilmember Li asked for clarity about the proposed action to be taken on this policy, and for more information about the Private Activity Bond (PAB) carryforward aspect. What makes carryforward important as compared to current year PAB? AD Cody explained the use of carryforward in further detail.

Councilmember DeVries asked if carryforward is not guaranteed, and AD Cody stated that OHCS has received the majority of carryforward from the PAB Committee of Oregon State Treasury, but that the agency is not guaranteed to get all of the carryforward at the next PAB Committee meeting in January 2020, depending on the other housing and economic development proposals that may come in. Director Salazar explained that it is a very competitive process, and there is no guarantee.
Chair Valfre asked why the PAB projection and pipeline did not go past 2021, and AD Cody stated that the projection provided to Council includes the anticipated pipeline for Multifamily housing transactions made possible by state funding received in the 2019-21 biennium. Staff did not want to be presumptuous about what they would receive in the following biennium (2021-23) since that budget process has not yet been completed.

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

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

**Next Steps for Homeless Veterans** – Sam Kenney, Program Analyst and Gus Bedwell, Community Engagement Integrator

Councilmember Sandoval asked if there is a way to target veterans with disabilities. Mr. Bedwell said there’s a way to see if any veteran is receiving a service related disability benefit, but it becomes tricky depending on fair housing laws. He added that if there are veterans with disabilities experiencing homelessness, they are included in the conversation.

Councilmember DeVries asked for more information about the community needs assessments, and how they’ll be matched up with the appropriate technical assistance provider. Mr. Kenney stated that they are drawn from national best practices, and he provided additional information about analysis tools used for assessments. Councilmember DeVries asked if OHCS will be doing this, and Mr. Bedwell said that OHCS will be partnering with other service providers to provide technical assistance. Mr. Kenney stated that this could vary, since OHCS providing a national technical service provider did not work for everyone.

Councilmember Li stated that she is interested in seeing the equity & racial justice priority highlighted in each stage of the services. She mentioned the challenges of HMIS (Homeless Management Information System), and asked about the demographic information for the first stage of this process. Councilmember Li stated the responsibility CAA (Community Action Agencies) have towards providing services for veterans experiencing homelessness in a culturally competent manner, and the importance of utilizing the network that already exists.

Councilmember Wilhoite mentioned the amount of veterans accounted for in the data, and Mr. Bedwell stated that there are a variety of reasons why each and every veteran experiencing homelessness is not showing up in the system, and that this effort is going to try and address these barriers.

Councilmember Sandoval asked if it is possible to directly finance projects that specifically target veterans experiencing homelessness. Director Salazar mentioned the document recording fee that was raised in 2018 includes a set aside for veterans. She explained that a portion of funding specifically for veteran homelessness goes directly to CAAs, and there is a portion of multifamily development funding set aside for veteran projects as well. Councilmember Sandoval stated that he does not recall a project specifically targeted to serving veterans experiencing homelessness, and Chair Valfre shared some information about a project he recalled. Director Salazar stated that she would provide the Council with a list of projects which funded the veteran population.
Chair Valfre asked for the presenters’ thoughts on the next steps, including funding for the next stage of this initiative. Director Salazar shared that OHCS will be taking a look at their existing resources for capacity building funds, and the potential to use some of those resources to get started on this initiative. She added that they are not in the position, as a state agency, to make a request of the legislature at this time. Director Salazar mentioned that there are advocates making their own funding requests at this time, but that OHCS is providing information to those advocates so that they can make an informed decision.

**2019 Point in Time Count Report Out and Data Dashboard** – Andrea Bell, Homeless Services Manager, Megan Bolton, Senior Research Analyst, Julia McKenna, Research Analyst, Elise Cordle Kennedy, Hatfield Fellow for Research

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

Councilmember Sandoval mentioned that he was surprised that the majority of people experiencing homelessness in Oregon are outside of the Portland area and made note of the high instance of people experiencing homelessness in other urban centers including Lane County. He asked about the difference between the urban versus the rural strategy. Director Salazar stated that they think different strategies for the urban and rural communities is appropriate and that they are trying to think about that moving forward.

Councilmember Wilhoite asked about the logic behind holding the point in time (PIT) count in January, and Presenter McKenna stated that there have been issues with the PIT; it is an imperfect methodology. The thinking at the national level behind performing the PIT in January is that individuals may be more likely to seek warming shelters or other services indoors, aiding the count. AD Bell shared that they are invested in strategically utilizing the PIT as part of a formula.

Councilmember Li discussed the importance of what each data source indicates about the issues being experienced and what actions that should be taken; even though the PIT count is imperfect, it is one tool and we should look closely at what it is telling us. Ms. Cordle-Kennedy reiterated Councilmember Li’s comment and stated that combining data sources helps to tell the story more fully.

**Tenant Education** – Katrina Holland from CAT (Community Alliance of Tenants) Presentation

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

Councilmember Li asked about working with the CAT team in regards to using tenant voice in stakeholder engagement for affordable housing, and potentially helping inform OHCS’ rent increase policy.

Chair Valfre thanked the presenters for their work and their informative presentation.

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**Chief Financial Office Division:** Caleb Yant, Chief Financial Officer

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

**2021-23 Legislative Agenda Planning** – Caleb Yant, Chief Financial Officer and Kim Travis, Interim Assistant Director of Public Affairs
Report of the Director:

Director Salazar directed the councilmembers’ attention to the housing stability council engagement work plan for the next six months. She explained that the work plan highlights what they should expect and that it will help keep everyone on task with the upcoming legislative session.

Director Salazar reminded the councilmembers about the housing council retreat poll, and began diving into recent updates at OHCS. She discussed the manufactured housing conference in Portland, and the Association of Oregon Counties conference where OHCS had a few panels, and the legislative days this past November.

Director Salazar mentioned her excitement about welcoming the newest member of the housing stability council, Sami Jo Difuntorum. She discussed her recent experience with testifying in congress in Washington D.C. and the subject matter regarding her testimony. Director Salazar shared that she will be returning to Washington D.C. for a Board meeting of the National Council of State Housing Agencies, and one of the topics that is top of mind is the affordable housing credit improvement act, and mentioned that this may have a good chance of getting into some tax bills and moving through congress. She discussed working with Senator Wyden, and participating in a press conference in Portland for the passing of the credit improvement act. Director Salazar explained that they are trying to draft a bill around permanent supportive housing, which is geared towards individuals experiencing chronic homelessness.

Director Salazar provided an update on several groundbreakings and grand openings she or Councilmembers have recently attended: Cedar Grove, Clayton Mohr Commons (Veteran’s project), Commons on MLK, West Ridge Place, and The Louisa Flowers.

Director Salazar informed the council of Andrea Bell being promoted to Director of Housing Stabilization, and Megan Bolton being promoted to Assistant Director of Research. She added that Kenny LaPoint will be moved back to his original position as Director of Public Affairs, and thanked Kim Travis for serving as the Interim Director of Public Affairs.

Report of the Chair:

Chair Valfre expressed appreciation for the staff’s work, and discussed how pleased he was to speak at Cedar Grove. He mentioned his attendance at the emergency shelter convening in Washington County, and the National League of Cities summit in San Antonio, Texas.

Chair Valfre expressed his appreciation for the OHCS staff and being part of the housing stability council.

Meeting Adjourned at 2:00 PM
Date: 01/03/20

To: Housing Stability Council

From: Kim Freeman, Homeownership Section Manager

Re: Residential Loan Program

**Recommended Motion:** Housing Stability Council approves the Consent Calendar

**Background:** State statutes require the Housing Stability Council to establish a single-family loan threshold for loans to be review and approved prior to purchase. The current threshold for single-family loans includes all loans equal to or greater than 95% of the applicable area program purchase price limit.

**Considerations:**

1. The loan(s) under consideration is greater than or equal to 95% of the applicable area program purchase.

2. Staff has reviewed all of the following loan files and concluded that the borrowers and properties meet all relevant program guidelines for the Residential Loan Program. All required documents have been properly executed, received, and the loans have been approved for purchase. In addition to being approved by staff, the loan files have been underwritten by the applicable lenders and are insured by either FHA (FB), Rural Development (RG), or Uninsured (U) with a loan-to-value of 80% or less.

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<th>Monthly Mortgage Payment PITI</th>
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<th>Cost per Sq. Ft.</th>
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| Data Classification: 3 | JAN 2020 HSC | 16 |
Date  January 3, 2020
To:  Housing Stability Council
     Margaret Solle Salazar, Executive Director

From:  Andrew Moran, Loan Officer
        Casey Baumann, Underwriting Manager
        Julie V. Cody, Director of Affordable Rental Housing

RE:  Fountain Place, Conduit Bond 4% LIHTC and Preservation funding request

MOTION: Move to approve Pass Through Revenue Bond in an amount up to and not to exceed $17,310,000 to FP 2 Limited Partnership for acquisition and rehabilitation of Fountain Place, subject to the borrower meeting OHCS, Banner Bank and the Portland Housing Bureau underwriting and closing criteria, documentation satisfactory to legal counsel and State Treasurer approval of the bond sale.

