

# Housing Stability Council

## MEETING MATERIALS PACKET



Gray's Landing  
Portland, OR 97239

April 1, 2016  
9:00 a.m. – 1:30 p.m.  
Gray's Landing | Community Room  
0650 SW Lowell St | Portland OR 97239





# Oregon

Governor Kate Brown

## Housing Stability Council

Oregon Housing and Community Services  
725 Summer St. NE, Suite B  
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Council Members:

Aubre L. Dickson, Chair  
Mayra Arreola  
Tammy Baney  
Michael C. Fieldman  
Zee D. Koza  
Marissa Madrigal  
Adolph "Val" Valfre, Jr.

### AGENDA

April 1, 2016  
9:00 a.m.-1:30 p.m.

0650 SW Lowell St, Portland OR 97239  
Call-In: 1-877-273-4202; Participant Code: 4978330

	CLOCK	TOPIC	ACTION	PAGE	MOTION
1.	9:00	<b>Meeting Called to Order</b> - Roll Call	Call Roll		
2.	9:05	<b>Public Comment</b>	Comment		
3.	9:15	<b>Draft Meeting Minutes</b> - March 4, 2016	Approval	1	
4.	9:20	<b>Residential Loan Program Consent Calendar</b> <i>Kim Freeman, Single Family Section Manager</i>	Approval	11	11
5.	9:25	<b>US Department of Energy Annual Plan</b> <i>Claire Seguin, Assistant Director, Housing Stability &amp; Tim Zimmer, Energy Services Section Manager</i>	Approval	13	13
6.	9:55	<b>Multifamily Bond Approvals</b> <i>Heather Pate, Multifamily Finance Section Manager</i> - <b>Woodland Park</b> - <i>Teresa Pumala, Loan Officer</i>	Approval	38	38
7.	10:10	<b>Mental Health Housing Program Update</b> <i>Heather Pate, Multifamily Finance Section Manager</i>	Report	45	
8.	10:20	<b>LIFT Program Design Adoption</b> <i>Julie Cody, Assistant Director, Housing Finance</i>	Approval	47	47
9.	11:05	<b>2016 Multifamily NOFA Resource Allocation Recommendations</b> <i>Julie Cody, Assistant Director, Housing Finance</i>	Approval	62	62
10.	11:25	<b>Agency Request Budget (ARB) Process Overview</b> <i>Caleb Yant, Chief Financial Officer</i>	Report	65	
11.	11:35	<b>Statewide Housing Plan Process Introduction</b> <i>Rem Nivens, Assistant Director, Public Affairs &amp; Shoshannah Oppenheim, Federal Planning &amp; Policy</i>	Report	96	
12.	12:00	<b>BREAK</b>			
13.	1:00	<b>Statewide Housing Policy Discussion</b>	Discussion		
14.		<b>Report of the Director</b>	Report		
15.		<b>Report of the Chair</b>	Report		
16.	1:30	<b>Meeting Adjourned</b>			







March 4, 2016

### Oregon Housing Stability Council Meeting Minutes

Chair Dickson called the meeting to order at 9:04 a.m. and asked for the roll call.

Roll was called and is reflected in the table below:

Council member	Present	Excused
Mayra Arreola		X
Tammy Baney		X
Mike Fieldman	X	
Zee Koza	X	
Marissa Madrigal		X
Adolph "Val" Valfre	X	
Chair, Aubre Dickson	X	

#### **Public Comment:**

Chair Dickson opened the meeting for public comment.

From the phone:

**Ruth Adkins** (Oregon Opportunity Network): provided comment on the LIFT program and the proposed plan B included in the published documents. Ms. Adkins wanted to find out if homeownership would be an option included in the other proposals for LIFT.

From the room:

No comments were offered.

#### **Draft meeting minutes for approval:**

The meeting minutes from the February 5, 2016 meeting were distributed to Council members prior to the March 4, 2016 meeting and edits received were incorporated into the document presented to the Council for approval on 3/4/16. Chair Dickson asked Council members for any questions or additional edits. Receiving none, Chair Dickson then called for a motion to approve the meeting minutes. Councilmember Valfre made the motion and Councilmember Madrigal seconded the motion. Chair Dickson then called for a vote.

#### **February 5, 2016 Meeting Minutes:**

Council member	Motion	Yes	Nay	Abstain	Absent
Mayra Arreola					X
Tammy Baney					X
Mike Fieldman		X			
Zee Koza	2 <sup>nd</sup>	X			
Marissa Madrigal					X
Adolph "Val" Valfre	✓	X			
Chair, Aubre Dickson		X			

**Vote: 4:0:0:3 | PASS**

**Residential Loan Program Consent Calendar – Kim Freeman, Single Family Section Manager**

Ms. Freeman presented an overview of the two residential loans up for approval on the consent calendar. Chair Dickson then called for questions or comments from the Council, receiving none, he then called for a motion.

Councilmember Koza moved to approve the consent calendar and Councilmember Valfre seconded the motion. Chair Dickson then called for a vote.

Council member	Motion	Yes	No	Abstain	Absent
Mayra Arreola					X
Tammy Baney					X
Mike Fieldman	2 <sup>nd</sup>	X			
Zee Koza	✓	X			
Marissa Madrigal					X
Adolph “Val” Valfre		X			
Chair, Aubre Dickson		X			

**Vote: 4:0:0:3 | PASS**

**Home Ownership Workgroup \ HOAP Allocation Recommendation Approval – Kim Freeman, Single Family Section Manager**

Ms. Freeman remained at the table and had Shannon Vilhauer the Executive Director of Habitat for Humanity of Oregon. Ms. Vilhauer was a member of the ad hoc workgroup formed to consider the HOAP allocation recommendations. Ms. Freeman provided a summary of the work of the ad hoc workgroup and the allocation recommendation. Ms. Vilhauer provided a summary of her participation on the ad hoc workgroup and her appreciation for being included in the workgroup.

Chair Dickson called for comments or questions from the Council. Councilmember Valfre said he appreciated the composition of the workgroup and that they were able to come to a unanimous decision for the recommendation. Chair Dickson also offered his appreciation for the work done by the ad hoc workgroup.

Chair Dickson asked about the \$150,000 used for innovation mentioned in the report. He wanted to know how much money is usually allocated for innovation. Ms. Freeman answered by telling the council that there is usually \$300,000 allocated per biennium for innovation. Chair Dickson also asked if all of the funds have been awarded and Ms. Freeman told him that yes the money had been awarded.

Chair Dickson then asked what had been the result over the past several years from the funds allocation for innovation. Ms. Freeman noted the biggest need which came up was addressing needed repairs. Chair Dickson then asked Ms. Freeman when the new allocation methodology would be put into place. Ms. Freeman let Chair Dickson know it would be in place by the 2017-19 biennium.

Chair Dickson then asked for the motion. Councilmember Fieldman moved to accept the proposal as presented by Ms. Freeman, Councilmember Valfre seconded the motion. Chair Dickson then called for a vote.

Council member	Motion	Yes	No	Abstain	Absent
Mayra Arreola					X
Tammy Baney					X
Mike Fieldman	✓	X			
Zee Koza		X			
Marissa Madrigal					X
Adolph “Val” Valfre	2 <sup>nd</sup>	X			
Chair, Aubre Dickson		X			

**Vote: 4:0:0:3 | PASS**

**Multifamily Bond Approvals (Hill Park) – Heather Pate**, Multifamily Finance Section Manager & **Casey Bauman**, Loan Officer

*Councilmember Mayra Arreola joined the meeting for this item at approximately 9:23 a.m. Chair Dickson declared a possible conflict of interest and abstained from the vote and discussion of the Multifamily Bond Approval for Hill Park Apartments. Councilmember Fieldman stepped in as acting Chair to facilitate the Council through this discussion.*

Casey Bauman provided an overview of the Hill Park project under consideration for approval by the Council. Mr. Bauman opened the floor for questions or comments from the Council. Councilmember Koza offered her thanks for the attention to and depth of resident services offered through this agreement. Councilmember Fieldman asked how the management company deals with residents whose behavior may become unstable and disruptive to other residents. Ms. Maura Lederer from Central City Concern said that the intent of this project is to fill the vacancies with graduates from their treatment programs (from rehab to employment to mentorship). She believes all residents and staff on site will have a keen awareness and be able to spot troublesome changes in behavior which may need intervention. The manager and resident services provider will be up to speed on any issues or concerns about the residents and can intervene if necessary. Councilmember Fieldman asked if CCC dealt with addictions much. Ms. Lederer said yes they do and they have a lot of experience with addictions. Councilmember Valfre asked about preference given to workforce tenants. Ms. Lederer said that they would actively work with those tenants who are in the workforce or seeking to be a part of the workforce.

Councilmember Valfre moved to approve the Hill Park bond as outlined on page 18 of the meeting packet. Councilmember Koza seconded the motion. Acting Chair Fieldman called for a vote. At the conclusion of the vote, Councilmember Arreola rang off the phone and exited the meeting. Acting Chair Fieldman then returned the meeting to Chair Dickson.

Council member	Motion	Yes	No	Abstain	Absent
Mayra Arreola		X			
Tammy Baney					X
Mike Fieldman		X			
Zee Koza	2 <sup>nd</sup>	X			
Marissa Madrigal					X
Adolph “Val” Valfre	✓	X			
Chair, Aubre Dickson				X	

*\*Chair Dickson declared a possible conflict of interest and abstained from the vote and the discussion of this topic.*

**Vote: 4:0:1:2 | PASS**

**2016 QAP Approval – Julie Cody, Assistant Director, Housing Finance & Natasha Detweiler, Housing Finance Analyst**

Ms. Cody provided an overview of the updated 2016 QAP which was included in the meeting packet. Ms. Cody is seeking approval from the Council to move the 2016 QAP to the Governor’s office for approval and signature. Ms. Cody opened the floor for questions and comments from the Council.

Councilmember Koza moved to approve the final 2016 QAP as presented today and authorizes OHCS to forward the document to the Governor for signature, Councilmember Fieldman seconded the motion.

Councilmember Koza expressed her appreciation for all of the hard work it took to complete the QAP. Councilmember Valfre expressed his appreciation for the OHCS staff and for the stakeholder side as well. Chair Dickson asked about the difference in appraisals between 4% and 9% LIHTC. Ms. Cody explained to the Council the difference between the two. 4% LIHTC transactions the appraisal is due 90-days before closing. 9% LIHTC transactions there is a regulation which requires the appraisal be included in the application and OHCS has allowed the appraisal to be submitted 90-days after reservation and must be submitted before OHCS can move forward with the application. Chair Dickson getting a briefing at a future Council meeting about the Olmsted plan. Chair Dickson also expressed his appreciation for the work that was done to complete the 2016 QAP.

Chair Dickson opened the floor for comments on the 2016 QAP. No one stepped forward to comment. Chair Dickson reminded the Council of the motion which was made at the beginning of the discussion: approve the final 2016 QAP and authorize forwarding the document to the Governor for signature.

Chair Dickson then called for the vote.

Council member	Motion	Yes	No	Abstain	Absent
Mayra Arreola					X
Tammy Baney					X
Mike Fieldman	2 <sup>nd</sup>	X			
Zee Koza	✓	X			
Marissa Madrigal					X
Adolph “Val” Valfre		X			
Chair, Aubre Dickson		X			

**Vote: 4:0:0:3 | PASS**

**2016-2020 HUD Consolidated Plan – Shoshanah Oppenheim, Federal Planning & Policy Manager**

Ms. Oppenheim provided an overview for the Council members.

Councilmember Fieldman asked how much money would be coming to Oregon. Ms. Oppenheim told the Council that she expected Oregon to receive about \$3,000,000.

Director Van Vliet added that Ms. Oppenheim provided a link to the Con Plan to the Council members so they could review it prior to the meeting and the Con Plan was not included in your meeting packet.

Councilmember Valfre expressed his appreciation for the work Ms. Oppenheim has done on the Con Plan and her work with stakeholders and workgroup members as well. Feels all critical areas were addressed by Ms. Oppenheim.

Councilmember Koza moved to submit the plan to HUD and Councilmember Valfre seconded the motion. Chair Dickson called for the vote.

Council member	Motion	Yes	No	Abstain	Absent
Mayra Arreola					X
Tammy Baney					X
Mike Fieldman		X			
Zee Koza	✓	X			
Marissa Madrigal					X
Adolph “Val” Valfre	2 <sup>nd</sup>	X			
Chair, Aubre Dickson		X			

**Vote: 4:0:0:3 | PASS**

**Oregon Homeownership Stabilization Initiative – Betty Merrill**, OHSI Administrator

Ms. Merrill provided a briefing for the Council of the OHSI program since 2006. She also provided an overview of the potential US Treasury grant. Please reference the updated OHSI memo by clicking [here](#).

The focus for the Hardest Hit Funds is for distressed housing. Ms. Merrill plans to return with an update for the Council in a few months.

Director Van Vliet gave her thanks to Ms. Merrill for all of her extended work over the past few weeks to get OHCS in a position to complete the application process with US Treasury.

Next steps in the process:

1. Obtain permission from the Legislature to apply for the funds
2. Ask the Legislature for position authority to staff the program
3. Complete the application and submit to US Treasury
4. Go before the Legislature in May during the E-Board process
5. Creating a budget which will cover full cost of operating the program

Big kudos were given to Ms. Merrill and her team for all of their hard work in preparing the application; they are down from a staff of 42 to just 5.

Councilmember Valfre asked what the unmet need for distressed housing is in Oregon. Ms. Merrill said Oregon still has pockets of need; those with a negative equity in their homes or those living in communities which are still trying in economic recovery or those who simply left the job market during the down-turn and have now reentered at a lower wage.

Chair Dickson asked Ms. Merrill to outline the criteria for making an application for assistance to the two major funds (loan preservation & mortgage assistance). Ms. Merrill told the Council the criteria for application are:

1. Mortgage assistance – underemployed (25% reduction in income) or unemployed (show us you are on unemployment). Serving those who are self-employed (show a demonstrated loss of 10% over a two-year period). Currently trying to expand the criteria in cooperation with US Treasury.
2. Loan preservation – homeowner must demonstrate they can make the monthly mortgage payment (up to 45% of income). A base year must be identified by using tax records.

Ms. Merrill encouraged the Council members to visit the OHSI [webpage](#) and view quarterly reports submitted to US Treasury and program annual financial audit reports.

**HUD Contract Administration (HCA) §8 – Rhonda Crawford**, Housing Stabilization Section Manager

Ms. Crawford provided an overview of the HCA program for the Council. Please reference the presentation by clicking [here](#). Ms. Crawford provided information on Section 8 programs, administration of the contracts, contract history & future and core tasks.

Director Van Vliet expressed her thanks to Rhonda and her team on the administration of this program.

Councilmember Fieldman asked how Ms. Crawford and her team can respond within one hour to recorded complaints. Ms. Crawford provided some additional details about how trouble calls are addressed by her team.

The one-hour response time is based on working hours of 8am-5pm. Any call which comes in outside of the normal business hours is addressed at the start of the next business day.

Councilmember Valfre asked where the properties were located. Ms. Crawford informed the Council that there are properties located across the state; with many located in rural areas with some concentrations in Portland, Salem, Eugene and Medford.

Councilmember Koza requested a map with property locations be included the next time Ms. Crawford presents to the Council.

*Chair Dickson dismissed the meeting for a 5 minute break.*

*Chair Dickson reconvened the meeting at approximately 10:40 a.m.*

**Asset Review and Rating System – Ryan Miller**, Asset Management & Compliance Manager & **Alfred Bookman**, Special Projects Manager, Housing Finance Division

Mr. Miller & Mr. Bookman provided an overview for the Council. Please reference the presentation by clicking [here](#).

Mr. Miller provided an overview of the entire OHCS loan portfolio (page 3 and 4 of the presentation). Mr. Bookman provided an overview of the risk rating system and the specifics of how assets are risk rated (pages 7-10).

Councilmember Valfre asked about the definition for high risk. Mr. Bookman responded that the risk occurs on the financial side of the equation not the property side.

Councilmember Fieldman asked about the actual period of time for the loans. How long does the risk period last, is it finite or for the life of the property? Mr. Miller informed the Council the period was 20 years. A project can move from high risk to low risk over the life-span of the financial loan.

Key to the rating analysis of each asset: An analyst cannot get a rating for an asset without answering a question in each of the 5 areas for analysis (please reference slide 10 for a summary of the five areas).

Councilmember Fieldman asked what the acronyms DISH, HDS and LIPS stand for. Mr. Bookman told the Council the three definitions:

1. DISH stands for Department's Information System for Housing and is a data system used by OHCS for the rating and analysis.
2. LIPS stands for Loan Information Processing System
3. HDS stands for Housing Development Software

Mr. Bookman also reviewed the classification legend with the Council (page 11 of the presentation).

Next Steps:

Review entire asset portfolio.

Chair Dickson appreciates the effort to proactively manage the asset portfolio. Chair Dickson asked how the first batch of projects was selected to go through the rating analysis. Mr. Bookman told the council the first step was to inventory the entire portfolio and then they determined which parts of the inventory were the most “risky” and those were the ones they began with.

Chair Dickson also asked who is responsible for gathering the info, contacting the manager and tracking the action plan. Mr. Ryan told the Council that his workgroup is responsible.

Chair Dickson also asked if there was a section for comments to describe what is behind the numbers. Mr. Bookman, yes and that information is found in the entire report.

Councilmember Valfre thanked Mr. Miller and Mr. Bookman for their efforts and definitely provides a real focus on the good the agency is doing to manage their assets. He then asked if they would identify any data that they think may be missing. Mr. Bookman said he did not believe there was any data missing, but we are currently working on the quality of the data to speed the process.

**LIFT Program Update – Julie Cody**, Assistant Director, Housing Finance

Ms. Cody was joined at the presentation table by Natasha Detweiler. Ms. Cody is seeking advice and consent on several different items (found in the [presentation](#)) to assist in the process of finalizing the framework, and then move forward with crafting the NOFA.

Timeline:

Ms. Cody will be back before the Council in April and or May depending upon what can be approved or what may need additional work.

Page 3 of the presentation outlines the responsibilities of the Housing Stability Council for the LIFT program.

Consent areas:

1. Ownership/Operating Structure approach – the council agrees with the approach as outlined on page 4 of the presentation.
2. Construction standards & tradeoffs –
  - a. Require green building standards? – No, since you have a staff architect reviewing the standards for each project.
  - b. Additional constructions standards or defer to Director Van Vliet? – Yes, this would be fine.
3. Development & Implementation (modeling assumption) –

Councilmember Fieldman shared thoughts about whether or not there will be projects that meet the requirements being formulated in the framework and if the limitation on the subsidy level will impact project proposals for rural areas in Oregon. Maybe changing the \$32,000 to a target rather than setting a hard cap is the way to go. He stated his biggest concern was getting the units produced as quickly as possible. Director Van Vliet mentioned that the bill calls for the Council to set targets rather than establish a hard cap. Chair Dickson said he liked the value per unit as a measure, but he is not sure about the \$32,000 amount. He offered some additional strategies for reducing costs: SDC waivers, impact waivers, property tax exemptions.

Director Van Vliet added some additional clarity about the funding per unit modeling used by OHCS. What OHCS did was show modeling that is representative of a typical deal. Chair Dickson said it might be a good idea to set a range and then have tiered scoring based on how close you come to the acceptable range. Councilmember Fieldman said that he thought we needed to remember the urgency expressed by the legislature as a way to inform the decisions made for the LIFT program.

Ms. Cody told the Council that she and her team used industry data from 2015 to create the chart on page 7 and the percentages shown on page 8 come from the legislation passed in February. Ms. Cody explained that the potential ownership for the state would match the percentage of subsidized units in any given project.

4. Need formula – as outlined on page 10 of the presentation.

Suggestions from the Council:

Include rent burden – Chair Dickson. Ms. Cody told the Council that rent burden would be included in the criteria.

Childhood trauma – Chair Dickson. Director Van Vliet told the council that OHCS would defer to DHS about this particular criteria definition.

Ms. Cody asked the Councilmembers to think about additional criteria they would like to see and forward that information to her. She also wanted to know if the Council wanted to place limitations on the number of units in any given county.

Suggestions from the Council:

Production of the most units – Chair Dickson.

Be aware of unintended consequences that could occur if all units were built in one county – Councilmember Fieldman

5. Rural Communities– as outlined on page 13 of the presentation.

Councilmember Fieldman wants to strongly suggest that the Council approve the second suggestion for the definition of community size.

6. Communities of Color – as outlined on page 14-16 of the presentation.

Ms. Cody asked for additional strategies or changes to the definitions. Councilmember Fieldman wondered if we should also include Tribal communities.

7. Outreach plan – as outlined on page 17.

Ms. Cody asked the Council for additional suggestions for outreach. No suggestions were given.

8. Cost saving concepts – as outlined on page 18.

Councilmember Fieldman suggested other ideas: Job Corps, Youth Build, and Union apprenticeship programs.

9. DHS partnership for LIFT – as outlined on page 19.

Councilmember Valfre asked who would be doing the screening and follow-up with residents. Ms. Cody said she would check with DHS to determine criteria.

Chair Dickson wanted to know if DHS would be responsible for the ongoing support of the residents. Director Van Vliet said that the answer from DHS would be yes, but OHCS will reach out to confirm.

10. Plan B Scenario – as outlined on page 20 of the presentation.

Councilmember Fieldman is fine with having a general idea for a Plan B.

Ms. Cody then outlined the next steps to finalize the LIFT Framework. The Council likes the proposed timeline.

Public Comment –

Shannon Vilhauer (Habitat for Humanity of Oregon) – requested that the LIFT Framework consider the priority and definition for communities of color and how that is addressed. Consider a mix of generations in one unit; consider alternative sources of credit and credit scores. Ms. Vilhauer requested that the definition of communities of color be reflected in the program design.

Julia McKenna (Intern with LCD) – she is looking for feedback from the Council members as part of her project at LCD. Director Van Vliet offered to meet with Ms. McKenna offline to discuss her request.

**Multifamily Gap Resources – Julie Cody**, Assistant Director, Housing Finance

Ms. Cody's goal is to educate the Council and provide some background information. She then will come back in April and ask for assistance on how to disperse funds in the future. No decisions today.

Ms. Cody reviewed the memo which was included in the meeting materials packet. One of the objectives of this work is to provide some additional predictability to our partners to allow them to better plan their future applications.

Councilmember Fieldman asked if construction defects would be included. Ms. Cody said those would be included in small projects. Councilmember Fieldman asked about the possibility of lottery backed funds in the future. Director Van Vliet said that OHCS would be looking at this during the upcoming budgeting process.

**Report from Director Van Vliet**

Director Van Vliet updated the Council on the following.

1. Housing Stability Council work plan. The goal of OHCS is to provide the Council with a high level view of those items they need to approve; provide you with policy briefings and program area briefings and position them to guide the Statewide Housing plan. We plan to also invite industry experts to address the Council. Director Van Vliet asked for other suggestions from the Council. Some suggestions she has received are:
  - a. Maintain alignment with the rest of state government
  - b. Bring in an early-learning HUBS/Education expert to address the Council
  - c. Councilmember Valfre has appreciated the program briefings and would like them to continue. He would like to have the COOs included on the work plan.
2. Retreat sometime in the fall possibly in September to dive deeper into items on the work plan.
3. April 1, 2016 meeting will be in Portland.
4. May 6, 2016 will be in Bend. Tours on 5/5 in Prineville and Redmond.

OHCS wants to provide the hardcopy for Councilmembers prior to the meeting. We are trying to limit the number of papers on the table for the Council. Chair Dickson asked the Council members if they appreciated getting the complete packet a week prior to the meeting. The consensus answer was yes they like getting the entire packet.

Celebrating the end of the legislative session; it was a very good session for housing.

Councilmember Valfre asked OHCS to add the dates for the fall retreat as soon as possible. Director Van Vliet offered that we schedule the retreat on the same day as the Council meeting. Councilmember Koza asked when the new members would be joining the Council. Director Van Vliet told the Council the hope is to have them announced and approved by May. Councilmember Valfre asked for a workforce update and affordable housing updates on the work plan.

**Report from Chair Dickson**

Chair Dickson said it was a good year for housing and those in need. He provided one update about his upcoming meeting on March 14<sup>th</sup> with Dani Ledezma. He hopes to glean some direction from her.

It is an honor to serve and be a part of the housing discussions.

