



## DRAFT 2021 Legislative Agenda

OHCS began planning for the 2021 Legislative Session in earnest at the beginning of 2020. The COVID-19 pandemic and subsequent economic crisis have changed the landscape of housing need and, unfortunately, devastated the state's economic outlook. Agency leadership retooled the initial agenda in March to balance the needs of Oregonians with the realities of limited and shrinking state resources. OHCS conducted outreach around those investments and made changes based on feedback. The agenda detailed in this memo reflects the most current DRAFT 2021 Legislative Agenda.

OHCS used key guiding principles throughout the development of this legislative agenda. First, we used the Statewide Housing Plan, both the policy priorities and guiding principles, as the framework for the agenda. Staff are working to ensure program design puts people at the center and that the end users' voices are considered, particularly for communities of color and rural communities. Additionally, in developing our agenda, we minimize concepts that require new program design (given OHCS capacity constraints), while prioritizing "going big" on investments in existing programs.

State agencies must plan for a future budget biennium more than 18 months in advance. There are two main tools for state agencies to utilize: **Legislative Concepts (LCs)** that are used to amend Oregon statutes and **Policy Option Packages (POPs)** that comprise investment requests. OHCS has submitted LCs, but will continue to develop the concepts throughout the summer. POPs will be outlined throughout the month of June and further developed throughout the summer and fall, with additional space for feedback if and when these resources are implemented.

In normal times, this planning is a challenging exercise in that it requires state agencies to understand and predict what resources and statutory updates will be required up to three years ahead. In light of the COVID pandemic and subsequent economic crisis, this process has been exceptionally fluid. Additional resources from the [CARES Act](#) and the Oregon Legislative Emergency Board have added further complexities as we work to map the needs of Oregonians and the resources available. During a May Revenue Forecast, state economists detailed the expected impact of COVID on state revenue. As anticipated, Oregon's General Fund and Lottery Funds will be greatly restricted. State economists also said bonding investments would be advantageous as borrowing rates are low.

All POPs and investment request submitted are known as the Agency Request Budget (ARB) and the OHCS ARB was submitted to the Governor's Office in July. The Governor is reviewing all ARBs and must balance the vast needs of Oregonians, from healthcare to education to housing and beyond, with available state resources. The Governor's Budget is released in December, which will include OHCS' final 2021 Legislative Agenda.

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## DRAFT LEGISLATIVE AGENDA

The following represents the agency’s current list of draft LCs and POPs, these are organized into three agendas by programmatic division with additional information on LCs with an agency-wide impact. Noted throughout this document is the scale of some concepts including whether they are smaller technical or programmatic “fixes,” larger programmatic “expansions,” or completely “new” bodies of work for OHCS. Some of the LCs are “placeholders”, meaning the outline or mechanics for these LCs are still being developed. Finally, concepts are cross-referenced with [Oregon’s Statewide Housing Plan](#) to indicate the policy priorities advanced by each concept or investment.

### STATEWIDE HOUSING PLAN PRIORITIES



Equity and Racial Justice



Homelessness



Affordable Rental Housing



Permanent Supportive Housing



Homeownership



Rural Communities

DRAFT Investment Requests					
HOUSING STABILIZATION		HOMEOWNERSHIP		AFFORDABLE RENTAL HOUSING	
Individual Development Account	\$15 million	Down Payment Assistance tied to OHCS lending	\$10 million	Bond Funding for LIFT (Rental and Homeownership), PSH, & LAP	\$210 million
SOAR Expansion	\$5 million	Addressing Racial Disparities in Homeownership	\$2 million	PSH Rental Assistance & Services	\$15 million
Improving HMIS	\$3 million	Homeownership Development Resources	\$5 million	Affordable Housing Preservation	\$10 million
COVID-19 Revitalization	\$15 million	Manufactured Housing Program – Homeowner support	\$2.5 million	Increase in Agricultural Worker Housing Tax Credits	\$9.5 million
COVID-19 Energy Assistance	\$10 million	Manufactured Housing Program – Park Preservation	\$3.5 million	<i>Please note the draft nature of these investments; OHCS may have to further scale back investment asks.</i>	
		LIFT Homeownership	See Bond Funding		