MOTION: Move to approve GHAP Funds in the amount of $5,000,000 to FP2 Limited Partnership for the acquisition and rehabilitation of the project known as Fountain Place, subject to the borrower meeting OHCS, US Bank CDC, Banner Bank and the Portland Housing Bureau underwriting and closing criteria and documentation satisfactory to legal counsel.

Overview and Location:
Housing Stability Council (HSC) is being asked to consider the bond sale transaction that will provide both short and long term financing for the planned seismic upgrades and unit renovations to the Fountain Place apartments. Built in 1912, the five-story building located near downtown Portland and was constructed using the most economical resource available at the time, brick and concrete blocks. As a result and after 107 years, the masonry is in need of extensive re-enforcement to continue operations long into the future.

A total of 20 project based vouchers (PBV) and 20 tenant based vouchers (TBV) will be preserved with the planned renovation. A contract renewal for the PBV’s will be executed and will extend vouchers for 20 years. The management agent works closely with Transition Projects and Northwest Pilot Projects who common mission includes providing services and resources to populations with a history of homelessness and housing instability. With the collaboration of these partners, the project will be able to provide stable and affordable housing to the most vulnerable populations in the Portland metro area.

Funding History and Context:
Presently requesting the approval for the use of up to $17,310,000 in Pass-Through Revenue Bonds and $5,000,000 in GHAP funds. The GHAP funds were previously reserved through a competitive process in March of 2018. The GHAP award was prioritized in four main
categories: affordability, affordable housing stock, preservation, building conditions and vulnerable populations. Bonus points were available to all applicants who submitted a condition report and for projects with a “high” risk rating by OHCS. This GHAP award must be approved by HSC as any project awarded over $1 million in grant funds must also be approved through Housing Stability Council.

On December 24, 2019 OHCS finance committee approved the reservation of $978,317 in annual allocation of, non-competitive, 4% Low Income Housing Tax Credits. Additional funding sources include Historic Tax Credits (issued by national parks), the Portland Housing Bureau and Home forward.

Home Forward purchased the property in 2002 using 4% Low Income Housing Tax Credits. The existing reservation and extended use agreement restricts 64 units until January 2033. The latest round of OHCS funding will layer over existing OHCS restrictions. GHAP restrictions will restrict all 74 units to 60% AMI until December 2080.

**Project Sponsor and Partnership:**
Home Forward is the Public Housing Authority for Multnomah County. In 1941 Home Forward was founded with an aim to provide housing to vulnerable, low income families. Since its founding, Home Forward has evolved into the largest provider of affordable housing in the state of Oregon. Today Home Forward works diligently to remove barriers that exist because of income, disability or special needs.

The development team has taken on numerous multi-million dollar redevelopments and rehabilitation programs. The team has demonstrated to OHCS that they have the capacity to develop multiple large scale projects at one time. They are able to do so by hiring skilled project managers in design, construction, financing, community relations, property management and asset management. The team has also built a network of skilled consultants which are used as needed in specialty areas of the developments.

**General Contractor:**
Lorentz Bruun construction – Founded in 1946, Lorentz Bruun has been the general contractor for many types of buildings including commercial, healthcare, historic renovations, hospitality, industrial, multifamily, affordable housing and retail. Home Forward selected Lorentz Bruun because of their commitment to quality and cost effective work with historical renovation and affordable housing markets.
Management Agent:
Pinehurst management has been contracted to provide management services to the property. The company was selected because of its specialization in multifamily and commercial rental properties. Their passion is to provide high-quality housing that meets the needs of renters while being a sound investment to owners. OHCS asset management team has conditionally approved a management agent packet, submitted with the bond application.

Notable Features:
• Fountain Place was originally built in 1912 and contributes to the historic charm of the downtown Portland neighborhood. The building has been home to countless individuals and families over the past 107 years of operation. If these upgrades and repairs are not addressed soon, the history of the building and the character it brings to the neighborhood may be lost.

Policy Priorities:
The Fountain Place renovation project aims to address priorities set by the statewide housing plan in some of the following ways:

• Equity and Racial Justice
  o Community Demographics: The census tract in which Fountain Place is located skews very much towards renters, with 88.7% of households renter occupied. People of color in this tract represent 26.4% of the total population, and they are overrepresented in the renter population, with 97.1% of households of color renting rather than owning. With a poverty rate of 48.2% for all households in this tract, and 70% of current residents making 30% of AMI or less, preserving these 74 units will help vulnerable households who have a high risk of housing instability. This project is located in the heart of downtown Portland, and the Census Tract was identified as having a high risk of gentrification using the 2019 9% LIHTC NOFA metrics, further emphasizing the value of preserving existing affordable units for tenants making little to no income.

Tenant Impact: As a rehabilitation project, there are existing tenants that will be impacted. The relocation strategy is detailed in the following pages; all residents will be given an opportunity to return to the project once rehabilitated. OHCS is working closely with the sponsor to ensure that the rents established at this property are in adherence to OHCS rent increase policy and LIHTC rent setting policy.
Affirmative Fair Housing Strategies: The management agent staff will review the demographics of the community to identify the least likely demographic that might apply for housing. Using this data, outreach to community partners around the city will take place. Informational letters and marketing materials will be sent to these community partners with culturally specific ties to attract the identified demographics that are least likely to submit an application.

Pinehurst works closely with Transition Projects and Northwest Pilot Projects to attract low-income tenants with a history of homelessness and housing instability. Both Transition Projects and Northwest Pilot Projects place equity as central to their organizations; with a focus on ensuring organizational representation, access, and services to communities of color. They have a successful track record of providing culturally responsive access to services; last year over forty percent of Northwest Pilot Project housing clients were households that included a person of color. With their collaborative efforts, these mission driven organizations have had success representing populations that are least likely to apply and remove or minimize the barriers to stable and affordable housing.

Contracting, Diversity, Equity & Inclusion: Home Forward established its MWESB policy in 2006. It set a goal of 20% participation of target businesses on professional services and construction contracts over $200,000. To achieve these participation goals, Home Forward staff regularly attends meetings of minority chambers, Oregon Association of Minority Enterprises (OAME), National Association of Minority Contractors of Oregon (NAMCO) and other project-specific outreach meetings and functions to present procurement opportunities.
and elicit bidding by target businesses. Last fiscal year 24% of Home Forward’s personal service and construction/maintenance contracts used MWESB vendors.

- Home Forward has selected Lorentz Bruun Construction, Salazar Architects and Peter Meijer Architects as the design-build team. The design build team has collectively worked on many public jobs with equity requirements and understands the goals of the programs and is prepared to meet or exceed the requirements for target business & section 3 participation, as well as the workforce training & hiring program. This team has already made considerable progress towards the goals by selecting targeted firms for affordable housing design work and an electrical engineering firm to assist with electrical design of low voltage systems.

- **Homelessness**
  - A total of 20 Project Based Vouchers will allow the project to support individuals who may be threatened with, or are transitioning out of homelessness.

- **Affordable Rental Housing**
  - In the downtown, Portland proper, area affordable rental housing is very limited. This project will allow for the 74 units to remain in the affordable rental housing stock in the area for many years to come.

- **Rural Communities**
  - Not applicable; urban development

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

- **Homeownership**
  - Not directly applicable as a rental development. However, as detailed in the pages below regarding relocation during rehabilitation; tenants who wish to do so can use the subsidy allocated to them for relocation and rents for the duration of relocation can be used as credit towards closing costs in a home purchase transaction.

**Risks and Mitigating Factors:**
This development conforms to OHCS underwriting standards. OHCS Finance Committee and OHCS staff has identified and appropriately mitigated the foreseeable, potential risks. The pages that follow will provide more technical details on the proposed project.
Project Detail: Fountain Place

Project Sponsor: Home Forward

Property: Fountain Place
929 SW Salmon Street
Portland, Oregon 97205

Owner: FP2 Limited Partnership

Description: Five story, seventy-four unit unreinforced masonry building in downtown Portland. The transaction is an acquisition and rehabilitation with a scope of work to reinforce the building. 20 Project Based Vouchers issued by Home Forward will help serve severely low income Oregonians.

Affordability:

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<th>Funding Source</th>
<th># Units</th>
<th>% Income</th>
<th>% Rents</th>
<th># Years</th>
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<td>60</td>
<td>60</td>
<td>30</td>
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<tr>
<td>GHAP</td>
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<td>60</td>
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Target Population: Individuals and families at or below 60% MFI.

Environmental Review: PBS Engineering and Environmental conducted a Phase I Environmental Site in November 2019. There were “no recognized environmental concerns”.