*Chair Dickson adjourned the meeting at 12:50 p.m.*



# Oregon

Governor Kate Brown

## Housing and Community Services

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Date: 3/22/2016

To: Housing Stability Council

From: Kim Freeman, Single Family  
Section Manager

Re: Residential Loan Program

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### 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 75% of the applicable area program purchase price limit, or \$190,000, whichever is greater.

#### Considerations:

1. The loan(s) under consideration is greater than or equal to 75% of the applicable area program purchase or \$190,000, whichever is greater.
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.

	Loan Amount	Purchase Price Limit	75% of Purchase Price Limit or Max	Monthly Mortgage Payment
Loan #1	\$220,924.00	\$266,706.00 Non-Targeted Jackson County	\$200,029.00	\$1,246.31



1

			<u>Lender</u>	SOUTH PACIFIC FINANCIAL	
			<u>Purchase Price</u>	225,000.00	<u>Note Amount</u> 220,924.00
			<u>Cost Limit</u>	266,706.00	<u>Principal Balance</u> \$ 220,924
<u>Property City</u>	GOLD HILL	OR 97525	<u>Appr. Value</u>	\$ 225,000	
			<u>Year Built</u>	1928	
<u>Hshld. Income</u>	\$ 52,176		<u>Living Area (Sq. Ft.)</u>	1,236	<u>Loan-to-Value</u> 97%
<u>Income Limit</u>	\$ 74,060		<u>Lot Size (Sq. Ft.)</u>	126,759	<u>Insurance Type</u> FB
<u>% of Income Limit</u>	70.45%		<u>Cost per Sq. Ft.</u>	\$ 182.04	<u>Rate</u> 3.250%
<u>Prior Ownership Yes (Y) or No (N)</u>	N		<u>New (N) or Existing (E)</u>	E	
			<u>Construction Style</u>	One Story	

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Date: April 1, 2016

To: Housing Stability Council Members  
Margaret S. Van Vliet, Director

From: Tim Zimmer, Energy Services Section Manager

Re: US Department of Energy (DOE) Weatherization State Plan Approval

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**MOTION: Housing Stability Council gives its approval of the draft 2016 US DOE State Plan as presented today and authorizes submitting the document to the DOE for the State of Oregon.**

Included for your reference are pages 1-22 of the US DOE Weatherization State Plan. If you would like to view the entire plan please click [here](#).

### **Background**

The DOE Weatherization Assistance Program (WAP) provides grants to states, territories, and some Indian tribes to improve the energy efficiency of the homes of low-income families. Oregon, in turn, contracts with local governments and nonprofit agencies to provide weatherization services to those in need using the latest technologies for home energy and home health upgrades. The DOE program provides energy conservation services to an average of 340 low-income Oregon households each year. Services include but are not limited to:

- Energy conservation measures;
- Home health & safety improvements;
- Heating equipment repair and replacement; and
- Energy education.

### **State Plan Application Timeline**

The annual application package, including the written 2016 state plan, is due and will be submitted to DOE by April 29, 2016. The draft state plan included in the Housing Stability Council packet was also posted to Oregon Housing and Community Services (OHCS) website on March 15, 2016. The public comment period was initiated at this time with public notices appearing in the Portland Oregonian, the Medford Mail Tribune, and Salem-News.com on March 18, 2016. OHCS staff will be facilitating a public hearing on April 1, 2016 and will be accepting written comments until April 15, 2016. OHCS staff is not anticipating substantial public comment related to the draft plan; however, there may be changes resulting from either public comment or final negotiations with DOE.

If there are substantive changes resulting from either public comment or negotiations with DOE, OHCS staff will be prepared to present the final state plan during a future Housing Stability Council meeting.



### **Service Delivery Partner Engagement**

In preparing for the 2016 state plan application, Oregon Housing & Community Services (OHCS) convened a workgroup consisting of representatives from six service delivery partner agencies. The charter for the workgroup included reviewing the draft 2016 plan to determine what, and if, improvements can be made in the overall document and/or specific sections of the plan, and to provide recommendations and/or comments regarding proposed changes to the plan. OHCS staff received valuable feedback resulting from this work and will be incorporating the vast majority of the recommendations into the final 2016 plan.

### **State Plan Application Summary**

The annual Application Package is used by all States, Territories, and Indian tribes as clarifying information when applying for direct grants under the Weatherization Assistance Program for Low-Income Persons, administered by the U.S. Department of Energy. Grantees shall comply with applicable law including regulations contained in 10 CFR 440, 2 CFR 200, and other procedures applicable to these regulations as DOE may, from time-to-time, prescribe for the administration of financial assistance. Any potential discrepancies between information contained in the state application and DOE regulations shall be resolved in favor of DOE regulations.

### **State Plan Application Components**

The state plan application process includes the following components:

1. Budget
  - Budget Categories
  - Budget Justification
  - Carryover Explanation
2. Annual File
  - Subgrantees
  - Projected Production Schedule
  - Projected Energy Savings
  - DOE Funded Leveraging Activities
  - Policy Advisory Council
  - Public Hearings & Transcripts
3. Master File
  - a) Eligibility
    - Approach to Client Eligibility
    - Approach to Building Eligibility
    - Definition of Children
    - Native American Tribes
    - Service Priorities
  - b) Type of Weatherization Work
    - Technical Guides & Materials
    - Energy Audit Procedures

- Final Inspection
- c) Health & Safety Plan
- d) Program Management
  - Organizational Overview
  - Administrative Expenditure Limits
  - Monitoring Activities
  - Training & Technical Assistance
- 4. Energy Crisis & Disaster Response
- 5. Federal Financial Regulations
  - DOE Financial Assistance Rules
  - OMB Cost Principles
  - Financial Audits

### **State Plan Application Changes**

The state plan does not typically change substantially from one year to the next. Proposed changes to the 2016 plan are few and generally based on new or revised guidance from DOE and/or input from service delivery partners. Primary changes to the 2016 plan include:

1. Budget Overview – funding is increased from \$2.4 to \$2.7 million.
2. Updated projected production schedule and projected energy savings.
3. Updated Subgrantee contact information and removed the Klamath Tribes and the Confederated Tribes of Siletz Indians as direct Subgrantees.
4. Revised the Policy Advisory Council information – removed the reference to the Advisory Committee on Energy (ACE) and added the Housing Stability Council and current membership.
5. Revised income eligibility threshold from 60% of state median income to 200% of federal poverty level. Removed all references to 60% of state median income.
6. Updated continuing education standards related to required certifications. Changed required training for Energy Auditors & Quality Control Inspectors from 24 hours annually to 32 hours every three years.
7. Removed Exhibit 2 & 3 related to knob and tube electrical wiring; removed Exhibit 4 space heater policy; removed Exhibit 5 related to lead based paint. ***All of these components are now included within the Health & Safety Plan.***

**STATE OF OREGON  
WEATHERIZATION ASSISTANCE PLAN  
FOR THE UNITED STATES  
DEPARTMENT OF ENERGY**

**JULY 1, 2016-JUNE 30, 2017**

**Oregon Housing and Community Services  
North Mall Office Building  
725 Summer Street NE, Suite B  
Salem, OR 97301-1266  
[www.ohcs.oregon.gov](http://www.ohcs.oregon.gov)**

**Margaret S. Van Vliet, Director  
Claire Seguin, Assistant Director Housing Stabilization Division  
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## **INTRODUCTION**

The State of Oregon Weatherization Assistance Program State Plan for United States Department Of Energy (DOE) is based on the rules contained within 10 CFR Part 440; 2 CFR Part 200; and all subsequent guidance contained in the U.S. DOE Weatherization Program Notices (WPN). It is the responsibility of the Subgrantee to know and be familiar with these rules and guidance. All DOE rules and guidance can be found on the web at [www.waptac.org](http://www.waptac.org)

## **1.0 PART I – ANNUAL FILE**

**DRAFT**

## 1.01 Overall Main Budget with Allocations

### DOE 2016-1017 Allocations

2015 AGENCY	Admin	Program	T&TA	Total
ACCESS	\$ 10,835.00	\$ 97,514.00	\$ 10,162.00	\$ 118,511.00
CAO	\$ 19,027.00	\$ 171,242.00	\$ 17,585.00	\$ 207,854.00
CAPECO	\$ 7,407.00	\$ 66,663.00	\$ 7,056.00	\$ 81,126.00
CAT	\$ 6,688.00	\$ 60,196.00	\$ 6,405.00	\$ 73,289.00
Clackamas	\$ 14,256.00	\$ 128,302.00	\$ 13,262.00	\$ 155,820.00
Neighbor Impact	\$ 10,388.00	\$ 93,496.00	\$ 9,758.00	\$ 113,642.00
Community Connections	\$ 6,649.00	\$ 59,841.00	\$ 6,370.00	\$ 72,860.00
CSC	\$ 13,678.00	\$ 123,105.00	\$ 12,739.00	\$ 149,522.00
CINA	\$ 7,957.00	\$ 71,609.00	\$ 7,554.00	\$ 87,120.00
Lane Co.	\$ 19,251.00	\$ 173,260.00	\$ 17,788.00	\$ 210,299.00
Mid Columbia	\$ 6,252.00	\$ 56,268.00	\$ 6,010.00	\$ 68,530.00
Mid Willamette	\$ 20,236.00	\$ 182,122.00	\$ 18,680.00	\$ 221,038.00
Multnomah Co.	\$ 30,250.00	\$ 272,256.00	\$ 27,753.00	\$ 330,259.00
OHDC	\$ 7,448.00	\$ 67,031.00	\$ 7,093.00	\$ 81,572.00
ORCAA	\$ 6,261.00	\$ 56,350.00	\$ 6,018.00	\$ 68,629.00
UCAN	\$ 12,806.00	\$ 115,253.00	\$ 11,948.00	\$ 140,007.00
Y-CAP	\$ 5,111.00	\$ 45,993.00	\$ 4,975.00	\$ 56,079.00
Native American Allocation	\$ 6,469.00	\$ 58,220.00		\$ 64,689.00
<b>Sub-Total</b>	<b>\$ 210,969.00</b>	<b>\$ 1,898,721.00</b>	<b>\$ 191,156.00</b>	<b>\$ 2,300,846.00</b>

OHCS Admin	\$ 134,842.00
SUBS Admin	\$ 210,969.00
Program	\$ 1,898,721.00
OHCS T&TA	\$ 261,156.00
SUBS T&TA	\$ 191,156.00
<b>TOTAL</b>	<b>\$ 2,696,844.00</b>

**\*If grant funds are not obligated for reimbursement by Subgrantee in a timely manner as determined by OHCS, OHCS may at its sole discretion, reduce Subgrantee funding and redistribute such funds to other Subgrantees. OHCS may implement adjustments by modifying the applicable Notice of Allocation (NOA). This remedy is in addition to any other remedies available to OHCS under the Master Grant Agreement or otherwise.**

## 1.02 Subgrantees

Oregon's low income weatherization network is made up of 17 subgrantees each with their own service area. The subgrantees are comprised of 17 community action agencies; housing authorities; local governments; area agencies on aging; senior centers; a development corporation. Many of the weatherization subgrantees have over 20 years' experience in delivering weatherization services.

The Oregon Energy Coordinators Association (OECA) is a statewide association made up of weatherization and energy assistance coordinators from a majority of the subgrantees. OECA serves as standing committee on energy issues for the Community Action Partnership of Oregon.

The following is a list of Oregon's weatherization subgrantees.

Name: **ACCESS**  
Address: 3630 Aviation Way Contact: Cindy Dyer  
City: Medford Phone: 541-779-6691  
State: Oregon FAX: 541-779-8886  
Zip: 97504 E-mail: [cdyer@accesshelps.org](mailto:cdyer@accesshelps.org)  
Congressional District(s): 2 & 4  
County(s) served: Jackson

Name: **NeighborImpact**  
Address: 2303 SW 1<sup>st</sup> Street Contact: Ken Hanna  
City: Redmond Phone: 541-504-5664  
State: Oregon FAX: 541.749-4948  
Zip: 97756 E-mail: [kenh@neighborimpact.org](mailto:kenh@neighborimpact.org)  
Congressional District(s): 2  
County(s) served: Crook, Deschutes, and Jefferson

Name: **Community Action Organization (CAO)**  
Address: 1001 SW Baseline Contact: Renee Bruce  
City: Hillsboro Phone: 503-648-6646  
State: Oregon FAX: 503-648-4175  
Zip: 97123 E-mail: [rbruce@caowash.org](mailto:rbruce@caowash.org)  
Congressional District(s): 1  
County(s) served: Washington

Name: **Community Action Programs of East Central Oregon (CAPECO)**  
Address: 721 SE 3<sup>rd</sup> Suite D Contact: Donna Kinnaman  
City: Pendleton Phone: 541-278-5671  
State: Oregon FAX: 541-276-7541  
Zip: 97801 E-mail: [dkinnaman@capeco-works.org](mailto:dkinnaman@capeco-works.org)  
Congressional District(s): 2  
County(s) served: Gilliam, Morrow, Umatilla, and Wheeler

Name: **Community Action Team (CAT)**  
Address: 125 N 17<sup>th</sup> Street      Contact: Carmen Kulp  
City: St. Helens      Phone: 971-219-0946  
State: Oregon      FAX: 503-325-6738  
Zip: 97051      E-mail: [ckulp@cat-team.org](mailto:ckulp@cat-team.org)  
Congressional District(s): 1  
County(s) served: Clatsop, Columbia, and Tillamook

Name: **Community Connections of Northeast Oregon (CCNO)**  
Address: 104 Elm Street      Contact: Kale Elmer  
City: La Grande      Phone: 541-963-3186  
State: Oregon      FAX: 541-963-3187  
Zip: 97050      E-mail: [Kale@ccno.org](mailto:Kale@ccno.org)  
Congressional District(s): 2  
County(s) served: Baker, Grant, Union, and Wallowa

Name: **Community Services Consortium (CSC)**  
Address: 2995 SW Ferry St.      Contact: Joe Collette  
City: Albany      Phone: 541-758-2782  
State: Oregon      FAX: 541-752-2348  
Zip: 97322      E-mail: [jcollett@communityservices.us](mailto:jcollett@communityservices.us)  
Congressional District(s): 4 & 5  
County(s) served: Benton, Lincoln, and Linn

Name: **Community in Action**  
Address: 49 NW 1<sup>st</sup> Street      Contact: Barb Higinbotham  
City: Ontario      Phone: 541-889-1060  
State: Oregon      FAX: 541-889-0768  
Zip: 97914      E-mail: [barb@cina.team](mailto:barb@cina.team)  
Congressional District(s): 2  
County(s) served: Harney and Malheur

Name: **Oregon Human Development Corporation (OHDC)**  
Address: 531 S. 6<sup>th</sup> Street      Contact: Jim Minix  
City: Klamath Falls      Phone: 541-881-1491  
State: Oregon      FAX: 541-883-8053  
Zip: 97601      E-mail: [jminix@ohdc.org](mailto:jminix@ohdc.org)  
Congressional District(s): 2  
County(s) served: Klamath and Lake

Name: **Mid-Columbia Community Action Agency (MCCAC)**  
Address: PO Box 1969 Contact: Steve Bishop  
City: The Dalles Phone: 541-298-5131  
State: Oregon FAX: 541-298-5141  
Zip: 97058 E-mail: [steveb@mccac.com](mailto:steveb@mccac.com)  
Congressional District(s): 2  
County(s) served: Hood River, Wasco, and Sherman

Name: **Mid-Willamette Valley Community Action Agency (MWVCAA)**  
Address: 2585 State Street Contact: Rogelio Cortes  
City: Salem Phone: 503-585-8491  
State: Oregon FAX: 503-585-8462  
Zip: 97301 E-mail: [Rogelio.Cortes@mwvcaa.org](mailto:Rogelio.Cortes@mwvcaa.org)  
Congressional District(s): 5  
County(s) served: Marion and Polk

Name: **Oregon Coast Community Action (ORCCA)**  
Address: P.O. Box 899 Contact: Lisa Brown  
City: Coos Bay Phone: 541-435-7750  
State: Oregon FAX:  
Zip: 97420 E-mail: [lbrown@orcca.us](mailto:lbrown@orcca.us)  
Congressional District(s): 4  
County(s) served: Coos and Curry

Name: **Yamhill County Community Action Partnership (YCAP)**  
Address: PO Box 621 Contact: Kraig Ludwig  
City: McMinnville Phone: 503-472-0457  
State: Oregon FAX: 503-472-5555  
Zip: 97801 E-mail: [kludwig@yamhillcap.org](mailto:kludwig@yamhillcap.org)  
Congressional District(s): 1  
County(s) served: Yamhill

Name: **Clackamas County Weatherization (CCSS)**  
Address: PO Box 2950 Contact: Jacque Meier  
City: Oregon City Phone: 503-650-3339  
State: Oregon FAX: 503-650-3336  
Zip: 97045 E-mail: [JacqueM@co.clackamas.or.us](mailto:JacqueM@co.clackamas.or.us)  
Congressional District(s): 3 & 5  
County(s) served: Clackamas

Name: **Lane County Human Services Division (LCHSD)**  
Address: 125 E 8<sup>th</sup> Ave Contact: Mary Ellen Bennett  
City: Eugene Phone: 541-682-7473  
State: Oregon FAX: 541-682-3760  
Zip: 97401 E-mail: [MaryEllen.Bennett@co.lane.or.us](mailto:MaryEllen.Bennett@co.lane.or.us)  
Congressional District(s): 4  
County(s) served: Lane

Name: **Multnomah County**  
Address: 421 SW 6<sup>th</sup>, Suite 200  
City: Portland  
State: Oregon  
Zip: 97204  
Congressional District(s):  
County(s) served:

Contact: Christina Kenney  
Phone: 503-988-6139  
FAX: 503-988-3332  
E-mail: [Christina.l.kenney@co.multco.us](mailto:Christina.l.kenney@co.multco.us)  
1 & 3  
Multnomah

Name: **United Community Action Network (UCAN)**  
Address: 280 Kenneth Ford Drive  
City: Roseburg  
State: Oregon  
Zip: 97470  
Congressional District(s):  
County(s) served:

Contact: Randy Magnuson  
Phone: 541-670-1712  
FAX: 541-672-1983  
E-mail: [randymagnuson@ucancap.org](mailto:randymagnuson@ucancap.org)  
4  
Douglas and Josephine

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NOTE: The following numbers may change with final budget figures

### 1.03 Estimated Production Schedule

	Annual Total
Weatherized Units (total).....	<b>362</b>
<b>Units by Type</b>	
Owner-Occupied Single Family .....	<b>110</b>
Single-Family Rental .....	<b>37</b>
Multi-Family (5 or more units per building & Geographical-Multi) .....	<b>20</b>
Owner-Occupied Manufactured home.....	<b>153</b>
Renter-Occupied Manufactured home .....	<b>34</b>
Shelter .....	<b>8</b>
<b>Units by Occupancy</b>	
Elderly-Occupied .....	<b>161</b>
Persons with Disabilities-Occupied .....	<b>140</b>
Native American-Occupied .....	<b>11</b>
Children-Occupied .....	<b>50</b>
High Residential Energy User-Occupied.....	<b>0</b>
Households with High Energy Burden .....	<b>0</b>
<b>Other Unit Types</b>	
Re-weatherized Units.....	<b>0</b>
Low-Cost / No-Cost.....	<b>0</b>
<b>Total People Assisted</b>	
Elderly.....	<b>328</b>
Persons with Disabilities.....	<b>235</b>
Native Americans.....	<b>37</b>
Children.....	<b>115</b>

### 1.04 Energy Savings

DOE cites the 2005 Meta-evaluation that suggests a much higher rate of energy savings from weatherization. In this study, a weatherized home saved an average of 30.5 MMBTUs based on all fuel types. If we apply this average to Oregon’s 362 projected homes to be weatherized, the resulting energy savings climbs to 11,041 MMBTUs.

## 1.05 Monitoring Activities

### 1.05.1 Introduction

Monitoring is the principle method by which OHCS can identify areas within the subgrantee's program operation and administration where assistance may be required. OHCS ensures that each subgrantee is monitored during the current grant year. The monitoring visit will consist of all areas under item **1.05.3 c. On-Site Review** of this section. The results of these reviews and individual subgrantee requirements will determine the need for Training and Technical Assistance (T&TA) and/or additional monitoring.

There have been many improvements as a result of monitoring efforts of OHCS. Client files have become more complete, forms contained within those files are more consistent statewide, and the quality of work is continuing to improve across the state.

### 1.05.2 Peer Exchange

Subgrantees will receive Training and Technical Assistance funds to participate in Peer Exchange. These funds are designed to cover the cost of time, travel, lodging and meals of those involved in Peer Exchange. The Peer Exchange funds will be included in the general T&TA allocation.

- a. The cost of Peer Exchange visits has been established at \$1,000 per subgrantee. OHCS reserves the right to reduce the allocation for Peer Exchange if federal funds are reduced to the state. T&TA funds are used because the emphasis of Peer Exchange reviews is on information exchange and the opportunity to learn new skills and techniques, as well as the inspection of DOE funded weatherization and job performance. However, with downsizing and contracting of services, some subgrantees have entered into contracts with other subgrantees to deliver weatherization services including audits, inspections, and installation of weatherization measures. OHCS reserves the right to disallow allocations of T&TA Peer Exchange funds to subgrantees
- b. Training needs of subgrantees will in part be identified and remedied through Peer Exchange, the OECA T&TA Committee and OHCS.
- c. Agencies **must** submit a proposal plan in their weatherization workplan with OHCS that identifies the agency(s) they have made arrangements with to visit.
- d. Agencies will follow the Peer Exchange Protocol (See Appendix A).

### ***1.05.3 OHCS Monitoring of Subgrantees***

- a. **Audit** - An annual audit, as required by contract agreement, shall be monitored by OHCS to verify information received on quarterly reports and clarify questions raised by OHCS, the subgrantee and/or the auditor.
- b. **In-House** - All quarterly reports shall be monitored by OHCS to determine compliance with program requirements, monitor spending patterns and chart program progress. Any irregularities or questions raised by the in-house review will be sufficient reasons to schedule an on-site review.
- c. **On-Site Review** - OHCS may conduct an on-site review on an annual basis and when required in item 2 above. The on-site review shall consist of staff from OHCS and qualified technicians as necessary under the direction of OHCS. The following items shall be reviewed at a minimum.
  - c.1 **Financial Records** - Including but not limited to: general ledger, bank statements, checks, audit reports, financial statements and other records necessary for the review of the financial records.
  - c.2 **Inventory System** - Including but not limited to purchasing system, controls, perpetual inventory, financial records and other records deemed necessary by the reviewer.
  - c.3 **Client Files** - For accuracy, completeness, demographic information and proper reflections of work needed/work completed, client eligibility and inspection of work.
  - c.4 **Work Completed** - Homes shall be reviewed to determine: quality of work, completeness of work, conservation measures installed follow a computerized methodology to determine cost effectiveness, geographic distribution, proper documentation in client files, client satisfaction and other information deemed necessary by the reviewer.
- d. **Subgrantee Post-Installation Inspection** - Each weatherized unit **must** be inspected by the subgrantee to ensure that the work is in compliance with required specifications before the unit is reported to OHCS as completed. A complete inspection, legibly signed by the subgrantee's inspector shall be placed in each job file. In addition, subgrantee shall provide homeowner with a legibly signed copy of the inspection form that includes a statement that the completed work is guaranteed for one year.
- e. **Subgrantee Review** - If deficiencies in agency program operations indicate non-compliance with OHCS Work Plans, Master Grant and/or federal rules and regulations, OHCS will respond by working with the subgrantee to correct deficiencies.
- f. **Provide Training and Technical Assistance** - T&TA activities are intended to maintain or increase the efficiency, quality, and effectiveness of the Weatherization Assistance Program at all levels. Such activities should be designed to maximize energy savings, minimize production cost, improve program management, and/or reduce the potential for waste, fraud and abuse.

## 1.06 Training and Technical Assistance

Training and Technical Assistance (T&TA) funds are allocated to support all levels of staff working within the weatherization program; this includes field/technical staff as well as staff responsible for supporting and/or managing the program. Training for field staff should be tied into an overall certification program (Residential Energy Analyst (REA) Program, Building Performance Institute (BPI) certification program or Home Energy Professional (HEP) certifications, which is designed to bring the skill and competence level of all weatherization subgrantee staff and contractors to a uniform standard.

The T&TA Plan identifies the type of training that is required and which certifications are required to perform work for the WAP program in each of the following four job categories:

- Auditor
- Inspector
- Crew Leader
- Field Installer

A detailed Training & Technical Assistance (T&TA) Plan has been developed by OHCS. See appendix C.