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Legislative Concepts			
AGENCY-WIDE	HOUSING STABILIZATION	HOMEOWNERSHIP	AFFORDABLE RENTAL HOUSING
Veterans Definition for OHCS Programs [technical fix]	State Home Oil Weatherization Assessment Statute [technical fix]	Addressing Racial Disparities in Homeownership [new]	Publically Supported Housing (PuSH) Preservation Program [technical fix]
Long Term Rental Assistance [new] [placeholder]	Naming Conventions for Federal Energy Programs [technical fix]	Manufactured Housing Program Updates [programmatic fix]	New Account for PSH Subsidy/Services [technical fix]
	Increasing Access to Landlord Guarantee Programs [programmatic fix]		Rent Increase Notices for Oregonians with Housing Vouchers [technical fix]
	Natural Disaster Relief Housing Program [expansion]		AWHTC Increase and Programmatic Changes [programmatic fix]
	Oregon Individual Development Account (IDA) Restructure		[expansion]

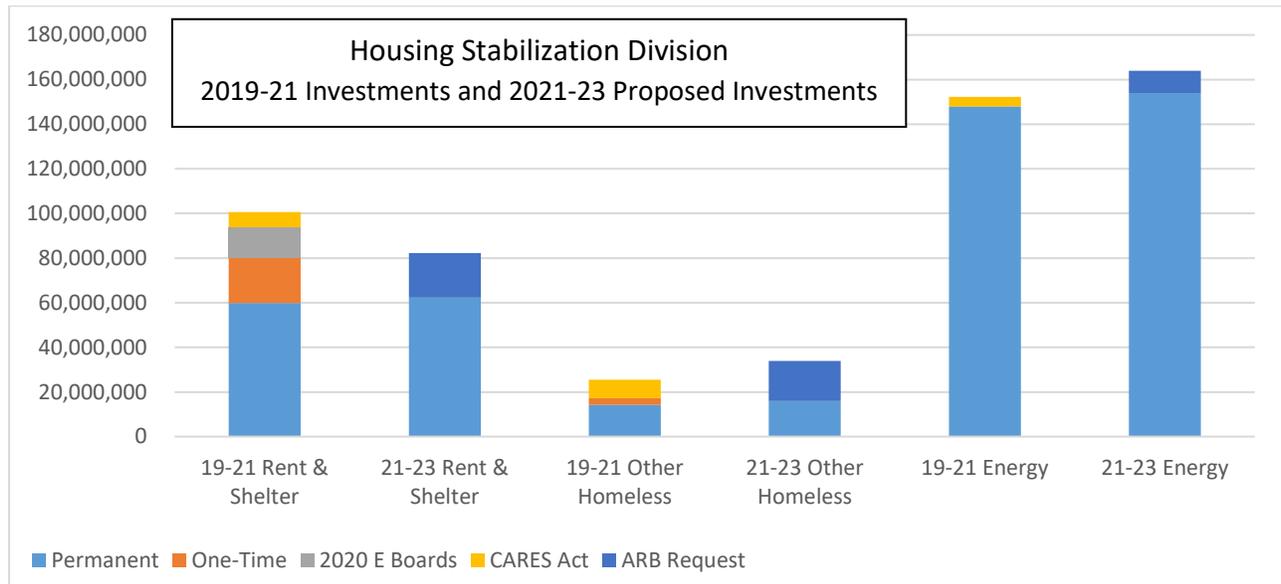
### AGNECY WIDE LEGISLATIVE CONCEPTS

Concept	Biennium Investment	Description	Statewide Housing Plan
Veterans Definition for OHCS Programs [technical fix]	Legislative concept, no investment ask	The existing definition for “Veteran” in Oregon statute is not inclusive. This legislative concept would expand the definition of “Veteran” to include other Veterans identified by the Federal Veterans Administration. (Ex: Veterans discharged for pregnancy or because of Don’t Ask, Don’t Tell). This would only change the definition for OHCS program.	
Long Term Rental Assistance [new] [placeholder]	Legislative concept, TBD	Today 27% of Oregon renters are severely housing cost burdened, meaning they spend more than half of their income on housing and utilities. While the federal government provides some relief through housing vouchers, the need greatly outpaces the limited resources. The rental assistance would be available with no time limit. This concept is being developed by the Governor’s Housing Policy Advisor, Shannon Singleton.	

## HOUSING STABILIZATION DIVISION

The Housing Stabilization Division is putting forward concepts from both energy and weatherization as well as homeless services, in an effort to build foundations, make programs as effective as possible, and create a system of care. The system of care includes rental assistance, explicit investments to advance equity and racial justice, economic stability, and systems alignment. In response to the new economic reality created by COVID, this draft legislative agenda includes two new funding requests that would support Oregonians through the economic crisis and recovery.