Finance Committee Approval: OHCS Finance Committee Reviewed and Approved this Project to be Recommended to the OHCS Director and the Housing Stability Council on December 24, 2019

Summary: Fountain Place is an historic, unreinforced masonry building located near downtown Portland. Originally constructed in 1912, the building’s primary function over the past 100 years was to house low to moderate income individuals and families. Originally, the property featured 80 units and operated as a hotel/apartment building. Through the years, regular maintenance allowed the building to outlive its original expected life of 60 years. Today, the building stands as a part of the rich history of Portland. In order to preserve the property for future Oregonians, an extensive renovation and reinforcement
has been planned. It currently features 62 studio, 15 one-bedroom and three two-
bedroom units, for a total of 80 units.

In 2002, the property was purchased by Home Forward using 4% Low Income Housing Tax
Credits and underwent minor renovations. Limited resources constricted Home Forwards
ability to address all major system necessities, including seismic reinforcement of the
masonry. Existing income and rent restrictions will expire in January 2033.

Today, the Home Forward team has engaged additional resources offered by OHCS and
Historic Tax Credits to address necessary system renovations and complete costly seismic
upgrades. The Home Forward team utilized the expertise of Marsha Steffen from Asset &
Property Management Services LLC (an MWESB Firm) to conduct a thorough assessment
of the property and its condition. Additionally, Marsha analyzed all major systems of the
building and determined several systems are in need of replacement within 24 months.
After renovation, the property will feature a total of 74 units. The extensive
reinforcement needed for the building will require the property to lose six studio
apartments (currently vacant).
**Financing Structure:**

- **Construction Lender:** Banner Bank  
- **Permanent Lender:** Banner Bank  
- **General Contractor:** Lorentz Bruun Construction  
- **Equity Investor:** U.S. Bancorp CDC

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**TOTAL Sources and Uses:** $32,804,444

**Bond Structure:**
The total tax-exempt conduit bond amount request is $17,310,000 of which, $14,310,000 will be short-term, used for the rehabilitation of the project and the remaining $3,000,000 will be long-term debt.

Architectural:
Fountain Place is a five-story building with a daylight basement, constructed of heavy timber and unreinforced masonry walls. Pre-renovation the building features 80 LIHTC units with a manager’s office, large lobby, laundry room, bike storage and courtyard area. The building is U-shaped with the main entrance squarely situated in courtyard, opening along SW Salmon street. The building is approximately 100,000 square feet. The roof is a “Built-up” roof system, windows are single pane wood framed sash windows.

The scope of work details out the overall project goals with the primary focus being seismic upgrades to the building. Due to the historic nature of the building, the development team will be diligent in their efforts to preserve key features of the building. A total of six units will be lost to the space needed to add the additional structure reinforcements.

The property has been grandfathered into the Portland city parking code requirements. On-
street parking is available to tenants along Salmon Street and 10th Ave.

**Scope of Work:**
An extensive amount of the budget will be spent on masonry and framing upgrades. The provided scope was identified with a thorough structure evaluation. As construction begins and through-out the process of renovation, additional needs may be discovered. All major change orders are subject to lender, investor and OHCS review and approval.

- The current planned scope will spend roughly $201,790 per unit in construction costs.

- Building envelope – The building is unreinforced masonry and upgrades are necessary to stabilize the building during a shaking event. Masonry cleaning and repairs, tuck pointing, exterior painting, and waterproofing are included in this scope of work. As part of this envelope work Home Forward will replace original windows including lead abatement.

- Electrical – Wiring upgrades to conform to current code and increase electrical capacity for future load is addressed in this scope of work.

- Elevators – Modernization and cab replacement of original elevator is addressed in this scope of work. Minor upgrades were completed in 2003.

- HVAC – Install common area heaters in hallways and the basement where heating elements do not currently exist. All unit heaters were replaced in 2017.

- Roof – Roof replacement paired with parapet bracing work. A new and safer roof access ladder is also included in the proposed scope of work.

- Fire Protection – Converting common area detectors and pull stations to addressable appliances, and upgrading current corridor notification appliances and installing low frequency notification appliances in unit sleeping areas.

- Framing – Seismic upgrades include bracing of the elevator shaft and parapet wall. The building is unreinforced masonry and these upgrades are necessary to stabilize the building during a shaking event.

- Foundation – The original foundation is sinking. Sinking will be mitigated by lifting foundation with micro-piles.
• Mechanical Exhaust System – Rooftop exhaust fans are approximately 10 years old and are not scheduled for replacement for another 10 years. Exhaust vents and chase plenums will be cleaned in this scope of work.

Project Schedule:
• Closing is targeted for January 28, 2020
• Completion is anticipated to be September 2021
• Construction period is 18-20 months.

Developer Fee:
Total Developer fee: $4,618,000; 19.93% of total project costs (after allowing for a $5,500 per unit for preservation projects). This is below the OHCS maximum of 20%.
• Deferred Developer fees: $834,000; Deferred fee will be repaid within the first 12 years of operation
• Cash Developer fee: $3,784,000

Tenant Relocation:
Home Forward has submitted a plan, budget and supporting documentation to OHCS staff and funding partners. Due to the length of time needed to complete the identified work, tenants currently living in the building will be “permanently displaced” (as defined in the Uniform Relocation Act – tenants removed from a unit for longer than 12 months). Once construction is complete, the management agent will first offer the units back to the previously displaced residents before soliciting to additional tenants.

Home Forward has an in-house, dedicated tenant relocation project manager to oversee the relocation efforts. All requirements set by the Federal Uniform Relocation Act (URA) will be followed. Home forward anticipates that all tenants currently living in the building will come back once construction is complete.

The relocation budget and plan covers all 62 occupied units for relocation. Home Forward has budgeted for $587 per unit, per month for 42 months (URA requirement for permanent displacement) on a total of 22 units that are currently occupied but not covered with a rental subsidy. The $587 per unit will be used by tenants to cover the potential of increased rent, whether they choose to come back to the building or not. This subsidy will continue for the tenants for no less than 42 months. Tenants whom wish can use this subsidy (or portion remaining) at any time as credit towards closing costs in a home purchase transaction.

The proposed budget of relocation is roughly $1,760,000 (a total of $22,007.06 per unit). This will cover all moving out, moving in, packing supplies, moving company staff, dedicated relocation staff and a stipend of $100 per unit. OHCS staff including asset management and
compliance has reviewed the proposed materials and finds it sufficient to meet URA guidelines.

**Affordability Restrictions:**

**Proposed LIHTC restrictions 30 years GHAP restrictions 60 years**

<table>
<thead>
<tr>
<th>Unit Type</th>
<th># Units</th>
<th>Income AMI%</th>
<th>Rent AMI %</th>
</tr>
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<tbody>
<tr>
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<td>56</td>
<td>60%</td>
<td>60%</td>
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<tr>
<td>1 BR</td>
<td>14</td>
<td>60%</td>
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<tr>
<td>2 BR</td>
<td>4</td>
<td>60%</td>
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The current round of funding by OHCS will layer on top of existing restrictions set by an OHCS reservation and extended use agreement executed between Home Forward and OHCS in 2002. The current restrictions will expire in January 2033 and are shown in the table below.

<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>1</td>
<td>N/A (manager)</td>
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<tr>
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<td>80%</td>
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<td>60%</td>
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<td>80%</td>
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<tr>
<td>0BR</td>
<td>5</td>
<td>40%</td>
<td>40%</td>
</tr>
</tbody>
</table>

**Operating Budget:**

**Income:** OHCS has two funding sources included in this transaction: LIHTC and GHAP. Each will restrict all units to tenants at or below 60% MFI. The LIHTC restriction is for 30 years, the GHAP restrictions will carry for 60 years.

- An existing REUA from a previous LIHTC transaction further restricts five units to 50% and five units to 40% MFI. These restrictions will remain in place until January of 2033.
  - These units along with ten other units (20 in total) will be supported with project based vouchers issued by Home Forward for 20 years.
- An additional 20 units are covered with tenant based vouchers. Home Forward
expects all of these tenants to return to the property when completed.

**Expenses:** Operating expenses are expected to be $7,068 PUPA. Generally, the expenses are higher than OHCS guidelines.

- After considering the properties history of tenant caused damages, Home Forward estimates they will spend roughly $943 PUPA in repairs and maintenance as well as $1,787 PUPA in on-site management.
- Home Forward has also committed to increasing the amounts spent on resident services. Post construction $603 PUPA will be spent on resident services.
- After considering these factors and confirming concurrence with the investor and other lenders, OHCS staff generally accepts the proposed operating expenses.

**Debt Coverage Ratio:**
The DCR presented to OHCS is within OHCS guidelines and conforms with OHCS, lender and investor underwriting principles.

- First full year of operations: 1.45
- DCR at year 15: 1.32
- DCR at year 20: 1.19
- DCR at year 30: 0.77
  - Sponsor is expected to refinance the permanent debt around year 20

**Location Amenities:**
The property is located near Downtown Portland, west of the Willamette River and just one block south of the Multnomah county central library. The location provides residents with a plethora of easy to access transportation services, shopping needs, parks, a food pantry, schools and emergency services.