### 1.06.1 Allocation of T&TA Funds

OHCS will allocate T&TA funds to subgrantees to meet their training and technical assistance needs. Subgrantees need not notify OHCS when they spend T&TA “Training” funds as long as they are spent on the following:

- a. Registration costs for conferences, meetings, workshops and other related energy functions.
- b. Travel, lodging, meals and parking to attend activities identified in a. above.
- c. Salary and fringe costs for direct agency staff while attending approved training functions.
- d. The purchase of specialized equipment or tools. No equipment or tools used in normal day-to-day weatherization activities are to be purchased with T&TA funds. Such items should be purchased with “DOE Program” or other funds.
- e. Subscriptions to magazines, newsletters and memberships.
- f. Other energy related functions, activities or events not mentioned in **1.06.1 a. - d.** above.

### 1.06.2 Availability of T&TA funds

OHCS will determine the amount of T&TA funds to allocate to subgrantees based on availability of funding from DOE and the cost of planned trainings such as Energy Outwest and REA Program or BPI certification programs. OHCS will hold back (not allocate all available T&TA funds) and use T&TA funds to pay for subgrantees to attend trainings, conferences and workshops as prescribed within the T&TA Plan.

### ***1.06.3 Technical Assistance***

OHCS staff will provide technical assistance on DOE related matters to all weatherization programs. Technical assistance shall include but not be limited to the following:

- a. Provide guidance in use of regulations.
- b. Advise and assist in use of a computerized audit tool for determining the cost effectiveness of weatherization measures.
- c. Provide information obtained from local programs on innovative and successful program methods that are readily adaptable to other projects.
- d. Provide monitoring of local projects to assure improvement in quality and services.
- e. Identify specific problem solving techniques in areas of labor, transportation, administration, management and financial control.
- f. Provide information on new materials, procedures and processes for weatherization work.
- g. Coordinate efforts among federal, state, local and private agencies to assure continued improvements in the effectiveness of weatherization projects.
- h. OHCS shall address deficiencies that are identified by program review, audit, reports, regional or national reviewer or other sources.

### ***1.06.4 Contract Training***

OHCS may contract with the Oregon Training Institute (OTI) or other approved training organizations for some of the required weatherization certification trainings.

### ***1.06.5 Travel***

All travel will be consistent with the State T&TA Plan. DOE considers attendance by State staff at National and regional conferences, as well as participation on related planning committees, task forces and other scheduled and related meetings as high priorities. DOE is aware that many states have placed travel restrictions due to budgetary constraints. It should be noted that funds to pay for state and local travel are provided as part of the Weatherization grant, and proper usage of these funds will be closely monitored by DOE to ensure compliance with state travel indicated in states' annual plans.

## **1.07 Leveraging Activities**

### ***1.07.1 Other Funds***

OHCS administers "Other Funds" for low income weatherization. These "Other Funds" include Low Income Home Energy Assistance Program (LIHEAP), Bonneville Power Administration Low Income Weatherization Program (BPA), the occasional Petroleum Violation Escrow Program (PVE) funds and the Energy Conservation Helping Oregonians (ECHO) program and any funds designated for low income weatherization awarded to the state as a result of legal settlements. Subgrantees also have access to funds from utility rebates and the State Home Oil Weatherization Program (SHOW). Utility rebates and SHOW funds are not administered by OHCS.

### ***1.07.2 DOE Funds as Leverage***

Historically, DOE funds have not been used to create leverage opportunities. However, subgrantees are encouraged to use all available funding (including DOE) to perform energy audits and related activities on homes that will be weatherized under ECHO, NW Natural Low Income Energy Efficiency program (OLIEE), Cascade Natural Gas Oregon Low-Income Energy Conservation Program (OLIEC), BPA, SHOW, REACH and the AVISTA program. DOE funds used in any part of a completed weatherization project (single family, multifamily and shelters) are considered a DOE completion, regardless of the amount of DOE funds actually spent.

Utilization of DOE funding in every unit completion is encouraged, but not required.

## **1.08 Policy Advisory Council**

### ***1.08.1 Make up and Meetings***

The Housing Stability Council provides policy direction and oversight to Oregon Housing and Community Services. Previously named the State Housing Council, legislation passed in 2015 (HB 2442) expands the membership of the Council from seven to nine and increases the scope of their oversight. The Housing Stability Council now reviews all program areas of the agency and provides direction and guidance. The Council meets monthly and includes a range of expertise and geographic representation. For more information related to the Housing Stability Council, see OHCS website: <http://www.oregon.gov/ohcs/OSHC/Pages/index.aspx>

### ***1.08.2 HSC Membership List***

<b>HSC Members 2016-2017</b>	
Mayra Arreola Diversity & Inclusion Manager Rural Development Initiatives	Tammy Baney Deschutes County Commissioner
Aubre Dickson Vice President of Real Estate Relationships Key Bank	Michael C. Fieldman Executive Director United Community Action Network

<b>HSC Members 2016-2017 (continued)</b>	
Zee Koza Executive Director New Day Enterprises	Marissa Madrigal Chief Operating Officer Multnomah County
Adolph “Val” Valfre, Jr. Executive Director Housing Authority of Washington County	

### **1.09 Public Hearing**

Oregon Housing and Community Services (OHCS) will hold a Public Hearing on Friday, April 1, 2016 at OHCS Room 124 B from 2:30 PM to 4:00 PM located at: North Mall Office Building, 725 Summer Street NE, Salem OR 97301. Contact Tim Zimmer at (503) 986-2067.

## 2.0 PART II – MASTER FILE

### 2.01 Eligible Population

#### 2.01.1 Households at or under 200% of federal poverty level

In determining the level of eligibility, the State shall use the LIHEAP criteria for those households that are at or under 200% of federal poverty level. These criteria shall be applied throughout an agency's entire service territory. Persons who have applied for and have been found eligible for the Low Income Home Energy Assistance Program Act of 1981 (LIHEAP) will be eligible for DOE-WAP. The state of Oregon will use the current statewide manual established for LIHEAP, as established by the U.S. Office of Management and Budget in determining eligibility for households that meet LIHEAP criteria.

Eligibility under LIHEAP or DOE-WAP is valid for a period of twelve months. Applicants whose most recent LIHEAP or DOE application is older than twelve months or who have not applied can qualify using the following criteria. **Subgrantees are not required to re-verify income eligibility once the project is started. The project start is defined as the date the energy audit is completed.**

Income is defined by the Department of Health and Human Services as a household's countable cash receipts, before taxes. To be eligible for assistance, a household's gross income must be in accordance with the LIHEAP Income Guidelines provided by OHCS each program year. Eligibility for LIHEAP/DOE WAP is based on the following:

- All household income before any deductions (gross income).
- Number of household members.

Households must provide documentation of their gross income for the eligibility period determined by their local agency (in compliance with the timelines expressed the LIHEAP manual). State-approved, agency-developed Declaration of Household Income Forms (DHI) must be used for the households or household members claiming zero income (local agencies may require that applicants and/or households claiming zero income to submit additional information).

#### 2.01.1a What is Income

Please refer to the current Oregon LIHEAP manual for definition of income.

<http://www.oregon.gov/ohcs/CRD/SOS/docs/2016-Energy-Assistance-Intake-Operations-Manual.pdf>

#### 2.01.1b What Is Not Considered Income

Please refer to the current Oregon LIHEAP manual for the definition of what is not considered income.

<http://www.oregon.gov/ohcs/CRD/SOS/docs/2016-Energy-Assistance-Intake-Operations-Manual.pdf>

**200% of Federal Poverty Level by Household Size  
For Use in Federal Fiscal Year 2016  
Poverty Income Guidelines -Source USDOE**

Household Unit Size	Annual Income	Monthly Income
1	\$23,760	\$1,980.00
2	\$32,040	\$2,670.00
3	\$40,320	\$3,360.00
4	\$48,600	\$4,050.00
5	\$56,880	\$4,740.00
6	\$65,160	\$5,430.00
7	\$73,460	\$6,121.67
8	\$81,870	\$6,822.50
9	\$90,190	\$7,515.83
10	\$98,510	\$8,209.17
11	\$106,830	\$8,902.50
12	\$115,150	\$9,595.83
<b>Each Additional Member</b>	<b>\$8,320</b>	<b>\$693.33</b>

**2.01.3 Time Period for Income Verification**

The period for determining income eligibility will be based on the same standards, protocols, and guidelines for LIHEAP. Verification of income **must** be recertified when the eligibility determination exceeds 12 months. In multi-family buildings agencies must make every effort to obtain an application for each household. If it is not possible to obtain applications for all households, then documentation must be included in the file as to why the application(s) could not be obtained. A minimum of 66% of the households in the multi-family building must meet income guidelines in order to qualify for assistance unless the requirements of section 2.19.2 are met. Both renters and homeowners will be eligible, and those households in similar circumstances will receive similar benefits. Applications older than one (1) year **must** have the household income verified again. **Subgrantees are not required to re-verify income eligibility once the project is started. The project start is defined as the date the energy audit is completed.** Subgrantees are strongly encouraged to coordinate with the local Low Income Home Energy Assistance Program provider to obtain eligible LIHEAP/DOE applicants who have requested weatherization.

#### ***2.01.4 Priorities***

An actual waiting list to determine who is next to receive weatherization services must be developed with priority given to: elderly persons (60 years of age and older), persons with disabilities, and families with children six (6) years of age and under. Priority can also be given to high residential energy users (i.e. energy usage is above average as a result of household composition or unusual needs for energy), and households with a high energy burden (i.e. when 11.6 percent or more of the household income is going towards energy).

The priority criteria used for determining applicant priority **must** be in writing and on file with the subgrantee. The criteria must be used consistently for all applicants unless the subgrantee is involved in an OHCS sanctioned special project. Subgrantees must notify OHCS of changes and additions to their priority criteria.

Subgrantees shall ensure that weatherization services are being provided to low-income persons that live in all types of housing (i.e. single family, rentals, manufactured housing units, and multi-family buildings). Housing type is not a recognized priority.

#### ***2.01.5 Nondiscrimination***

No person shall on the grounds of race, color, national origin, or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or part with DOE funds. Any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975, or with respect to an otherwise qualified disabled individual as provided in section 504 of the Rehabilitation Act of 1973, also shall apply to this weatherization program.

#### ***2.01.6 Temporary Disqualification of certain newly legalized aliens from receipt of weatherization benefits***

Sections 245A and 210A of the Immigration and Nationality Act (INA), as amended, made certain aliens, legalized under the Immigration and Control Act (ICA) of 1986, temporarily ineligible for Weatherization assistance. The provisions of this law have expired. The only potential implications affecting weatherization services are those individual cases that were open while this law was in effect.

The Welfare Reform Act, officially referred to as the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), H.R. 3734, placed specific restrictions on the eligibility of aliens for "Federal Means-Tested Public Benefits" for a period of five (5) years. As defined in a Federal Register notice dated August 26, 1997 (62 FR 45256) the U.S. Department of Health and Human Services (HHS) is interpreting "Federal Means-Tested Public Benefits" to include only those benefits provided under Federal Means-Tested, mandatory spending programs.

HHS Information Memorandum LIHEAP-IM-25 dated August 28, 1997, states that all qualified aliens, regardless of when they entered the United States, continue to be eligible to receive assistance and services under the Low Income Home Energy Assistance Program (LIHEAP) if they meet other program requirements. To eliminate any possible contradiction of eligibility for weatherization services at the state and local levels for qualified aliens, the definition adopted by HHS will also apply to the U.S. DOE Weatherization Assistance Program.

HHS issued Information Memorandum LIHEAP-IM-98-25 dated August 6, 1998, outlining procedures for LIHEAP and weatherization grantees serving non-qualified aliens to implement new status verification requirements. This memorandum is based on a proposed rule issued by the U.S. Department of Justice (DOJ) on August 4, 1998. The Welfare Reform Act is a complex issue, and there is some confusion on the specific application of this part of the Act. To insure program continuity between LIHEAP & Weatherization for the many subgrantees operating both programs, the U.S. DOE Weatherization Assistance Program will follow the interpretation as adopted by HHS.

The primary area of confusion resides in the types of local agencies that are exempt/non-exempt from "status verification requirements." Local agencies that are both charitable and non-profit, which comprise about three-quarters of the local agency network, would be exempt. **However, those agencies which are designated as local government agencies operating the Weatherization Program would not be exempt; therefore, must conduct "status verification." Under the DOJ ruling, grantees subject to this ruling have two (2) years to fully implement this procedure after the publication date of the final rule. As of this date the final rule has not yet been issued.**

Also addressed in the LIHEAP-IM-98-25, is the issue of unqualified aliens residing in multi-family buildings. Since many LIHEAP grantees also use the DOE rules to implement their programs, HHS has adopted the 66 percent provision of the DOE regulations to address this issue. Under DOE rules, a multi-family building may be weatherized if 2/3 of the units are eligible for assistance (2 units in the case of a 2 or 4 unit building). HHS has modified the provision concerning citizenship verification in multi-family buildings. LIHEAP-IM-99-10 issued June 15, 1999, retracts any requirement that Weatherization Program providers **must** do any type of certification of citizenship in multi-family buildings.

## **2.02 Climatic Conditions**

The State of Oregon is comprised of two (2) basic climatic regions. Western Oregon (west of the Cascade Mountains) experiences a wetter climate, and has an average of approximately 4,500 heating degree-days. Eastern Oregon (east of the Cascade Mountains) experiences a drier, colder climate and averages close to 6,000 heating degree-days.

## **2.03 Weatherization Work**

Activities included in the weatherization of qualified homes will include measures allowed in the Oregon Single family and multi-family audit protocols and health and safety inspections. These activities will be guided by a DOE approved computerized audit and in accordance with the provisions of the Oregon Housing and Community Services Department's Site Built &

Mobile/Manufactured Homes Weatherization Specifications, or amendments to it. The actual installation of weatherization materials is specified in the above referenced documents.

Oregon has added LED lighting upgrades as an approved baseload measure. LED lighting upgrades must be determined cost effective using the USDOE approved audit tool using a measure life of 12 years based on a daily use of 3 hours. Any LED lighting installed must be Energy Star rated.

Housing units that were weatherized prior to September 30, 1994 may be "re-weatherized" using DOE funds. No unit weatherized after September 30, 1994 can be re-weatherized using DOE funds at this time. **DOE funds may not be used for call-backs or missed opportunities. Once a DOE funded project is reported as complete, only funds other than DOE funding can be utilized for this type of activity.**

DRAFT



# Oregon

Governor Kate Brown

## Housing and Community Services

North Mall Office Building  
725 Summer St NE, Suite B  
Salem, OR 97301-1266

PHONE: (503) 986-2000  
FAX: (503) 986-2020  
TTY: (503) 986-2100

**To:** Oregon State Housing Stability Council  
**From:** Teresa Pumala, Loan Officer; Heather Pate, Multifamily Housing Finance Section Manager  
**Date:** April 1, 2016  
**Re:** Woodland Park Apartments, conduit bond, HPF and LIWX funding request

### **BOND RECOMMENDED MOTION:**

**Move to approve Pass Through Revenue Bond Financing in an amount up to and not to exceed \$13,000,000 to Woodland Park Associates Limited Partnership for the acquisition and rehabilitation of Woodland Park Apartments, subject to the borrower meeting OHCS, JP Morgan Chase, and US Bancorp CDC underwriting and closing criteria, documentation satisfactory to legal counsel and Treasurer approval of the bond sale.**

**LOW INCOME WEATHERIZATION MOTION:** Move to approve Low Income Weatherization Grant funds to BRIDGE Housing Corporation for the rehabilitation of Woodland Park Apartments in an amount not to exceed the lesser of the amount the project is eligible for or **\$99,511**.

**HOUSING PRESERVATION MOTION:** Move to approve lottery backed bond Housing Preservation grant funds to BRIDGE Housing Corporation for the acquisition and rehabilitation of Woodland Park Apartments in an amount not to exceed the lesser of the amount the project is eligible for or **\$2,850,668**.

### **SUMMARY:**

<b><u>Project Sponsor</u></b>	BRIDGE Housing Corporation
<b><u>Property</u></b>	Woodland Park Apartments 280 SE 12 <sup>th</sup> Ave Hillsboro, OR
<b><u>Owner</u></b>	Woodland Park Associates Limited Partnership
<b><u>Description</u></b>	Woodland Park Apartments, originally built in 1980, is an existing 111-unit multifamily and senior property on 5.45 acres and located at 280 Southeast 12th Avenue, Hillsboro, 97123, Washington County, Oregon. All 111 of the units are subject to an existing HAP Contract. The property has 40 units that are restricted to senior and disabled households, while the remaining units are open to all income-qualifying households.
<b><u>Tax-exempt Bond</u></b>	<b>\$13,000,000</b> in tax-exempt conduit bonds, of which <b>\$5,000,000</b> will be short term and <b>\$8,000,000</b> will be long term



**Low Income Weatherization** \$99,511 in Low Income Weatherization funding to be used towards the rehabilitation of the project

**Housing Preservation Fund** \$2,850,668 in lottery backed bond Housing Preservation funding to be used towards the acquisition and rehabilitation of the project.

**Affordability**

FUNDING SOURCE	# OF UNITS	% INCOME	% RENTS	# OF YEARS
LIHTC/bond	104	50	50	30
	6	60	60	30
LIWX	55	60	n/a	60
HPF	110	80	n/a	60
OAHTC	104	50	50	20
	6	60	60	20

**Target Population** Elderly & Disabled

**Environmental Review** A thorough environmental review was completed and an appropriate O&M plan is in place for any negative findings

**Finance Committee Approval** March 15, 2016

**FINANCING STRUCTURE:**

**Construction Lender** JP Morgan Chase

**Permanent Lender** JP Morgan Chase

**General Contractor** Walsh Construction Company

**Equity Investor** US Bancorp Community Development Corporation

**Project Financing**

Sources		Uses	
<b>OHCS Sources:</b>			
Tax Exempt Bonds (Long Term)	\$8,000,000	Acquisition	\$8,232,977
Tax Exempt Bonds (Short Term)	\$5,000,000	Construction	\$6,177,134
Short Term Use of Bonds	(\$5,000,000)	Development	\$4,791,945
4% LIHTC Equity	\$6,744,177		
Low Income Weatherization	\$99,511		
Housing Preservation Fund	\$2,850,668		
<b>Non-OHCS Sources:</b>			
Deferred Developer Fee	\$914,000		
Existing Reserves	\$51,350		
Seller Financing	\$142,350		
Cash Flow During Rehab	\$400,000		

**TOTALS \$19,202,056**

**Bond Structure**

The bonds will be issued as short and long term debt with the bonds being purchased by JP Morgan Chase. The short term bonds of \$5,000,000 will be paid off with 4% tax credit equity at stabilization leaving a permanent bond of \$8,000,000 outstanding with JP Morgan Chase.

**Scope of Work (construction)**

- Improvements to roads and walkways, drainage systems and landscaping
- Improvements to siding and trim, exterior staircases, roofing, insulation
- Replacement of doors and windows
- Improvements to unit interiors including drywall, flooring, toilet and bath
- Replacement of appliances
- Improvements to cabinets and countertops
- Improvements to plumbing, HVAC and electrical

Per unit construction cost is **\$65,250**. Square footage cost is **\$75.07** per square foot total

**Developer Fee**

Total Developer Fee:                 \$1,905,000       11.01% (maximum allowed \$2,510,558 @ 15%)  
 Deferred Developer Fee:             \$ 914,000        repayment projected within 13 years  
 Cash Developer Fee:                 \$ 991,000        paid out based on % of project completion

**Tenant Relocation**

The sponsor is following the Uniform Relocation Assistance and Real Property Acquisitions Policies Act (URA). They have retained the services of DDV Consulting to assist them in adhering to the more stringent HUD policies and notices as required by the URA. The line item budget has been reviewed and was determined to provide adequate funding for tenant relocation.

The Project has budgeted \$493,000 for relocation assistance.

**Operating Budget**

Per IRC Section 42, the Sources, Uses and Operating Budget for this project have been reviewed. It has been determined that the Project is feasible and should remain financially viable for the tax credit affordability period.

Affordability Restrictions:

Unit Type	Number of Units	Percent Median Income as Adjusted for Family Size Will Not Exceed	Rents Not to Exceed the Following Percent of Median Income Described in the Most Current Table of LIHTC Program Rents Determined by OHCS
1 BR	48	50%	50%
2 BR	45	50%	50%
2 BR	3	60%	60%
3 BR	11	50%	50%
3 BR	3	60%	60%
3 BR	1	Manager	Manager

Operating Expenses:     \$5,297 PUPY (\$4,606 minus property taxes and services)

The operating expenses are within the range we would typically see for properties that do not have property tax exemptions.

Debt Coverage Ratio:

- First full year of operations 1.24 with OAHTC 1.11 without
- DCR at year end of loan term (year 20): 1.39 with OAHTC 1.24 without
- DCR at year 30: 1.24 (OAHTC expires at year 20)

The DCR is within our range of 1.15 to 1.35 and maintains a consistent DCR throughout the LIHTC affordability period.

### **Location, services, marketing and amenities**

The bond, LIWX and HPF programs are non-competitive and therefore Projects must meet only the minimum threshold program requirements and are not scored based on need and impact. The management agent and resident services plans have been reviewed and approved by OHCS Asset Management and Compliance.

Location:

The Project is located in central Hillsboro.

- Subject neighborhood is primarily residential consisting of single family and multifamily properties
- A light rail station is located to the north on the corner of SE 12th and Washington Street (.05 miles away)
- Located within .25 miles are banks, pharmacies and a park
- Located within .5 miles are churches, a hospital, schools, grocery store and library

Resident Services:

The bond, LIWX and 4% LIHTC programs are non-competitive and therefore Projects must meet only the minimum threshold requirements. The resident services plan has been reviewed and approved by AMC. Bridge has partnered with Bienestar, a nonprofit whose mission is to “build housing, hopes, and futures for the well-being of working families and seniors.” The shared services plan includes:

- Information and referral services
- After school homework clubs
- Summer lunch and fun
- Financial literacy classes
- GED preparation classes
- Culinary training
- Computer classes

AFFH Marketing:

The contracted property management staff is trained to meet Fair Housing requirements and the project will be marketed accordingly

Amenities:

- Clubhouse with meeting rooms
- Courtyard
- Basketball court
- Playground

### **Risks & Mitigating Factors**

There are no risks or mitigating factors as the Project is within OHCS guidelines and policies. Any exception to normal OHCS underwriting processes has been reviewed and approved by Finance Committee.

**Conclusion**

Based on the review of the Woodland Park Apartments application materials submitted by the sponsor, it is recommended that the motions on page **38** be approved. The approval will be contingent upon the satisfaction of the lender and equity investor's underwriting and closing requirements.

**Conduit Bond/4%LIHTC/Weatherization/HPF/OAHTC Application Request  
 March 15, 2016  
 Woodland Park Apartments**

**Project Sponsor:** Bridge Housing Corporation, 925 NW 19<sup>th</sup> Ave, Studio B, Portland, OR

**Property:** Woodland Park Apartments, 280 SE 12<sup>th</sup> Ave, Hillsboro, OR

**Owner:** Woodland Park Associates Limited Partnership

**Description:** Woodland Park Apartments, originally built in 1980, is an existing 111-unit multifamily and senior property on 5.45 acres and located at 280 Southeast 12th Avenue, Hillsboro, 97123, Washington County, Oregon. All 111 of the units are subject to an existing HAP Contract. The property has 40 units that are restricted to senior and disabled households, while the remaining units are open to all income-qualifying households.

**LIHTC Request:** **\$618,794** in annual allocation of Low Income Housing Tax Credits (equaling **\$6,744,177** net Investor proceeds to the project)

**Bond Request:** **\$13,000,000** in tax-exempt conduit bonds, of which **\$5,000,000** will be short term bonds and **\$8,000,000** will be long term

**LIWX Request:** **\$99,511** in Low Income Weatherization funding to be used towards the rehabilitation of the project

**OAHTC Request:** **\$2,500,000** in Oregon Affordable Housing Tax Credits to be used for the reduction of the interest rates on both the construction and permanent debt.

**HPF Request:** **\$2,850,668** in lottery backed bonds Housing Preservation Funds

**Affordability:**

FUNDING SOURCE	# OF UNITS	% INCOME	% RENTS	# OF YEARS
LIHTC/bond	104	50	50	30
	6	60	60	30
LIWX	55	60	n/a	60
HPF	110	80	n/a	60
OAHTC	104	50	50	20
	6	60	60	20

**Target Population:** Elderly & Disabled, family & workforce housing

**LIHTC RECOMMENDED MOTION:** Move to recommend to the Director the approval of a reservation of 4% Low Income Tax Credits to Woodland Park Associates Limited Partnership for the acquisition and

rehabilitation of Woodland Park Apartments in an amount not to exceed the lesser of the amount the project is eligible to receive or \$618,794 in annual allocation.