The resources requests listed below are on top of existing permanent funding sources, both state and federal programs. OHCS will receive about \$50 million for the Emergency Housing Assistance & State Homelessness Assistance Program in the 2021-23 biennium as Current Service Level. The Emergency Solutions Grant and the Community Service Block Grant, federal programs, will also provide homeless service dollars throughout the state. Additionally, OHCS receives energy assistance and weatherization funds that are vital to the health and comfort of our low-income friends and neighbors. The chart below details these permanent resources and compares 2019-21 investments with 2021-23 proposed investments.



Concept	Biennium Investment	Description	Statewide Housing Plan
State Home Oil Weatherization Assessment Statute [technical fix]	Legislative concept, no investments ask	State Home Oil Weatherization (SHOW) assessment statute is within the Department of Energy statutes. This concepts replicates the assessment into OHCS statutes.	
Naming Conventions for Federal Energy Programs [technical fix]	Legislative concept, no investments ask	Correct statutory reference of the naming convention for the Low-Income Home Energy Assistance Program (LIHEAP) and the U.S. Department of Energy Weatherization Assistance Program (USDOE WAP).	
Increasing Access to Landlord Guarantee Programs	Legislative concept, no investments	This will make programmatic changes to the Housing Choice Landlord Guarantee Program (HCLGP) and the Rent Guarantee Program (RGP).	

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[programmatic fix]	ask	This LC remove statutory requirement for landlords to obtain a small claims judgment before applying to the program for HCLGP assistance. Remove language associated with tenant repayment. We are also planning on renumbering statutes related to the Housing Choice Advisory Committee (456.390 & 456.395) to align with Housing Authorities Law (456.055-456.235). The RGP has a landlord lifetime cap that may prevent landlords from accepting multiple tenants under the RGP. This LC would establish a tenant cap and remove the landlord cap. Additionally, this LC would remove the cap on back rent payments for the RGP.	
Oregon Individual Development Account (IDA) Restructure	Legislative concept, \$15 million – General Fund	This LC will change the IDA from tax credit to a general fund allocation. Due to changes in the federal and state tax codes, it has been increasingly difficult to sell the tax credit. Additionally, OHCS is working with IDA partners to identify other programmatic updates that would support IDA savers, including increasing the rate of matched savings to help families achieve homeownership.	
SSI/SSDI Outreach Access & Recovery (SOAR) Expansion [new]	\$5 million – General Fund	This concept will help ensure Oregon communities benefit from all federal funds available by ensuring vulnerable Oregonians have access to the federal benefits that they are entitled to. Through a competitive solicitation, OHCS will invest resources statewide to establish and increase SSI/SSDI Outreach Access & Recovery (SOAR) services. OHCS will provide leadership to support the creation of a statewide system framework. A well-implemented, state administered SOAR initiative helps to better support front-line staff in having appropriate competency and training to provide services that result in increasing application approvals. The decision to utilize a competitive process allows for: <ul style="list-style-type: none"> <li>• Culturally specific agencies to be in direct partnership with the state and increase the presence of culturally responsive services.</li> <li>• Resources optimization by minimizing sub-grantees and associated administrative fund obligation.</li> <li>• Portfolio diversification: in rural communities, where provider selection is limited this provides an opportunity to explore innovative service delivery such as colocation, pairing outreach funding, and partnering with local health systems.</li> </ul>	
Improving Homeless Management Information System (HMIS)	\$3 million – General Fund	<b>Investments guided by the <a href="#">2020 HMIS Report</a>.</b> This investment will improve the utilization of HMIS: with more staffing dedicated to supporting data entry and agency reporting, by utilizing software tools available, by bringing current and new	