- Ainsworth Elementary School 1.7mi
- Hosford Middle school 2.8mi
- Lincoln High school 0.3mi
- Clay Street Table 0.4mi
- Outside in 0.3mi
- Director park 0.1 mi

**Resident Services:**
As the Multnomah County Housing Authority, Home Forward has developed many partnerships throughout the community to connect residents across their portfolio of properties. Home Forward’s resident services staff conducted a needs assessment, which included several components: resident survey, property survey, interviews with resident
services coordinators and interviews with community services partners. The following services will be provided: Employment and education, asset development, Financial capabilities, Health and wellness, Housing stability, Youth services, Social capital.

Home Forward offers their GOALS Program to all of their residents. GOALS stands for Greater Opportunities to Advance, Learn and Succeed. The program supports individuals and families to reach goals they set to become self-sufficient. Through supportive services the GOALS staff work directly with residents to maximize strengths and achieve their potential. GOALS participants often work toward getting a job, owning a home, starting a business, building savings, repairing credit and much more.

Home Forward also partners with providers like NAYA Family Center to provide culturally responsive services to residents of Native American descent. The NAYA Family Center has programs for college and career services, many nations’ academy, foster care support, homeownership and parent involvement programs.

**Amenities:**
The property features many typical amenities found in market rate and restricted rent/income properties. Located on the ground floor, residents access the building through secured doors off of SW Salmon Street on the south side of the building with an additional entrance and exit on the north side. Guest and residents step into the lobby area with a manager’s office located across the main entry-way, and will have access to the following onsite amenities:

- Bicycle storage
- garbage and recycling areas
- laundry facilities
- 2nd through 4th floor
  - small libraries, computer and internet access
  - Food pantry
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DATE: January 3, 2020

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

Motion: Establish OHCS programmatic policy 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

As discussed at the December 2019 Housing Stability Council (HSC) meeting, 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.
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Date: January 3, 2020

To: Housing Stability Council Members
   Margaret Solle Salazar, Director

From: Andrea Bell, Assistant Director, Housing Stabilization Division
      Sheila Parkins, Program Analyst

Re: Rental Market Resources Framework

**Purpose:** To provide a briefing on Rental Market Resources framework. No HSC decision to be made.

The 2019 Legislative Session brought OHCS historic levels of funding towards preventing and ending homelessness. Included in this budget is a one-time allocation of $3 million in Rental Market Resources. The goal of these resources are to help homeless and low-income Oregonians navigate the tight rental market and achieve positive housing outcomes. Navigation services are defined as “barrier-focused” interventions that provide individualized services based on the unique needs of individuals and families who otherwise would face barriers to secure housing. For people of color and LGBTQ individuals, barriers beyond a tight rental housing market exist.
1. Technology
   - Assess opportunities to modernize and streamline the housing search process

2. Tenant Advocacy
   - Services that support and advance the rights of low-income renters to safe, decent and affordable housing.

3. Rent Guarantee Program
   - Incentives & financial assistance to landlords that rent or lease to low income households; includes Ready to Rent or “Rentwell” courses to prepare households for successful tenancies in the private housing market.

4. Tenant Readiness and Education
   - Increasing education to tenants on their rights and responsibilities as well as advocacy

5. Individualized and Equity Navigation Services
   - Assist individuals, families and Veterans to secure housing through personalized assistance with housing searches and flexible funding to cover costs such as security deposits and related expenses.

As cited in the Statewide Housing Plan, OHCS is committed to being innovative and practicing a holistic approach. This commitment is accelerating our program design process to look at best and promising practices in other systems that can be adapted to modernize the homeless services system. For example, many health systems have implemented navigators and/or navigator program to serve their homeless, complex health patients. One state found that their navigator services are effective at linking patients to healthcare systems, and perhaps more importantly, patients themselves view navigators as effective in providing emotional, informational, and logistical support, information, and problem-solving assistance.

**Alignment with the Statewide Housing Plan**

**Priority: Equity and Racial Justice**
People of color—both single adults and families—experience system-level inequities. The successful transition out of homelessness into stable housing looks glaringly different for people of color than it does for their white counterpart. OHCS is committed to demonstrating forward-thinking leadership, taking the initiative to include people of color throughout the design and implementation of this new body of work. The Rental Market Resources engagement process will include agencies that represent communities of color and individuals with lived experience.
**Priority: Homelessness**
The transition from experiencing homelessness to tenancy is windy. At the client level, it means engaging with multiple systems, completing a lot of paperwork, and understanding the varying practices of each agency involved. Rental Market Resources are targeted investments that intersect with our priority to end and reduce homelessness through, 1.) Increasing our current investments that incentivize landlords to rent to homeless and low-income tenants, 2.) Supporting successful lease up for households with vouchers, 3.) Providing services that are unique to case management and peer support, 4.) Engaging with people with lived experience is invaluable. They often have existing connections and know how to reach them emotionally. These programs also have the potential to prevent renters from experiencing homelessness by creating a stable and affordable housing situation.

**Priority: Permanent Supportive Housing**
Permanent Support Housing (PSH) is one of the non-time limited resources/interventions individuals, families and Veteran program participants may be connecting to. Referrals to PSH primarily occur through the Coordinated Entry process.

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

**Priority: Homeownership**
N/A

**Priority: Rural Communities**
For any community, building a robust response to homelessness can be a challenge. For rural communities, those challenges are often exacerbated by the hidden nature of homelessness, large geographic expanses, more dispersed and often fewer resources, a shortage of transportation and quality housing, and fewer economic and employment opportunities. Establishing and/or increasing the presence of Rental Market Resources is especially critical.

**Housing Stability Council Involvement and Next Steps:**

1. Are there are additional opportunities to advance Equity and Racial Justice with these new resources?
2. What are additional consideration staff should have as we plan community engagement efforts?

Upon receiving input from Housing Stability Council, Homeless Services will finalize the framework and community engagement strategy. We will present the final body of work at February’s council meeting.
Date: January 3, 2020

To: Housing Stability Council Members  
   Margaret Solle Salazar, Director

From: Andrea Bell, Director of Housing Stabilization  
      Shawnn Hartley, Homeless Services Program Analyst

Re: SOAR Framework

Purpose: To provide a briefing on SOAR. No HSC decision to be made.

At the November 3, 2017 Housing Stability Council Meeting, OHCS presented an investment plan for the allocation of EHA discretionary funds. One of the proposed items in the Discretionary Spending Plan was Enhanced Service System Capacity for SSI/SSDI Outreach Access and Recovery (SOAR) services. In follow up to the proposed use of funds for Enhanced Service System Capacity OHCS staff engaged in a variety of research activities to evaluate the SOAR model, the status of SOAR and similar services in Oregon, and other related data points. This research lead to the development of a recommendation to invest in SOAR programming through the creation of a SOAR Pilot Program. The two key elements of the recommendation are the use of EHA discretionary funds to support service delivery in three communities across the state and investment of SOAR Technical Assistance.

SOAR is a best practice model supported by the Substance Abuse and Mental Health Services Administration (SAMHSA), for assisting persons who are experiencing homelessness and would qualify for Social Security Disability Benefits with completing the application process necessary to access those benefits. SOAR trained workers provide intensive services. SOAR targets populations who are often chronically homeless, and have severe and persistent physical and or mental health conditions. It is the job of the SOAR trained staff to gather the historical documentation of their client’s condition and complete the application in a way that tells the client’s story, and how their condition affects their ability to work. The staff must do this in the way that the Social Security Administration and Disability Determination Services need the information to be organized. SOAR workers do this while managing multiple deadlines, ensuring the client makes it to any necessary appointments, and engaging in a variety of other case management activities. The benefits of this service are extensive.

Research has shown that the populations targeted by SOAR have an average rate of application approval, without SOAR assistance, of around 10%. The National SOAR TA Center reports that in 2019 the national average rate of approval for initial applications, using the SOAR model, was 65% with an average of 108 days from the time the application was submitted to receiving a decision. Without SOAR assistance, it can take many months and sometimes years for an individual to complete the application process, and they are unlikely to be able to afford assistance from an attorney.
The financial impacts are also significant. The SOAR TA Center reports that in 2019, the average individual back payment was $3,714, and that nationally, the individuals served by SOAR brought in over $463 million to their communities. SOAR is an important resource that is underdeveloped in Oregon. While many states have a robust statewide framework most often lead by a state agency, Oregon does not. There are multiple agencies and individuals across the state that have been working diligently to provide disability application assistance services to the people in their communities for years. Unfortunately, any larger initiatives have not previously been able to take root. Many states have done the work of developing a system that includes dedicated funding from a variety of sources, supports collaborative relationships between SOAR providers and SSA and DDS, and provides for both training and accountability for SOAR programs. This pilot program will serve to catalyze further conversations about our system in Oregon.

Alignment with the Statewide Housing Plan

Priority: Equity and Racial Justice:
Complete conversations about service delivery in the homelessness system must include a shift to practice, policy and actions. The SOAR Pilot Program will be administered at a time in which our collective Equity and Racial Justice work with Community Action Agencies is being implemented. The RFP for this pilot will require agencies to submit their plan of how Equity and Racial Justice will inform and be integrated into service delivery.

