

2022 Oregon Legislative Session OHCS Investments

Like other economic downturns, the COVID economic fallout has disproportionately impacted low-income Oregonians, particularly BIPOC communities. At the same time, Oregon continues to have record revenue as high-income earners have not been as impacted by the economic fallout of COVID. Governor Kate Brown proposed dedicating a significant portion of this historic revenue to support communities that have been disproportionately affected by COVID and address one of Oregon's most prolonged challenges: our housing crisis. OHCS is grateful that the legislative package includes many of these investments.

Oregon's Housing Needs Analysis found that the state must develop 140,000 homes over the next twenty years, and we cannot afford to lose existing affordable housing as we open new doors. Our housing crisis demands continued investments to develop more affordable homes and preserve existing housing. At the same time, Oregonians who are struggling need more support, and there are additional recovery needs to help stabilize Oregon families and prepare communities for the next economic crisis. In total, nearly \$300 million is coming to OHCS to address Oregonian's housing needs across the continuum:

- **\$200 million to build and preserve housing**
 - \$65 million to preserve existing affordable housing by making life and safety repairs or extending the affordability period
 - \$50 million to address cost escalation for affordable housing developments that have been awarded funds by OHCS
 - \$35 million to construct new affordable homes for rent
 - \$20 million to construct new affordable homes for purchase
 - \$20 million to acquire and preserve manufactured home parks
 - \$10 million to support land acquisition for affordable housing
- **\$80.5 million to prevent and address homelessness and increase coordination of homeless resources across systems**
 - \$50 million to fund homeless services
 - \$30 million to fund homeless prevention efforts
 - \$500,000 to increase statewide coordination related to Oregon's homelessness crisis
- **\$15 million to support Oregon's homeowners navigate the end of the foreclosure moratorium and provide counseling and support to manufacturers homeowners**

The Legislature also made investments to address Oregon's housing crisis that will be administered by entities other than OHCS. This includes investments in homelessness solutions in partnership with local governments and the Oregon Community Foundation, manufactured housing production, down payment assistance, and more.

Addressing Supply- \$200 million to Build and Preserve Housing

Oregon's housing crisis is supply driven, and the primary solutions to end homelessness is for individuals and families to have keys to have safe, decent, and affordable place to call home. Given the volatility of the current market, cost increases, and the constraints of Private Activity Bonds, the State of Oregon is taking steps to meet the moment and expand housing investments so that we can achieve the needs detailed in Oregon's Regional Housing Needs Analysis. Over the next 20 years, Oregon must build more than 580,000 homes and 140,000 of homes must be affordable. This can only be achieved with state investments paired with federal and local resources. At the same time, more than 8,000 affordable units across the state are at risk of falling out of our portfolio and becoming market rate. Oregon cannot lose any ground while we work to expand housing, and affordable housing providers need additional support.

- **\$65 million to preserve affordable housing, improve conditions, and expand cooling opportunities in response to heat waves:** These funds will be added to existing, planned offerings already vetted through Oregon's Housing Stability Council. OHCS is working with the Network for Oregon Affordable Housing (NOAH) to determine how much will be added to what preservation offerings.
- **\$50 million to address cost escalation:** The Legislature allocated \$5 million for pricing and construction increases. Increases have caused gaps outside of a development's control, but resources allocated last year were quickly subscribed, even with OHCS adding over \$10 million in federal low-income housing tax credits and more than \$12 million in other OHCS gap resources. Even still, we had to turn away projects in need and only provided funds to 2019 and 2020 funded developments; the need is much greater, especially when you consider gaps from 2021 funded developments and the ongoing cost escalation. Additional funds would revive the out-spent program to address the pressing construction gaps in light of accelerating cost and today's markets. These resources could allow 15-20 projects representing 1,500 to 2,200 affordable homes with funding gaps to move forward with their construction. Oregon's Housing Stability Council will reapprove the program during the April meeting.
- **\$35 million to build more affordable homes for rent:** These funds will be added resources to our Small Project Notice of Funding Availability, allowing more of affordable rental housing with a larger percentage dedicated to rural areas of the state. This will likely generate around 175 additional units.



- **\$20 million to build more new homes for purchase:** OHCS will add and layer this funding into the LIFT Homeownership offering. The LIFT funding source, Article XI-Q bonds, limit award amounts that impact the ability to develop in rural areas or develop at scale in urban communities. OHCS will structure these resources with the support of our Housing Stability Council with the goal of increasing LIFT's ability to serve rural areas and allow for greater density in urban areas.
- **\$20 million to acquire at-risk manufactured home parks:** OHCS currently has \$25 million in the preservation resources aligned with Manufactured Home Park Preservation. In our work with partners on this, we understand that there are over \$25 million in parks that are ready to apply for this long-term financing to secure properties, that would mean that the current resources allocated will be fully obligated within the next 3 months. These additional resources will allow another 4-6 parks to be acquired and preserved, creating or preserving approximately 250 - 500 affordable homes.
- **\$10 million for the Land Acquisition Program:** these funds will allow developments to secure their land while their financing experiences delays related to the changing financial landscape and volatility of the market. This is minor expansion of the existing Land Acquisition Program to preserve the current pipeline; timelines will be moving for projects as the 4% Low Income Housing Tax Credit program becomes competitive and funds will be used to bridge the delay and mediate additional cost increases.