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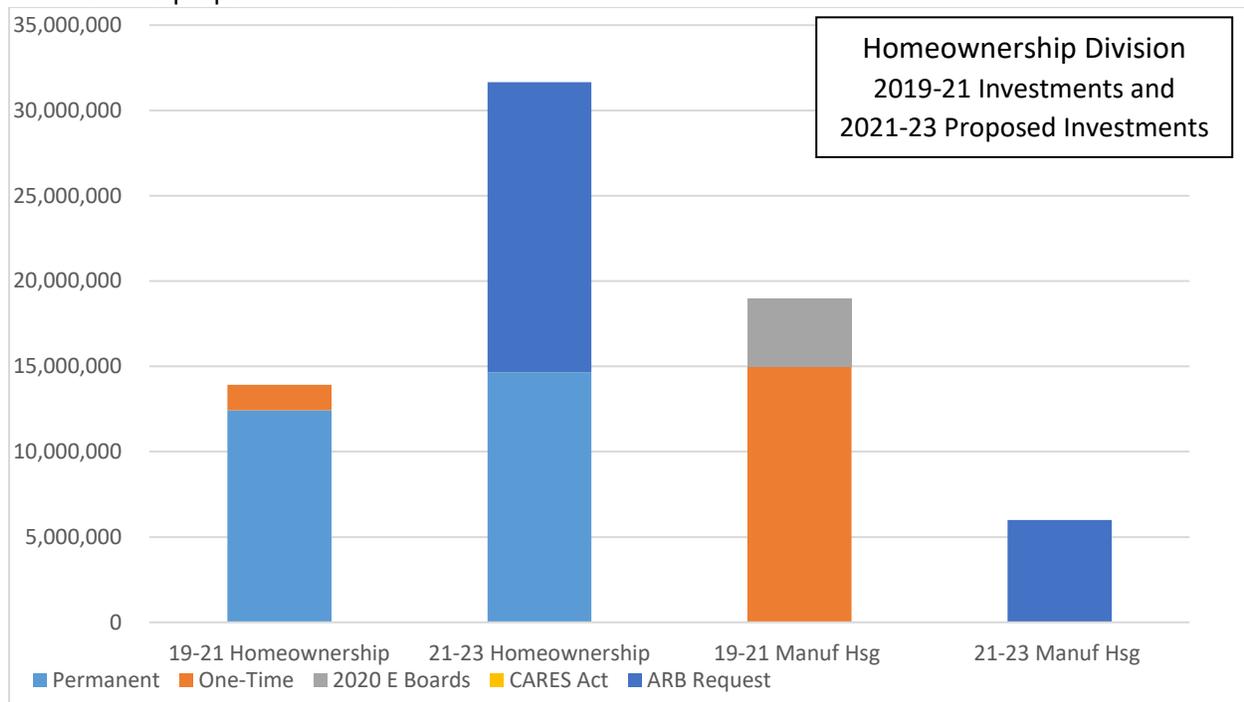
		community partners into HMIS for little to no cost, and by creating reporting specific to our needs. These resources will allow Oregon to have accurate, statewide data that both tracks outcomes for homeless individuals and allows for data driven decision making.	
COVID-19 Revitalization [new]	\$15 million – General Fund	This investment is spurred from the acknowledgement that socioeconomic research demonstrates that where individuals and children live impact their economic mobility, well-being and health. As we move toward economic recovery a year after this 2020 COVID crisis, there will be a need to address the most economically impacted communities with in depth, specialized care. This place based initiative, with 5-6 pilot regions, seeks to bolster the resilience of Oregon communities in rebounding from COVID 19 impacts; we seek to do this by providing flexible resources towards implementing housing and education needs, promote equity and inclusion, and to enhance civic infrastructure. This POP is still in development but may be used for rental assistance, move-in costs, employment services, and other support.	
COVID-19 Energy Assistance [new]	\$10 million – General Fund	OHCS energy assistance programs are approximately 5X oversubscribed, meaning they are only able to serve about 20% of people eligible. This will be exacerbated by COVID. This investment would help with the likely increase in utility arrearage payments and help avoid post-COVID utility shutoffs.	

**Total Housing Stabilization Investment: \$48 million**

## HOMEOWNERSHIP DIVISION

OHCS will continue to work towards our goals within the Statewide Housing Plan, and prioritize bridging the gap in homeownership to communities of color. The funding investments included in the Homeownership Division’s Draft Legislative Agenda will advance these goals and support generational wealth building for households that have been excluded from homeownership by discriminatory government policies and lending practices. These investments also include a continuation of resources to support some of the most vulnerable homeowners, owners of manufactured housing.

Please note that OHCS Homeownership Division receives revenue from the Document Recording Fee, which was recently tripled, and the Construction Excise Tax. This revenue provide stable funding to the Homeownership Assistance Program (HOAP) to help Oregonians achieve and maintain homeownership. Additionally, OHCS receives stable revenue to operate the Marinas and Manufactured Communities Resource Center. The chart below details these permanent resources and compares 2019-21 investments with 2021-23 proposed investments.



