Affordable Rental Housing Capacity Building Summary & Framework

w/Pathway for ARH Centralized Application

Introduction

Oregon Housing and Community Services (OHCS) established the Affordable Rental Housing (ARH) Capacity Building (CB) program to support the important role our local and regional housing partners play in fostering community, health, and housing stability. Nonprofit housing developers, local housing authorities, and Native nation (Tribal) housing entities are uniquely positioned within their communities to support placemaking and provide culturally specific and responsive housing and resident services. Local governments also play a key role in facilitating the development and long-term viability of affordable rental housing projects.

This resource is generated from revenue from County Document Recording Fees into the General Housing Account Program (GHAP) and GHAP CB receives 8% of the funds transferred into GHAP. Since 2010, the General Housing Account Program's Capacity Building (GHAP CB) funds have been made available by OHCS to support the growth and development of these entities in meeting our shared goals in affordable multi-family rental housing development and operations.

Although ARH capacity building has not been a separate topic in the Centralized Application engagement process, it has been a theme throughout many of the planned discussions. This document includes a pathway for GHAP CB resource investment through the Centralized Application. The strategies provided here are a combination of feedback through the Centralized Application engagement process and from ongoing capacity building conversations held with stakeholder groups by GHAP CB program staff in 2022 and 2023. Information about stakeholder feedback and the current framework can be found on the [GHAP Capacity Building webpage](#).

GHAP Capacity Building General Information

Capacity Building Definition:
Activities and resources needed to bring an individual, organization, or system to the next level of operational, programmatic, financial, or comprehensive development so it may more effectively advance our shared goals related to affordable rental housing in Oregon.

Eligible Entities*:
- Nonprofits
- Public Housing Authorities
- Native Nations and Tribally Designated Housing Entities
- Local Governments
  *GHAP rules also allow for GHAP CB funds to pass through GHAP eligible entities to any of the above entity types.

Agency / Division – Foundations, Guidance, and Focus
- Statewide Housing Plan Priorities
- Oregon Housing Needs Analysis
- HUD Consolidated Plan and Fair Housing Analysis of Impediments
- ARH Division Goals
- OHCS statutes and rules

GHAP Capacity Building - Strategy
- Build knowledge and collective power for housing organizations
- Build capacity for organization self-determination
- Build long-term stability
- Build leadership capacity

GHAP CB Priorities
1. Workforce Development
2. Culturally Specific Developer and Sponsor Organizations Capacity Building
3. Rural Regional and Organizational Capacity Building

Themes from Capacity Building Stakeholder Input

Stakeholder feedback has repeatedly emphasized a multi-faceted approach to capacity building is needed to serve the varied needs of current and emerging developer organizations and local governments. For example, an emerging developer may need funds to train or hire staff, whereas an established Culturally Specific Developer organization may need resources to support growth of their internal management systems. A small local government may need funds to help them educate elected officials and community members about affordable rental housing.

Although the GHAP CB program is currently working to fully utilize accrued funds, the annual transfer-in amount is relatively limited. Approximately $1.5M of GHAP funds flow into GHAP CB annually for capacity building. Many of the below concepts and themes elevated through stakeholder conversations are reflected in the framework (see next section) for deploying 2024 ARH Capacity Building Investments.

State Policy and Process Revision

Our partners emphasize that eliminating barriers from misalignment of OHCS's internal systems and policies with stated goals, would result in a long-term expansion of affordable rental housing in Oregon.

Key ideas:
- Examine internal and state rules, systems and processes to identify and eliminate barriers
- Develop internal capacity to work across silos
- Inter-agency and multi-agency coordination

2023 Program work includes: Rules change to GHAP OARs to include Native Nations (aka Tribes) and Local Governments as entities eligible to receive GHAP CB grants; established process and pathway to increase accessibility of advance payments on capacity building grants.

Organization Capacity Building Funding

Stakeholders underscored the importance of multi-year direct-to-organization funding boosts in capacity building. Their capacity building plans were greatly impacted by the loss of a previously reliable source for support when the capacity building general grant became inactive in 2015.