**BOND RECOMMENDED MOTION:** Move to recommend to the Director to move forward to Housing Stability Council approval of Pass Through Revenue Bond Financing in an amount up to and not to exceed \$13,000,000 to Woodland Park Associates Limited Partnership for the acquisition and rehabilitation of Woodland Park Apartments, subject to the borrower meeting OHCS, JP Morgan Chase and US Bank underwriting and closing criteria and documentation satisfactory to legal counsel and Treasurer approval for the bond sale.

**WEATHERIZATION RECOMMENDED MOTION:** Move to recommend to the Director the approval of a reservation of a Low Income Weatherization Fund grant in an amount not to exceed the lesser of the eligible weatherization components or \$99,511, to Bridge Housing Corporation for the rehabilitation of Woodland Park Apartments.

**OAHTC RECOMMENDED MOTION:** Move to recommend to the Director the approval of a reservation of Oregon Affordable Housing Tax Credits to Woodland Park Associates Limited Partnership for the acquisition and rehabilitation of Woodland Park Apartments in an amount not to exceed the lesser of the amount the project is eligible to receive or \$2,500,000.

**HPF RECOMMENDED MOTION:** Move to recommend to the Director to move forward to Housing Stability Council approval of lottery backed bond Housing Preservation Grant funds to Bridge Housing Corporation for the acquisition and rehabilitation of Woodland Park Apartments in an amount not to exceed the lesser of the amount the project is eligible to receive or \$2,850,668.

*From 2015 NOFA already approved*

**Finance Committee Date:** March 15, 2016

**Submitted by:** Teresa Pumala, Loan Officer

**Finance committee Meeting:**

**Voting to Approve:**

**Voting to Decline:**

**Absent:**

✓  
        
      

*Julie V. Cody*  
Julie V. Cody, Finance Committee Chair

3.16.16  
Date

*Margaret S. Van Vliet*  
Margaret S. Van Vliet, Director

3.17.16  
Date



# Oregon

Governor Kate Brown

## Housing and Community Services

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[www.ohcs.oregon.gov](http://www.ohcs.oregon.gov)

Date: April 1, 2016  
To: Housing Stability Council  
Margaret S. Van Vliet, Director  
From: Heather Pate, Multifamily Section Manager  
Re: \$20 Million Mental Health Funds

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### Background

The 2015 Legislature added a note to Oregon Housing and Community Services (OHCS) budget for \$20 million in proceeds from lottery-backed bonds to be used for housing development. The budget note directs OHCS and the Oregon Health Authority (OHA) to partner in awarding these funds to projects that will target individuals with Serious Mental Illness or Addiction disorders.

The note directed OHA to hold a stakeholder workgroup that would be responsible for providing OHCS with recommendations on project priorities. The workgroup met in September and OHA provided OHCS with a list of recommendations in November 2015.

The recommendations are as follows:

1. Types of housing to be funded:
  - a. Supported Housing serving individuals with a mental health disability or addictions disorder. Supported Housing is permanent housing with tenancy rights and support services that enables people to attain and maintain integrated affordable housing. Support services offered to people living in supported housing are flexible and are available as needed and desired, but are not mandated as a condition of obtaining tenancy, with no more than 20% of the units being occupied by individuals with a disability known to the State.
  - b. Supportive housing serving individuals with a mental health disability or addictions disorder, occupancy may be permanent or transitional.
  - c. Crisis respite for individuals with a mental health disability.
2. Community Need: OHA is looking at ways to incorporate demonstrated community need into the application process.
3. Funding allocations for each housing type:
  - a. Supported Housing (mental health) \$5 million
  - Metro Set-Aside (mental health) \$5 million



- b. Supported Housing (addictions disorder)      \$5 million
  - c. Supportive Housing/Transitional Housing      \$2.5 million
  - d. Crisis Respite Housing                              \$2.5 million
4. Funding limits: Funding amount should be prorated based on the number of eligible units and the total number of units in the project. Therefore the maximum funding to a single project is equal to 20% of development costs, or up to 30% for small projects five (5) units or less.
5. Site control should not be considered as a threshold requirement. Proposals will receive additional points for having site control as it demonstrates readiness to proceed.
6. Geographic distribution is expected. No means described, just is expected.
7. Community commitment and support: All proposals must have letters of commitment from the local Community Mental Health Programs (CMHP) and the Coordinated Care Organizations (CCO) serving the region where the project will be located, that outlines their support for the project and how they intent to partner with the applicant to provide service coordination.
- Proposals for addictions disorders must include a letter from the Local Alcohol and Drug Planning Council (LADPC), outlining their support for the project and their role in facilitating service coordination.
- Commitment letters demonstrating strong, multi-layered partnerships will receive additional points.
- A narrative question requiring applicants to demonstrate community support including partnerships and linkages will be included.
8. Affordability: 30 years affordability which is in line with Health Systems Division standards.

### Next Steps

OHCS staff is working on the Notice of Funding Availability (NOFA) and the scoring methodology in collaboration with OHA. OHA is continuing to work on the data sets that will be utilized to determine need within the community. All of this work will go through the Steering Committee comprised of OHSC and OHA leadership for review.

The NOFA, NOFA instructions, all forms related to this funding opportunity, and the scoring methodology are slated to be reviewed in late May by the Attorney General with the release date in mid-June. We are currently anticipating having the award recommendations before the Housing Stability Council in November or December 2016.



Date: April 1, 2016  
To: Housing Stability Council Members  
From: Margaret S. Van Vliet, Director  
Re: LIFT Program Follow-up

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**MOTION: Housing Stability Council approves the attached LIFT Program Design Framework and authorizes OHCS to move forward with implementation.**

The Oregon Legislature's creation of the \$40 million Local Innovation and Fast Track (LIFT) program in the 2015 session was strengthened by the passage of Senate Bill 1582 in the 2016 session. As you'll recall, SB 1582 provides that the Housing Stability Council provide advice and oversight on program design and implementation. It's in this context that we are seeking your approval of the Program Design Framework.

At your March 4 meeting, you reviewed our draft and requested additional work on four issues. These issues are:

1. The proposed LIFT subsidy per unit cap
2. Data elements used to measure need and give preference to counties
3. The definition of "rural" community
4. The partnership with Oregon's Department of Human Services (DHS)

This memo will summarize our work and analysis over the last month, and our rationale for putting forward the Program Design Framework with minimal changes.

### **1. LIFT subsidy per unit cap**

Throughout both the 2015 and 2016 sessions, the legislative intent has been clear that a key policy goal of LIFT centers on maximizing production and driving down the cost of producing affordable housing as compared to our traditional financing mechanisms. House Speaker Tina Kotek provided further guidance along these lines in her letter to me and the subcommittee (copy attached) regarding LIFT in January of this year.

Relying on work of the financial structuring subcommittee, OHCS staff put forward the recommendation for a \$32,000 per unit cap, which is less than what OHCS traditionally provides for multifamily projects financed with federal tax credits. At this level of subsidy, the program's available resources of \$40 million would produce 1,250 new units of affordable housing.

Council members expressed concern about the proposed per-unit subsidy cap potentially being too restrictive, and asked us to conduct more financial modeling on this amount with the goal of

possibly raising the cap. One of your discussion points centered on a desire to avoid the risk of not having enough applications to utilize the whole \$40 million.

Staff has done a limited amount of additional due diligence and modeling, and this work continues to confirm that capital subsidy at the \$32,000 per unit level will be challenging – though certainly not impossible - especially for our traditional development partners. The big variables which drive the need for capital subsidy – land prices, construction costs, indirect (“soft”) development costs, and operating expenses – all continue to trend upward. And we know that some of our development partners have expressed concern that they wouldn’t be able to present a proposal seeking just \$32,000 per unit. There is plenty of reason to consider a higher number.

And yet, after due consideration, we believe we should hold firm to the \$32,000 number we put forward in January. There is no question that this will be a stretch, but there are scenarios where it works: when land is donated or inexpensive; when construction costs are below average; where capital subsidy is available from the local jurisdiction or another source; when the product is manufactured housing, tiny houses, or some other innovation.

Is there risk that we won’t get enough proposals to spend the entire \$40 million? Yes. But if that turns out to be the case, then we will only sell the amount of bonds for which we have viable proposals, and we will be able in good faith to say back to the Legislature that we tried to keep the public subsidy very low and it didn’t work.

If we don’t try, and we fail to engage non-traditional builders and developers doing small-scale housing development without public subsidy, then we will have missed an opportunity. If we set a maximum that looks more like what our industry is accustomed to seeing, we can expect proposals to come in at that amount, and we will risk not having used this unique opportunity to drive innovation and true cost containment.

The Program Design Framework before you recommends keeping the maximum per-unit LIFT subsidy at \$32,000.

## **2. Need Formula**

The LIFT Program Design Framework sets out an allocation methodology as follows:

- 50% of the funds will be allocated to Rural Communities; and
- 50% of the funds will be allocated to prioritize serving Communities of Color.
- OHCS will seek to have geographic diversity when awarding projects.

The Policy Subcommittee recommended creating a county-by-county formula and ranking that is based on:

- Nonwhite and Hispanic poverty rate;
- Family poverty rate;
- Child abuse and neglect victim rate; and
- Extremely low income households with severe housing problems.

The formula will provide that projects in those counties that have a higher need ranking will receive more points in the scoring process. Projects from all counties will be considered, but the scoring process will give greater consideration to those projects in higher need counties. A map is attached that shows how all 36 counties rank when utilizing the recommended need formula.

At your March meeting you asked us to evaluate whether there is any childhood trauma data that could be considered in the formula. While we did find sources of childhood trauma data none of them provide data at the county level. Based on this, and the quality of the work performed by the policy subcommittee, plus the fact that there is likely a strong correlation between poverty and the other measures used in the formula with childhood trauma, we are not recommending a change to the need formula in the Program Design Framework.

### **3. “Rural Communities” definition**

In the current LIFT Program Framework, Rural Community is defined as any community with a population of 25,000 or less that is located outside of the Portland Urban Growth Boundary. This definition was provided to OHCS by Governor Brown as a way to ensure that those small Oregon towns and cities that have still not recovered from the recession, and that have greater challenges attracting builders and developers of housing for any population, get special consideration with this new program.

At your March meeting we discussed the possibility of raising the population cap to be able to include cities with populations up to 40,000. Doing so would add the communities of Grants Pass, McMinnville, and Redmond to the eligible pool.

Staff analyzed and discussed the tradeoffs. Certainly there are advantages to expanding the definition, including stronger access to supportive services for DHS clients, more contractors and builders, and the general business infrastructure needed for successful operation of rental property.

That said, the smallest communities that are arguably “most rural” are struggling more. The current population table is attached. Note that at a 25,000 population cap, we include Roseburg, Tillamook, Madras, Central Point, Coos Bay, La Grande and many more spanning the entire geography of Oregon. We may not receive many proposals from these small towns. But if they have to compete with Grants Pass, McMinnville and Redmond we will have missed an opportunity to truly take up the rural charge. We also know and have discussed extensively that this funding source will not be able to meet the wide range of needs our state is facing, and it is imperative that we prioritize in order to test strategies and try to prioritize receiving proposals from communities which have historically been underserved.

The Program Design Framework retains the 25,000 population level as the definition of “Rural Communities.”

#### **4. Strategies for involving the Department of Human Services (DHS)**

One of Governor Brown's goals for LIFT (besides emphasizing traditionally under-served rural communities, and communities of color) is to seek ways that families in the child welfare and self-sufficiency programs of Oregon's Department of Human Services can gain access to the new housing. There are obvious policy and outcome benefits to OHCS and DHS partnering to achieve this, and the Council has previously discussed the importance of aligning our work across state government. DHS officials were active participants in the policy subcommittee, and our work at the senior staff level continues as we move towards implementation. In addition,

- DHS will have an active role in outreach including representation from its district offices at any meetings being held to discuss the program and garner interest for local developers.
- DHS will be working with OHCS to determine the best way to place DHS clients into dedicated units that will ensure that traditional barriers (poor credit or rental history, for example) to tenancy are mitigated.
- OHCS will convene developers and property owners/managers experienced in working with DHS clients to gain the benefit of past experience as we look to operationalize this policy objective.
- DHS will have representation on the scoring committee.

Staff will continue to keep the Housing Stability Council apprised of developments in this arena, and any policy or implementation changes we may need to consider over time. We are aware that linking these populations with LIFT-created housing will be challenging, but like the other challenges inherent in this program, we will make best efforts to meet the challenge because the potential payoff is great.

#### **Conclusion:**

Successful implementation of LIFT will be challenging, but OHCS staff is optimistic that we've created a framework that will attract a variety of developers and new partnerships and create much needed affordable housing for families throughout Oregon. We know that not every project will be able to meet all the aspirational policy objectives, but we believe that the pathways we've created will be inviting to communities, and that we will benefit from knowing how far and how fast we can drive innovation and new models of producing housing aided by state government. We have much work to do in the coming weeks and months to ensure we've communicated effectively, encouraged and supported strong partnerships where they don't currently exist, and refined the details of soliciting and selecting a slate of solid projects. We appreciate the strong advice of the Housing Stability Council, and look forward to updating you and gaining the benefit of your perspective and wisdom throughout implementation.

**Attachments: Updated LIFT Program Design Framework**  
**Letter from House Speaker Tina Kotek to Director Margaret Van Vliet**  
**Needs Map by County**  
**Population data for Oregon cities**

# Housing Stability Council

## LIFT Program Design Framework DRAFT

January 28 ~~April 1~~, 2016



The Local Innovation and Fast Track (LIFT) Housing Program's objective is to build new affordable housing for low income households, especially families. In 2015, the Oregon Legislature committed \$40 million of general obligation Article XI-Q bonds to fund the program, a new source of affordable housing dollars. Using this new flexible funding source will allow Oregon Housing and Community Services and its partners to test innovative strategies and create a modern model of affordable housing development, building upon years of experience, expertise, and success.

Oregon Housing and Community Services (OHCS) has been working with the Housing Stability Council to develop a plan to efficiently use the newly committed funds and maximize the impact it will have in communities across the state. Key to LIFT program design was identifying an effective way to use the Article XI-Q bond funding for housing development; these funds require the state to own or operate any real property development that utilizes this resource which is not usually done with housing development investments historically made by the state. In August 2015, the Housing Stability Council created two sub-committees to develop recommendations. . The following LIFT Program Design Framework has been developed by OHCS using the input and feedback from the assembled Policy and Financial sub-committees to create the most efficient, responsive, and impactful program using the identified Article XI-Q bond funds.

### Program Outcome and Output Goals:

Given direction provided through the legislative process, the stakeholder process, and guidance from Governor Brown, OHCS hopes to achieve several outcome and output goals related to the type and number of units produced, as well as the expected outcomes for the households who will live in the units:

1. More affordable rental housing units available in rural communities with population under 25,000.
2. More affordable rental housing units available that serve communities of color.
3. Vulnerable households are stabilized, measured through:
  - a. Length of time a household lives in a LIFT housing unit.
  - b. Number of moves residents had in the previous 12 months.
  - c. Measures specific to families referred through DHS:
    - i. Re-abuse / Re-entry rates for the families in the child welfare system.
    - ii. ~~To be determined measure related to families on TANF~~ Month of sustained employment.
4. Innovative and replicable cost containment strategies developed and implemented.
5. Units available as quickly as possible.

# Housing Stability Council

## LIFT Program Design Framework DRAFT

~~January 28~~ April 1, 2016

6. Increase in affordable housing inventory by a least 1,250 units\*.

### Program Framework

OHCS will utilize the following framework to determine funding allocation between identified priority populations and funding paths. OHCS will utilize a “soft set-aside” meaning that these percentages will be flexible depending on applications received and dollars requested:

1. LIFT funds allocation methodology

- a. 50% of the funds will be allocated to rural communities, which are limited to either:

- i. Communities with population under 25,000 outside of the Portland Metro Urban Growth Boundary.

- b. 50% of the funds will be allocated to prioritize serving communities of color, which should include:

- i. A project that is sited to prioritize housing opportunity for communities of color by serving to prevent or address displacement.
  - ii. A demonstrated partnership with a culturally specific organization through an executed Memorandum of Understanding or an organization with diverse and representative leadership. The developer will also have a marketing and outreach plan designed to publicize to communities of color the availability of these housing opportunities and affirmatively further fair housing.

- c. OHCS will seek to have geographic diversity when awarding projects.

2. LIFT funding paths

- a. OHCS will have a target of 50% of funds for each of two potential focuses. OHCS will allow flexibility depending on applications received. The two focuses are:

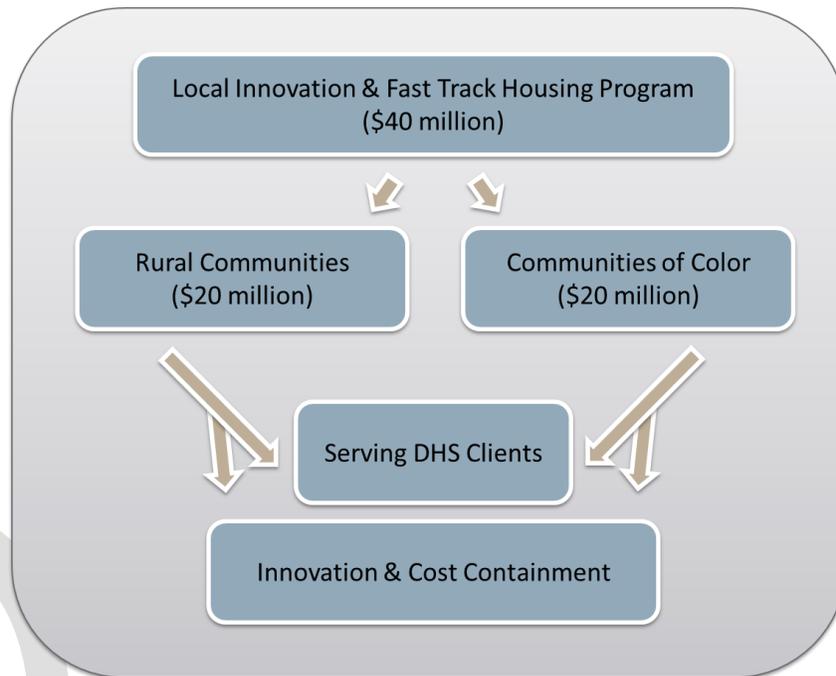
- i. Forming partnerships with Oregon Department of Human Services district offices in order to serve program participants, namely those in Child Welfare or Self-Sufficiency (TANF) Programs.

- ii. Innovation and cost containment. This includes the use of alternative construction methodologies, new construction strategies, substantial cost containment in traditional affordable housing development, or other strategies with demonstrated impact.

# Housing Stability Council

## LIFT Program Design Framework DRAFT

~~January 28~~ April 1, 2016



3. Solicitation for projects will be conducted through a streamlined competitive notice of funding availability.
  - a. All applications would need to meet the stated minimum requirements.
  - b. A scoring committee made up of OHCS staff, DHS staff, and representatives from communities of color, rural communities, and affordable housing experts would be assembled to review all applications that have met the minimum requirements.
  - c. Projects would then be ranked within each allocated pool of funds based on selection criteria within the funding program targets.
  - d. The scoring committee would provide a funding recommendation to the OHCS Director.
  - e. The OHCS Director would make a final funding recommendation to the Housing Stability Council for approval of projects, including the level of funds for each project.

# Housing Stability Council

## LIFT Program Design Framework DRAFT

~~January 28~~April 1, 2016

### Minimum Requirements (all paths):

All projects must meet the following minimum requirements to be reviewed. In many criteria, OHCS will have a preference for exceeding these minimum requirements. Additional information about preferences follows this section.

1. Maximum LIFT subsidy per unit: \$32,000
  - a. OHCS does not intend to contribute other state grant resources. If an applicant wishes to, they may pursue using 4% Low Income Housing Tax Credits if the project can support it and the added costs are reasonable.
2. Minimum affordability period of 20 years from the time the project is placed in service, or the length of time the Article XI Q Bonds are outstanding, whichever is longer.
3. 100% of the newly constructed units financed with Article XI Q Bonds will be available for households earning at or below 60% area median income at the time of initial lease. Tenants may stay in their unit regardless of future income. If a project is structured to serve mixed income residents, including units targeting households with incomes greater than 60% AMI, OHCS will establish a next available unit rule and rules regarding rents for low income tenants who become over-income. This will ensure that the number of affordable units OHCS invested in will remain affordable during the affordability period.
4. Maximum rents allowable for 100% of the units financed with Article XI Q Bonds will be based on 60% HUD Area Median Income.
5. Minimum Construction Standards:
  - a. Methods: both traditional and alternative methods of construction are allowable, construction which is innovative or contains costs is encouraged.
  - b. Quality: Construction that balances initial cost of building with on-going cost of operation for both the building owner and the tenants (energy standards); ensuring that additional costs are not passed on to tenants.
  - c. Durability: 30 year building standards.
  - d. Other Requirements: Based on rules and regulations of other programs and/or funding sources brought to the project to cover the cost of construction and/or provide on-going operating subsidy.
6. Units to be sited, planned, permitted, constructed, and ready for initial lease-up within 30 months of LIFT funding reservation.

# Housing Stability Council

## LIFT Program Design Framework DRAFT

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7. Development team which includes experience with the development and operation of affordable housing, and target tenant population; and knowledge of proposed innovative housing strategies.
8. Underwriting guidelines will be adopted in order to manage the risk of ownership or operation and anticipate minimum requirements of other potential funding sources. Such guidelines will include matters such as loan-to-value, debt coverage, expense ratios, and reserve requirements.
9. Development work compensation through a developer fee will be at a rate less than allowed through federal tax credit projects in the spirit of cost containment.
10. Compliance monitoring throughout the period of affordability will be minimal while managing risk to the State. It will include:
  - a. Initial household income verification;
  - b. Annual income verification through self-certification. If a project is structured to serve mixed incomes, including units for households earning above 60% AMI;
  - c. Risk-based physical inspections 1-3 years based on property condition; and
  - d. Other Requirements: Based on rules and regulations of other programs, funding sources brought to the project to cover the cost of construction, and provide on-going operating subsidy.
11. Fulfilling the requirements of the Article XI Q Bonds will occur either through adopting a structure to ensure OHCS functions as either the owner or operator of the property. We have identified two structures which satisfy these requirements:
  - a. Operational structure:
    - i. The State of Oregon, by and through Oregon Housing and Community Services (OHCS), would be a limited partner or member, or special limited partner, or member of a single asset entity Limited Partnership, or a Limited Liability Corporation.
    - ii. OHCS would be provided certain rights over including but not limited to the hiring and firing of the property management firm, setting of rents, initial lease up, and use of reserves.
    - iii. In order to ensure OHCS' contribution to the project is structured appropriately to meet the legal and tax definitions of equity, LIFT funds will go into the project as a limited partner equity contribution. This structure will require OHCS to articulate an exit strategy. The exit

# Housing Stability Council

## LIFT Program Design Framework DRAFT

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strategy will be utilized at a point in the future, after the initial affordability period, at which time OHCS will step out of the ownership and operations of the project.

b. Ownership (Fee Simple) structure:

- i. The State of Oregon, by and through OHCS, would utilize Article XI Q Bonds to purchase land on which a multifamily affordable project would be built.
- ii. OHCS would enter into a long term ground lease with the sponsor of the multifamily affordable housing project.
- iii. The land lease would not be subordinated to a lender, investor, or other party in the multifamily affordable housing project.

### Selection Criteria (all paths):

Projects that meet or exceed the above minimum requirements will be ranked based on clearly laid out selection criteria, which will be further developed in the solicitation. Below are some initial selection criteria:

1. Projects serving the lowest average area median income households at the lowest average area median income rents to the tenants.
2. Lower LIFT subsidy per unit.
3. Preference to projects with the shortest development period, (units to be sited, planned, permitted, constructed, and ready for initial lease-up); less than the minimum threshold of 30 months.
4. Plans to address equity and diversity in the project through the use of Minority, Women and Emerging Small Business (MWESB) contracting, sub-contracting, and professional services.
5. Documented partnerships with one or more of the following: DHS field office, local Public Housing Authority, Community Action Agency, culturally specific service providers, and/or other service providers to provide rental assistance and/or appropriate and culturally responsive resident services to the proposed project that meet the needs of the identified target population at little or no cost to the project operations.