Priority: Homelessness

Priority: Permanent Supportive Housing
PSH to fidelity, is a model in which individuals pay no more than 30% of their income towards rent (if required) and have access to a rich, community-based array of services available up to 24/7. Having a source of income can be critical to getting into and staying in housing. PSH projects often utilize SOAR to assist individuals with accessing a source of income. This ensures that the residents are able to pay a share of the rent, while having money to help meet their daily needs. The Supportive Housing Workgroup emphasized the importance of the connection between SOAR and PSH in one of their recommendations. In recognition of this, one of the scoring criteria for the pilot program’s competitive application process will ask about strategies for collaborating with local PSH projects.

Priority: Affordable Rental Housing
N/A

Priority: Homeownership
N/A

Priority: Rural Communities
We know that rural communities face unique challenges when it comes to developing and delivering homeless services programs. One of these challenges is often funding. Urban areas are
often able to develop more robust and complex social services systems because they can capitalize on larger financial resources and are able to draw from a deeper workforce pool as well. One of the challenges with SOAR is that since it is a model for delivering services and not a program in and of itself, it does not have a funding stream tied directly to it. It is up to each state, community, and program to develop funding strategies to support this important work. Subsequently, without intentional effort, robust SOAR services and system integrations are less likely to develop in rural areas. To address this, the RFP scoring process will include a separate track for rural projects.

**Housing Stability Council Involvement and Next Steps:**

1. **Are there opportunities to advance Equity and Racial Justice within the Community Action Agencies through investing SOAR capacity and technical assistance?**
2. **Are there considerations to be had as OHCS steps into SOAR state lead role?**

Homeless Services will plan to provide an implementation update at a future HSC meeting.
Date: January 3, 2020

To: Housing Stability Council Members
Margaret Solle Salazar, Director

From: Andrea Bell, Director of Housing Stabilization
Rosseria Roberts, Homeless Services
Sam Kenney, Policy Analyst, Homeless Services

Re: EHA/SHAP Budget Note Update

**Purpose: To provide a briefing on the EHA/SHAP Budget Note. No HSC decision to be made.**

In 2018, the Oregon State Legislature included a Budget Note, which included the funding for the Emergency Housing Account (EHA) and the State Housing Assistance Program (SHAP). A subcommittee comprised of representatives from Community Action Agencies, Oregon Human Development Corporation, Housing Stability Council and OHCS informed the Budget Note process and outcomes. While the Budget Note intersects with Statewide Housing Plan on multiple levels, the subcommittee placed significant emphasis on Equity and Racial Justice and ending homelessness for families with children and Veterans. It required a set of recommendations be delivered to the Legislature, regarding the transformation of the homeless services delivery system in Oregon into a more efficient and effective system to prevent and reduce homelessness. The series of recommendations included:

- Alignment with the Statewide Housing Plan
- Use of Outcome Oriented Strategies
- Establishment of Funding Priorities for EHA and SHAP
- Use of Best Practices in Homeless Services Delivery
- Creation of an Efficient and Effective System to Prevent and Reduce Homelessness

As stated in the Budget Note report, the need for transformation is clear. This is reaffirmed by the 2019 Point-In-Time count; 15,800 Oregonians are experiencing homeless, 3,440 families with children are experiencing homelessness and Black/African-Americans continue to be disproportionately represented in the number of people experiencing homelessness. To that end, OHCS is driving change and implementation throughout the 2019-2021 biennium.

1. **EPIC Tool:** Oregon Housing and Community Services (OHCS) and Community Action Agencies (CAAs) in the state of Oregon are committed to adopting outcomes oriented strategies in the delivery of homeless services. With broad representation, a common set of goals, and opportunities to refine ideas together over time, the Subcommittee created outcomes supported by service providers. Ultimately, the Subcommittee created the **EPIC Outcomes Tool** approach for prioritizing outcomes, tracking performance measures, and allowing for local flexibility to meet the needs of each community.
The primary focus of this effort is the advancement of a shared set of desired outcomes for Oregonians experiencing homelessness with corresponding measures to track the progress made by homeless services providers in working to achieve those outcomes. The tool is broken down into four categories, and each contains quantitative or qualitative measures:

**Ending Homelessness, Preventing Homelessness, Inclusion and Diversity, Capacity of the Community**

The Ending Homelessness and Preventing Homelessness performance measures are designed to utilize Homeless Management Information System (HMIS) as their primary data source. The Inclusion and Diversity and Capacity of the Community will use HMIS and other data sources as necessary to ensure holistic information is captured and reported as it relates to the performance measures and outcomes.

The 2019-2021 biennium is a transition time in terms of EPIC outcomes compliance in which data will be collected to set reliable baselines for each CAA for EPIC performance measures; including baselines for communities of color, Veterans, and families with children. CAAs are actively working with OHCS to set benchmarks to improve performance measures, including goals to eliminate racial disparities between those served and community demographics.

2. Data and Outcomes (tied to SWHP and EPIC): To align with Statewide Housing Plan (SWHP) goals and meet the requirements of the EPIC Outcomes Tool, all quantitative performance measures will include analysis, monitoring, and benchmarking by disaggregated data for race/ethnicity, families with children, and veterans. In particular, the performance measures under *Ending Homelessness* and *Preventing Homelessness* require disaggregated client level data. Historically, OHCS has not received data on our programs that would allow for this level of analysis. However, the EPIC Outcomes Tool and the SWHP demand improved and disaggregated data to fulfill their goals. To this end, OHCS has stepped-up our direct support of HMIS related challenges and dramatically changed our reporting process. In addition modernizing the reporting process, OHCS staff have met to each Community Action Agency to introduce the changes, troubleshoot problems, and provide technical support. The combination of an improved reporting process and enhanced technical support will facilitate our understanding of the EHA and SHAP programs and ultimately lead to improved service delivery.

3. Capacity Building: Homeless services funding itself is not adequate to ensure that all people experiencing homeless receive the holistic services they need to obtain housing and remain stable. It is essential for CAAs to work collaboratively with community partners to provide wrap-around services to support individuals in crisis. Each agency, in conjunction with OHCS and CAPO, will build an individualized capacity plan that aligns with EPIC performance measures and MGA Operational Standards to address organizational development, service delivery, and knowledge base. By nature, building
community capacity requires a holistic approach and several recent large-scale community capacity efforts supplement individual Community Action Agency plans. The Rural Oregon Peer Network for Supportive Housing, the Statewide Supportive Housing Strategy Workgroup, the Statewide Shelter Study, and Operation Welcome Home are recent efforts to connect key stakeholders. These large community capacity building efforts have each deepened community involvement, expanded local networks, and coordinated across services systems. Given that every county in Oregon is represented by a CAA that receives EHA and SHAP funds, local community capacity plans and larger region-wide efforts dovetail to create a strong homeless services system.

4. MGA and Service Delivery: OHCS Incorporated Operational Standards into the 2019-2021 Master Grant Agreement (MGA) around administrative, fiscal, and service delivery standards. The following best practice interventions are now part of the required MGA Service Delivery Standards:
   a. Use Housing First approach
   b. Maximize Coordinated Entry participation
   c. Ensure access to low-barrier shelter services
   d. Incorporate lived experience in service delivery
   e. Implement strategies to reduce racial disparities

   OHCS staff are conducting a six-month follow-up with CAAs to register challenges, document progress, and provide updates on adoption of the Operational Standards.

   Furthermore, the Homeless Services team is making a concerted effort to redesign the MGA process to make it user friendly, effective, and efficient for OHCS and our community partners. To help accomplish these goals the Homeless Services Section (HSS) will contract a process improvement specialist. In preparation for working with the consultant, the HSS team has reviewed the processes, systems, and timelines used in previous years when planning for and going through the MGA process. This work has identified a number of opportunities for improvement that will help inform the scope of work for the consultant. Some of the key elements of revamping the MGA process will be evaluating our information systems, processes and timelines for planning and implementation, and engaging our partners to understand their needs. At the end of their work, the consultant will provide recommendations for implementation.

Alignment with the Statewide Housing Plan

Priority: Equity and Racial Justice: As called out in the Statewide Housing Plan, racial inequities and disparities in the housing and homelessness systems are well documented and pervasive. To address these inequities, reduce disparities, and to advance equity and racial justice in housing and economic prosperity, OHCS/HSS is taking a multifaceted system building approach. 1) It starts with us. Members of OHCS are participating in Government Alliance on Race and Equity (GARE), and as an agency we have adopted the GARE framework. This allows us to systematically review all of our policies and procedures to ensure an equity lens is applied as we administer programs. 2) Collaborating with partners. While we are looking inward to
improve our own processes and procedures, we are simultaneously working with our Community Action Agency Partners to improve theirs. With the implementation of the EPIC Outcomes Tool, OHCS and partners are working to utilize the Global Diversity and Inclusion Benchmarks to guide service delivery. Furthermore, to improve overall service delivery operational standards were included in the 19-21 biennium Master Grant Agreement. Many of these have an eye towards equity and racial justice and in particular, one explicitly calls on CAAs to implement strategies to reduce racial disparities. 3) Disaggregating data. OHCS/HSS has dramatically changed our reporting process. Now agencies submit fewer reports which contain more detailed information. More finely disaggregated data allows OHCS and CAA partners to examine their data for racial inequities and will position program staff to implement improvements and corrections. Improved access to client level data position OHCS, CAAs, and partners to provide just and equitable services. The combination of OHCS action, partner action, and improving data, position the EHA and SHAP programs to drive improvements in equity and racial justice and correct inequities outlined in the SWHP and EPIC Outcomes Tool.

