

Permanent Supportive Housing Standards, Best Practices, and Program Manual

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What is Permanent Supportive Housing (PSH)?

Permanent Supportive Housing (PSH) is a best practice and proven strategy to successfully house people experiencing chronic homelessness. Members of these households often live with disabling conditions, including mental illness and substance use, alongside their experience of long-term homelessness. PSH, often called the “three-legged stool”, provides a permanent housing unit, long-term rent subsidy, and wraparound services. The Oregon Housing and Community Services (OHCS) PSH Program, in the Affordable Rental Housing (ARH) Division, offers three resources for this “stool” allowing PSH partners to create project-based PSH and best serve households experiencing chronic homelessness. These resources include development capital for the construction of PSH units, flexible PSH services funding, and project-based rental assistance. PSH is for people who have a long-term need for a high level of services and ongoing rent assistance. PSH must be affordable to households with extremely low incomes and must provide pre-tenancy services, housing retention support, and other wraparound services that fit tenants’ individual needs. PSH services are designed to effectively support communities’ most vulnerable populations in reaching long-term housing stability.

The PSH Program in OHCS’ ARH Division is dedicated to the creation and operation of project-based PSH. Tenant-based PSH is not funded through ARH or the OHCS PSH Program.

Guiding Principles

OHCS identified the following primary considerations when developing the PSH Program:

- Program Effectiveness (funding levels that allow for utilization of best practices)
- Equity & Racial Justice, and Inclusion of Rural and Tribal communities
- Ability to serve the entire state
- Administrative costs and burdens (ease of administration)
- Alignment with current state and local legislation and policies
- Alignment with state and national PSH best practices
- Program integrity
- Flexibility to community-specific needs
- Data-driven outcomes

Section 1: PSH Standards and Best Practices

A. PSH Standards

OHCS requires any property seeking and/or utilizing funding for the development and/or operation of project-based permanent supportive housing to meet the agency’s PSH standards. The required OHCS standards for project-based PSH are listed below. Standards are reviewed during the Oregon Centralized Application (ORCA) funding process, and in Portfolio Compliance and Program Monitoring.

1. *Underwriting Standards* (these are underwriting requirements that vary from or are in addition to OHCS’ affordable housing underwriting guidelines)

- PSH projects must show a minimum of \$8,000 per unit per year for PSH unit operating expenses in the project application operating proforma. This amount cannot include the cost of PSH services funding but can include the cost of general resident services. If less than \$8,000, a clear explanation must be provided and approved.
- Proformas for 100% PSH projects must reflect a 7% to 10% vacancy rate for PSH units in their application's operating proforma. Integrated PSH projects must reflect a 7% vacancy rate to align with OHCS standards and accommodate PSH requirements. If less or more, a clear explanation must be provided and approved.
- Proformas for PSH projects must include a minimum \$500 per unit per year replacement reserve for PSH units.
- PSH projects funded with OHCS resources must utilize project-based rental assistance from a sustainable source (five-year commitment or more).
- Utilities for PSH units must be owner-paid, unless another funding source requires an alternative, or if a project is an integrated PSH project and requires a portion of utilities to be tenant-paid. If so, PSH services budgets need to be able to support tenants when they are unable to pay for these utilities. PSH Projects must serve households with incomes at or below 60% Area Median Income (AMI).

2. *Construction and Design*

- PSH properties must be in reasonable proximity to food/grocery and healthcare resources and services.
- PSH properties must have shared community spaces that are accessible to all tenants for events, education, tenant social gatherings, etc., sufficiently sized for the number of tenants residing in the property.
- PSH properties must have services staff offices on site that are accessible to tenants.
- PSH properties must utilize design features that promote structural resiliency through design and use of materials that limit damages. See Best Practices (Section C.2) for examples.
- PSH properties must utilize tenant-centered and trauma-informed design elements, informed by people with lived experience. See Best Practices (Section C.2) and the [Trauma Informed Housing Toolkit](#) for examples.
- To allow for aging-in-place options, 10% of the PSH units must be fully accessible for mobility-impaired persons and 4% of the PSH units must include "communication" design elements as prescribed in Section 233 of the ADA Standard for Accessible Design. A minimum of 20% of the dwelling units must comply with ICC A177.1 Type A unit requirements to create adaptable units. Minimums must be rounded up to the next whole unit. Variances may be considered on a case-by-case basis if that best serves the project's focus population.
- No less than 5 PSH units and no more than 75 PSH units per project. OHCS will consider exceptions to this standard for projects proposing more than 75 PSH units

if the applicant can justify the need to create more than 75 units on one site and has experience developing and/or operating effective PSH.

- For property acquisitions and/or conversions to PSH units, the above Standards should be incorporated to the greatest extent possible. OHCS acknowledges there may be some limitations to what is possible for these types of projects and OHCS will determine the extent to which any of the above standards will be modified or waived for a particular situation.

3. *Rental Assistance*

- PSH projects must have committed, long-term, project-based rent assistance for all PSH units. Any form of tenant-based rent assistance is not accepted for PSH projects funded with resources from OHCS' ARH division.
- PSH projects' rental assistance funding must ensure PSH tenants pay no more than 30% of their income towards rent. Please note, OHCS PSH rental assistance is limited to 27% of a tenant's income.

4. *Supportive Services*

- PSH projects must have a PSH services budget that reflects providing at least 1 FTE services staff for every 15 households.
- PSH services funding, if using a resource external to OHCS, must be committed for at least 5 years with eligibility for renewal, or otherwise approved by OHCS, depending on the resource being utilized.
- PSH services must be delivered with Housing First principles (see the next section for more information). Services must be voluntary and not a condition of the lease.
- PSH services must be tenant-centered, comprehensive, and adaptable to meet tenants' changing and complex needs.
- At a minimum, PSH services must include:
 - Assistance with housing barrier removal, e.g., obtaining IDs or other required documents for housing, connecting with previous service providers to get supporting documents for reasonable accommodations
 - Case management level services
 - Peer Support Services, when possible
 - Tenant support and assistance with housing retention
 - Conducting needs assessments and/or developing individualized housing support plans
 - Early identification and intervention for behaviors or issues that may jeopardize housing
 - Education on the role, rights, and responsibilities of the tenant and property manager, along with support in property manager communication and lease navigation
 - Services navigation and linkages to community resources, especially for behavioral health needs
 - Healthcare navigation support

- Support in obtaining materials to maintain tenancy and wellness, e.g., food, cleaning supplies, materials for basic needs
- Assistance with transportation access
- Community engagement opportunities
- Referral and connection to culturally specific services
- Connection to substance use services, as applicable

5. *Property Management*

- PSH units must be managed with Housing First principles
- PSH property managers must have a written agreement or MOU with the PSH services provider focusing on eviction prevention and defined roles and responsibilities to best support tenants' housing retention
- PSH property management must be trauma- informed
- PSH properties must utilize a very low-barrier tenant selection plan
- PSH projects must identify a security and crisis prevention plan to ensure the support and safety of staff and tenants. 24/7 staffing and/or security services are not required, but projects must have a plan for how they will support tenants in crises, especially after normal work hours, that goes beyond a directive to call 911.