# Housing Stability Council

## LIFT Program Design Framework DRAFT

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### **Additional Minimum Requirements: Serving DHS Clients**

For projects which chose to serve DHS clients either in the Child Welfare or TANF systems, the projects must also meet the following minimum requirements:

1. Ability to serve DHS tenants earning 0-60% median income. The project must set aside the greater of 10% of the units or 5 units in a project. This can be done through a local commitment from a Public Housing Authority for Housing Choice (HUD Section 8) vouchers, another source of long term rent assistance, or the ability to establish project rents where the DHS client pays up to 30% of their income until they reach 60% AMI.

### **Additional Selection Criteria: Serving DHS clients**

1. Located in communities with high needs. Subcommittees are recommending a formula to determine community need based on the following factors: nonwhite and Hispanic poverty rate, family poverty rate, child abuse and neglect victim rate, extremely low income households with severe housing problems, ~~and areas of high needs as identified by DHS based on caseload.~~
2. Ability to serve DHS clients earning 0-60% median income in more than the required 10% of units.
3. Local partnerships and support for clients as they move out of DHS programs.
4. Location near community colleges, schools, employment.
5. Flexible resident screening criteria in order to remove barriers for DHS clients.

### **Additional Minimum Requirements: Innovation and Cost Containment**

For projects that chose to meet the innovation or cost containment requirement, they must meet the following additional minimum requirements:

1. Cost containment target for total development cost, excluding land and additional costs associated with OHCS ownership or operating structure, not to exceed industry costs of market development based on the per square foot cost as reported in RS Means data, based on location and project type.

### **Additional Selection Criteria: Innovation and Cost Containment**

1. Located in communities with high needs. Subcommittees are recommending a formula to determine community need based on the following factors: nonwhite and Hispanic

# Housing Stability Council

## LIFT Program Design Framework DRAFT

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poverty rate, family poverty rate, child abuse and neglect victim rate, and extremely low income households with severe housing problems.

2. Lower total development cost per square foot, excluding land and costs associated with OHCS ownership or operating structure in comparison to the per square foot cost as reported in RS Means data, based on location and project type.
3. Demonstration of innovative building design or innovative alternative construction methodology, a development strategy to lower costs, and/or to provide the housing resource in an expedited timeline.
4. Demonstrated efficiency and replicability of building development strategy.
5. Ability to serve lower incomes (30% of AMI up to 50% of AMI) and provide such units to DHS clients at initial lease-up.

DRAFT



HOUSE OF REPRESENTATIVES  
SPEAKER OF THE HOUSE

January 12, 2016

Margaret Van Vliet, Director  
Oregon Housing and Community Services  
725 Summer Street NE, Suite B  
Salem, OR 97301

Dear Director Van Vliet,

Thank you for your hard work and dedication since the end of the 2015 session to create the implementation framework for the Local Innovation and Fast Track (LIFT) Housing Program. The success of this program is important to addressing the serious affordable housing shortage Oregon faces. This month I know you will be working with your staff and with the LIFT subcommittees to refine details of the program in preparation for the upcoming session. Accordingly, I would like to share a few thoughts at this critical juncture.

We have an unprecedented housing crisis that demands new ways of doing business in order to meet the needs of Oregonians. The resources that will be available through LIFT have the potential to expedite needed affordable housing construction at a time when we cannot simply wait for projects to happen. We know it will take at least a decade to put our supply of affordable housing back on track. All these things require that the program be as efficient and cost-effective as possible. Ideally, LIFT will demonstrate success, become a significant part of the state's effort to help communities meet their affordable housing needs, and expand accordingly through additional, ongoing bonding.

Please consider the following program elements that could be critical to the success of LIFT:

- Limiting the per-unit cost in order to build the most units possible with the resources available, while maintaining quality and durability.
- Streamlining the application and development process to reduce administrative and soft costs, including not funding projects that rely on a federal tax credit component.
- Establishing a list of pre-approved developers with successful development and compliance track records who can then be deployed to get projects completed in targeted communities.
- Capping development fees at 10% to reduce overall project costs.
- Providing an exemption from standard public disclosure for land acquisition efforts in order to keep purchase costs reasonable.

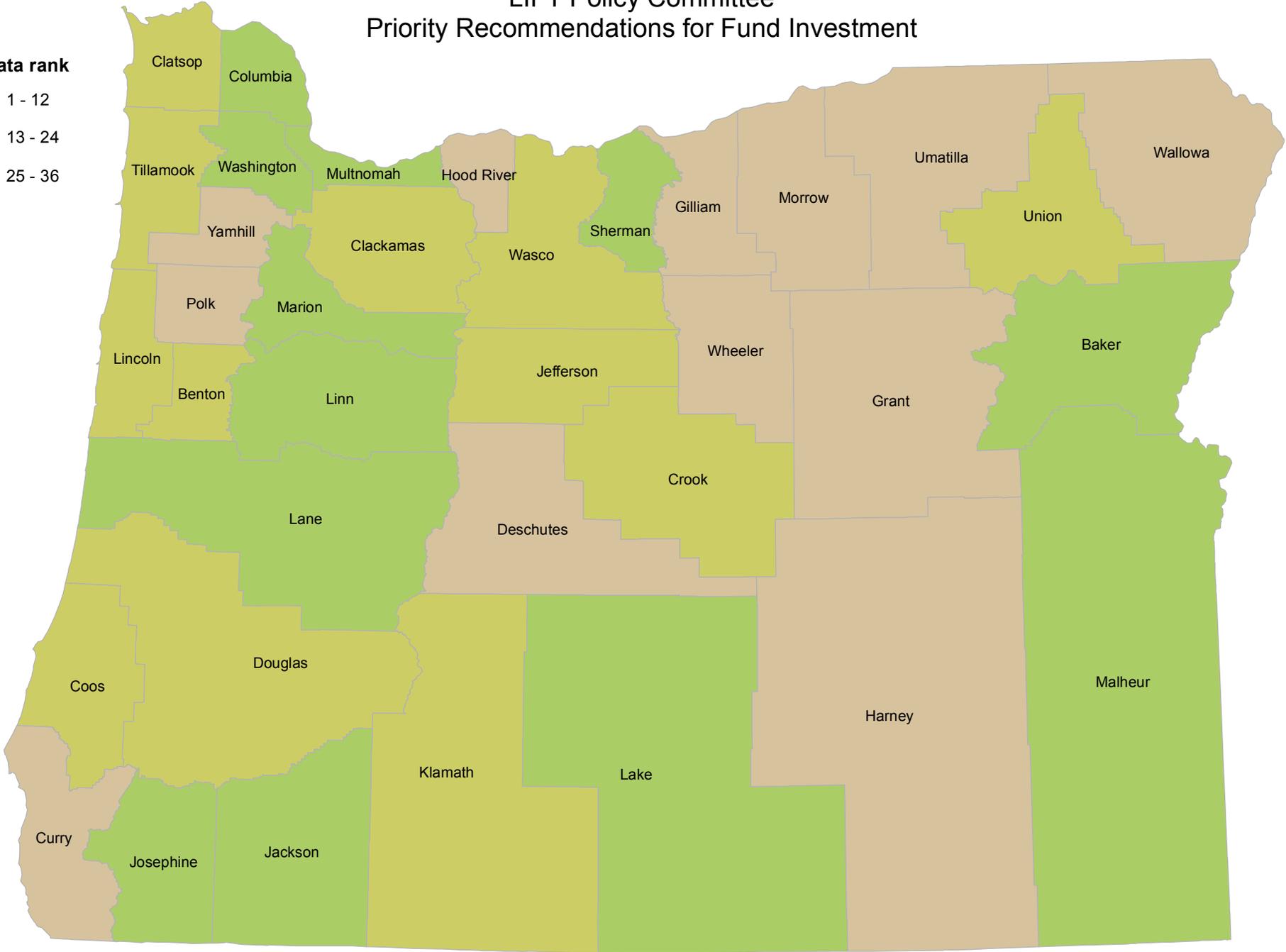
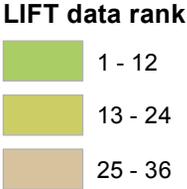
Ultimately, remaining committed to creative and innovative ideas will be key to the program's long-term success. Oregon's affordable housing needs look different in different communities. LIFT should be utilized to address the unique situation in each locality.

I look forward to working with you in the upcoming session to support the LIFT Program. Thank you again for your commitment to ending Oregon's housing crisis.

Sincerely,

State Representative Tina Kotek  
Speaker of the House

# LIFT Policy Committee Priority Recommendations for Fund Investment



**Rank of Incorporated Cities and Towns by July 1, 2015 Population Size**  
**Population Research Center, PSU, 12/15/2015**

City	Pop	City	Pop	City	Pop	City	Pop	City	Pop
Portland	613,355	Monmouth	9,640	Sublimity	2,755	Lyons	1,160	Haines	415
Eugene	163,400	Astoria	9,580	Dayton	2,590	Athena	1,140	Wheeler	405
Salem	160,690	Prineville	9,385	Gervais	2,555	Port Orford	1,140	Adams	370
Gresham	107,065	Sweet Home	9,090	Myrtle Point	2,525	Joseph	1,095	Scotts Mills	365
Hillsboro	97,480	Fairview	8,940	Lakeview	2,300	Yamhill	1,070	Ione	330
Beaverton	94,215	Molalla	8,940	Sisters	2,280	Lowell	1,065	Moro	325
Bend	81,310	Independence	8,775	Gold Beach	2,275	Yoncalla	1,060	Sodaville	325
Medford	77,655	Eagle Point	8,695	Rogue River	2,175	Coburg	1,055	Imbler	305
Springfield	60,135	Florence	8,620	Union	2,150	Island City	1,025	Halfway	290
Corvallis	57,390	Lincoln City	8,485	Carlton	2,125	Donald	980	Nehalem	280
Albany	51,670	Sutherlin	7,975	Stanfield	2,125	Aurora	950	Rufus	280
Tigard	49,280	Stayton	7,725	Waldport	2,075	Falls City	950	Lexington	255
Lake Oswego	37,300	Hood River	7,685	Vernonia	2,065	Oakland	940	Westfir	255
Keizer	36,985	Milton-Freewater	7,070	Willamina	2,045	Halsey	915	Paisley	245
Grants Pass	36,465	Umatilla	7,060	North Plains	2,015	Prairie City	910	Ukiah	245
Oregon City	33,940	Scappoose	6,745	Columbia City	1,955	Glendale	875	Waterloo	230
McMinnville	33,080	Seaside	6,585	Enterprise	1,940	Scio	850	Lostine	215
Redmond	27,050	Brookings	6,565	Irrigon	1,930	Adair Village	845	Seneca	215
Tualatin	26,590	Talent	6,270	Turner	1,920	Merrill	840	Detroit	210
West Linn	25,605	Madras	6,265	Cave Junction	1,910	Malin	815	Elkton	205
Woodburn	24,670	Sheridan	6,115	Canyonville	1,905	Wallowa	810	Sumpter	205
Forest Grove	23,080	Junction City	5,870	Rainier	1,905	Garibaldi	790	Helix	195
Newberg	22,900	Winston	5,410	Durham	1,880	Maywood Park	750	Long Creek	195
Wilsonville	22,870	Warrenton	5,175	Vale	1,875	Chiloquin	735	Adrian	180
Roseburg	22,500	Creswell	5,125	Mill City	1,855	Yachats	725	Jordan Valley	175
Klamath Falls	21,580	Tillamook	4,900	Banks	1,775	Metolius	710	Richland	175
Milwaukie	20,505	Veneta	4,700	Clatskanie	1,750	Canyon City	705	Grass Valley	165
Ashland	20,405	Philomath	4,650	John Day	1,735	Echo	705	Spray	160
Sherwood	19,080	Phoenix	4,585	Elgin	1,730	Condon	695	Dayville	150
Hermiston	17,520	Reedsport	4,150	Cannon Beach	1,705	Powers	695	Idanha	140
Happy Valley	17,510	Aumsville	3,945	Lakeside	1,705	Weston	685	Barlow	135
Central Point	17,485	Wood Village	3,910	Brownsville	1,690	Gaston	640	Summerville	135
Pendleton	16,845	Lafayette	3,905	La Pine	1,670	Manzanita	620	Mitchell	130
Coos Bay	16,470	Coquille	3,870	Amity	1,620	Monroe	620	Monument	130
Troutdale	16,020	Harrisburg	3,645	Millersburg	1,620	Arlington	605	Unity	75
Canby	16,010	Boardman	3,505	Hines	1,560	Dufur	605	Prescott	55
Lebanon	15,740	Toledo	3,490	Pilot Rock	1,505	Johnson City	565	Antelope	50
Dallas	15,040	Myrtle Creek	3,480	Gearhart	1,480	Cove	550	Granite	40
The Dalles	14,515	King City	3,425	Depoe Bay	1,420	Mt. Vernon	525	Shaniko	35
La Grande	13,165	Mt. Angel	3,410	Culver	1,395	Rivergrove	495	Lonerock	20
St. Helens	13,095	Nyssa	3,285	Rockaway Beach	1,335	Gates	485	Greenhorn	2
Cornelius	11,900	Oakridge	3,240	Bay City	1,320	Fossil	475		
Gladstone	11,505	Hubbard	3,225	Dunes City	1,315	Bonanza	455		
Ontario	11,465	Dundee	3,185	Heppner	1,295	Huntington	445		
Damascus	10,625	Jefferson	3,165	Siletz	1,235	Mosier	445		
Sandy	10,395	Bandon	3,105	Cascade Locks	1,225	North Powder	445		
Newport	10,165	Estacada	3,085	Gold Hill	1,220	Butte Falls	430		
Baker City	9,890	Shady Cove	3,025	Tangent	1,200	Maupin	425		
Cottage Grove	9,875	Jacksonville	2,880	Riddle	1,185	St. Paul	425		
North Bend	9,755	Burns	2,830	Drain	1,160	Wasco	420		

Prepared by Population  
 Research Center College of  
 Urban and Public Affairs  
 For Portland State  
 University, 12/15/2015



# Oregon

Governor Kate Brown

## Housing and Community Services

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Date: April 1, 2016  
To: Housing Stability Council Members  
Margaret S. Van Vliet Director  
From: Julie V. Cody, Assistant Director Housing Finance  
Re: 2016, 2017 and 2018 Estimated Multifamily Gap Resources

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**MOTION: Housing Stability Council gives its approval of the gap fund allocation as presented [OR with specified revisions].**

At the March Housing Stability Council meeting, I provided you with an overview of the estimated multifamily gap resources that will be available in 2016, 2017 and 2018. This overview gave you context as to the level of gap funding resources that OHCS collects or is granted on an annual basis.

Based on your feedback in March, staff has developed a recommendation that would allocate the anticipated gap resources for 2016, 2017 and 2018 which will be presented to you at the April meeting. To provide more predictability and transparency to our stakeholders it has been determined that a forward look at our available gap resources is the best way to accomplish those goals.

### **Gap Resources Review**

As you are well aware, there are various programs and funding streams that OHCS uses to fund multifamily affordable housing projects across the state. Some of the funding sources, like HOME we are only able to spend in some parts of the state. Other sources, like 4% and 9% LIHTC, are available to be allocated statewide. As you can imagine, some sources work better for large projects; while others best *pencil* in smaller projects. No matter the source, or approach to funding, most affordable housing projects have a financial gap. That gap needs to be filled with other flexible funding sources – from OHCS or elsewhere. Without these gap funding sources contributed by OHCS, many projects would not become a reality, not to mention it would be more difficult to effectively allocate our other resources such as LIHTC or HOME funds.

In 2015 we made the transition to forward allocate all gap funding resources, including the Document Recording Fee. As a result of this transition, we were able to fund a few special NOFAs in 2015 using both accrued and anticipated resources; including an increase in gap funds available for the annual **9% LIHTC NOFA**; **Gap Financing NOFA** for small projects, construction defects, and group homes serving special needs populations; **Preservation NOFA** for projects with expiring federal rental assistance contracts; **Veteran's Housing NOFA**; and



**Manufactured Home Park Preservation NOFA** to preserve manufactured home spaces and affordability.

<b>Gap Funding by Activity</b>	<b>2015</b>
Development	\$ 30,966,370
Preservation	\$ 9,095,668
Veterans	\$ 3,771,471
Capacity	\$ 50,000
<b>Funding Available</b>	<b>\$ 43,883,509</b>

**Current Consideration**

In 2016 we begin to see a tightening of the gap funding resources as we have offered and awarded much of the revenue that was created through the transition of the forward allocation methodology. We understand that having gap resources is critical for the HOME and 9% LIHTC NOFA applicants; it could also be a helpful tool for expanding the use of the 4% LIHTC program, though at the same time funding for “little p” preservation and manufactured home park preservation is in demand, while others might see a priority in funding new innovations and units.

Below is a table that summarizes the anticipated gap resources available over the next three (3) years. The out years are estimated based on revenue received in 2015.

<b>Gap Resources by Activity</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Development	\$ 16,307,871	\$ 11,234,787	\$ 11,234,787
Preservation	\$ 2,200,000	\$ 0	\$ 0
Veterans	\$ 3,136,108	\$ 2,536,276	\$ 2,536,276
Capacity	\$ 108,923	\$ 544,381	\$ 544,381
<b>Funding Available</b>	<b>\$ 21,752,902</b>	<b>\$ 14,315,444</b>	<b>\$ 14,315,444</b>

As you can see, OHCS will have about half of the resources available in 2016 that were available in 2015; and in 2017 forward the anticipated funds available are based on annual receipts of HDGP and GHAP funding. Staff will continue to update these numbers on an annual basis as we watch the trends of Document Recording Fee and Public Purpose charge receipts.

**Recommended Gap Funding Allocation**

The below proposal for allocating gap funds in 2016, 2017, and 2018 is based on the following assumptions:

- **9% LIHTC NOFA** anticipates awarding 10 projects with up to \$400,000 per unit in gap funds in 2016 and 2017; and in 2018 - 7 projects with up to \$400,000 per unit.
- **4% LIHTC** anticipates the 4% LIHTC Ad Hoc Workgroup efforts to expand the use of the program by reserving a portion of gap funds to make additional projects feasible using this fund source. It is anticipated that the gap funds would be paired with the construction of new units, but additional dialogue will be had prior to making a formal recommendation.

- **HOME NOFA** anticipates up to \$500,000 in gap funds per unit on three (3) projects; while this is more than was utilized in 2015, allocating less risks being able to fully fund projects that come in to apply for this resource
- **Small project NOFA** – No NOFA in 2016 due to lack of gap resources and staff capacity. It is anticipated that we would pool any unused resources from 2016 NOFA rounds (in particular the LIHTC NOFA and the HOME NOFA) to conduct a NOFA in 2017 and 2018.
- **Preservation NOFA** anticipates issuing the full \$5,000,000 in lottery backed bonds in 2016 for the purpose of preserving federal rent subsidies.
- **Veterans NOFA** No NOFA in 2016 based on efficient program delivery and lack of staff capacity. It is anticipated that we would pool funds over a two year period to create a predictable every-other-year funding cycle with ample funds.
- **Manufactured Home Park Preservation NOFA** anticipates opening a NOFA in 2016 with available resources and re-assessing the ability to do so in the future based on actual receipts and priorities set in the statewide housing plan.
- **Capacity Building NOFA** anticipates using a portion of the anticipated 2017 receipts in 2016 in order to leverage the work of the Meyer Memorial Trust Capacity Building efforts, and works toward having stable levels of resources available annually.

<b>Recommended Gap Resource Allocation</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
9% LIHTC NOFA	\$ 4,385,338	\$4,000,000	\$4,000,000	\$3,000,000
4% LIHTC	\$ -	\$5,000,000	\$5,000,000	\$5,000,000
HOME NOFA	\$ 525,000	\$1,500,000	\$1,500,000	\$1,500,000
Small project Gap Financing NOFA	\$20,056,032	\$ -	\$1,542,658	\$1,734,787
Preservation (Federal Rent Subsidy) NOFA	\$ 9,095,668	\$5,000,000	\$ -	\$ -
Veterans Housing NOFA	\$ 3,771,471	\$ -	\$5,672,384	\$ -
Manufactured Home Park Preservation NOFA	\$ 6,000,000	\$5,000,000	\$ -	\$ -
Capacity Building NOFA	\$ 50,000	\$ 350,000	\$ 303,303	\$ 544,381

I look forward to discussion around gap funding priorities at the April 1, 2016 HSC meeting and the continued conversations around all funding priorities as we kick off the statewide housing plan effort. If you have any questions feel free to contact me prior to the meeting.



# Oregon

Governor Kate Brown

## Housing and Community Services

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**TO:** Margaret S. Van Vliet, Director  
Housing Stability Council Members

**FROM:** Caleb Yant, Chief Financial Officer

**DATE:** March 22, 2016

**SUBJECT:** Budget Process Introduction

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The purpose of this memo is to provide a brief introduction to the budget process for Oregon Housing and Community Services (OHCS). The introduction will focus on a synopsis of the 2015-17 Legislatively Adopted Budget (LAB), the timeline for the 2017-19 Agency Request Budget (ARB) and an overview of what can and cannot be accomplished through the budget process.

Attached to this memo is a summary of the 2015-17 budget which was reviewed with this Council in September, 2015. Pertinent points include:

- The combination of general fund and lottery fund expenses represent 3% of the 2015-17 budget. Funds available for program use include:
  - Emergency Housing Assistance - \$6,457,890 + \$8,000,000 *in 2016 session*
  - State Homeless Assistance Program - \$3,340,465 + \$2,000,000 *in 2016 session*
  - Court Appointed Special Advocates - \$2,764,318
  - Low Income Rental Housing Fund - \$478,368
  - Housing Choice Landlord Guarantee Program - \$307,287
  - *Proceeds from Lottery Bond Sales - \$25,000,000*
  - *Oregon Foreclosure Avoidance Program - \$1,440,000 + \$2,727,660 in 2016 session*
  - *Oregon Volunteers Administration - \$250,000*
  - *Wildfire Damage Housing Relief Fund - \$50,000*
  - *Oregon Hunger Response Fund - \$590,860*
- Other funding sources include federal funds (19%) and other funds (78% over half of which goes to paying debt service)
- Agency operating costs account for 2.7% of the 2015-17 LAB



*Italics indicate temporary funding*

Looking ahead, the budget process is prescribed by the Department of Administrative Services (DAS) and the Governor's office. Agencies received formal budget instructions in March and learned that the financial outlook for the State includes a substantial reduction in available general fund. While OHCS receives very little general fund, we will need to be mindful of this outlook and be prepared to make a strong policy case for any new general fund requests.

The final due date for the ARB is August 1, 2016. Between now and then we want to use time at Housing Stability Council meetings strategically to get your input and also allow stakeholders visibility and the ability to provide advice and feedback. As a reminder, once we submit the ARB, the Governor's office and DAS work to synthesize and prioritize in concert with Governor Brown's overall strategic direction. Governor Brown will release her recommended balanced budget on December 1, 2016, in advance of the 2017 legislative session.

With that process overview, the place where we think your time is best spent is advising on Policy Option Packages, or "POPs." It is through POPs that agencies can request new funds to begin or augment a program, can request changes in staffing, or can renew expenditure limitation or staffing associated with temporary funding sources. We know we will want to propose a few POPs that won't have a general fund impact. These include:

- Elderly Rental Assistance – Language was included in the 2015-17 budget to transfer this program from the Department of Revenue to OHCS by the 2017-19 biennium. This program is funded through a permanent general fund appropriation and can be delivered within existing staff capacity.
- Oregon Homeownership Stabilization Initiative – Temporarily funded through federal funds, the POP will renew the limited duration positions and expenditure authority needed to deliver the program.
- Oregon Volunteers – A report to the 2016 legislature recommended multiple options to remove Oregon Volunteers programs from OHCS due to lack of resources and fit. The POP will align with those options and will be informed by the Oregon Volunteers board of directors.
- HUD 811 project rental assistance – Funded through federal funds, the POP will restore two limited duration positions in addition to providing expenditure limitation for rental assistance payments.