Priority: Homelessness. OHCS and partners are making a coordinated and concerted statewide effort to prevent and end homelessness, with a particular focus on ending unsheltered homelessness of Oregon’s children and Veterans. EHA and SHAP are flagship homelessness programs that serve thousands of Oregonians. These programs, administered in collaboration with our Community Action Agency partners, serve as the foundation for an intentional statewide effort to prevent and end homelessness. They support a wide array of components which allow for flexible uses to bridge gaps in the service system and effectively serve Oregonians experiencing homelessness. Furthermore, ongoing work on EPIC Outcome Tool implementation and improving data are part and parcel to ending and preventing homelessness. By adhering to the performance standards in the EPIC Outcomes Tool and improving real time data, OHCS is helping communities position themselves to quickly identify and engage people at risk of or experiencing homelessness and provide appropriate interventions and services.

Priority: Permanent Supportive Housing Permanent Supportive Housing is an evidence-based practice and intervention used to successfully house individuals with multiple barriers including but not limited to individuals that are chronically homeless and have co-occurring mental health/substance use disorder. PSH to fidelity, is model in which individuals pay no more than 30% of their income towards rent (if required) and have access to a rich, community-based array of services available up to 24/7. Commonly, individuals demonstrating a need for PSH are referred to this resource through the coordinated entry process. The EHA and SHAP programs require active participation in a communities Continuum of Care (CoC) coordinated entry process. Furthermore EHA and SHAP have allowable program expenditures to support the identification of people needing services, expand partnerships and supports in the coordinated entry system, and improve data collection. EHA and SHAP play a critical role in supporting the system that identifies people who qualify for PSH.

Priority: Affordable Rental Housing N/A

Priority: Homeownership
Priority: Rural Communities In the 2019 Point-in-Time Count only 25 percent of people experiencing homelessness were concentrated in the Portland Metro area. Most of the families experiencing homelessness live in coastal counties or Southern Oregon. Data has taught us that individuals experiencing homelessness in rural areas face unique and difficult situations. Addressing homelessness in rural communities presents a wide array of challenges. As such, OHCS’s approach to overcoming these challenges is flexible and varied. Several rural communities received winter and warming shelter funds throughout November while others are participating in the PSH Institute and the Rural Peer Network. These efforts are supported and enhanced by EHA/SHAP funds received by all rural communities to magnify the effects of any single program.

Additionally, rural communities are receiving increased technical assistance from OHCS on HMIS, reporting, and data use. Historically rural areas were among the least served by data specific technical assistance. Improved understanding of local data will equip rural communities to implement creative solutions to local challenges.

OHCS is also making a concerted effort to move convenings outside of the Salem area to accommodate rural communities and facilitate their participation. To this end, OHCS and ODVA will host a statewide Veteran’s convening in the Deschutes County in April 2020.

Housing Stability Council Involvement and Next Steps:
Homeless Services will provide an update to this body of work at the May HSC meeting.
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Date: January 3, 2020

To: Housing Stability Council Members
   Margaret Solle Salazar, Director

From: Andrea Bell, Assistant Director, Housing Stabilization Division

Re: TANF Housing Pilot Program Framework

**Purpose:** To provide a briefing on the TANF Housing Pilot Program. No HSC decision to be made.

The 2019 Legislative Session brought OHCS historic levels of funding towards preventing and ending homelessness. Included in this budget is a one-time allocation of $10.5 million to implement four pilot programs that will provide housing stabilization services to Temporary Assistance for Needy Families (TANF) households.

While House Bill 2032 provides broad discretion on the program design, it does stipulate the following perimeters:

- There will be up to four pilot projects administered
- The pilot project must include at least one rural and at least one urban area
- Track and compile the success of the pilot program in preventing homelessness or providing housing to TANF families who were homeless

For families living in poverty, TANF can play a key role in helping families with little to no income, have a way to pay for rent and other basic expenses such as clothing, transportation, and personal care products. Finding and maintaining affordable, stable, long-term housing can present a great challenge. A challenge that is felt generationally. Two-generation- or whole family-approaches meet the needs of children and their parents together. Serving the whole family is important because the income, educational attainment, and well-being of parents play a crucial role in children’s outcomes. Housing stabilization can be linked to increased job stability, better physical and mental health for parent and child, as well as lower rates of food insecurity.

While many families provide strong and nurturing parenting to their children amidst these adversities, these stressors (especially when families are experiencing many at once) can compromise family well-being and affect parents’ overall ability to provide the necessary supports that help children thrive.

Through a joint-partnership, the Department of Humans Services and Oregon Housing and Community Services will launch the **TANF Housing Pilot Program** in 2020. The four pilot regions will focus on TANF families with dependent children ages 0-18. The selected service providers will include the voice of TANF families in the design and development of the program in their community. The pilot service providers will be expected to provide system-wide housing navigation services that will build relationships with landlords, property owners and other
housing service providers, identify available housing units and identify community barriers to housing access and strengthen the community’s capacity for addressing these barriers. In addition, TANF families will receive in-depth case management services that will assist them with the application process when looking for housing, guide them with subsidized housing opportunities, connect them to tenant readiness classes and culturally specific services before and after placement in permanent housing. TANF families will be provided payment assistance for rent, security deposits, application fees and other expenses related to obtaining and maintaining permanent housing. Payment assistance is limited to up to four months and program service providers will leverage local partnerships for other funding sources in order to provide long-term housing assistance.

The TANF Housing Pilot Program is committed to:

- **Using a data driven approach.** Using both DHS and OHCS data to better provide targeted resources into regions with the highest rates of disparate outcomes.
- **Increasing TANF family housing stability.** Through participant connection to the pilot program as well as long-term housing resources leveraged through the use of the pilot program.
- **Utilizing a family focused, needs driven model.** In an effort to provide tailored services and supports specific to a family’s strengths and needs, person centered plans will be developed and supported.
- **Changing the approach to coordination.** Coordination is more than a referral; it is not left to the parent to knit together the various services needed. The selected service providers will closely collaborate with local DHS staff, community partners, and organizations to offer a wraparound service approach.

OHCS in consultation with DHS, identified areas with the highest need on the basis of:

1. TANF families unstably housed or experiencing homelessness;
2. TANF families with a severe cost burden;
3. TANF Refugee families;
4. TANF families of color; and
5. TANF families with vulnerably (age less than 5 and/or 16-18) aged children.

Based on data, the TANF Housing Pilot Program will operate in the following four (4) geographic regions. Each Region is considered on service area:

<table>
<thead>
<tr>
<th>Region</th>
<th>Counties</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tri-County Metro</td>
<td>Multnomah, Washington and Clackamas</td>
</tr>
<tr>
<td>Southern Oregon</td>
<td>Jackson and Josephine</td>
</tr>
<tr>
<td>Central Oregon</td>
<td>Jefferson, Crook and Deschutes</td>
</tr>
<tr>
<td>Southeast Oregon</td>
<td>Grant, Harney and Malheur</td>
</tr>
</tbody>
</table>
Alignment with the Statewide Housing Plan

Priority: Equity and Racial Justice
Discussions about homelessness are often absent honest conversation and action about the racial dimensions of homelessness. Furthermore, the pathways out of homelessness for people of color are further complicated by ongoing discrimination across systems that have historically excluded them. OHCS has the responsibility of not perpetuating these wrongs through our role as a funder, ensuring that our grantees not only deliver services in alignment with our policy priorities but that these are put into practice. Applicants for this funding will be expected to utilize culturally specific outreach and service provision to ensure that shelter beds are accessible and available to our neighbors of color who are experiencing homelessness. Additionally, OHCS will expect that applicants are seeking to provide greater access to housing opportunities across homeless populations, including for people of color and LGBTQ+ community members.

Priority: Homelessness
In the 2018-19 school year, more than 22,000 students were either living on the street, in shelters, in temporary housing or doubled up with other families. Homelessness is a crisis; therefore, OHCS processes and approaches should match the level of urgency and include accountability. TANF can be used for a variety of services aimed at stabilizing families experiencing homelessness including wraparound services that continue into family tenancy. The $10.5 million of new TANF resources will go towards housing assistance and other activities that help families secure affordable, stable housing, while connecting them to long-term housing assistance. OHCS will work with DHS to ensure services and supports offered by the respective programs are complimentary versus duplicative.