B. Housing First

PSH as a model is inextricably connected to the housing first approach. According to Corporation for Supportive Housing (CSH)(2023):

Housing First is the basic idea that everyone is ready for housing regardless of the complexity or the severity of their needs... Housing First stands opposed to the “Housing Ready” approach where patients must achieve certain benchmarks, such as consistent sobriety or engagement with a healthcare provider, before receiving housing placement.

Research has shown that approaching PSH with housing first principles is effective in promoting housing stabilization and wellness, particularly among chronically homeless households and those who live with psychiatric disabilities, substance use disorders, and/or other disabilities. Housing First is rooted in choice and in the concept that housing and its accompanying services cannot be one-size-fits-all.

See this resource for the elements of a supportive housing program that meets Housing First principles: [USICH's Housing First Checklist](#)

C. PSH Best Practices

1. *Underwriting PSH*

Being mindful of realities in serving populations residing in PSH is critical in the underwriting of PSH projects. OHCS has set standards for some underwriting elements (see above),

such as minimums for how to structure vacancy rates, operating costs, and reserves in the project's proforma. These are minimums, and if possible, PSH projects should strive to create as much operating cushion as possible. PSH households often take time to move through the application and move-in process, and often it takes multiple referrals from coordinated entry before a household has successfully moved in. Planning for higher vacancy rates accommodates this challenge. PSH households are often navigating complex traumas and behavioral health challenges, which sometimes can lead to higher rates of property damage in PSH units. Building staff, including security support, is often required to maintain 24/7 tenant support and safety. Therefore, operating budgets for PSH projects (for the property, not services) need to be carefully considered and increased where possible.

2. *Construction and Design*

The most successful PSH properties have considered tenant needs early in the design process of the project. PSH projects should utilize tenant-centered and trauma-informed design ([Trauma-Informed Design Toolkit](#)) to effectively serve PSH households and ensure resiliency for the asset. People with lived experience should always be included in these discussions to ensure design choices reflect tenant preferences.

Elements to consider around trauma and tenant need:

- Universal design elements
- Creating more accessible and adaptable units to allow for aging in place
- Reduce triggering stimuli and environmental stressors
- Connectedness to nature and the outdoors
- Soundproofing and privacy, while also fostering community
- Promoting a sense of safety by providing trauma-informed security measures, e.g., a well-lit and open entrance, locked property entrances
- Allow for decorative choice and offer pleasing aesthetics (e.g. soothing colors, natural light)

Elements to consider for asset resiliency:

- Fire prevention design choices, e.g., stovetop motion sensors
- Flood prevention, e.g., floor drains
- Durable construction materials, including flooring

3. *Supportive Services and Property Management*

Supportive services and property management will need to be planned to best support the households residing in a PSH project. Staffing structures vary project to project depending on funding available, organizations involved, available community resources, and the population being served. However, there are best practices available that have proven to be highly effective in providing quality PSH for households experiencing chronic homelessness.

Best practices in PSH services include:

- Utilizing Peer Support Specialists or Peer Mentors
- Providing 24/7 staffing

- Integrating healthcare navigators, healthcare professionals, or effective healthcare partnerships on-site
- Partnering with mental health resources such as regional Assertive Community Treatment (ACT) programs, regional Intensive Case Management (ICM) programs, and behavioral health outpatient clinics
- Partnering closely with property managers around tenant concerns
- Visiting tenants in their unit multiple times a year to ensure unit safety and lease compliance, prior to a formal inspection
- Community events and entertainment offerings
- Utilizing Motivational Interviewing and Assertive Engagement techniques

Best practices in PSH property management include:

- 24/7 staffing
- Trauma-informed, mission-driven property management
- Trauma-informed security services or front desk staffing
- Integrated pest control, such as “bed bug ovens” on-site
- On-site property manager to coordinate with service provider

4. *Following CSH’s Quality Standards of Supportive Housing*

[Link to CSH’s Quality Standards](#)

Section 2: The PSH Program

The OHCS PSH program is part of the resources managed by the Affordable Rental Housing division at OHCS. In 2019, the Oregon Legislature authorized and committed funding from the sale of Article XI-Q bonds and State General Funds to fund PSH projects across the state. Article XI-Q bond funds provide resources for the development of PSH units (capital financing), and the General Funds provide resources for ongoing PSH operations (project-based rental assistance and PSH services). This funding allows OHCS and its partners to add to the supply of affordable and supportive housing for households living with disabling conditions and experiencing chronic homelessness. The PSH Program at OHCS has three funding components, all accessed through the State's Affordable Rental Housing [Oregon Centralized Application \(ORCA\)](#) process:

- PSH Capital for the development of PSH units
- PSH Project-Based Rental Assistance, which provides long-term, deep-provided affordability for households experiencing chronic homelessness
- PSH Services Funding to operate a long-term PSH Services program on site for all PSH units

Projects can, but are not required, to utilize all three PSH Resources. Each resource can be utilized individually, or all resources can be used together, as long as all components are present in each PSH project. For example, a project can use OHCS PSH Capital and PSH Services funding without using OHCS PSH rental assistance if an external project-based rental assistance resource is being utilized (e.g., a Housing Authority provides a project-based rental assistance contract for the project).

A. Eligibility

For a project to be eligible for any PSH Program resource, the following eligibility criteria must be met:

1. The developer or sponsor organization of the project (if not yet developed) or the owning organization of the property (if already in operation) must have completed an Oregon Supportive Housing Institute (SHI) within the last four years prior to the ORCA Impact Assessment application date. The SHI is a 5-month cohort-based training where teams work to align their project with PSH best practices in design, development, operations, and service delivery.
 - If an organization completed a SHI longer than four years prior to the Impact Assessment application date, it must have a current PSH monitoring score of 150 or higher. If a sponsor has more than one monitoring score within the previous two years from two different PSH projects, the lowest score will be used.
2. There are at least 5 PSH units in the project.
3. The project's PSH units serve chronically homeless households.
4. The project pulls tenant referrals from the regional coordinated entry system or other OHCS-approved referral process (see further information below).
5. The project meets or will meet all PSH Standards in Section 1A.