We may also want to consider making strategic general fund or lottery fund asks. These will need to be carefully coordinated with the Governor's office, and could include:

- Reestablishing a rent guarantee program or augmenting the Housing Choice Landlord Guarantee Program to include non-voucher holders
- Continue funding and position authority for LIFT-related staff positions

- Expanded bonding authority for LIFT and Preservation, including an explicit carve-out for preservation of mobile home parks
- Augmenting other staffing capacity within OHCS for work in the following areas:
  - Stronger coordination with Department of Land Conservation and Development to help local governments strengthen their housing planning and zoning, and to implement new legislation that impacts both agencies.
  - Improving data and research capability to be able to respond to significantly increased demand for timely market-based housing data.
  - More staffing in multifamily finance to speed up necessary due diligence and underwriting and thus aid production by partners
  - Limited duration staff to update or replace aging and outdated internal data tracking systems, bring our systems into conformance with those of our peers in other states and ultimately drive efficiency in our operations.
  - Establish an equity coordinator position to incorporate culturally responsive measures to our programs.

At the same time that the budget is under development, OHCS will be working towards the creation of a comprehensive statewide housing plan that will set policy targets and priorities for three to five years. Although the timing seems off, I want to assure Council members that we will be able to align the LAB to the statewide housing plan. The budget provides overall authority and expenditure limitation to receive and administer funding sources but does not outline priorities within those funding sources. OHCS will work closely with this Council to develop and refine the priorities included in the statewide housing plan.

We will look forward to discussing the alignment of the statewide housing plan with the budget, as well as other budget priorities beginning with the April 1 meeting.

# **Oregon Housing and Community Services**

## **Summary of 2015-17 Legislatively Adopted Budget**

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**Kate Brown  
Governor**

**Margaret S. Van Vliet  
Director**

# Oregon Housing and Community Services Department

## Summary of 2015-17 Legislatively Adopted Budget

### Vision

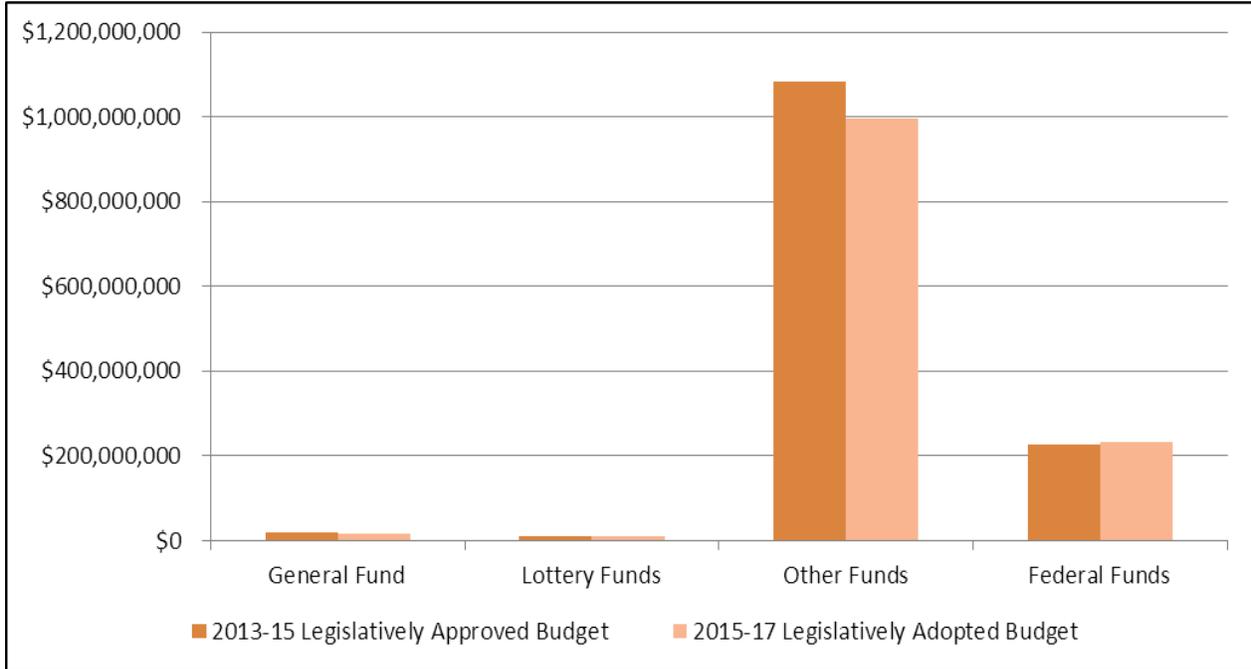
All Oregonians have the opportunity to pursue prosperity and live free from poverty.

### Mission Statement

We provide stable and affordable housing and engage leaders to develop integrated statewide policy that addresses poverty and provides opportunity for Oregonians.

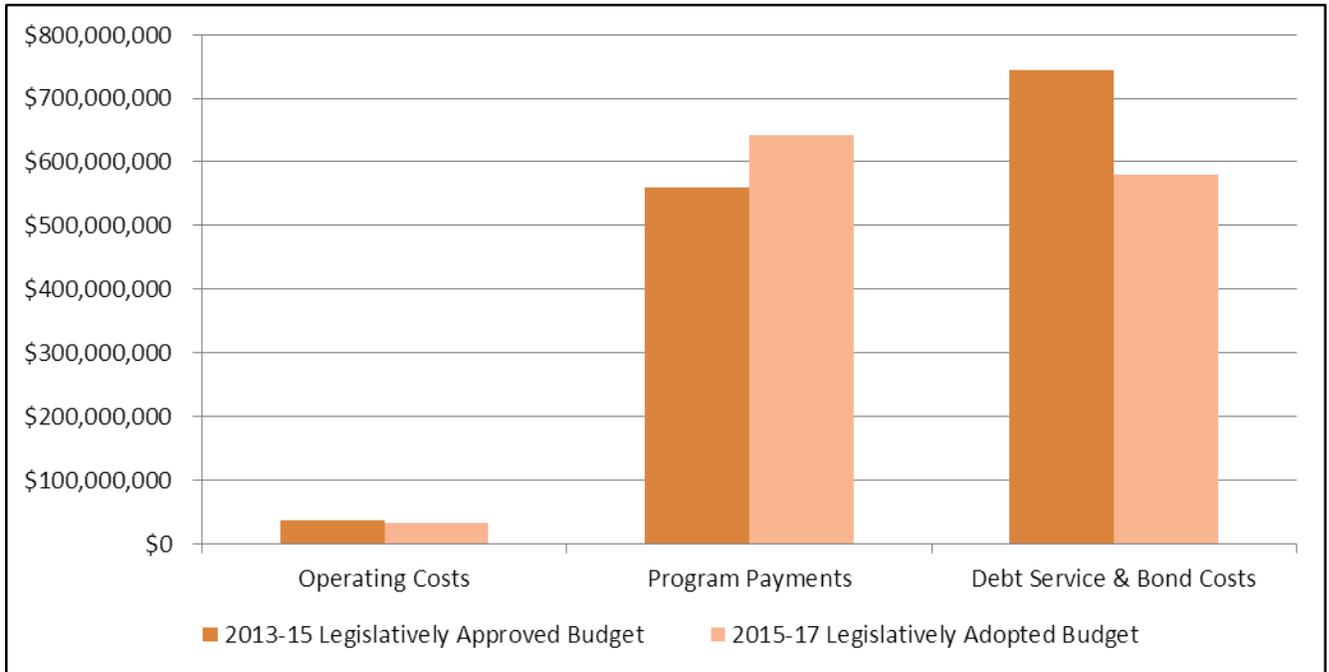
### Comparison of 2013-15 and 2015-17 Budgets

#### Total Expenditure Limitation by Fund Type



	2013-15	2015-17
General Fund	\$20,426,812	\$15,679,188
Lottery Funds Debt Service	\$9,428,966	\$11,676,469
Other Funds	\$1,082,280,522	\$995,518,037
Federal Funds	\$227,743,813	\$232,246,854
<b>All Funds</b>	<b>\$1,339,880,113</b>	<b>\$1,255,120,548</b>

### Total Expenditure Limitation by Usage



	2013-15	2015-17
Operating Costs	\$36,830,894	\$33,622,368
Program Payments	\$558,847,854	\$641,681,447
Debt Service and Bond Costs	\$744,201,365	\$579,816,733
<b>All Funds</b>	<b>\$1,339,880,113</b>	<b>\$1,255,120,548</b>
Positions/FTE	169 / 150.33	130 / 126.17

## Changes or Renewed Funding from 2013-15 Budget

### Housing Stabilization Programs

#### **Transfer Food programs to DHS**

Food assistance programs will transfer to the Department of Human Services no later than January 1, 2016. OHCS' budget includes one-fourth of funding for the Oregon Hunger Response Fund, The Emergency Food Assistance Program, the Commodity Supplemental Food Program, and the Food Distribution Program on Indian Reservations. The Food Assistance Coordinator position was abolished.

- 2015-17: 0 positions, 0.0 FTE, \$590,860 GF, \$596,453 FF
- 2013-15: 1 position, 1.0 FTE, \$2,744,600 GF, \$2,374,001 FF

### **Restore funding for Homeless Assistance Programs**

One-time funding provided in the 2014 Legislative Session for the Emergency Housing Assistance and State Homeless Assistance Program was restored and made permanent. The EHA program also has revenues from the document recording fee.

*Note: General Fund appropriation for EHA payments is transferred to a separate account in order to protect the funds if unspent. Only the General Fund amounts are shown below.*

- 2015-17: EHA \$6,457,890, SHAP \$3,340,465
- 2013-15: EHA \$6,278,610, SHAP \$3,216,716

### **Implement the HUD Section 811 Project Rental Assistance Program**

In March 2015, OHCS was awarded \$2,335,000 from the U.S. Department of Housing and Urban Development (HUD) for the Section 811 Project Rental Assistance program.

The program provides project-based rental assistance to extremely low-income persons with mental, intellectual and/or developmental disabilities, and allows them to live in the community as independently as possible by increasing the supply of rental housing linked with support services. These funds will provide rental assistance to approximately 76 households. During the 15-17 biennium OHCS expects to have the first 21 units occupied. The tenants will receive rental assistance through OHCS and supportive services through DHS and/or Oregon Health Authority.

- 2015-17: 2 positions, 0.75 FTE, \$1,008,874 FF
- 2013-15: 0 positions, 0.0 FTE, \$0

### **Wildfire Damage Housing Relief**

House Bill 3148 established the Wildfire Damage Housing Relief Account and directs OHCS to issue \$5,000 grants from the account to qualifying households. The program applies to persons or families whose federal adjusted gross income for the preceding year is 75 percent of federal poverty guidelines, and who suffer a loss of housing due to a wildfire.

- 2015-17: 0 positions, 0.0 FTE, \$50,000 GF
- 2013-15: 0 positions, 0.0 FTE, \$0

### **Extended Funding for Oregon Energy Assistance Program**

The 2011 and 2013 Legislative Sessions approved an additional \$5 million annually to be collected from residential electricity consumers which is transferred to OHCS and then distributed to eligible low-income Oregonians for bill payment assistance. The 2015 Legislative Session extended the additional collections until 2018.

- 2015-17: 0 positions, 0.0 FTE, \$40,599,037 OF
- 2013-15: 0 positions, 0.0 FTE, \$34,591,425 OF

## **Housing Finance Programs**

### **Establish the Local Innovation and Fast-Track Housing (LIFT) program**

The Legislature approved \$40 million in Article XI-Q bonds to establish the LIFT program. The housing to be developed with the bonds will be targeted to low income

individuals and families. The Department will develop the housing with the advice of the Housing Stability Council and work with stakeholders to achieve objectives that include reducing project costs and reaching underserved communities.

- 2015-17: 0 positions, 0.0 FTE, \$40,000,000 Capital Construction, \$585,000 OF (cost of issuance)
- 2013-15: 0 positions, 0.0 FTE, \$0

### **Mental Health Housing**

The Legislature approved \$20 million in Lottery-backed bonds for financing the construction of housing for individuals with mental illness or addiction disorders. The Oregon Health Authority will work with its partners to set up a workgroup to provide recommendations on project priorities to OHCS. OHCS will develop and issue a notice of funding availability for these funds with assistance from Oregon Health Authority.

- 2015-17: 0 positions, 0.0 FTE, \$20,000,000 OF, \$307,817 OF (cost of issuance)
- 2013-15: 0 positions, 0.0 FTE, \$0

### **Preserving Subsidized Housing**

The Legislature approved \$2.5 million in Lottery-backed bonds for preservation of affordable housing with expiring federal rent subsidies.

- 2015-17: 0 positions, 0.0 FTE, \$2,500,000 OF, \$51,972 OF (cost of issuance)
- 2013-15: 0 positions, 0.0 FTE, \$0

### **Continue the Homeownership Stabilization Initiative**

The foreclosure prevention program funded with Troubled Asset Relief Program funds is “ramping down” between now and December, 2017. Only a portion of the initiative’s total expenses are included in the budget.

- 2015-17: 10 positions, 7.92 FTE, \$1,750,424 OF
- 2013-15: 37 positions, 23.93 FTE, \$3,850,634 OF

### **Continue the Foreclosure Avoidance Program**

OHCS will continue to administer pre-mediation counseling and legal assistance contracts to assist homeowners in danger of foreclosure. The funding level is anticipated to continue the program through February 2016, when OHCS will report to the Legislature on program results.

- 2015-17: 0 positions, 0.0 FTE, \$1,440,000 GF
- 2013-15: 1 LD position, 1.0 FTE \$5,213,981 GF

## **Central Services**

### **Restore Funding for the Court Appointed Special Advocate (CASA) program**

A permanent position for the CASA program was created, and funding to local CASA organizations was increased by \$210,000.

*Note: General Fund appropriation for program payments is transferred to a separate account in order to protect the funds if unspent.*

- 2015-17: 1 permanent position, 1.0 FTE, \$2,764,318 GF, \$2,498,980 OF
- 2013-15: 1 LD position, 1.0 FTE \$2,382,950 GF, \$2,382,950 OF

### **Support for Oregon Volunteers**

The Commission on Voluntary Action and Service received \$250,000 General Fund for administrative costs in 2015-17. The Commission is directed to analyze its financial sustainability and determine whether Oregon Volunteers should remain at OHCS or become another type of entity. The Commission is to report the results to the Legislature in February 2016.

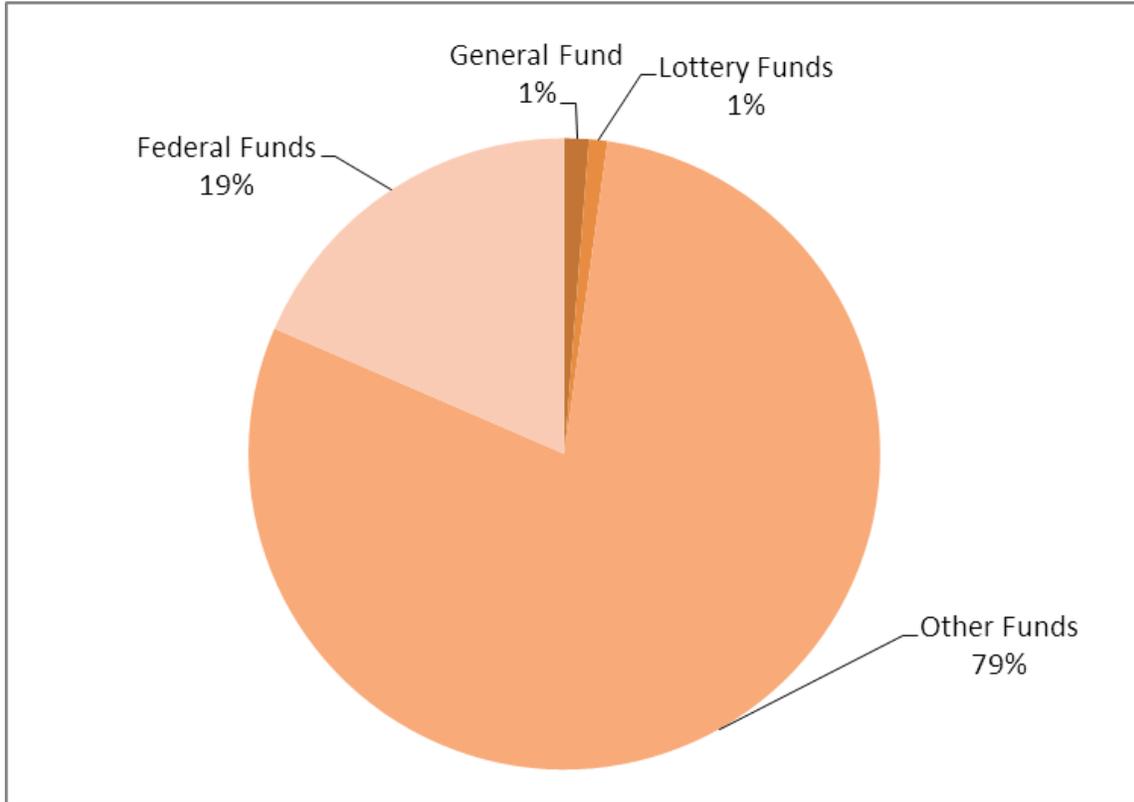
- 2015-17: 2 positions, 2.0 FTE, \$250,000 GF, \$5,002,904 FF
- 2013-15: 2 positions, 2.0 FTE, \$4,862,655 FF

### **Administrative Staff Reductions**

One element of the OHCS transition planning was an analysis of the service delivery model coupled with the goal to achieve more streamlined, efficient, and effective operations agency-wide. This analysis resulted in position reductions in the Central Services area.

- 2015-17: 46 positions, 46.0 FTE, \$5,848,332 OF, \$2,197,828 FF
- 2013-15: 55 positions, 52.9 FTE, \$6,792,520 OF, \$2,494,501 FF

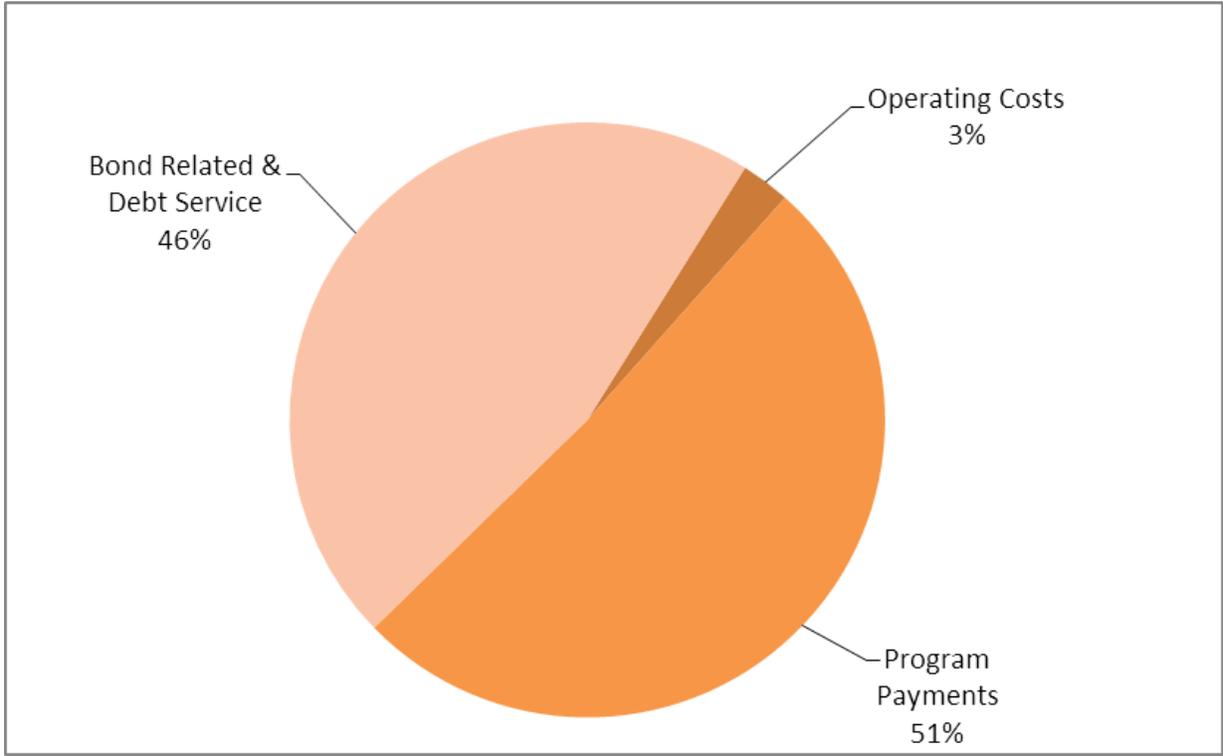
**Total 2015-17 Budget by Fund Type  
\$1.255 Billion**



<b><u>Fund Type</u></b>	<b><u>Amount</u></b>
General Fund	\$15,679,188
Lottery Funds Debt Service	\$11,676,469
Other Funds	\$995,518,037
Federal Funds	<u>\$232,246,854</u>
<b>Total 2015-17 Legislatively Adopted Budget</b>	<b>\$1,255,120,548</b>

*Note: OHCS also allocates approximately \$26 million in state and federal housing development tax credits annually, which provides \$90 million in equity to housing developers. In addition, OHCS allocates \$7.5 million in annual tax credits through Individual Development Accounts and \$14.7 million annually in payments through OHSI, none of which is reflected in the budget.*

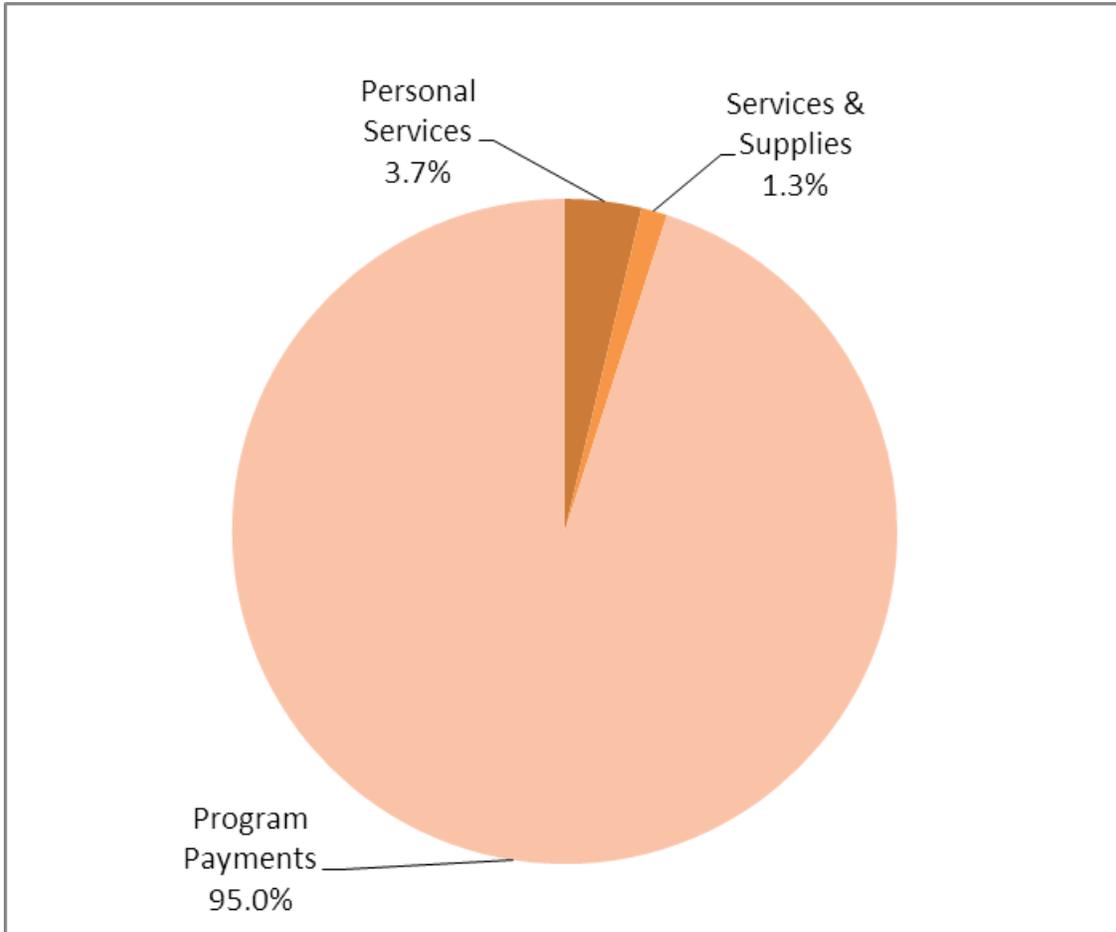
### Total 2015-17 Budget by Usage \$1.255 Billion