Key ideas:

- Support for mutually beneficial partnerships between small NPO Developers and large Developers
- Multi-year general capacity building grants (with high flexibility)
- Emergency support
- Support for ERJ-centered initiatives
- Pre-development grants or loans – will be removed from framework after Pre-Dev loan program launches

2023 Program work includes: Inclusion of organizational ERJ-related training and development activities to list of allowable grant activities: creation of processes, materials, and tracking systems for multi-year capacity building grants; initiation and execution of multi-year capacity building grants.

Networking & Knowledge Sharing

Rural partners, emerging developer and sponsor organizations, and culturally specific partner organizations highlighted the critical importance of networking, convening, and training opportunities to their capacity building and housing goals.

Key ideas:

- 3rd Party standing contracts for technical assistance
- In-house trainings and technical assistance
- Online tools and resources for new and emerging ARH professionals
- Updates to GHAP Capacity Building webpage
- Contracts to increase networking opportunities around Oregon
- Support or innovative solutions to workforce needs/gaps
- Cyclical ARH training programs tailored to Oregon

2023 Program work includes: Expansion of existing networking and knowledge-sharing related grants and contracts to immediately increase direct training and technical assistance support; inclusion and expectations related to regional networking and training as allowable grant activities in GHAP CB funded offerings; advocacy for re-establishment of in-house technical assistance providers.

Transformative Support

The following three concepts repeatedly rose to the top of the program's conversations with partners around capacity building investments and strategies. These require a large investment of GHAP CB funds but could provide substantial increases to capacity of an organization, region, or system.
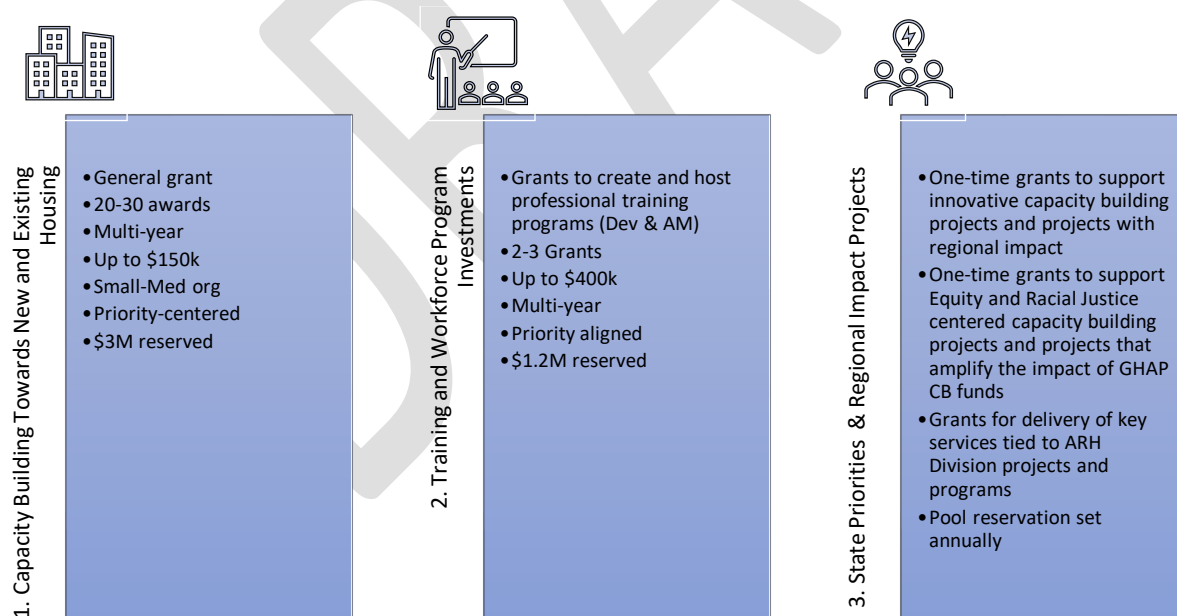
Key ideas:

- Housing development and asset management "Bootcamp style" intensive training programs with mentorships and apprenticeships
- Capital grants and loans
- Coordinated funding opportunities with other funders (Banks, CDFIs, Philanthropic Orgs) to increase impact and available resources

2023 Program work includes: Provided partnership grants to participants of capacity building projects generated by regional funding partners such as Meyer Memorial Trust, Housing Development Center, and Network for Oregon Affordable Housing.

2024 Recommended ARH Capacity Building Investments

The distribution framework below reflects priorities for GHAP Capacity Building investments.