B. PSH Program Requirements

1. *Serving Chronically Homeless households*

PSH Program projects must serve households identified as chronically homeless by their community. "Chronically Homeless" is defined by a project's local Continuum of Care (CoC), and OHCS will defer to that definition. OHCS allows for CoC expansion of chronically homeless definitions to ensure PSH is serving homeless households in their community with the greatest needs. Most CoCs define "Chronically Homeless" as:

(a) an individual who: (i) is homeless and lives in a place not meant for human habitation, a safe haven, or in an emergency shelter; (ii) has been homeless and living or residing in a place not meant for human habitation, a safe haven, or in an emergency shelter continuously for at least one year or on at least four separate occasions in the last 3 years; and (iii) can be diagnosed with one or more of the following conditions: substance use disorder, serious mental illness, developmental disability (as defined in section 102 of the Developmental Disabilities Assistance Bill of Rights Act of 2000 (42 U.S.C. 15002)), post-traumatic stress disorder, cognitive impairments resulting from brain injury, or chronic physical illness or disability;

(b) an individual who has been residing in an institutional care facility, including a jail, substance abuse or mental health treatment facility, hospital, or other similar facility, for fewer than 90 days and met all of the criteria in paragraph (1) of this definition, before entering that facility; or

(c) a family with an adult head of household (or if there is no adult in the family, a minor head of household) who meets all of the criteria in paragraph (1) of this definition, including a family whose composition has fluctuated while the head of household has been homeless.

2. *Coordinated Entry, working with Continuums of Care, and Commitment to Racial and Social Justice*

The households occupying a project's PSH units must be referred through a project's regional Coordinated Entry system. OHCS will work with sponsors and project partners to determine and approve a referral process if a local Coordinated Entry system does not exist in a project's region or if a project wants to utilize a different referral process that furthers racial equity. Any referral process outside of a region's Coordinated Entry system must be approved by OHCS' PSH Program staff.

It is a priority of OHCS' PSH Program to support PSH projects that are building capacity within the State's Continuums of Care (CoC). Projects receiving PSH Program resources must be connected to local homelessness systems and place households in PSH units via the system's coordinated processes. OHCS understands that every region and community is different in how developed their CoC is and how they utilize a Coordinated Entry system; therefore, OHCS is willing to work with projects to approve referral processes that provide equitable access to PSH for the community's most vulnerable households experiencing long-term homelessness.

OHCS and its PSH partners must be proactive in outreach and engagement in addressing the inequities that exist in homeless services and supportive housing. PSH should recognize the structural inequities that contribute to poverty and homelessness, and PSH programs must be a part of communities' lasting solutions that address the systems that maintain disparities. Racial disparities are well-documented in research over the last several decades and confirmed in the research completed for the Oregon Statewide Housing Plan. Across each of OHCS's service categories, Black/African Americans, Native Americans/Alaska Natives, Asian Americans, Pacific Islanders, Hispanic/Latinx, and persons of two or more races disproportionately face challenges and experience disparate outcomes. Disparities exist within PSH access and outcomes as well. A 2019 Coordinated Entry Racial Equity Analysis, conducted by C4 Innovations and SPARC, identified that White individuals are prioritized for Permanent Supportive Housing (PSH) intervention at a higher rate than individuals of color.¹

It is imperative that OHCS-funded PSH projects work with their CoCs, Coordinated Entry teams, and referral partners to ensure equitable access to PSH units, along with investing in comprehensive training for staff and appropriate services that facilitate equitable and inclusive PSH programs for communities of color, LGBTQ+ community members, and other historically marginalized and underserved populations. OHCS-funded PSH projects will be

¹ https://c4innovates.com/wp-content/uploads/2019/10/CES_Racial_Equity-Analysis_Oct112019.pdf

required to report on population-based PSH outcomes and provide an equity work narrative as a part of OHCS' annual monitoring.

3. Housing First

PSH must operate as housing that is low-barrier and rooted in the housing first philosophy. See Section 1B for more details on Housing First requirements. Tenant acceptance or use of the services provided must be completely voluntary, and tenants' utilization of services cannot be required by project owners, property management, or service providers. However, services can be required as a part of remedying formal, written lease violations that put the tenant's housing at imminent risk. Services must return voluntary once the tenant returns to good standing. The service provider is responsible for providing effective support to the tenant during such circumstances and must be accommodating to different tenant needs when identifying a remedy plan for lease violations. Participation in services cannot be a condition of the lease. Projects must maintain low-barrier criteria with no requirements of treatment participation, sobriety, or a clean criminal or credit history.

4. Low-barrier access and tenant selection plans

PSH projects are designed to serve households with complex needs and long-term experiences of homelessness. Therefore, Tenant Selection Plans (TSPs) for PSH projects should reflect very low-barrier practices to ensure that eligible households needing PSH do not get screened out. PSH projects must conduct tenant screening in a manner that ensures tenants are not screened out for having:

- Too little or no income
- Active substance use or a history of substance use
- Limited or poor rental history, including previous evictions
- A criminal record (with exceptions for mandated restrictions if using other resources, or other OHCS-approved restrictions)
- A history of victimization (e.g., domestic violence, sexual assault or abuse)

All criminal records must be equitably reviewed on a case-by-case basis for approval, except for convictions violating programmatic criteria (e.g., if a project uses federal project-based vouchers and cannot allow tenants with drug manufacturing convictions); such a conviction can be grounds for automatic denial of an applicant. Owners or property managers who want to screen for additional felonies not included in funding criteria (e.g., arson, violent crimes) will need approval from OHCS via the TSP review in OHCS' Management Agent Packet approval process. However, such additional felony charges cannot be used as a basis for denial if they are older than three years (with exceptions for violent crimes).

Potential denials of PSH unit applicants should be reviewed by housing management and supportive services staff to ensure that denials are considered reasonably and equitably. Criminal background screening cannot consider expunged convictions, convictions reversed on appeal, vacated convictions, offenses where adjudication was withheld or deferred, pardoned convictions, sealed juvenile records, or convictions for offenses not outlined above. Additionally, the screening process cannot consider an applicant's probation or

parole status. All denials must be documented as to why a denial was made and be available to OHCS during program and compliance monitoring. If further restrictions are required to serve the population living on the property, e.g., families with children, they must be communicated to and approved by OHCS PSH Program staff.

All PSH Program projects are required to utilize the TSP template for their tenant selection plan for PSH units. The TSP template is included as part of the project's Management Agent Packet and must be approved by OHCS staff before the project can receive PSH rent assistance or services funding.

5. Data and Reporting

PSH Projects using PSH Program resources must report household outcomes annually or as requested by OHCS. The owner and/or service provider must use the current Homeless Management Information System (HMIS) used by their local Continuum of Care. If none is utilized in the Project's region, the owner and/or service provider must utilize WellSky Community Services. OHCS can assist in connecting projects to the CoC and HMIS if needed.