ARB stands for Agency Request Budget

Concept	Biennium Investment	Description	Statewide Housing Plan
Addressing Racial Disparities in Homeownership [new]	Legislative concept, \$2 million – General Fund	The legislative concept will include statute changes to the Homeowner Assistance Program (HOAP) outlined in <a href="#">House Bill 4003 (2020)</a> that was developed by the Task Force on Addressing Racial Disparities in Homeownership. OHCS is also seeking funds to provide expand funding for staff to provide technical assistance and outreach to communities of color. Some strategies include: language access technical assistance, collaboration with culturally specific organizations, and outreach strategies targeted to communities of color.	

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Manufactured Housing Program Updates [programmatic fix]	Legislative concept, no required investment	The LC includes a programmatic fix to the manufactured home decommission and replacement program established by <a href="#">House Bill 2896 (2019)</a> . The language of this bill will be reviewed by the Manufactured Housing Advisory Committee and Housing Stability Council.	
Down Payment Assistance (DPA) Tied to OHCS Lending Products [expansion]	\$10 million – General Fund	These funds would be used to establish a revolving fund to provide DPA. Current DPA funds, from the Document Recording Fee, are not sufficient to provide the necessary DPA needed to increase the homeownership rates - especially to address the needs within communities of color. This method of DPA delivery increases the direct client investment by utilizing existing practices to minimizing administrative costs. This will also help increase our presence of programs and lenders in rural communities and help OHCS modernize our mortgage lending programs to serve more Oregonians with needed DPA.	
Manufactured Housing Program – Homeowner Support	\$2.5 million – General Fund	This investment request is to continue funding for two of the programs established by HB 2896 in the 2021-2023 biennial budget, at the same level or near the same level as in the 2019-2021 budget: specifically the decommissioning/disposal grant and replacement loan program.	
Manufactured Housing Program – Park Preservation	\$3.5 million – General Fund	This investment request is to continue funding for two of the programs established by HB 2896 in the 2021-2023 biennial budget, at the same level or near the same level as in the 2019-2021 budget: specifically the acquisition/preservation bridge loan program.  <u>Please note:</u> This park acquisition funding is different from the permanent General Housing Assistance Program and Oregon Affordable Housing Tax Credit park preservation resources available through OHCS’ Affordable Rental Housing Division. These funds are intended to facilitate park acquisition by cooperatives, nonprofits and housing authorities through shorter-term bridge financing when other park purchase resources are not immediately available.	
New Homeownership Development Program [new]	\$5 million – General Fund	Oregon lacks “starter homes” for lower-income residents. This concept would create an evergreen revolving loan fund for homeownership development, to create a flexible funding source to create new units, in lieu of LIFT Homeownership. Program details are being considered with the goal of supporting BIPOC communities in achieving homeownership and building generational wealth.	
Local Innovation and Fast Track	Part of a \$210 million request of	OHCS is pursuing a phase out investment in LIFT Homeownership. Due to the limited resources that	