1. Capacity Building Towards New and Existing Housing	2. Training and Workforce Program Investments	3. State Priorities & Regional Impact Projects
• General grant • 20-30 awards • Multi-year • Up to $150k • Small-Med org • Priority-centered • $3M reserved	• Grants to create and host professional training programs (Dev & AM) • 2-3 Grants • Up to $400k • Multi-year • Priority aligned • $1.2M reserved	• One-time grants to support innovative capacity building projects and projects with regional impact • One-time grants to support Equity and Racial Justice centered capacity building projects and projects that amplify the impact of GHAP CB funds • Grants for delivery of key services tied to ARH Division projects and programs • Pool reservation set annually

1. Organizational Capacity Building Towards New and Existing Housing

Aligning CB resources to be accessed by organizations working to bring housing to their communities as well as those working to steward their current portfolio of affordable rental housing, will be aligned into the updated Centralized Application Process. These resources will support community building conversations to launch project concepts or develop local or regional preservation strategies, support early project work before activities align to be supported with pre-development resources, and allow organizations navigating challenges of aging and critical need in their portfolio with resources to bring in support and or systems to address needs.

Reservation: $3M at start and tapering in subsequent years to sustainable level

Resource Type: Multi-year Grants

Amount: Up to $150k over 3-years

Access: Centralized Application Intake Phase

Routing: Intake Application > Technical Advisor > GHAP Capacity Analyst > GHAP CB Grant Application

Alternate Routing: Asset Management Internal Referral > Intake Application > Technical Advisor > GHAP Capacity Analyst > GHAP CB Grant Application

Threshold Eligibility:

- Entity Type: NPO, PHA, Native Nation
- Bylaws or documented Board Decision towards development or operations of ARH
- No other current capacity building general grant from GHAP CB
- DEI Agreement registered
- Idea / plans for a new development project or needs tied to an existing (in-service) project

Considerations to Prioritize Investments:

- Established & emerging developers and sponsors with prior experience
- Small to Medium org size
- Intends to serve an identified (evidence-based) unmet need (community or geographic)
  - o Focus: State or Agency priorities
- CSO or project serving Balance of State region
  - o Focus: OHNA and or OHCS geographic priorities

Examples of Grant Activities may include:

- Adding or expanding Grantee housing staff capacity, or to pay current housing development or asset management staff;
- Staff training, including professional certifications, memberships, and continuing education;
- Acquiring technical assistance, including contracting with consultants;
- Community engagement, networking, and collaboration related to organizational housing development and operating priorities, including for service-enriched housing;

- Acquiring hardware or software;
- Strengthening organizational management systems (e.g. financial, project tracking, portfolio management, etc.);
- Paying for other expenses reasonably necessary to meet their identified organizational or regional capacity building priorities related to ARH development or portfolio management and preservation;
- Paying for the following project-related predevelopment soft costs (up to 10% of the total Grant Funds) such as:
  - Accounting and financial analysis;
  - Research, required audits, and legal consultant fees; and
  - Contracted support in developing project or other grant applications and preparing for long-term funding mechanisms.

2. Training and Workforce Investments

OHCS must invest in coordinated capacity building and development of Oregon-based training programs to stimulate growth and expansion of professional development programs for key roles within the ARH lifecycle and ecosystem. This area of GHAP CB investment would focus to invest resource to support expansion of key affordable rental housing workforce partners. This includes the states MWESB contractors engaging to support affordable rental housing development, trainings to expand Oregon's affordable rental housing developer workforce, and to support regional housing workforce planning.

Reservation: $1.2M at start and tapering in subsequent years to sustainable level

Resource Type: Multi-year Grants or Contracts

Amount: 3 Grants - Up to $400k each

Access: Procurement – Request for Proposals (RFP) resulting in contracts or grants

Examples of Training and Workforce Investments may include:
- ARH Developer and Asset Manager Training Programs
- Support expansion or enhancement of the PSU MRED Program Affordable Rental Housing Curriculum
- MWESB Training Programs

3. State Priorities & Regional Impact Projects

The GHAP Capacity Building program needs a funding tool to seize opportunities to explore innovative solutions to capacity problems, projects that align with OHCS' priorities and goals in housing development and operations, and one-time capacity building projects with regional impact. The GHAP

CB program will reserve funds annually to fund these opportunities and other agency capacity building efforts that are tied to delivery of ARH Division projects and programs. To do this, the GHAP CB program must establish an annual reservation of funds with this purpose and generate a standing application process and accompanying materials to identify projects and distribute funds.