6. Tenant Voice and Participation

PSH project owners and operators must include tenant voice in their ongoing operations and evolving services design.

- **Grievance Policy and Procedure**

PSH projects must have a written policy providing tenants with an opportunity for submitting a formal grievance. The policy must include the procedure for responding to tenants' grievances and documenting them in the appropriate files.

- **Tenant Feedback and Community Participation**

Projects receiving PSH Services funding must have a mechanism in place that allows for tenant participation in the evolution of services and property operations. Examples include but are not limited to:

- o Annual Tenant Surveys
- o Tenant Advisory Council or Tenant Board
- o Community Meetings that hold space for tenant input/feedback

7. Meeting PSH Standards and following CSH's Quality Standards of Supportive Housing

All PSH Projects must meet the PSH Standards described in Section 1A. Projects are not required to use all of the OHCS PSH resources when developing a PSH project, but all components (services, funding, and rental assistance) must be obtained from other available resources, both internal and external, and be approved by OHCS. PSH Projects are monitored as to how they meet both OHCS' PSH Standards and CSH's Quality Standards of Supportive Housing. See section 3D for more information.

8. Converting non—PSH Units to PSH Units

Projects, from eligible sponsors, that have completed construction and/or are in operation, are eligible to request PSH Services and/or Rental Assistance funding to convert non-PSH units to PSH units. These units must apply via the ORCA and meet all PSH Standards, along with additional questions regarding the conversion. If projects are awarded PSH funds to convert units to PSH, PSH funding for both rental assistance and services funding will not be paid until the unit is occupied by an eligible PSH household via the approved referral process. OHCS will consider this on a case-by-case basis if the owner and/or operator can provide evidence that the household currently occupying the unit is PSH eligible.

C. PSH Program Development Capital

PSH Capital is provided to OHCS in the form of Article XI-Q Bond authority. This funding source requires the State of Oregon to loan the funds and hold an appropriate operational interest in the Project. The operational interest in the Project is satisfied by an Operating Agreement, a Declaration of Restrictive Covenants, a Project Management Agreement, and first lien position. First lien position can be shared.

PSH Capital funds are for the creation of permanent supportive housing rental units via new construction, rehabilitation, acquisition, or acquisition/rehabilitation. Acquisition and/or rehabilitation units will only be considered PSH and eligible for PSH rental assistance and/or services funding once they are occupied by eligible households (households identified as chronically homeless). Current households of rehab units can return to the units, but the unit will not receive rental assistance or services funding until it has turned over and is occupied by a household previously experiencing chronic homelessness.

1. Affordability Period

The affordability period will be established with a minimum of 30 years from the end of the year that the Project is placed in service or the length of the bonds outstanding, whichever is greater. The loan may be repaid in full at the end of the affordability period, or if, at the end of the 30-year affordability period, the owner chooses to extend the affordability period for a term equal to the original affordability period, the loan is considered satisfied, and no repayment is required.

2. Rents and Incomes

Incomes: All units funded with PSH Capital funds must be affordable to chronically homeless households. PSH Units must be restricted to tenants with incomes at or below 60% AMI, with an exception for the one permissible manager's unit per Project. PSH households cannot be charged more than 30% (27% if using OHCS PSH Rental Assistance) of their income toward rent. Requiring a minimum income for PSH units is not allowed, and an income of \$0 is allowed.

Rents: Maximum rents allowable on any PSH Capital unit will be based on and may not exceed the 60% HUD Area Median Income (AMI) standard but may be further restricted to accomplish PSH program goals or other funding purposes. If utilizing OHCS PSH project-based rental assistance, rents need to be structured so that households pay no more than 27% of their income toward rent. PSH Rental Assistance can pay up to 60% AMI rent.

For all PSH Projects, households must be able to stay in the Project regardless of future income.

3. Eligible Activities

Eligible PSH housing projects include new construction, rehabilitation, acquisition, or acquisition/rehabilitation that will serve chronically homeless households. When applying for PSH funds, a project must meet the criteria for the eligible PSH activity for which it is applying.

New Construction: All new construction units funded through the PSH program must be structured to have rents restricted at or below 60% HUD Area Median Income (AMI) at the time of the initial lease, with an exception for the one manager's unit per project location. The project should be placed in service within 36 months after Housing Stability Council awards a Letter of Intent (LOI) to the project, unless otherwise approved by OHCS. The developer fee requirements for PSH new construction are the developer fee amounts listed in the ORCA manual.

Acquisition and Rehabilitation: Acquisition and rehabilitation are eligible uses of PSH funds. These units must be structured to have rents restricted at or below 60% HUD Area Median Income (AMI) at the time of initial lease, with an exception for one manager's unit per project location. The project should be placed in service 36 months after Housing Stability Council awards an LOI to the project, unless otherwise approved by OHCS. The developer fee for acquisition/rehab is the developer fee amounts listed in the ORCA manual.

Like-new Acquisition Only: PSH can be used to acquire "like-new" properties. To be eligible for PSH funds, the property must be constructed, have no existing affordability restrictions, and meet the following criteria:

- Placed in service recently: Properties cannot be under construction. The submission of a complete Impact Assessment application must be within 7 years of the project's receipt of the certificates of occupancy.
- Require no funding for renovations, this includes and is not limited to:
 - Major systems (electrical, plumbing, HVAC)
 - Envelope (siding, doors, windows)
 - Roofs
 - Replacement of finishes for durability
 - Elevators
- Meet income and population requirements within 36 months from purchase: All units in like new market rate properties acquired with a PSH program loan must transition

all units (except for one manager's unit, if applicable) and lease to chronically homeless households earning at or below 60% AMI within 36 months of purchase. The amount of the PSH award available at financial closing will be proportional to the percentage of units in the property occupied by tenants who earn at or below 60% AMI and are chronically homeless households. Prior to any PSH funds being disbursed, proof of Certificates of Occupancy issued within the last 7 years prior to a complete Impact Assessment application must be provided to OHCS. As units turn over and are subsequently occupied by eligible households, additional funds can be requested by the owner, and if all requirements are met, paid by OHCS. For like-new PSH acquisition projects, the developer fee is limited to 5% of the overall costs to purchase the property and eligible work for conversion to PSH, if applicable. In like-new market acquisition projects, the only rehabilitation use of PSH resources allowable is to convert community or outdoor space to support tenants. PSH funds cannot be used for the relocation of tenants.