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(LIFT) Homeownership	Article XI-Q General Obligation Bond Funding (soft \$20 million set aside)	the program can bring to individual development and to the high administrative burden on both OHCS and homeownership development partners of utilizing Article XI-Q Bonds for this purpose; homeownership development is not sustainable use for these funds. However, given the state's budget outlook, OHCS is asking for LIFT resources to ensure we can continue to develop new, affordable homes for purchase. OHCS is committed to exploring other resources to assist affordable homeownership development activities, including land acquisition and other development strategies that utilize more flexible funding.	
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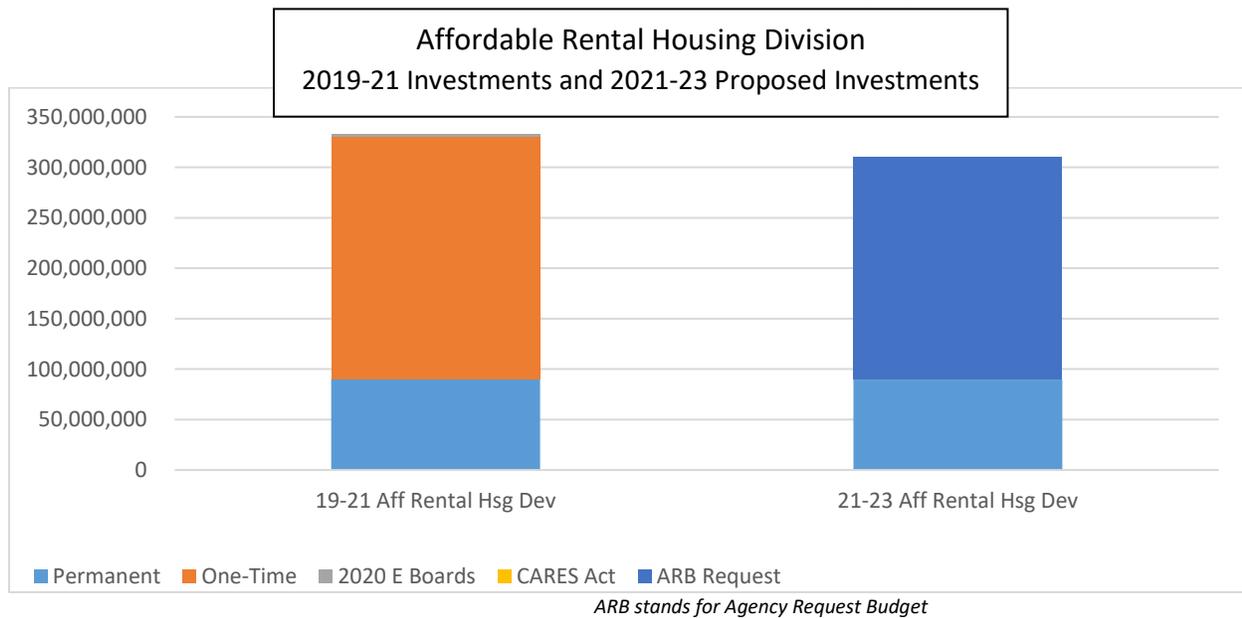
**Total Homeownership Investment: \$43 million**  
**(NOTE: \$20 million for LIFT included in Affordable Rental Housing total investment as well)**

## AFFORDABLE RENTAL HOUSING DIVISION

The past several legislative sessions have brought unprecedented resources to OHCS to finance the development and preservation of affordable rental housing. The goal of the 2021 legislative agenda from the Affordable Rental Housing division is to build on the momentum of prior state investments in order to have broad ability to meet the need, adjust to market conditions, and look toward focused and impactful investments that further our ability to align with the Statewide Housing Plan and meet our goals of funding the creation or preservation of 25,000 homes.

This is to be done by expanding resource asks for existing state programs, enhancing existing programs to better meet the need, and utilizing Article XI-Q Bonds to maximize investments. Together these resources will allow OHCS to deploy an efficient toolkit of development resources within a framework that prioritizes equity and racial justice, service to rural communities, partnerships with local jurisdictions, and capacity building. These investments will result in a robust and diverse pipeline of affordable rental housing production across the state.

OHCS existing affordable rental housing construction funds come from state and federal resources. OHCS administers key federal development programs, Low Income Housing Tax Credit and HOME. OHCS also receives state funding for development, the Oregon Affordable Housing Tax Credit and General Housing Assistance Program (funded by the Document Recording Fee). Additionally, OHCS is the HUD Contract Administrator for rental subsidies supported by the federal government. The chart below details these permanent resources and compares 2019-21 investments with 2021-23 proposed investments.



Concept	Biennium Investment	Description	Statewide Housing Plan
Publically Supported Housing (PuSH) Preservation Program [technical fix]	Legislative concept, no investment ask	The PuSH regulations (HB 2002, 2017) includes reporting requirements and a right of first refusal if an owner intends to opt-out and sell their property. The PuSH Preservation Program statute was updated in 2019 (HB 2002), but there was a technical error in drafting. This legislative concept would eliminate an inadvertent additional 6 month	 