<u>Usage</u>	<u>Amount</u>
Operating Costs	\$ 33,622,368
Program Payments	\$ 641,681,447
Debt Service & Bond Costs	<u>\$ 579,816,733</u>
<b>Total 2015-17 Legislatively Adopted Budget</b>	<b>\$1,255,120,548</b>

## Budget excluding Debt Service and Bond Costs

**\$675.3 Million**



**Usage**

**Amount**

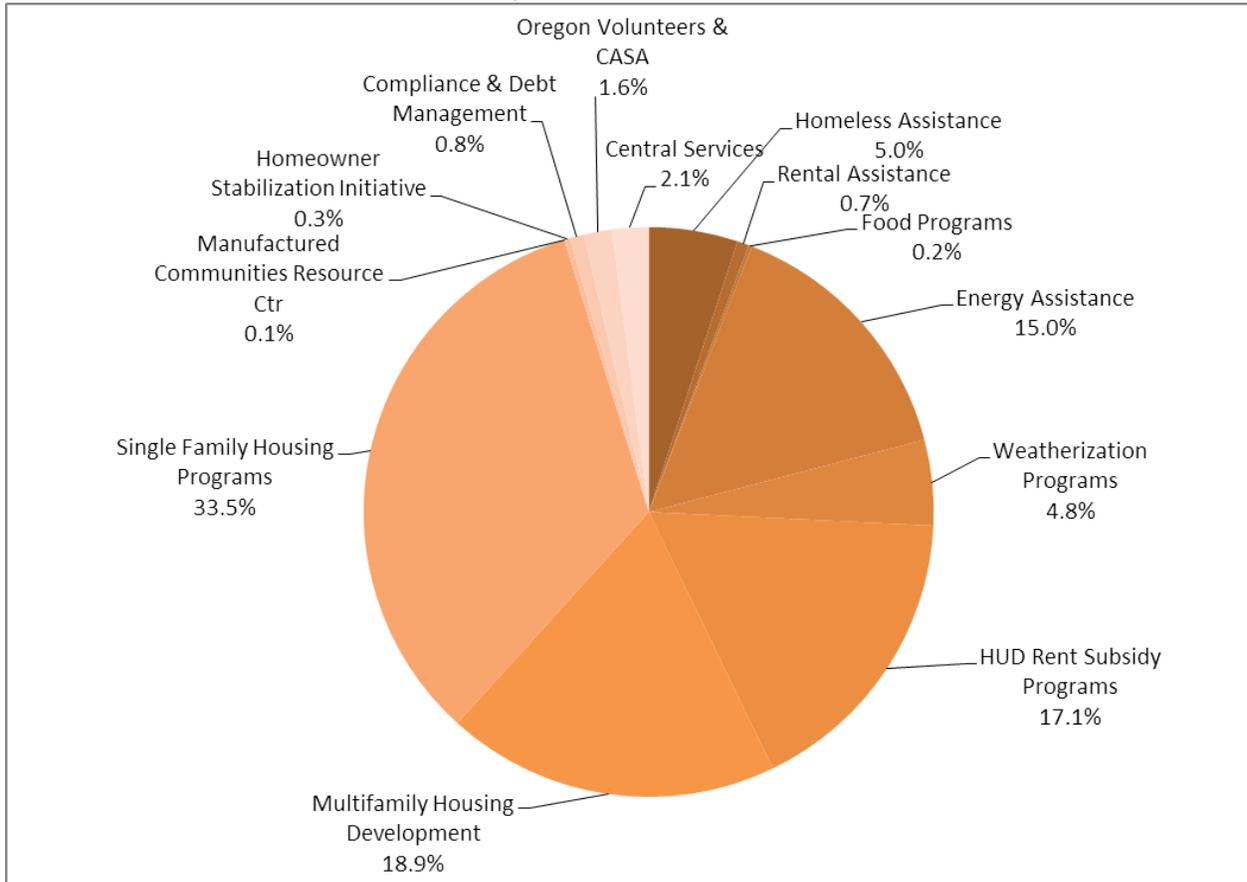
Personal Services  
Services & Supplies  
Program Payments

\$ 25,121,896  
\$ 8,500,472  
\$641,681,447

**Total**

**\$675,303,815**

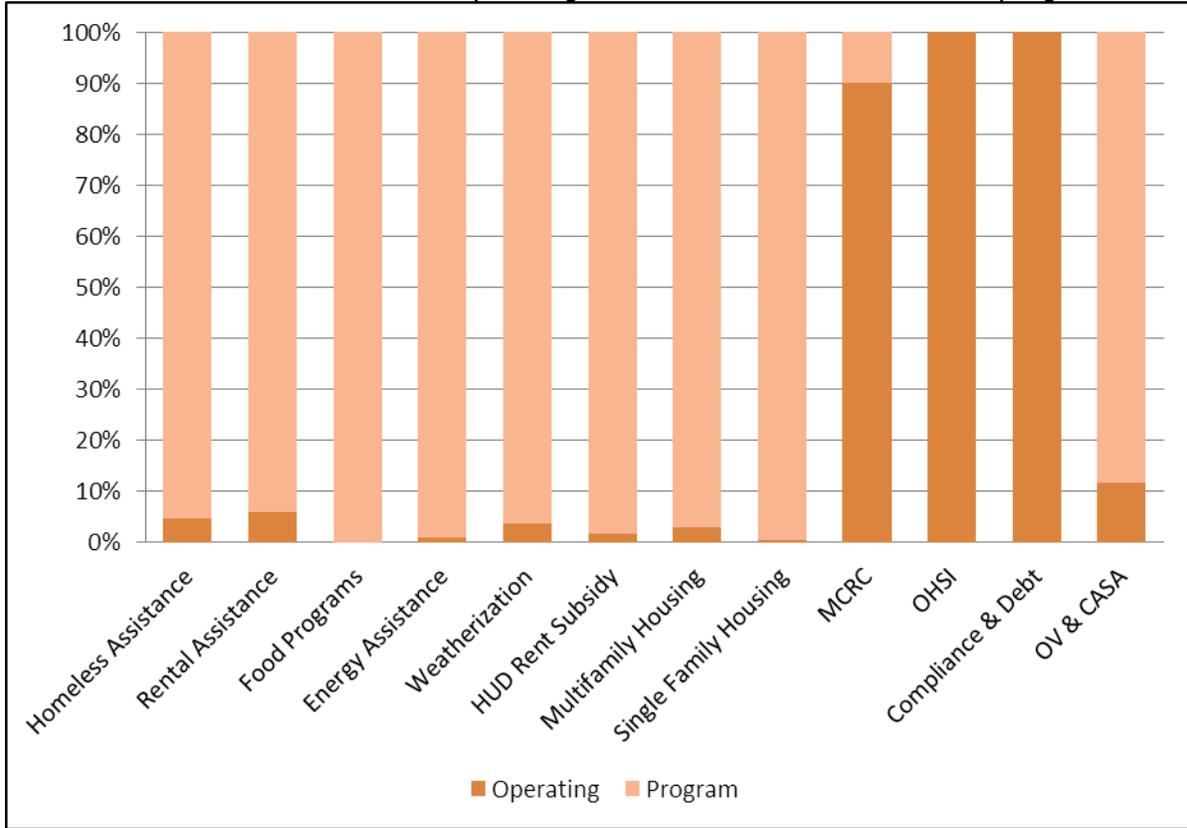
**Budget by Program Area, excluding Debt Service and Bond Costs  
\$675.3 Million**



<u>Program Area</u>	<u>Amount</u>
<b>Housing Stabilization Programs</b>	
Homeless Services	
Homeless Assistance	\$ 34,076,443
Rental Assistance	\$ 4,509,325
Food Programs	\$ 1,186,302
Energy Services	
Energy Assistance	\$ 101,473,543
Weatherization Programs	\$ 32,727,697
HUD Rent Subsidy Programs	\$ 115,175,617
<b>Housing Finance Programs</b>	
Multifamily Housing Development	\$ 127,604,519
Single Family Housing Programs	\$ 226,106,218
Manufactured Communities Resource Center	\$ 469,706
Homeowner Stabilization Initiative	\$ 1,750,424
Compliance & Debt Management	\$ 5,501,001
<b>Central Services</b>	
Oregon Volunteers and CASA	\$ 10,734,979
Central Services	\$ 13,988,041
<b>Total</b>	<b>\$ 675,303,815</b>

## Operating Costs and Program Payments by Program Area \$661.3 Million

*Does not include Central Services operating costs, which are allocated to all program areas*



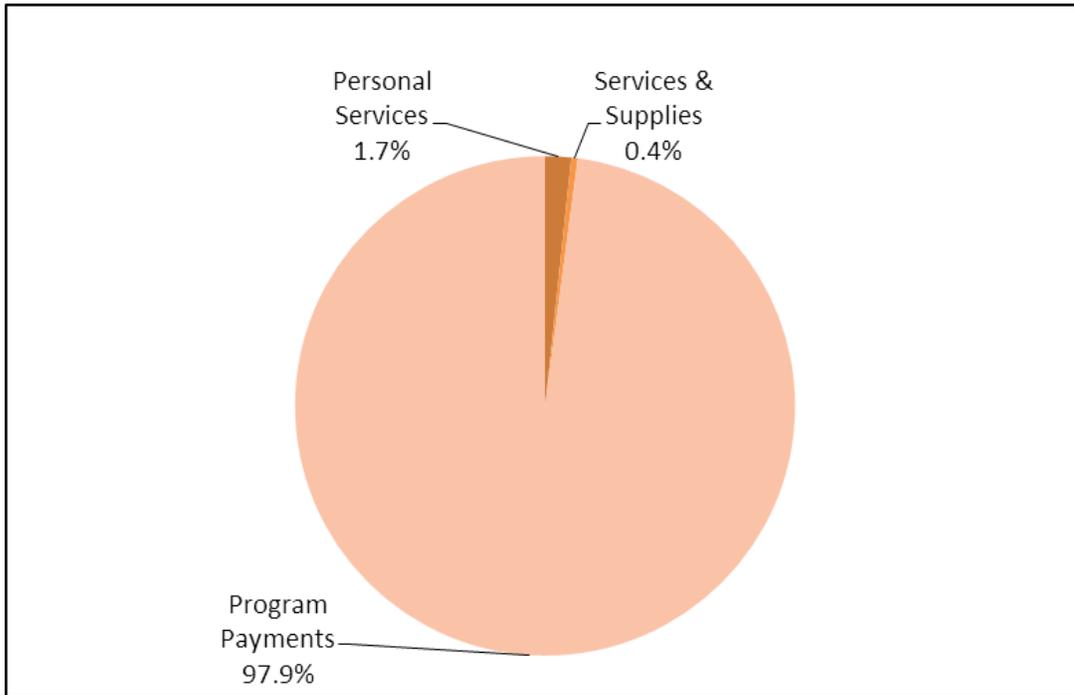
<u>Program Area</u>	<u>Operating Costs</u>	<u>Program Payments</u>
<b>Housing Stabilization Programs</b>		
Homeless Services		
Homeless Assistance	\$1,626,250	\$32,450,193
Rental Assistance	\$265,346	\$4,243,979
Food Programs	\$0	\$1,186,302
Energy Services		
Energy Assistance	\$960,371	\$100,513,172
Weatherization Programs	\$1,203,732	\$31,523,965
HUD Rent Subsidy Programs	\$1,990,802	\$113,184,815
<b>Housing Finance Programs</b>		
Multifamily Housing Development	\$3,616,761	\$123,987,758
Single Family Housing Programs	\$1,031,891	\$225,074,327
Manufactured Communities Resource Center	\$423,356	\$46,350
Homeowner Stabilization Initiative	\$1,750,424	\$0
Compliance & Debt Management	\$5,501,001	\$0
<b>Central Services</b>		
Oregon Volunteers and CASA	\$1,264,393	\$9,470,586
<b>Total</b>	<b>\$19,634,327</b>	<b>\$641,681,447</b>

## Housing Stabilization Division

### Housing Stabilization Programs

	Pos	FTE	General Fund	Other Funds	Federal Funds	Total
Homeless Assistance	6	6.0	\$10,326,723	\$9,808,473	\$13,941,247	<b>\$34,076,443</b>
Rental Assistance	3	3.0	\$307,287	\$1,248,464	\$2,953,574	<b>\$4,509,325</b>
Food Programs	0	0.0	\$590,860	\$0	\$595,442	<b>\$1,186,302</b>
Energy Assistance Programs	3	3.0	\$0	\$40,599,037	\$60,874,506	<b>\$101,473,543</b>
Weatherization Programs	7	7.0	\$0	\$17,301,833	\$15,425,864	<b>\$32,727,697</b>
HUD Rent Subsidy Programs	11	10.25	\$0	\$1,846,743	\$113,328,874	<b>\$115,175,617</b>
<b>Total</b>	<b>30</b>	<b>29.25</b>	<b>\$11,224,870</b>	<b>\$70,804,550</b>	<b>\$207,119,507</b>	<b>\$289,148,927</b>

### Housing Stabilization Programs by Category



<b><u>Category</u></b>	<b><u>Amount</u></b>
Personal Services	\$ 4,859,392
Services & Supplies	\$ 1,187,109
Program Payments	<u>\$283,102,426</u>
<b>Division Total</b>	<b>\$289,148,927</b>

## **Housing Stabilization Division Programs**

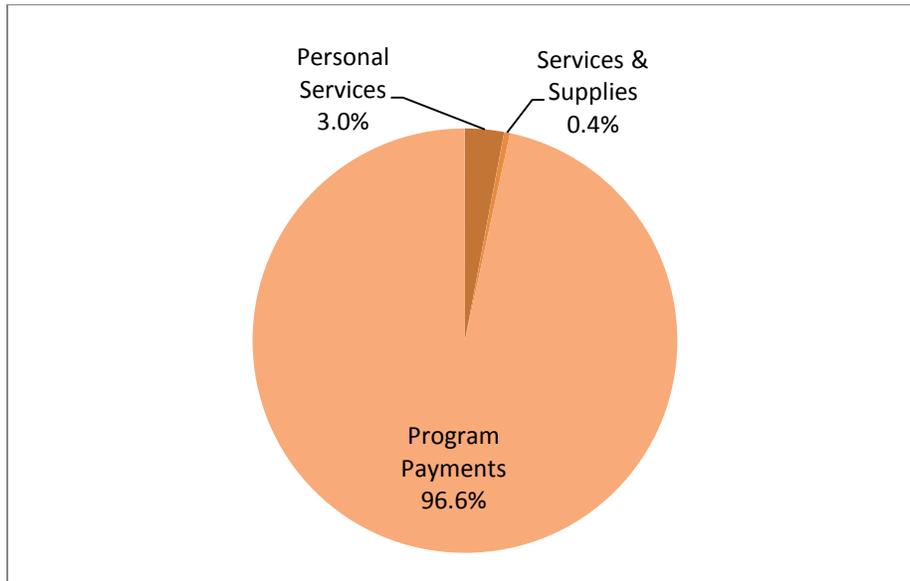
The Housing Stabilization Division (HSD) programs are designed to prevent and end homelessness. These programs include:

- **Homeless Assistance Programs** deliver services that enable households that are homeless or at risk of homelessness to maintain or regain housing stability.
- **Rental Assistance Programs** are available to Oregonians earning at or below 50% of area median income. These programs offer rental assistance and refundable security deposits paid directly to property owners on the tenants' behalf.
- **Food Programs** provide commodity food distribution, emergency feeding programs, nutrition education, and support state and regional food banks with funding for infrastructure, equipment, and capacity building.
- **Low-Income Energy Assistance** programs provide annual, one-time bill payment assistance to eligible households earning 60% or less of Oregon's median income.
- **Low-Income Weatherization Assistance Programs** provide home health and safety improvements, heating system repair and replacement, energy conservation services, and baseload measures to households earning 60% or less of state median income level.
- The **HUD Project-Based Rental Assistance Programs** provide rent subsidy payments paid directly to property owners. These subsidies ensure that tenants pay no more than 30% of their income for rent.

## Housing Finance Division Housing Finance Programs

	Pos	FTE	General Fund	Other Funds	Federal Funds	Total
Multifamily Housing Development	18	18.0	\$0	\$113,983,073	\$13,621,446	<b>\$127,604,519</b>
Single Family Housing Programs	5	4.5	\$1,440,000	\$222,092,040	\$2,574,178	<b>\$226,106,218</b>
Manufactured Communities Resource Center	2	2.0	\$0	\$469,706	\$0	<b>\$469,706</b>
Homeownership Stabilization Initiative	10	7.9	\$0	\$1,750,424	\$0	<b>\$1,750,424</b>
Compliance Monitoring Section	16	15.5	\$0	\$3,175,803	\$889,035	<b>\$4,064,838</b>
Debt Management Section	6	6.0	\$0	\$1,436,163	\$0	<b>\$1,436,163</b>
<b>Total</b>	<b>57</b>	<b>53.9</b>	<b>\$1,440,000</b>	<b>\$342,907,209</b>	<b>\$17,084,659</b>	<b>\$361,431,868</b>

### Housing Finance Programs by Category



<b><u>Category</u></b>	<b><u>Amount</u></b>
Personal Services	\$ 10,717,519
Services & Supplies	\$ 1,605,914
Program Payments	<u>\$349,108,435</u>
<b>Division Total</b>	<b>\$361,431,868</b>

## **Housing Finance Division Programs**

The Housing Finance Division (HFD) programs provide affordable rental and homeownership opportunities. These programs include:

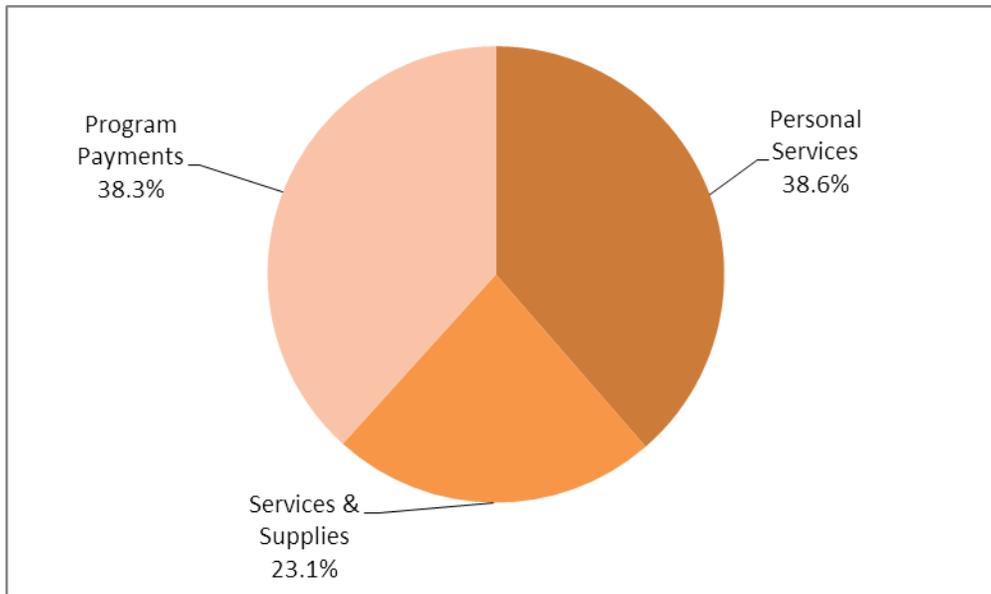
- **Multifamily Rental Housing Development Programs** provide a continuum of housing options for low-income and fragile Oregonians. Federal and state-funded programs provide financing for the development of new housing units, rehabilitation of existing housing units, and preservation of affordable housing projects with project-based Section 8 and Rural Development rental subsidies.
- **Single Family Housing Programs** expand access to affordable homeownership through below market rate residential loans, as well as assisting homeowners in purchasing and retaining their homes through education, foreclosure counseling and financial assistance services. These programs benefit homebuyers and homeowners who are typically not served by traditional lenders, and who would not otherwise have access to the housing market and homeownership services.
- **Manufactured Communities Resource Center** is funded through annual assessments on manufactured homes located in parks and assessed as personal property and park registration fees from park owners. Funds are used for mediation, information, referrals, and technical assistance to manufactured home park tenants and owners.
- The **Homeownership Stabilization Initiative** program assists at-risk homeowners to avoid foreclosure through a number of activities. The program—known nationally as the Hardest Hit Fund (HHF) program—is funded entirely by federal Troubled Asset Relief Program (TARP) resources from the US Department of Treasury. Oregon is one of 18 states awarded funds because of the severe impacts suffered during the recent economic recession. The overall goal of the program is to stabilize the housing market through foreclosure prevention activities. Oregon received a \$220 million HHF award in 2010, and must expend all of these resources by 2017. As of July 31, 2015, \$214.4 million of the original funding has been expended, and two residential mortgage programs remain open.
- **Compliance Monitoring** of projects that have received funding ensures that the projects meet regulatory requirements of the various funding sources. Many properties are physically inspected on a regular basis, and a review of management is conducted to ensure compliance with regulatory standards, federal regulations, and state rules. The projects' financial statements are reviewed annually to ensure the fiscal viability of the project.
- **Debt Management** of bond-financed loan programs includes disbursement of bond proceeds to finance multifamily and single-family mortgage loans, bond issuance costs, administrative expenses related to outstanding debt, and asset-protection costs associated with foreclosures and acquired properties.

## Central Services

### Central Services Divisions

	Pos	FTE	General Fund	Other Funds	Federal Funds	Total
Director's Office	12	12.0	\$0	\$2,103,448	\$563,766	<b>\$2,667,214</b>
Oregon Volunteers	3	3.0	\$3,014,318	\$2,717,757	\$5,002,904	<b>\$10,734,979</b>
Public Affairs Office	9	9.0	\$0	\$1,901,698	\$532,362	<b>\$2,434,060</b>
Chief Financial Office	22	22.0	\$0	\$6,943,111	\$1,943,656	<b>\$8,886,767</b>
<b>Total</b>	<b>46</b>	<b>46.0</b>	<b>\$3,014,318</b>	<b>\$13,666,014</b>	<b>\$8,042,688</b>	<b>\$24,723,020</b>

### Central Services by Category



<u>Category</u>	<u>Amount</u>
Personal Services	\$ 9,544,985
Services & Supplies	\$ 5,707,449
Program Payments	<u>\$ 9,470,586</u>
<b>Total</b>	<b>\$24,723,020</b>

### Central Services

The Central Services program unit includes the administrative functions for the department, and the Oregon Volunteers programs. Most of the agency's shared costs are in this program unit as well, such as facilities rent and state government service charges.

**Director's Office**

The Director's Office provides the leadership for the Department, and includes the Director and executive support staff, Human Resources and Payroll, the Administrative Services Section, and the Housing Stability Council.

**Oregon Volunteers Programs**

The Oregon Commission for Voluntary Action & Service promotes and supports AmeriCorps, Court Appointed Special Advocates (CASA), volunteerism, and civic engagement to strengthen Oregon communities.

**Public Affairs Office**

The Public Affairs Office includes Communications, Legislative Liaison, Federal Planning, and the agency Integrators.

**Chief Financial Office**

This Division includes the Chief Financial Officer, the Budget Unit, and the Finance and Information Technology sections. Responsibilities include planning for, implementing, and maintaining all aspects of the agency's budget, contracts and grants, fiscal compliance and financial operations, and information systems. Agency-wide pooled costs are included in this division.