- Meet all PSH Standards described in Section 1A.
- Building Characteristics include:
 - Space for supportive services delivery (if not being rehabilitated to include)
 - Communal spaces
 - Elevator
 - ADA accessible units
 - Food preparation amenities (in-unit or communal)
 - Location is appropriate for PSH populations
 - Accessible by public transportation
 - Food and healthcare resources in the vicinity

4. PSH Subsidy Limits

Units funded with OHCS PSH program resources are not subject to other ORCA subsidy caps and will be evaluated in-line with current and historic project data alongside all scrutiny of financial review in Financial Eligibility and in Underwriting. OHCS reserves the right to ask for further justification before moving the project forward.

5. Eligible and Non-Eligible Costs for Article XI-Q funding

The ORCA lists examples of eligible and non-eligible costs; however, some costs listed in the ORCA do not align with Article XI-Q Bond requirements. For PSH Development Capital, the following is a list of Eligible and non-Eligible Costs. PSH-funded projects are eligible to submit draw requests with invoices for reimbursement of project expenses upon the recording of the applicable program loan documents. Upon receiving a request for reimbursement, the assigned Production Analyst reviews all invoices to determine eligibility for payment out of the Article XI-Q bond proceeds.

Examples of allowed hard and soft costs:

- Direct Project Costs
- Land Costs (including paying acquisition loans)
- Construction Costs, which can include:
- Minor demolition costs

- Construction equipment for the project
- For Modular Projects: Costs necessary to place the asset into its intended location and condition for use. (i.e., Freight/Transportation costs)
- Engineering Costs
- Architectural Costs
- Development Contractor Costs
- Accounting and legal costs relating to project development
- OHCS, DOJ, BOLI, DEQ fees and charges (Only allowable at construction closing)

Examples of unallowed costs:

- Moving Costs (relocation costs)
- Pollution Remediation Costs
- Rent Costs (i.e., temporary office space for employees to work)
- Operating Costs (i.e., office supplies, training, meals, etc.)
- Indirect or Administrative Costs (operating reserves, replacement reserves, staff payroll, etc.)
- Professional Membership Dues
- Expenses incurred prior to site identification or incurred to determine the best location of the project.
- Article XI-Q Bond proceeds cannot fund a project reserve account for replacement, a project reserve account for unanticipated increases in operating costs, or operating subsidies.

Please see the [OHCS ORCA Manual](#) for all other development standards and underwriting requirements. Underwriting guidelines will be applied by OHCS in its due diligence and project review process to ensure ongoing project viability and risk mitigation associated with the PSH Program. Such guidelines will be consistent with the industry standard minimum requirements of mortgage lenders, investors, and other potential public sources. More details can be found in the [General Policy and Guideline Manual \(GPGM\)](#).

D. PSH Program Project-Based Rental Assistance

The funding source for this resource is State Current Service Level General Funds and is anticipated to be renewed each biennium. State PSH rental assistance contracts are awarded through the ORCA Process. The contract will specify the number of units and bedroom sizes awarded. Actual units may “float”, but bedroom sizes must remain constant. Rental assistance contract maximum payment levels will be set at the County LIHTC 60% Actual Income Limits for Rents based on the most recent published year. Payment levels will correspond with unit size. Single Room Occupancy (SRO) units with neither food preparation nor bathroom facilities, or only one of these facilities, will be paid at 75% of the County LIHTC 60% Actual Income Limit for Rents of a zero-bedroom unit. Annual increases

or decreases will be processed automatically, no later than 60 days after the increase or decrease is published on the OHCS website.

1. *Administrative Fees*

Properties with signed Rental Assistance Contracts will be eligible to receive Administrative Fees for each PSH unit with an active lease. Administrative Fees are paid at an initial rate of \$60.00 per unit under lease, per month. Fees are paid with rental assistance payments and are based upon leased units as of the first day of the month. Fees are subject to be modified at the sole discretion of OHCS. Changes will be announced through a Technical Advisory process.

2. *Tenant Identification and Eligibility*

To be eligible for a PSH unit, applicants must be referred through the Continuum of Care's Coordinated Entry system, or other OHCS-approved referral process (other referral processes will be reviewed for approval by OHCS if a CoC is not operating Coordinated Entry or if a process is needed to address disparities in PSH access). Only applicants identified by the Coordinated Entry system, or OHCS-approved process, as chronically homeless are eligible. Chronically Homeless is defined by the local Continuum of Care or local homeless services system.

Income eligibility is set at 60% of the area median income. Eligibility and lease-up procedures for PSH units must be clearly identified in a property's Tenant Selection Plans. A 12-month lease is required at move-in.

3. *Income Eligibility Determination*

Annual income shall be determined pursuant to the HUD Occupancy Handbook 4350.3 Rev.1, Chapter 5, Part 5-4 through 5-6. OHCS does not require an asset determination and does not adjust income or utilize HUD's standard deductions at eligibility or annually during recertification. Income exclusions do apply (Part 5-6(R)).

4. *Screening*

Rental assistance applicants may be charged fees associated with screening, but fees cannot exceed actual costs. Please see Section 2b for low-barrier screening requirements for PSH.

5. *Application Denials*

Applicants denied for occupancy must be notified in writing with a clear explanation of the factors leading to the denial decision. This must be documented in the applicant file and available for OHCS review. OHCS reserves the right to approve screening criteria should it be determined that onerous screening criteria is resulting in excessive application denials for any statistically identifiable group or overall, as compared with similar projects or community dynamics.

6. *No Citizenship Requirement*

State rental assistance resources have no citizenship requirements and should be utilized entirely based upon referral recommendations from the local Coordinated Entry system (or OHCS-approved process) and owner screening criteria. Citizenship requirements cannot be a part of owner screening criteria unless required by a federal program associated with the development.

7. *Denial Appeals*

Referred applicants who are denied by property owners are eligible to appeal the denial decision. Properties must deny the applicant in writing and should identify any support person or service provider involved with the applicant's housing efforts. Properties must provide the denied applicant with an opportunity to appeal the decision, providing the applicant a reasonable time to request the appeal (no less than 10 business days). Applicants must have the right to appeal the decision in writing or in person (their choice) and have the right to bring representation and/or advocates to any requested meeting. Properties may continue to try to fill the vacant unit during the appeal process. If an offer has not been made on the available unit when a successful appeal has been determined, the applicant shall be offered the available PSH unit. If the unit has been filled, the successful applicant shall be offered the next available PSH unit in the project that is of appropriate size for the household.