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		period to submit the expiration notice without penalty requiring extension of the affordability contract.	
New Account for PSH Subsidy/Services [technical fix]	Legislative concept, no investment ask	This LC establishes a new account at OHCS to allow for appropriate accounting. OHCS was asked by the Legislative Fiscal Office to pursue this LC.	 
Rent Increase Notices for Oregonians with Housing Vouchers [technical fix]	Legislative concept, no investment ask	Oregon law requires landlords to provide 90 day notice for rent increases. However, HUD requires that the tenant portion of rent, capped at 30% of their income, be adjusted within 30 days of an income recertification. This LC creates a specific and limited exemption to the 90 day rent increases for tenants with housing vouchers or other assistance that limits their rent to 30% of their income and ensure compliance with federal regulations. OHCS will share this language broadly in the fall for feedback to ensure there are no unintended consequences.	
Agricultural Workforce Housing Tax Credit (AWHTC) Increase and Programmatic Changes [programmatic fix] [expansion]	Legislative concept, \$24 million (increase of \$9.5 million) Tax Credits	The AWHTC is used to develop housing for agricultural workers on-farms and in the community. OHCS would like to allocate the entire biennial amount of tax credits, minus the on-farm set aside which would still go out yearly through the regular application process. The remainder of the tax credit could be allocated through the Small Projects NOFA we release every two years. Additionally, OHCS would like to include the ability to monetize the credits set aside for on-farm development in order to be able to provide cash grants for on-farm housing vs credits. Community based developers operate at a capacity and credit threshold where they are able to monetize the credit, this is not feasible for individual farm owners. OHCS received feedback that the community based developers also have difficulty monetizing the tax credit, and we are considering expanding who OHCS will monetize the tax credit for.	   
Bond Funded Development Resources: Local Innovation Fast Track (LIFT) Rental and Homeownership, Permanent Supportive Housing (PSH) Development, and Land Acquisition Program (LAP)	\$210 million – Article XI-Q General Obligation Bond  Soft set aside: \$150 M for LIFT (\$20 M for Homeownership), \$50 M for PSH, and \$10 M for LAP. The	<ul style="list-style-type: none"> <li>LIFT Rental addresses the shortage of affordable rental housing in <b>historically underserved communities throughout</b> Oregon. This includes rural areas of the state and communities of color. For information on LIFT Homeownership, review the Homeownership Division section above.</li> <li>PSH addresses the complex needs of those persons who are unable to remain stably housed without supportive tenancy services and rental assistance. Namely, we have established a priority for using PSH resources to address the needs of those experiencing chronic homelessness. These additional resources could be used to expand services to priority</li> </ul>	     

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	<p>Housing Stability Council will determine the final allocation levels based on needs and market conditions.</p> <p><i>Please note this funding source will be much less constrained than General Fund, Lottery Fund, or Lottery Bonds.</i></p>	<p>populations, including elderly, disabled, and other vulnerable populations.</p> <ul style="list-style-type: none"> <li>• <a href="#">LAP</a> provides a loan to governmental agencies or non-profits for the purchase of available development property in their community. The loan allows these eligible entities the ability to purchase the land quickly while it is available and then to refine their development plans later. The loan must be repaid within eight years with at least 60% of the funding being used for multifamily development and up to 40% being used for homeownership development. OHCS has no existing funding for this program as all resources have been loaned. This is the first time OHCS has considered using Article XI-Q funding for LAP, but we do not have plans to change program operations.</li> </ul>	
PSH Rental Assistance & Services	\$15 million – General Fund	<p>The corresponding rent assistance for the PSH development ask. PSH requires three components to be successful: affordable housing (development dollars), rental subsidy to ensure homes are affordable to very low income households, and services that help ensure people are able to stay stably housed. Those services could include: mental health counseling, employment trainings, alcohol/drug treatment, and more. These resources as vital to ensuring the success of OHCS’ PSH program.</p>	
Affordable Housing Preservation	<p>\$10 million – Lottery Bonds or General Fund</p> <p><i>OHCS will select the least constrained funding source</i></p>	<p>The current affordable housing portfolio is aging and there is tremendous risk of expiration in the coming 5 – 10 years; OHCS must have a mechanism for investing in those most likely to be lost to the communities through expiry or physical condition loss, or market conversion. We propose structuring these investments as loans to create an opportunity for an evergreen fund to reinvest state resources as wisely as possible.</p>	
<b>Total Affordable Rental Housing Investment: \$244.5 million</b>			

## **NEXT STEPS**

OHCS hosted three webinars on each of the programmatic division draft legislative agendas on May 5<sup>th</sup> and 6<sup>th</sup>. The [recordings of these webinars are available online](#), please note the webinars were presentations of an earlier version of the 2021 DRAFT Legislative Agenda. OHCS conducted a survey to gather feedback after those presentations, [click here to read a summary of survey results](#). OHCS will continue to develop the investments and concepts outlined in this memo. Please continue to check the website listed below for updates on OHCS' legislative agenda and planning process.

[Click here to sign up to the Legislative Updates email list.](#)

For more information, visit <https://www.oregon.gov/ohcs/about-us/Pages/government-relations.aspx>.