$10 million in Portfolio Preservation Funds Framework

Housing Stability Council

2/1/2019
Overview

- Finalize framework for Housing Stability Council (HSC)
  - Per January HSC meeting feedback, we have made the following revisions to framework:
    - Removed scoring criteria regarding Rural Development pre-payment eligibility, given the fact that this itself does not demonstrate adequate market for conversion.
    - Expanded the focus on prioritizing vulnerable populations by moving into primary scoring criteria and attributing points based both on population served as well as serving households with extremely low incomes.
    - Added priority for being located in an area with access to transportation or in a Transit Oriented District.
  - If approved, we will work to release the fund offering this month.
Today’s Presentation

- Brief Framework Review
  - Application Timing
  - Set-Asides
  - Selection Criteria
- Discussion / Input
- Consideration of Motion on page 49 of HSC Packet
- Next Steps
OHCS Affordable Housing Inventory

Affordable Units by Subsidy Type

Source: ECONorthwest analysis of Oregon Housing and Community Services Affordable Housing Inventory Data
Preservation Offering Structure

- Application Type / Timing:
  - Streamlined Competitive Application: move away from first-come first served to an application that will be published and due after 60 days
    - 4% Pre Application
    - Capital Needs Assessment

- Set-Asides:
  - Preservation Rural ~ $5 million
  - Preservation Urban ~ $5 million

- OAHTC:
  - Allow $1.8 Million in OAHTC project
Required: OHCS portfolio priority not have the following:

- 25% of units with HUD Section 8 contract expiring
- USDA RD loan maturing within 7 years
- RD restrictive use covenants expired or project needs recapitalization of at least $30,000 per unit
- Public Housing units involving a comprehensive recapitalization

• Upon funding reservation projects will be expected to move forward at the timing prescribed by the 4% LIHTC program once a pre-application is submitted, which is to reach construction close within 285 days.
Scoring Thresholds

• **Primary Selection Criteria:**
  • Affordability, 5 points
  • Affordable Housing Stock Percentage, 5 points
  • Building System Replacement Need, 10 points
  • Life / Health / Safety or Risk of Habitability, 10 points
  • Critical Repair Need, 10 points
  • Vulnerable Populations Impacted, 5 points
  • Extremely Low Income Households Impacted, 5 points
  • Transit Oriented Development, 5 points  
    
    *New addition to scoring*

• **Secondary Selection Criteria:**
  • OHCS Risk Rating, 5 points
  • Urban / Rural Bundling, 5 points
  • High Performing Schools, 5 points

*Increased emphasis by moving to primary criteria and adding points*
Next Steps

- Discussion / Review

- Consideration of Motion on Page 49 of Housing Stability Council Packet
Thank you