Priority: Permanent Supportive Housing
Permanent Supportive Housing (PSH) is an evidence-based practice and intervention used to house individuals and families with multiple barriers. The TANF Housing Pilot Program, in coordination with collaborating organizations will connect families with the housing that meets their needs. For higher need families, PSH may be a need.

Priority: Affordable Rental Housing
N/A

Priority: Homeownership
N/A

Priority: Rural Communities
Similarly, to urban and suburban communities, TANF housing homelessness and instability is ever present in rural communities. Advocates and researchers often refer to people who experience rural homelessness as the “hidden homeless.” The same structural factors that contribute to urban homelessness, lack of affordable housing and poverty, also lead to rural homelessness. One of the key differences between rural and urban homelessness is a lower capacity in the homeless service provider infrastructure in rural areas as opposed to urban areas.
Housing Stability Council Involvement and Next Steps:

1. Are there additional resources that could be integrated into these resources and efforts to serve families?
2. Are there additional opportunities to amplify the voice of families in the program design?

No HSC decision needs to be made at this time. This body of work will return at the February meeting for a motion.
Date: January 3, 2019
To: Housing Stability Council
Margaret Solle Salazar, OHCS Executive Director

From: Dolores Vance, Preservation Manager/Analyst
Natasha Detweiler-Daby, interim Program Manager
Julie V. Cody, Director Affordable Rental Housing

RE: Publicly Supported Housing Preservation (PuSH) Regulations - Update

Background

The Publicly Supported Housing Preservation (PuSH) regulations, initiated by 2017 HB 2002 and amended by 2019 HB 2002, provide the legal basis for a process to preserve existing government subsidized affordable housing. It does this by creating a formal notice process for projects that are 36 months (3 years) away from expiration of affordability restrictions, which is also known as “withdrawal” from the inventory of publicly supported housing. The regulations provide opportunity to identify a qualified purchaser (i.e., OHCS through a “designee” or local government entity) that would retain the project’s affordability. 2019 HB 2002, which is effective January 1, 2020, expanded the right of first refusal (ROFR) provision to affect all properties up to 24 months beyond withdrawal. If qualified purchaser attempts to purchase the property are unsuccessful, the ROFR provides a second opportunity for preservation. In such a case, an owner must accept the first received right of first refusal offer from a qualified purchaser that matches the 3rd party offer.

2019 Legislative changes

2019 HB 2002 implements some changes to the regulations, including, but not limited to:

- Owners have additional ways to deliver notices to OHCS and local government, such as “electronic delivery, prescribed by the department”.
- Extended timeframes for Owner notices.
  - Owner’s 1st notice due “no sooner than 36 months prior and at least 30 months prior to...” (previously due on or before 24 months)
  - Owner’s 2nd notice due “no sooner than 30 months prior and at least 24 months prior to...” (previously due on or before 13 months)
- Extends the right of first refusal process for all participating properties (instead of only those with new contracts), which “shall expire 24 months after the date the property may be withdrawn from publicly supported housing”.

__________________________________________________________________________
PuSH Implementation Status

Publicly Supported Housing Preservation (PuSH) regulation milestones accomplished or in process include:

**Accomplished:**
- PuSH brochure and PuSH logo (see attached).
- Oregon Affordable Housing Inventory (OAHI) added OHCS portfolio expiration data to the existing inventory to help monitor withdrawal of properties. The inventory is available to the public through OHCS’ website.
- Inter-Governmental Agreement (IGA) template for OAHI data purposes is available. The IGA is an agreement between OHCS and local government to add local government subsidy program project-specific data to the OAHI database. The IGA could add additional HOME, Portland Housing Bureau bond, and Metro bond projects to PuSH and OAHI, as well as other local government programs with affordability restrictions.
- “Factsheet” for regulatory process is available through the OHCS website (see attached)
- “Forms” for owner notices provided by OHCS to help expedite their requirement to send multiple notices to OHCS and local government.
- Example created of a “Certification of Compliance, Notice of Sale to Third Party”, which the owner is required to record upon sale to a non-preservation 3rd party.
- A contractor for the OHCS/Designee process identified through a “request for proposal” (RFP) process; contract is being finalized with the Network for Oregon Affordable Housing (NOAH).
- “Preservation Declaration” template finalized as an affordability restriction contract for existing owners and preservation purchasers.

**In Process:**
- On-going owner contact to meet notice requirements under 2017 HB 2002.
- Effective 01/01/2020 – Adding projects to extended timeframe from 2019 HB 2002.
- External PuSH Training Modules (PowerPoint videos about 10-15 minutes each)
  - PuSH Overview
  - Owner’s First Notice
  - Owner’s Second Notice
  - Qualified Purchasers and 3rd Party Offers
  - Local Government’s Role
  - OHCS Designee Process
- Designee Contractor contract with NOAH almost finalized.
- Add local government subsidy programs to PuSH and OAHI. Pending IGA with City of Salem for their HOME data.
- Internal Desk Manual – ongoing documentation of procedures, training modules, Oregon Administrative Rules, etc.
PuSH Project Status

The PuSH regulations affect: (1) OHCS portfolio; (2) HUD Section 8 project-based rental assistance (PBRA) portfolio; and (3) USDA Rural Development (RD) portfolio. There were no PuSH eligible properties withdrawn in 2019.

(1) OHCS Expiring (no PBRA or RD)

<table>
<thead>
<tr>
<th>Withdrawal Year</th>
<th>Properties</th>
</tr>
</thead>
</table>
| 2020            | 4 intent to withdraw  
|                 | 1 out of OHCS portfolio will expire but will continue with HUD contract |
| 2021            | 2 intent to withdraw  
|                 | 1 intent to apply for 2020 NOFA |
| 2022            | 5 intent not yet known  
|                 | • 2 local government owned  
|                 | 1 out of OHCS portfolio will expire but will continue with HUD contract |
| 2023            | 2 intent not yet known  
|                 | • 1 local government owned |

(2) HUD PBRA Renewal/Expiring

<table>
<thead>
<tr>
<th>Withdrawal Year</th>
<th>Properties</th>
</tr>
</thead>
</table>
| 2020            | 11 renew (1 to 20 year term)  
|                 | • 1 local government owned  
|                 | 2 Opt-Out with HUD budget authority transfer  
|                 | 1 renew / owner intent to apply for 2020 NOFA  
|                 | 2 renew with additional HUD budget authority transfer |
| 2021            | 15 renew (1-20 year term)  
|                 | • 2 with pending offers to purchase  
|                 | • 1 local government owned  
|                 | 1 intent to Opt-Out with HUD budget authority transfer  
|                 | 3 intent not yet known |
| 2022            | 11 intent not yet known  
|                 | • 1 local government owned  
|                 | 1 pending sale / buyer intent to apply for 2020 NOFA |
(3) RD Expiring/Loan Maturity

<table>
<thead>
<tr>
<th>Withdrawal Year</th>
<th>Properties</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>1 prepayment pending / owner seeking buyer</td>
</tr>
<tr>
<td>2021</td>
<td>2 pending sale / buyer to apply for NOFA 2020</td>
</tr>
<tr>
<td>2022</td>
<td>1 intent not yet known (RD extended term)</td>
</tr>
</tbody>
</table>
PuSH Regulations Fact Sheet

Regulations Summary

The PuSH regulation purposes include:

- Preservation of publicly supported housing properties facing expiration of OHCS affordability restrictions and/or rental assistance from HUD or USDA Rural Development through an opportunity to offer to purchase for the government; and
- A statewide inventory database of publicly supported housing that is established and maintained by OHCS and known as the Oregon Affordable Housing Inventory ("OAHI").

Definition of Publicly Supported Housing

"Publicly Supported Housing" means a multifamily rental housing development of five or more units that receives or benefits from government assistance. Applicable types of government assistance include:

- A contract for project-based rental assistance from the Department of Housing and Urban Development (HUD) or USDA Rural Development (RD);
- OHCS contract(s) which include an affordability restriction; and
- Local government subsidy programs as approved by OHCS to be included in the definition of publicly supported housing.

Note: OAR 813-115-0110(12) identifies exclusions to this definition.

Owner Notice to OHCS and Local Government ("Qualified Purchasers")

Owners of publicly supported housing are required to provide notice(s) to OHCS and local government entitled to notice (collectively "qualified purchasers") as follows:

- **Notice of Expiring Affordability Restrictions**: Provide the owner’s “intent” regarding preservation per regulatory deadline prior to when contract(s) for the participating property will expire or terminate.
- **Notice of Opportunity to Offer to Purchase**: Starts the Opportunity to Offer to Purchase process for qualified purchasers (OHCS/Local Government) per regulatory deadline when the participating property will be withdrawn from publicly supported housing.

Owner Notice of "Opportunity to Offer to Purchase"

Qualified purchasers have opportunity to submit offers to the owner; however, the owner is not obligated to accept any of those offers. The owner is required to provide access to property records and documents upon written request.