8. *Reasonable Accommodations*

Property owners are required to provide Reasonable Accommodations when requested and determined appropriate under Fair Housing Laws. The requirement to provide reasonable accommodations is intended to provide equal opportunity for persons with disabilities to participate in housing programs. This requirement is not intended to provide greater program benefits to persons with disabilities than to non-disabled participants or applicants. It may mean, however, that persons with disabilities will sometimes be treated differently in order to ensure equal access to programs and services. Reasonable accommodations for PSH units of a different bedroom size are at the sole discretion of the property owner and/or manager and OHCS has no say in whether reasonable accommodations are approved or denied, however, if reasonable accommodation is approved, the owner or property manager must notify OHCS so that rental assistance can be appropriately adjusted to accommodate for the different unit size.

9. *Security Deposit & Pet Deposits*

Owners may require security deposits, but they may not exceed one month's rent at the maximum rate (Rent based on County LIHTC 60% Actual Income Limits). Pet deposits must not exceed \$300. Pet rents are not allowed. Service and companion animals are not pets and cannot be charged a pet deposit.

10. *Rent Calculations*

Property owners should utilize 24 CFR 5.609 (b) and (c) as guidance when determining income inclusions and exclusions. OHCS excludes assets from income calculation and does not utilize standard deductions. Anticipated household income should be combined, annualized, and averaged at a monthly rate (use HUD Handbook 4350.3 Rev-1, 5-5 (A)(1-2); 4350.3 Rev-1, 5-5 (B)&(C). Tenants would be responsible for rental costs calculated at 27% of this monthly total. Utilities are the responsibility of the property unless otherwise agreed to in the Rental Assistance Contract.

11. *Rental Assistance & Changes in Income*

Properties are responsible for calculating and collecting tenant rent based upon 27% of the tenant's income at the initial 12-month lease up and annually thereafter. Tenant income must be reported to OHCS on a client-by-client basis at least annually. OHCS will reimburse properties by paying the difference between the tenant's rent and the LIHTC 60% Actual Annual Rent Limit on a monthly basis. Tenants may report downward income changes at any time. Rental reductions are to be recalculated as quickly as verified (first of the month following verification) and no later than 45 days from the date of income verification. Rent increases due to increased income identified at recertification require a 90-day notice to the household. Rent can only be increased once in any 12-month period.

Household income increases may result in no subsidy payment. If 27% of a household's income becomes higher than the full rent amount, that household will pay the full rent amount instead of 27% of their income. Households paying full rent are eligible to continue to occupy the unit and are eligible for rental assistance should their income change to require a subsidy. Supportive services will continue to be provided if the tenant meets eligibility criteria.

12. *Utilities*

OHCS will require that PSH Program units be supplied with owner-paid utilities, unless an alternative is required by an external resource or if integrated PSH properties require a portion of the utilities to be tenant-paid.

13. *Income Verifications*

Income information must be verified by the property manager. Managers should collect third-party verifications whenever possible, including the original or authentic document generated by a third-party source (see HUD Handbook 4350.3 Rev-1, 5-13 (B)(b)* for further guidance). Homeless and disability eligibility determinations are satisfied by proof of the referral from the local Coordinated Entry system. If a project is utilizing a different OHCS-approved referral process, homelessness verification may be required. Income verifications are valid for 120 days prior to the 90-day rent increase notice. Documents that are issued annually, such as Social Security letters, are valid for a one-year period but an affidavit from the tenant attesting to the accuracy of the information is required to accompany

these documents if they are more than 120 days old prior to the 90-day notice. Verification documentation must be retained in the tenant file to support all rental charges and modifications. Owners must comply with the State of Oregon privacy laws concerning the information received from third-party sources about applicants and tenants.

OHCS does not require a notarized tenant signature as described in HUD Handbook 4350.3 Rev- 1, 5-13 (B)(b)(2)(d). A tenant certification indicating that false statements are punishable by perjury under Oregon State Law is sufficient.

14. *Occupancy Standards*

Each property is responsible for determining its own occupancy standards. Properties must follow local code.

15. *Prorated Rents and Vacancies*

If a PSH household moves out of the unit, the property may keep the rental assistance payment for the calendar month in which the household moved out. Any payments made in error or due to non-reporting must be returned or reimbursed to OHCS.

OHCS will make one vacancy payment for the month immediately following the initial move-out month. Payments will be made at the same rate as if the unit was continuously occupied by the vacated tenant. OHCS will only prorate subsidy rental payments for mid-month move-ins at the initial lease up of a unit (first tenant only) or when a unit has not received a vacancy payment for the month. In the event vacancy payments overlap with any mid-month move-ins, the project may keep the vacancy payment, and the subsidy for the new tenant will begin during the new tenant's first full month. Tenants receiving rental assistance may continue to receive rental assistance if temporarily absent from their home for medical or reasonable non-voluntary related purposes for up to 120 days. This may be extended for up to 180 days if it can be documented that there is reason to believe the tenant will be able to return home. Tenants may not be absent from their home for more than 30 consecutive days without notifying the property manager. Tenants must utilize the PSH unit as their primary residence. Properties may set reasonable vacancy standards to ensure that this requirement is met.

16. *Required or Necessary Tenant Moves*

OHCS recognizes that there are a number of potential events that could result in the need for a tenant to change units or move. Some of these events may include, but are not limited to:

- Violence Against Women Act covered requests
- Changes in family composition resulting in being overhoused or underhoused
- Changes in health or medical needs
- Conflicts with neighbors or management
- Lack of necessary community supports

PSH Rental Assistance is a project-based program and not operationalized to work under tenant-based or portability rules such as those allowed in the HUD Housing Choice Voucher program. Therefore, in these instances, OHCS will attempt to work with the property owner to determine if an alternative placement meeting the tenant's needs is feasible. If not, and only upon request, OHCS will explore the possibility of temporary rental assistance for a unit located outside of the property with consideration given to tenure, need, supportive service participation, and other factors. Any such temporary assistance would be in collaboration with supportive service staff and would be dependent on the availability of OHCS resources.

17. *Termination of Tenancy*

The Owner may not terminate the tenancy except on the following grounds:

- Material noncompliance with the lease
- Material failure to carry out obligations under any State landlord and tenant act
- Other good cause (does not include a business or economic reason or desire to use the unit for an individual, family, or non-residential rental purpose).

PSH operators are expected to avoid eviction for PSH households whenever possible. Termination under ORS 90.427 (5) is not allowed for PSH units.

A household is not responsible for the payment of the portion of the rent to the owner covered by the OHCS rent assistance payment. Failure by OHCS to pay the rental assistance payment to the Owner is not a violation of the lease between the tenant and the Owner and is not a cause for termination of tenancy. Rental assistance payments are paid to the Owner in accordance with the terms of the rental assistance payment contract.

The household may terminate the lease without cause at any time after the first year of the lease in accordance with Landlord-Tenant Law. Voluntary termination of tenancy by the family will remove the family from the rental assistance program (see Section 2D-16 "Required or Necessary Tenant Moves" section for possible exceptions).