Homelessness Services, Prevention, and Policy Infrastructure – \$80.5M for assistance, shelter, and planning

Oregon is facing a homelessness crisis. The Legislature made significant investments, not all through OHCS, to prevent homelessness, provide services and shelter for people experiencing homelessness, and increase coordination at the state and local level.

- **\$50 million for homeless services and programs:** This includes investments in the Out of the Cold program, grants to extend Emergency Solutions Grants – Coronavirus Relief programming, and other shelter support, including operating funds to properties developed through Project Turnkey, and extending funds to navigation centers, youth homelessness providers, tribal governments, shelter medical respite models, and more.
- **\$30 million for homeless prevention efforts:** This includes investments in the Oregon Eviction Diversion and Prevention Program, additional funds for the Emergency Housing Account, and support for immigrant and refugee communities to provide flexible funds for homelessness assistance and prevention.



- **\$500,000 to increase coordination and planning:** A modest investment in the policy structure surrounding homelessness will better support coordination and direction at the state and local level. This includes following recommendations of the legislative Task Force on Homelessness and Racial Disparities by providing resources to establish an Interagency Council on Homelessness and provides funds for a policy expert within OHCS to support this effort. Remaining resources will be used to support Built For Zero, a private/public partnership to support communities in addressing homelessness through improvements in data collection and cross-sector service coordination. Many Oregon communities already partner with Built For Zero, this investment expands the scope statewide and can complement other proposed investments in collaborative local efforts.

Homeowner Support and Stability Component – \$15 million to Homeownership Centers, Community Dispute Resolution Centers, and nonprofits

Homeowners at risk of foreclosure turn to Homeownership Centers or other trusted organizations to help them preserve their investment and retain their housing. These organizations braid funding together and often need flexible funds to allow for adequate staffing in the best of times, but COVID has impacted their operating costs. OHCS will provide resources to organizations serving home owners to address operational capacity, technology and software needs, expenses incurred from the pandemic, and allow organizations to expand to unserved or underserved populations. OHCS is considering a max grant of \$140,000 - \$150,000 per organization, dependent on need and capacity to expand services. Funds may be released in one or two waves.

Additionally, resources are needed to help manufactured homeowners. New programs to help homeowners replace older manufactured homes have been welcomed by community, but many homeowners have questions about the program and need support navigating these new resources. Around \$250,000 of this package will be set aside to meet that need. These resources would also include funds for Community Dispute Resolution Centers (CDRCs) that provide mandatory mediation to owners and manufactured home park residents. CDRCs are reporting increased expenses related to the pandemic, and OHCS would provide a \$50,000 grant to 15 CDRCs across the state to address this and allow for activities (including marketing, increased outreach for volunteer mediators, and travel and technology needs).

Investments in Housing Solutions NOT Administered by OHCS

In addition to the resources above, the Oregon Legislature has invested in:

- Homelessness Resources
 - **\$50M Round Two of Project Turnkey** through the Oregon Community Foundation (OCF). OHCS will not administer or monitor the use of the \$50 million investment in capital funds but will provide program monitoring through operational funds. OHCS plans on using a portion of the \$50 million investment in homeless services to fund the operation of Project Turnkey developments. OHCS staff will continue to serve on the OCF's advisory committee and partner on the implantation of the program.



- **\$28 million to local governments** for shelter capacity, hygiene needs, and outreach to people experiencing homelessness.
 - Flexible resources statewide: \$10 million to Multnomah County; \$750,000 to Washington County; \$2 million to Clackamas County; \$1 million to Hillsboro; \$750,000 to Beaverton; \$5 million to Eugene; \$2.5 million to Salem; and \$1.5 million to Medford.
 - Trash and sanitation resources outside of the Metro region: City of Eugene (\$750,000); City of Salem (\$750,000); City of Bend (\$400,000); City of Medford (\$350,000); City of Springfield (\$250,000); City of Corvallis (\$250,000); City of Albany (\$250,000).
- **\$8 million to support coordinated regional responses to homelessness** across the state via [HB 4123](#).
- **\$1.2 million to address youth homelessness** via [HB 4013](#).
- Supply Resources
 - **\$15 million seed investment to produce manufactured homes** through a new St. Vincent de Paul of Lane County facility. Currently, there are significant delays to purchase new manufactured homes.
- Homeownership Resources
 - **\$15 million for the Equity Investment Act (SB 1579)**, which will create a program within Business Oregon to develop and award grants to organizations that provide culturally responsive services to support economic stability, self-sufficiency, wealth building, and economic equity among individuals and families of color, businesses owned by, and communities of color.
 - **\$5 million to launch a home loan program** managed by Hacienda CDC to help first-time homebuyers across the state to make down payments, particularly BIPOC homeowners.
- Other Resources
 - **\$100 million for behavioral health housing**. This investment will support people experiencing mental health issues through new residential treatment beds, short or long term rent assistance, and more.
 - **Right to Cooling (SB 1536)** provides \$34 million for emergency heat relief solutions that will keep Oregonians safe next summer: \$5 million for emergency air conditioners, \$25 million for heating and cooling pumps and associated home upgrades, and \$4.5 million for cooling centers.
 - **\$10 million for emergency shelter and safety services for domestic violence and sexual assault survivors** through DOJ's Oregon Domestic and Sexual Violence Services.
 - **\$1 million to 211info** to support 24/7 operation
 - The state funded **\$600 relief payments to Oregonians** who claimed the Earned Income Tax Credit in 2020.
 - Resources to continue the [Task Force on Homelessness and Racial Disparities](#)