Qualified Purchaser Right of First Refusal

In the event of a subsequent offer to purchase from a 3rd party, qualified purchasers, with right of first refusal, may submit a matching offer under the same terms and conditions (including regulatory compliance related to earnest money deposit and closing timeframe). The owner must accept the first matching offer received under the right of...
first refusal opportunity. If no matching offers are submitted, the owner may pursue the sale to the 3rd party. Right of First Refusal may extend up to 24 months after a property has been withdrawn from publicly supported housing.

**OHCS “Designee”**

OHCS may appoint a “designee” to act as a purchaser under the “Opportunity to Offer to Purchase” timeframe. Potential designees may submit an application to OHCS (through a contracted company). A designee must: (a) agree to preserve the affordability of the participating property, and (b) assume all rights and responsibilities attributable to the department as a prospective purchaser of the participating property. Successful appointment as a designee is not associated with OHCS funding opportunities. Designees that become purchasers are required to enter into an affordability restriction contract with OHCS, which will be recorded against the participating property.

**OHCS Programs included under PuSH Regulations**

OHCS programs under Oregon Administrative Rules, chapter 813 that are subject to PuSH regulations:

**Loan Programs:**
- Elderly/Disabled Bond (ED)
- Local Innovation and Fast Track Program (LIFT)
- Pass-Through Revenue Bond Financing Program (Conduit)
- Risk Share Bond (RS)

**Tax Credit Programs:**
- Low-Income Housing Tax Credit Program (LIHTC)
- Oregon Affordable Housing Tax Credits (OAHTC)

**Grant Programs:**
- Community Development Incentive Project Fund (CIF)
- Farmworker Housing Development Account (FHDA)
- General Housing Account (GHAP)
- HELP Program (HELP)
- Home Partnerships Program (HOME)
- Housing Development Grant Program (HDGP)
- Housing Preservation Fund Program (HPF)
- Housing Trust Fund (HTF)
- Low-Income Weatherization Assistance Program (LIWX)
- Mental Health Housing Fund (MHHF)
- Multifamily Energy Program (MEP)

**Oregon Revised Statutes (ORS) and Oregon Administrative Rules (OAR)**
- Oregon Revised Statutes, ORS 456.250 through 456.265; and 456.559(1)(b)
- Oregon Administrative Rules (OAR), Chapter 813, Division 115

For more information about the PuSH Regulations, please contact:

Dolores Vance, Preservation Manager/Analyst
Affordable Rental Housing Division
Phone: 503-986-0966
Email: dolores.vance@oregon.gov
**Qualified Purchasers**

**OHCS DESIGNEE:** A “designee” means a person or entity appointed by OHCS to act as a qualified purchaser on their behalf pursuant to a written agreement entered into between the designee and OHCS, in which the designee will:

- Preserve the affordability of the participating property or properties through execution of a contract with an acceptable affordability restriction against the property, to the satisfaction of the department; and
- Assume all rights and responsibilities attributable to the department as a prospective purchaser of the participating property or properties.

**FEDERAL REQUIREMENTS:**

For PuSH qualified purchasers:

- Rural Development projects would go through the RD transfer process and any purchase offer/agreement would be subject to RD approval. FOR MORE: https://www.rd.usda.gov/files/3560-3chapter07.pdf
- HUD PBA projects would be subject to the HUD contract transfer approval process. FOR MORE: https://www.oregon.gov/ohcs/Pages/hca-contract-renewals.aspx

**OREGON HOUSING AND COMMUNITY SERVICES**

**Altfn: Preservation Analyst**

725 Summer St NE, Suite B

Salem, OR 97301-1266

503-986-2000

www.oregon.gov/ohcs

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**OHCS PRESERVATION DECLARATION:**

Qualified purchasers that are successful with new ownership are required to enter into an affordability restriction contract with OHCS, known as a “Preservation Declaration”. The terms and conditions of the contract will include:

- Income restrictions
- Minimum 5 units restricted
- Minimum 10-year term
- Annual self-certification reporting to OHCS
- No annual monitoring fees, but fees for non-compliance may be assessed.

**REGULATORY STATUTES AND RULES:**

Oregon Revised Statutes:

ORS 456.250 through 456.265, 456.559(1)(b)

Oregon Administrative Rules

OAR 813-115

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**OREGON AFFORDABLE HOUSING INVENTORY**

OHCS utilizes the Oregon Affordable Housing Inventory (OAHI) to help track properties at risk of loss by withdrawal from publicly supported housing when the affordability contract(s) either expire or are not renewed. This database provides the public with project-specific information including the location, number of units, type of government assistance or contract, and the potential date of withdrawal. OAHI also includes affordable rental properties that are outside the scope of the PuSH Regulations.

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**OREGON HOUSING AND COMMUNITY SERVICES**

Publicly Supported Housing Preservation (PuSH) Regulations

The Publicly Supported Housing Preservation (PuSH) regulations is an opportunity for government to preserve properties with expiring restrictions through new ownership. The regulations establish a process affecting properties with a minimum of 5-units subject to affordability restriction contract(s) with the government (federal, state, and/or local). Specific government contacts include:

- HUD Section 8 Project-Based Rental Assistance (PBA)
- USDA Rural Development Rental Assistance
- OHCS Portfolio (tax credits, grants, loans)
- Local government programs approved by OHCS.

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**PUBLICLY SUPPORTED HOUSING PRESERVATION**

TO DETERMINE WHEN PROPERTIES ARE SUBJECT TO PuSH REGULATIONS, VISIT OAHI:

https://www.oregon.gov/ohcs/Pages/research-multifamily-housing-inventory-data.aspx

FOR MORE INFORMATION ON THE PRESERVATION REGULATIONS, VISIT THE OHCS WEBSITE:

https://www.oregon.gov/ohcs/Pages/multifamily-housing-preservation-program.aspx
OWNER NOTICE REQUIREMENTS

The owner of a participating property is required to send a certified/registered “notice” to OHCS and local government (within whose boundaries the property is located) within a specified timeline prior to expiration of affordability restrictions (known as “withdrawal”). Local government includes the City, County, Housing Authority, and Metropolitan Services District, as applicable.

OHCS CONTACT WITH OWNER
Prior to notice deadlines, OHCS will contact the owner with a brief written explanation of the notice requirement and a “form” they can use for compliance purposes. OHCS will also provide the expiration date of the longest term affordability restriction contract and the due date for the notices.

NOTICES NOT REQUIRED
An owner is not required to send the notice when:

• Third Party/Local Government Offer with Preservation: The owner has accepted a third party or local government offer to purchase that will maintain affordability restrictions on the participating property, as determined by OHCS, to ensure that the participating property remains publicly supported housing.

• Eminent Domain: A government-owned entity takes a sufficiently material portion of the participating property such that the owner is no longer able to continue ownership and operation of the property as a participating property.

• Foreclosure: There is a forced sale of a sufficiently material portion of the participating property under a foreclosure, or deed in lieu of such foreclosure, such that the owner is no longer able to continue ownership and operation of the property as a participating property.

OWNER'S FIRST NOTICE (Due 24 months prior to withdrawl)

NOTICE OF EXPIRING RESTRICTIONS. This is the first notice that the owner is required to provide. Its purpose is to confirm and notify OHCS and local government of expiring restrictions within the notification timelines.

OWNER'S INTENT
The notice communicates the owner’s intent regarding the preservation of the affordability of the property. At a minimum, the owner must specify whether or not they intend to:

• Withdraw the participating property from publicly supported housing; or
• Convert the participating property to a non-participating use; or
• Negotiate with HUD, OHCS, or any other individual or entity regarding an extension of an expiring contract.

LATE NOTICE WITH EXTENSION
An owner that fails to comply timely with the notice requirement must extend the affordability restriction on the participating property.

OWNER’S SECOND NOTICE (Due 13 months prior to withdrawl)

OPPORTUNITY TO OFFER TO PURCHASE. This is the second notice that the owner may be required to provide. Its purpose is to notify OHCS and local government of their opportunity to offer to purchase the expiring/withdrawing property.

HUD CONTRACT RENEWAL
The owner is not required to send this notice if the only affordability contract affecting the property is for HUD Section 8 PBA and the intent in the Owner’s First Notice was to negotiate with HUD to renew/extend an expiring contract.

QUALIFIED PURCHASER OFFERS
Once the owner has provided this notice, OHCS (through a designee) and local government (qualified purchasers) may make offers to purchase. Owners do not have to accept offers from qualified purchasers, except under the right of first refusal process.

RIGHT OF FIRST REFUSAL
Qualified purchasers that made previously unaccepted offers, may have another chance for preservation through a right of first refusal (ROFR) process. ROFR is only applicable if the owner has a subsequent third-party buyer that does not intend to preserve the property. An eligible qualified purchaser may submit a matching offer. The owner must accept the first received matching offer.
Members:
Chair, Adolph “Val” Valfre, Jr.
Sarah DeVries
Sami Jo Difunctorum
Claire Hall
Barbara Higinbotham
Anna Geller
Mary Li
Gerardo F. Sandoval, PhD
Charles Wilhoite