18. *Lease Standards*

OHCS requires that property owners use the OHCS PSH Rental Assistance Lease Addendum, which shall become a part of the lease agreement.

Owners must have a written appeals policy providing PSH applicants and tenants with an opportunity for review of application denial or negative tenancy action, including termination. The written review policy shall include the following elements:

- Written notice to the applicant regarding any application denial or to the tenant regarding any negative tenancy action, stating the facts on which the action is based and informing the applicant or tenant of their right to review the decision and any deadline for requesting a review
- Review of the decision by a person other than the person who made the original decision, or a person supervised by the original decision maker
- Opportunity for the applicant or tenant to see the documents or other evidence on which the decision is based at least five (5) full business days before the review, unless waived
- Opportunity for the applicant or tenant to provide documents or other evidence in support of their application or tenancy, or to counter or explain any evidence against them
- A written, unbiased decision issued within ten (10) business days after review. The decision must be based solely on the information provided during the review.

19. *Rental Assistance Restrictions*

State PSH rental assistance is not available to any of the following:

- Public Housing (PH) dwelling units that continue to receive PH Operating subsidy from the Department of Housing & Urban Development (HUD);
- A dwelling unit subsidized with any form of Housing Choice Voucher (Section 8) assistance;
- Tenants that are currently receiving HUD tenant-based voucher assistance; and/or
- A dwelling unit subsidized with any other form of rental assistance that reduces tenant rent to affordable levels, including but not limited to HOME, federal Housing Trust Fund (HTF) & HUD Section 236, 521, 202, 162, 811, 202 & 101 programs.

20. *Affirmatively Further Fair Housing*

Recipients of OHCS Rental Assistance funds are expected to Affirmatively Further Fair Housing (AFFH) in their respective communities to the extent possible. AFFH is defined as taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws.

E. PSH Program Services Funding

The funding source for this resource is State Current Service Level General Funds and is anticipated to be renewed each biennium. PSH Services funding can be awarded up to \$15,000 per unit per year.

1. Services Requirements

Individualized tenancy support services must be available on-site to tenants in OHCS-funded PSH projects. Tenancy support services are focused on housing access and retention, with connection to community-based health and other supports as needed. Baseline services must include services listed in the PSH Standards section 1A.

2. Funding Restrictions

Restrictions are in place to prevent the duplication of services and misuse of funds. OHCS understands that some PSH projects may need to leverage various resources to offer appropriate services. PSH Services Budgets will need to be reviewed by OHCS to approve any pairing with non-OHCS PSH services funds. Unless approved by OHCS, State PSH Services funding cannot be used to:

- Provide services that are paid for with other city, State, or federal funding (this prohibition is not meant to apply to any city, State, or federal rent subsidies or services obtained directly by tenants)
- Provide services in an emergency shelter or transitional housing
- Provide scattered-site services unless approved by OHCS
- Provide funds directly to tenants unless approved for small expenditures, such as providing coins to do laundry.
- Provide services that will be reimbursed by Medicaid. Leveraging Medicaid as a services funding resource is allowed and encouraged, and authorization for and utilization of supportive services via the State's 1115 Waiver is not prohibited, as long as partners do not seek duplicative reimbursement.

1. *Eligible Costs*

PSH Services funding is intended for the provision of tenancy support services and the costs associated with delivering an effective PSH program. While medical and health services can be important components of PSH service delivery, expenses that will be reimbursed by Medicaid cannot be covered by OHCS PSH Services dollars.

The following activities are considered eligible costs for PSH Services:

- Personnel costs (wages and fringe benefits) for:
 - Direct PSH Service staff, including peer-based positions
 - PSH Supervisory/Managerial positions
 - PSH Administrative positions
 - Front Desk staff
 - Staff Training relevant to PSH

- Executive staff, but only if they are working on the PSH Program directly and if the costs are approved by OHCS on a case-by-case basis. If PSH funding needs to be utilized for executive salaries, they should be paid with the administrative funding allocation.

Note: PSH program staff must be based on-site at the property, and the majority of services must be delivered on-site.

- Housing navigation and stabilization support
- Wraparound/Comprehensive supportive services, including but not limited to:
 - Healthcare navigation and assessment
 - Nutrition assistance
 - Physical and behavioral health services (when services are not being reimbursed by Medicaid)
 - Mental health support services
 - AA/NA or other Support Groups
- Culturally specific services and programming
- Independent living and community engagement services (when services are not being reimbursed by Medicaid or other systems funding, such as Aging and Disabled services), including but not limited to:
 - Assistance with unit cleaning
 - Transportation resources
 - Supplies (e.g. shower chairs, food, hygiene products, cooking materials)
 - Costs for community meals, events, and education programming
- Barrier removal and pre-tenancy services (can be utilized prior to lease signing to allow for program access)
 - Past arrearages
 - Security deposits
 - Support in obtaining necessary IDs or documentation for move-in
- Flexible Tenant Support
 - Flexible funds for unique tenant and/or community needs (i.e., coffee outing to connect with a tenant needing intensive support; laundry funds if there is a bed bug outbreak)
- Administrative/Indirect Costs (included in the subsidy per unit maximum)*
 - For agency costs to support the PSH program, such as contract management, finance and HR services, insurance costs, etc.
- Operations Costs for Services, including but not limited to:**
 - Office Supplies
 - Printing
 - Computers
 - Telephones
 - Staff Transportation

*Administrative Costs are limited to a maximum of 15% of the total OHCS PSH Services funding request.

**Operations costs are for PSH program operations, not for building operations or asset management.

2. Services Plans and Budget

All projects that are awarded PSH Services Funding will need to provide a Final PSH Services Plan to OHCS prior to executing the PSH Services Funding contract. The Final PSH Services Plan will include a Final Services Budget, job descriptions, and a plan that describes the project's staffing model, offered services, community partners, and the resident referral/occupancy process. The PSH Services plan must reflect a service ratio of no less than 1 FTE to every 15 households. The 1:15 ratio is a maximum number of staff to households, but projects are able to operate with higher staff/ household ratios (e.g., 2:15). Also, the ratio does not mean that residents cannot be served by more than one staff member. Team-based staffing models are allowed. The services plan, including staffing and/or project partners, should reflect the population being housed to ensure the provision of appropriate services and support. Input from people with lived experience must be included in the design of the PSH Services plan.

Services budget sources and expenses must balance and must show all other leveraged resources being utilized to operate the project's PSH program. Changes to budgeted line items must be reviewed with and approved by the PSH Program manager.