Reservation: $TBD at start and tapering in subsequent years to sustainable level
Resource Type: One-Time Grants, rolling application window
Amount: TBD – annual reserved funds available until depleted
Access: Direct to GHAP CB or Internal Referral

Examples of projects that qualify for State Priorities & Regional Impact may include:

- Innovative opportunities that may increase a current sponsor's ARH portfolio while also addressing another key capacity building priority (e.g. ARH development project that will provide workforce development opportunity to a priority service community or geographic area)
- Housing related studies that seek to increase knowledge and understanding of the current and future strengths, challenges, needs, and general state of affordable rental housing in a specific region
- Pilot projects that seek to improve equitable housing outcomes for BIPOC individuals and communities
- Opportunities that provide OHCS the chance to partner with other funders to enhance a project or program that's aligned with agency, division, or GHAP CB program priorities
- Permanent Supportive Housing Institute – required training element of PSH development funding

Measuring Success

Capacity building can be challenging to measure. The investments often have hidden impacts or results that take years to materialize. Aspects of the activities of the GHAP CB program's work and the work of grant recipients can and should be measured in real time and also longitudinally. The GHAP Capacity Building program plans to measure the success of capacity building investments through a variety of key indicators. In 2022 the GHAP CB program updated the design of the grant progress reporting tool and program data collection to strengthen the program's connection with grantees, and better support measuring and reporting program effectiveness.

1. **Knowledge and Skills** - The successful acquisition of new skills and knowledge by individuals and organizations involved in housing development should be assessed. This includes requiring grantees and contractors to provide OHCS with evaluations of the effectiveness of training programs and workshops.
2. **Efficiency and Effectiveness** – Measuring the effectiveness of grantees in meeting the goals of their grant, and efficiency of OHCS' own internal processes, such as planning, funding, and execution, can serve as measures of success.

3. **New Projects and Preservation**- The number and quality of new ARH projects initiated and completed, and projects preserved by a GHAP CB recipient organizations or geographic regions are important quantitative indicators.
4. **Community Engagement** - Community engagement and satisfaction surveys collected by the GHAP CB program and by grantees for their own activities are crucial qualitative measures.
5. **Sustainability** - Financial sustainability, demonstrated by the ability of grant recipients to secure additional funding or partnerships and manage their portfolio of property is another measure to consider when evaluating the success of GHAP CB grants.

Opportunities for Improvement and Growth

OHCS has grown exponentially in the last five years and its internal systems are working hard to catch up. New staff bring with them a wealth of knowledge and experience from other systems and fields of work. It's both an exciting time for innovation and a challenging time given the demands of rapid growth. Need is high for capacity support for our GHAP CB-eligible partners to meet Oregon's housing development and preservation needs. Without a targeted and significant influx of capacity funds and pipelines for housing workforce development, smaller and less-resourced developers and sponsors will struggle to maintain their place, and to thrive, within the affordable rental housing ecosystem. The impact of their loss would be felt most by the very regions and communities the agency has sought to prioritize.

The GHAP Capacity Building program is one of the few stable state ARH capacity building funding sources in the nation. OHCS has an exciting opportunity at this key moment in time to lean-in on capacity building towards meeting Oregon's housing development goals.

Links and Documents related to GHAP Capacity Building

GHAP Capacity Building webpage - https://www.oregon.gov/ohcs/development/pages/grants-tax-credit-programs.aspx

2021/22 GHAP CB Summary (update planned for Dec '24) - https://www.oregon.gov/ohcs/development/Documents/2021.22%20Q4-Q1%20GHAP%20CB%20Summary%20(FINAL).pdf

2021/22 GHAP CB Framework (update planned for Spring '24) - https://www.oregon.gov/ohcs/development/Documents/GHAP%20CB%20Framework%20(01.04.24).pdf

2021/22 GHAP CB Strategic Map (update planned for Spring '24) - https://www.oregon.gov/ohcs/development/Documents/GHAP%20CB%20Strategic%20Map%20(06.22.22).pdf