# **Oregon Housing and Community Services**

## **Programs in 2015-17 Legislatively Adopted Budget**

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**Kate Brown**  
**Governor**

**Margaret S. Van Vliet**  
**Director**

## Housing Stabilization Division Programs

Homeless Services Programs	Fund Type	2015-17 Limitation Amount
<b>Homeless Assistance Programs</b>		
<p><b>Emergency Housing Assistance (EHA)</b> Revenue sources include a General Fund appropriation which is transferred to Other Funds, and funds received through the 2009 Housing Opportunity bill (HB 2436). This bill increased the fee collected for the recording of certain real property documents by \$15 and transfers the funds to OHCS. The fee was increased to \$20 in 2013 and the additional funds are dedicated to services for veterans. Ten percent of total receipts are dedicated to the EHA program.</p> <p>This program helps fund emergency shelters, transitional housing, rapid re-housing, homelessness prevention, supportive in-home services, veteran's housing assistance, data collection, and community capacity-building designed to prevent and reduce homelessness.</p>	<p>General Fund</p> <p>Other Funds</p>	<p>\$6,457,890</p> <p>\$9,808,473</p>
<p><b>Community Services Block Grant (CSBG)</b> These funds are awarded by the US Department of Health &amp; Human Services (DHHS). CSBG provides operating funds for community action agencies (CAAs) and supports anti-poverty programs.</p>	<p>Federal Funds</p>	<p>\$10,749,723</p>
<p><b>State Homeless Assistance Program (SHAP)</b> This program funds facility maintenance and operation for emergency shelters, supportive services for shelter residents, and data collection.</p>	<p>General Fund</p>	<p>\$3,340,465</p>
<p><b>Emergency Solutions Grant Program (ESGP)</b> Funds for this program are awarded by HUD as part of the 1987 McKinney Act. These funds are used to provide street outreach, emergency shelter, homelessness prevention, rapid re-housing, and data collection to prevent and reduce homelessness.</p>	<p>Federal Funds</p>	<p>\$2,126,140</p>
<p><b>Housing Stabilization Program (HSP)</b> The Oregon Department of Human Services transfers a portion of its Temporary Assistance to Needy Families (TANF) funds to OHCS for this program. HSP provides funds for temporary housing-related assistance, stabilization services, case management, and data collection to address non-recurring needs of TANF eligible families who are homeless or at risk of becoming homeless.</p>	<p>Federal Funds</p>	<p>\$1,000,000</p>
<p><b>Low Income Rental Housing Funds (LIRHF)</b> This program provides short- and medium-term rental assistance, including deposits, rent payments, and rental arrearages, for homeless and at-risk households.</p>	<p>General Fund</p>	<p>\$478,368</p>

<b>Homeless Services Programs</b>	<b>Fund Type</b>	<b>2015-17 Limitation Amount</b>
<b>Homeless Management Information System (HMIS) Lead</b> OHCS has been designated by the Rural Oregon Continuum of Care to receive funding from HUD to operate the information system.	Federal Funds	\$65,384
<b>Wildfire Damage Housing Relief Fund</b> This program was established by the 2015 Legislature, and provides grants of up to \$5,000 to qualifying households that suffer a loss of housing due to wildfire.	General Fund	\$50,000
<b>Subtotal Homeless Assistance Programs</b>		<b>\$34,076,443</b>
<b>Rental Assistance Programs</b>		
<b>Housing Permanent Living Utilizing Services (Housing PLUS)</b> This program provides rent subsidies and supportive services for tenants in housing units financed with proceeds from the sale of lottery-backed bonds issued in the 2007-09 biennium.	Other Funds	\$941,177
<b>HOME Tenant-Based Assistance (TBA)</b> TBA is part of the HOME Investment Partnership Program funded through HUD. These funds provide tenant-based rental assistance, including rent subsidies, utilities, and refundable security deposits for very low-income families and individuals.	Federal Funds	\$2,953,574
<b>Housing Choice Landlord Guarantee Program (HCLGP)</b> The program provides a guarantee to landlords for damages that may be caused by tenants with Housing Choice or VASH vouchers.  The General Fund appropriation is transferred to the Housing Choice Landlord Guarantee account and payments to landlords are made from this account.	General Fund  Other Funds	\$307,287  \$307,287
<b>Subtotal Rental Assistance Programs</b>		<b>\$4,509,325</b>
<b>Food and Nutrition Programs</b>		
The Food and Nutrition Programs are transferring to the Department of Human Services (DHS) in the 2015-17 biennium. The amounts shown below are estimated to be six months of funding and the remaining program funds are included in the DHS budget.		
<b>Oregon Hunger Response Fund</b> General Fund food assistance program, which is awarded to Oregon Food Bank for food purchase and capacity-building grants to regional food banks.	General Fund	\$590,860
<b>The Emergency Food Assistance Program (TEFAP)</b> Awarded by US Department of Agriculture (USDA). This program provides USDA commodities to low-income households through emergency food programs.	Federal Funds	\$461,564

<b>Homeless Services Programs</b>	<b>Fund Type</b>	<b>2015-17 Limitation Amount</b>
<b>Commodity Supplemental Food Program (CSFP)</b> Awarded by USDA. CSFP funds are used for storage and distribution of foods with high nutritional value to low-income elderly households.	Federal Funds	\$76,101
<b>Food Distribution Program on Indian Reservations (FDPIR)</b> Awarded by USDA. This program provides nutritious foods to income-eligible households residing within the Confederated Tribes of the Umatilla Indian Reservation boundary, or households in Umatilla or Morrow counties with at least one member who is enrolled in a federally-recognized tribe.	Federal Funds	\$57,777
<b>Subtotal Food and Nutrition Programs</b>		<b>\$1,186,302</b>
<b>Total Homeless Services Programs</b>		<b>\$39,772,070</b>

<b>Energy Services Programs</b>	<b>Fund Type</b>	<b>2015-17 Limitation Amount</b>
<b>Energy Assistance Programs</b>		
<b>Low-Income Home Energy Assistance Program (LIHEAP)</b> Awarded by US Department of Health and Human Services (DHHS) for heating bill payment assistance to low-income renters and homeowners. Services include heating bill payment assistance, energy education, heating equipment repair or replacement, and case management. Households must be at or below 60% of state median income to be eligible for this program.	Federal Funds	\$60,874,506
<b>Oregon Energy Assistance Program (OEA)</b> This program is funded by receipts from monthly meter charges collected by Portland General Electric (PGE) and PacifiCorp. The program provides electric bill payment assistance and crisis assistance to low-income households, with priority assistance given to those in danger of service disconnection. Renters and homeowners at or below 60% of the state median income who are customers of PGE or PacifiCorp are eligible for this program.	Other Funds	\$40,599,037
<b>Subtotal Energy Assistance Programs</b>		<b>\$101,473,543</b>
<b>Weatherization Programs</b>		
<b>Department of Energy (DOE)</b> Awarded by US Department of Energy for home energy conservation measures and home health-related repairs. DOE provides home weatherization assistance to low-income renters and homeowners regardless of heating source (termed "fuel blind"). These funds are available in all areas of the state. Households must be at or below 200% of the federal poverty level to be eligible for this program.	Federal Funds	\$3,986,860

Energy Services Programs	Fund Type	2015-17 Limitation Amount
<b>LIHEAP Weatherization</b> Fifteen percent of the LIHEAP award is used for home energy conservation measures and home health-related repairs. LIHEAP is also fuel blind and the funds are available in all areas. LIHEAP and DOE are often combined to provide greater assistance to households.	Federal Funds	\$9,414,141
<b>Bonneville Power Administration (BPA)</b> Awarded by Bonneville Power Administration for home energy conservation measures and home health-related repairs. These funds are available to households that heat with electricity from a public utility, and can also be combined with DOE and LIHEAP. Households must be at or below 200% of the federal poverty level to be eligible for this program.	Federal Funds	\$2,024,863
<b>Energy Conservation Helping Oregonians (ECHO)</b> ECHO is funded by receipts from public purpose charges (PPC) collected by Portland General Electric (PGE) and PacifiCorp. The funds are used for home energy conservation measures and services, and are available to households that heat with electricity from one of these utilities. These funds can be combined with DOE and LIHEAP, but cannot be combined with BPA funds. Households must be at or below 200% of the federal poverty level to be eligible for this program.	Other Funds	\$17,301,833
<b>Subtotal Weatherization Programs</b>		<b>\$32,727,697</b>
<b>Total Energy Services Programs</b>		<b>\$134,201,240</b>

HUD Rent Subsidy Programs	Fund Type	2015-17 Limitation Amount
<b>Section 8 Performance-Based Contract Administration (PBCA) Program</b> Funds are received from the US Department of Housing and Urban Development (HUD). Rent subsidy payments are paid directly to property owners. These subsidies ensure that tenants pay no more than 30% of their income for rent. OHCS also receives fees for contract administration and monitoring.	Federal Funds	\$112,320,000
	Other Funds	\$1,846,743
<b>Section 811 Project Rental Assistance (PRA) Program</b> The program provides project-based rental assistance to extremely low-income persons with disabilities, and allows them to live in the community as independently as possible by increasing the supply of rental housing linked with support services	Federal Funds	\$1,008,874
<b>Total HUD Rent Subsidy Programs</b>		<b>\$115,175,617</b>

## Housing Finance Division Programs

Multifamily Housing Development	Fund Type	2015-17 Limitation Amount
<p><b>Local Innovation and Fast-Track Housing (LIFT) program</b> The Legislature approved \$40 million in Article XI-Q bonds to establish the LIFT program. The housing to be developed with the bonds will be targeted to low income individuals and families. The Department will develop the housing with the advice of the Housing Stability Council and work with stakeholders to achieve objectives that include reducing project costs and reaching underserved communities.</p>	Other Funds	\$40,000,000
<p><b>Mental Health Housing</b> The Legislature approved \$20 million in Lottery-backed bonds for financing the construction of housing for individuals with mental illness or addiction disorders. The Oregon Health Authority will work with its partners to set up a workgroup to provide recommendations on project priorities to OHCS. OHCS will develop and issue a notice of funding availability for these funds with assistance from Oregon Health Authority.</p>	Other Funds	\$20,000,000
<p><b>Affordable Rental Housing Preservation</b> Proceeds from the sale of lottery-backed bonds are used for gap financing to preserve low-income housing units and their associated federal rent subsidies. The total includes bonds that were issued in January 2015 and bonds scheduled for issuance in the spring of 2017.</p>	Other Funds	\$10,000,000
<p><b>General Housing Assistance Program</b> The 2009 Housing Opportunity bill (HB 2436) increased the fee collected for the recording of certain real property documents by \$15 and transfers the funds to OHCS. The fee was increased to \$20 in 2013 and the additional funds are dedicated to housing for veterans. The bill requires that 76 percent of these funds will be used to finance affordable multifamily rental housing.</p>	Other Funds	\$ 30,421,705
<p><b>HOME Partnership Investment Program (HOME)</b> HOME funds are awarded by HUD to develop affordable housing for low- and very-low-income households. Eligible uses include acquisition, rehabilitation, and new construction of rental housing, and operating funds for community housing development organizations.</p>	Federal Funds	\$13,621,446

<b>Multifamily Housing Development</b>	<b>Fund Type</b>	<b>2015-17 Limitation Amount</b>
<b>Housing Development Grant Program</b> Receipts from public purpose charges (PPC) collected by Portland General Electric (PGE) and PacifiCorp and interest earnings from the Housing Fund corpus fund this program. These grants fund construction, acquisition, and rehabilitation of multifamily properties. The program requires that resident services are incorporated with housing, and supports the match requirement for HOME program funds.	Other Funds	\$7,435,233
<b>Multifamily Housing Weatherization</b> Fifteen percent of the PPC weatherization dollars are used for energy conservation measures in affordable rental housing development. The housing units must be in the area where the funds are collected.	Other Funds	\$4,321,135
<b>Other Multifamily Housing Grants, Loans, and Tax Credits</b> Smaller programs that grant and loan funds to develop housing for specific populations are combined here. These include the Mobile Home Park Purchase, Farmworker Housing Development, Oregon Rural Rehabilitation, and HELP programs.	Other Funds	\$1,805,000
<b>Total Multifamily Housing Development Programs</b>		<b>\$127,604,519</b>

<b>Single Family Housing Programs</b>	<b>Fund Type</b>	<b>2015-17 Limitation Amount</b>
<b>Home Owner Assistance Program (HOAP)</b> The 2009 Housing Opportunity bill (HB 2436) increased the fee collected for the recording of certain real property documents by \$15 and transfers the funds to OHCS. The fee was increased to \$20 in 2013 and the additional funds are dedicated to programs for veterans. The bill requires that 14 percent of these funds be used for homeownership programs. HOAP provides funding to housing centers for pre-purchase home buyer education, financial coaching, and training. This program also provides down payment assistance to first-time homebuyers whose income does not exceed 80% of area median income.	Other Funds	\$3,121,289
<b>Neighborhood Stabilization Program (NSP)</b> NSP resources provide funding for the purchase and redevelopment of foreclosed, blighted, and vacant properties for the benefit of low-income households.	Federal Funds	\$1,545,826

<b>Single Family Housing Programs</b>	<b>Fund Type</b>	<b>2015-17 Limitation Amount</b>
<b>Oregon Foreclosure Avoidance (OFA) program</b> This program provides homeowners who are in or at risk of foreclosure with the opportunity to meet with their servicer and a mediator to discuss alternatives to foreclosure. OHCS administers the contracts for counseling and legal assistance.	General Fund	\$1,440,000
<b>National Foreclosure Mitigation Counseling Grant (NFMC)</b> OHCS administers this federal grant to provide counseling to homeowners at risk of foreclosure. The counseling is provided through local organizations.	Federal Funds	\$1,028,352
<b>Residential Loan Program (RLP)</b> This program utilizes a network of approved lenders who originate, underwrite and finance below market interest rate residential loans for first-time homebuyers. The department invests in and purchases these loans from the lenders in its Residential Loan Portfolio..	Other Funds	\$218,970,751
<b>Total Single Family Housing Programs</b>		<b>\$226,106,218</b>

<b>Homeownership Stabilization Initiative</b>	<b>Fund Type</b>	<b>2015-17 Limitation Amount</b>
<b>Oregon Homeownership Stabilization Initiative (OHSI)</b> This foreclosure prevention program assists at-risk homeowners to avoid foreclosure through a number of activities. Known nationally as the Hardest Hit Fund program, it is funded by federal Troubled Asset Relief Program (TARP) resources from the US Department of Treasury. Only costs of administering the program are included here, as the payments to homeowners are paid through the Oregon Affordable Housing Assistance Corporation.	Other Funds	\$1,750,424
<b>Total Homeownership Stabilization Initiative</b>		<b>\$1,750,424</b>

<b>Manufactured Communities Resource Center</b>	<b>Fund Type</b>	<b>2015-17 Limitation Amount</b>
<b>Manufactured Communities Resource Center (MCRC)</b> MCRC is funded by annual assessments on manufactured homes located in parks and assessed as personal property and park registration fees from park owners. Funds are used for mediation, information, referrals, and technical assistance to manufactured home park tenants and owners.	Other Funds	\$469,706
<b>Total Manufactured Communities Resource Center</b>		<b>\$469,706</b>

<b>Asset Management and Compliance</b>	<b>Fund Type</b>	<b>2015-17 Limitation Amount</b>
<b>Asset Management and Compliance Section</b> This section performs regular physical inspections, management reviews, and financial statement reviews of projects that have received funding from OHCS.	Other Funds	\$3,175,803
	Federal Funds	\$889,035
<b>Total Asset Management and Compliance</b>		<b>\$ 4,064,838</b>

<b>Bond-Related Activities and Debt Service</b>	<b>Fund Type</b>	<b>2015-17 Limitation Amount</b>
<b>Debt Management Section</b> This section oversees all aspects of bond issuance and debt service payment.	Other Funds	\$1,436,163
<b>Elderly and Disabled General Obligation Bonds</b> Proceeds from the sale of general obligation bonds, interest, fees, and loan repayments, which are used for construction or rehabilitation of units for elderly and special needs populations.	Other Funds	\$1,410,422
	Debt Service	\$98,172,043
<b>Multifamily Housing Revenue Bonds</b> Proceeds from sale of bonds, interest, fees, and loan repayments for construction or rehabilitation of affordable multifamily rental housing.	Other Funds	\$1,588,231
	Debt Service	\$56,442,580
<b>Single Family Mortgage Revenue Bonds</b> Proceeds from sale of tax-exempt revenue bonds, interest, fees, and loan repayments for first-time homebuyers. The program helps first-time homebuyers who meet certain income restrictions by offering mortgage interest rates that are below the market rate.	Other Funds	\$12,678,136
	Debt Service	\$396,834,157
<b>Lottery-Backed Bonds</b> Debt Service for the repayment of lottery-backed bonds which provided funding for the Community Development Incentive Fund (2001-03 biennium); permanent supportive housing for Oregon's homeless through capital development, rental subsidies, and supportive services (2007-09); and preserving multifamily rental housing (2009-11, 2011-13, and 2013-15). The Other Funds includes costs of issuance for \$20 million in bonds for Mental Health housing and \$2.5 million for preserving housing subsidies.	Lottery Debt Service	\$11,676,469
	Other Funds	\$429,695
<b>Article XI-Q Bonds</b> The costs for issuing \$40 million in bonds for the LIFT program.	Other Funds	\$585,000
<b>Total Bond-Related Activities and Debt Service</b>		<b>\$581,252,896</b>

## Central Services

Director's Office	Fund Type	2015-17 Limitation Amount
<b>Director's Office Administration</b> The Director's Office provides the leadership for the Department, and includes the Director, Chief Audit Executive, executive support staff, and the Human Resources Section.	Other Funds	\$703,578
	Federal Funds	\$196,960
<b>Housing Stability Council</b> The Housing Stability Council consists of nine members who are appointed by the Governor. The Council advises the agency, Governor, Legislature, other state agencies, and local governments on housing issues.	Other Funds	\$89,570
<b>Human Resources and Payroll</b> This section provides all personnel management functions for the agency, as well as contract services for other agencies.	Other Funds	\$786,532
	Federal Funds	\$220,182
<b>Administrative Services</b> This section is responsible for facilities management, records storage, and other administrative functions for the agency.	Other Funds	\$523,768
	Federal Funds	\$146,624
<b>Total Director's Office</b>		<b>\$2,667,214</b>

Oregon Commission on Voluntary Action and Service	Fund Type	2015-17 Limitation Amount
<b>Oregon Volunteers</b> promotes and supports AmeriCorps, volunteerism, and civic engagement in order to strengthen Oregon communities. OV receives federal funding from the Corporation for National and Community Service.	General Fund	\$250,000
	Other Funds	\$218,777
	Federal Funds	\$5,002,904
<b>Court Appointed Special Advocates (CASA)</b> Court Appointed Special Advocates are volunteers appointed by judges to advocate for abused and neglected children. Oregon Volunteers is responsible for administering the state funds and for providing training and technical assistance to the local programs, while working closely with the Oregon CASA Network to ensure state-wide quality standards..	General Fund	\$2,764,318
	Other Funds	\$2,498,980
<b>Total Oregon Commission on Voluntary Action and Service</b>		<b>\$10,734,979</b>

<b>Public Affairs Office</b>	<b>Fund Type</b>	<b>2015-17 Limitation Amount</b>
<b>Public Affairs Office Administration</b> This section includes communications staff, legislative liaison, federal planning, and the agency Integrators.	Other Funds Federal Funds	\$1,901,698 \$532,362
<b>Total Public Affairs Office</b>		<b>\$2,434,060</b>

<b>Chief Financial Office</b>	<b>Fund Type</b>	<b>2015-17 Limitation Amount</b>
<b>Chief Financial Office Administration</b> This area includes the Chief Financial Officer, the Budget Unit, and the Internal Auditor.	Other Funds Federal Funds	\$774,940 \$216,937
<b>Finance Section</b> This section is responsible for grant monitoring and compliance, financial reports for the agency's enterprise funds, contracts, purchasing, accounts payable and receivable, and cash management.	Other Funds Federal Funds	\$1,631,584 \$456,746
<b>Information Technology Section</b> This section develops and maintains agency information systems, provides research and data for all programs, and serves as the agency's computer Help Desk.	Other Funds Federal Funds	\$1,489,606 \$417,001
<b>Department and IS Pools</b> Agency-wide costs that are allocated to program areas. These costs include assessments and usage charges from other agencies, rent, and other operating costs that benefit all programs.	Other Funds Federal Funds	\$3,046,981 \$852,972
<b>Total Chief Financial Office</b>		<b>\$8,886,767</b>



INTRODUCTION TO THE  
OREGON STATE HOUSING PLAN

PRESENTED TO: HOUSING STABILITY COUNCIL

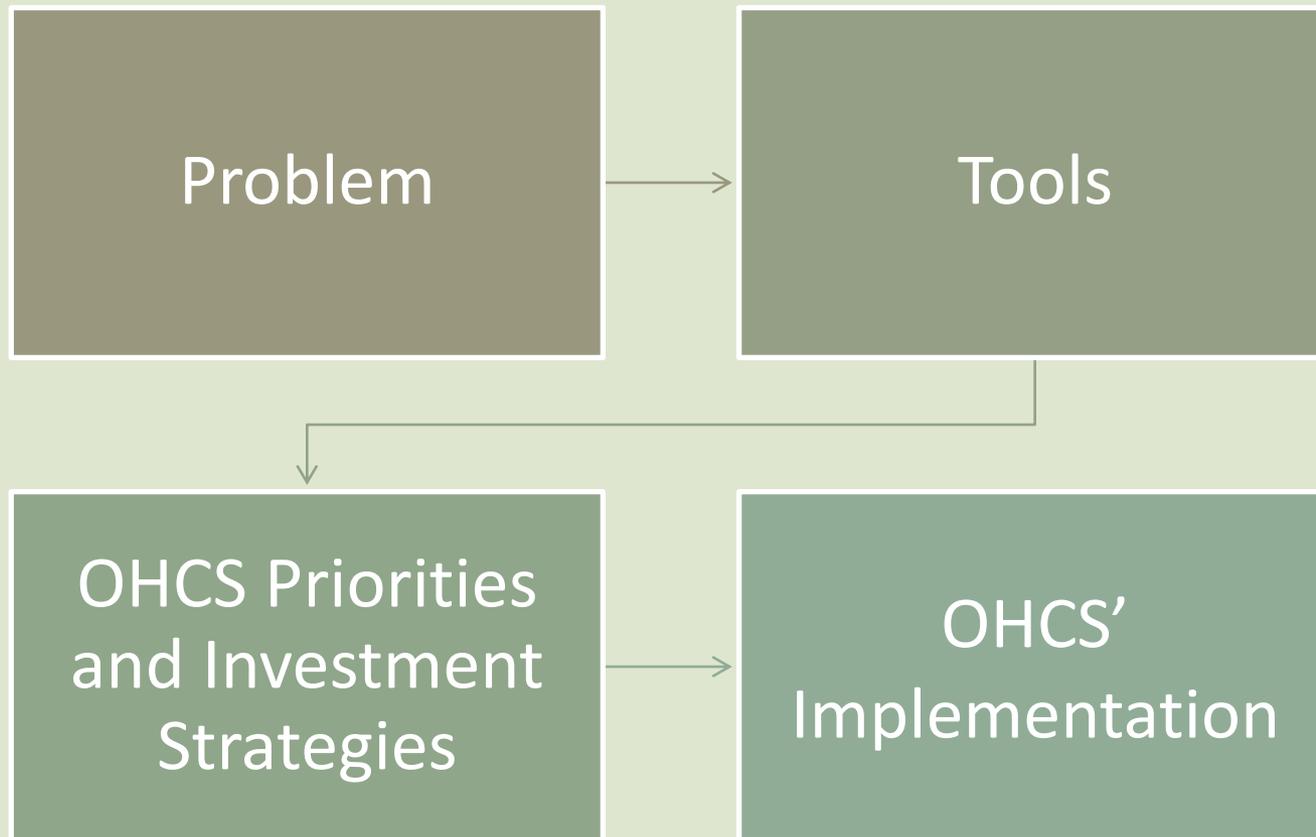
PRESENTED BY:  
REM NIVENS AND SHOSHANAH OPPENHEIM

# STATE HOUSING PLAN ORS 456.572

# FOUNDATION OF THE STATE HOUSING PLAN



# STATE HOUSING PLAN COMPONENTS



# DEMOGRAPHIC INFORMATION, MARKET AND INVENTORY CONDITIONS

- Population trends
- Household composition
- Housing conditions
  - Data for age of buildings, lack of complete kitchens/plumbing, over crowding
- Inventory of assisted housing and public housing

# NEEDS ASSESSMENT & MARKET ANALYSIS

- Builds on the work of the consolidated plan but will be a border to border approach – updated data
- Statewide and regional profiles
  - Plan should link to needs beyond housing that people need to move out of poverty, jobs and wages, education, health, and access to child care.
  - Plan should link to other costs transportation and child care.
- Statewide market analysis profile can be more robust than consolidated plan.
  - Example in depth look at costal, rural, metro, vacation communities
  - Consider evaluating the market trends.
- Some data and information is difficult to get and keep updated

# APPROACH

- Five year look based on review of the needs and conditions
- Alignment with other agencies
- Sets agency priorities
- Investment strategy supported by data and needs assessment
- Consider equitable outcomes, overcome barriers, reduce historic and instructional disparities

# PARTNERSHIP WITH THE HOUSING STABILITY COUNCIL

- Provide leadership on the project
- Support public and community engagement
- Help us answer the tough questions
- Facilitate trade off analysis

# NEXT STEPS

- Finalize scope
- Develop schedule
- Develop outreach and stakeholder engagement plan
- Complete data analysis
- Check in – Mid summer