Section 3: PSH Program Operations

A. Applying for Funding: Oregon Centralized Application (ORCA)

All PSH funding is requested and accessed via the ORCA. The ORCA manual outlines the process, steps, and timelines to close on funding awarded through the application process. Applicants are required to meet all evaluation standards to indicate to OHCS that they are ready to close out the application process. In addition, applicants must submit all other required supplemental documents. Please refer to the evaluation standards listed in the ORCA manual for further information: [Oregon Centralized Application \(ORCA\)](#).

B. PSH Contracts

The PSH Program Manager will reach out to sponsors four to five months before a project opens or is placed in service to begin collecting the required documents for contract execution. Required documents for PSH Rental Assistance and/or Service contracts include:

- i. Final Services Plan
- ii. Final PSH Budget
- iii. MOU or Contract between Services Provider, Property Management, and Owner

- iv. Agreement between Services Provider and Owner showing how Services Provider will be paid
- v. Service Provider's Cost Allocation Plan if requesting administrative dollars with services funding (15% of total request is the cap for administrative/indirect cost funding)
- vi. CSH Services Menu
- vii. Job descriptions for direct service staff
- viii. Tenant Selection Plan
- ix. Community Partnership Documents (if applicable)

Once completed documents are received and approved by the PSH Program Manager, contracts will be sent to the Oregon Department of Justice (DOJ) for approval. The entire process can take two to four months depending on the time it takes sponsors to complete the required program documents. Services contracts can go into effect up to six months before opening and Rental Assistance contracts should be executed to begin in the month which the project begins occupancy.

C. PSH Rental Assistance and Services Invoicing

The PSH Rental Assistance and Services funding will be paid to the Owner or Ownership entity. Disbursement of PSH services funding will be on a reimbursement basis pursuant to the submission of a payment request via the invoicing process in Procorem. PSH Rental Assistance funding can be paid ahead of the first of the month, pursuant to the submission of a payment request via the invoicing process in Procorem.

PSH services funding disbursements may be requested up to 12 times per calendar year and no more than once per month. PSH Rental Assistance funding should be requested once every month.

The final invoice for the grant year must be received by OHCS by the last day of the month that follows the final month of the grant year. Any unspent funding does not rollover to the next grant year and is no longer available for the project.

For questions on invoicing or step-by-step instructions, please contact the PSH Program Manager listed on this manual's title page.

D. PSH Reporting and Monitoring

1. Annual Reporting

PSH Projects using any PSH Program funding must report household outcomes annually or as requested by OHCS. The project must use the current HMIS used by their local Continuum of Care. If none is utilized in the project's region, the project must utilize WellSky Community Services, or an approved OHCS reporting system. An HMIS Annual Performance Report (APR) and the PSH Annual Outcomes report will be due January 31st of each

year. The PSH Annual Outcomes report template will be available to PSH projects through their Procorem WorkCenter.

The PSH Annual Outcomes report includes qualitative/quantitative information that includes:

- Housing Retention
- Exit and Move-On Reporting Data
- Eviction Reporting
- Services Narrative
- Equitable Access Narrative
- Project-specific outcomes from the PSH Services Plan

Additional information may be requested, such as a list of application denials for PSH units and follow-up requests for additional information.

The Annual Performance Report (APR) must be completed for the correct reporting year and correct start and end dates (01/01/20XX – 12/31/20XX) and must be submitted in a PDF format. OHCS can provide PSH providers with additional instructions if needed.

PSH Projects will be required to upload the correct documentation to their PSH Procorem WorkCenter no later than January 31st following the reporting year.

2. PSH Program Monitoring

Overview

All PSH Projects are required to participate in on-site program monitoring. PSH Program monitoring will include a review for programmatic standards, including alignment with CSH's Commitment to Quality checklist, tenant file reviews, and project financial reviews. Categories will be scored to determine the frequency of ongoing monitoring and PSH ORCA eligibility.

PSH staff will alert the PSH project team no more than one month before the scheduled on-site monitoring will occur.

The PSH staff will conduct an onsite review that consists of a sit-down discussion regarding the program. Representatives from Ownership, Service Provider and Property Management should be present to discuss the program.

PSH staff will also request a walkthrough for any unit or community room that is available. If tenants would like to speak to OHCS, PSH staff will listen to any tenants seeking to meet with OHCS at the time of monitoring. Tenants will also have the opportunity to submit anonymous feedback in the form of a survey.

Section 1: PSH Commitment to Quality Standards

During Monitoring, the PSH team will ask the project partners questions to best understand how their program meets programmatic standards. The review categories include:

- a. Tenant Centeredness- Every aspect of the project (physical design, services design, staffing, policies, etc.) focuses on meeting tenants' needs
- b. Accessibility- Tenants of all backgrounds and abilities can enter a PSH unit quickly and easily, once referred, and can easily maintain their tenancy with the assistance of services and by adhering to their lease
- c. Coordination- All service providers, property managers, owners, and other project partners work to achieve shared goals
- d. Integration- The PSH program provides tenants with choices (e.g., units, décor, service utilization) and community connections
- e. Sustainability- The PSH units have long term funding and can provide PSH housing and services for 30 years or more, which includes service provision, rental assistance, maintaining healthy project and community partnerships, and maintenance of the physical property.

PSH staff will ask questions to all project partners: Owners, Service Providers and Property Management. Scores will be formulated from narrative responses and back up documentation.

Section 2: PSH Household File Reviews

During onsite review, PSH staff will review 10% of PSH unit/tenant files or at a minimum of 5 files. File reviews consist of both Property Management and Service Provider files. Files will be scored and remarked upon if there are any substantial changes needed. PSH Projects will be notified of the randomly selected files, at most, one week before the scheduled date of the on-site monitoring.

Section 3: Financial Review

PSH Projects will be asked to submit an annual financial statement for the project. The financial statement should be a breakdown of service dollars spent through the year under review. This should include other streams of revenue that are being utilized for the project, such as CoC funds, local government funds, etc. PSH Projects will also be asked to submit back-up documentation for five randomly selected purchases with service dollars from the year under review. The five selected receipts will be revealed to the project team, at most, one week before the scheduled date of the on-site monitoring. Financial Review will be a scored category and will be factored into the overall score of monitoring.

Scoring

Categories will be scored on a scale of 5-1.

Maximum Points	Criteria
5	Fully answered with backup documentation to confirm
4	Answered/ missing documentation but working on implementing
3	Answered/ missing multiple elements of documentation
2	Answered, no supplemental documentation
1	No answer/ working on creating documentation
0	No answer/ no documentation to confirm

Scores will be reflected in three categories: Commitment to Quality, File Review, and Financial Overview.

Commitment to Quality: The total score will determine the amount of Program Monitoring and interventions needed.

195	On Track, no follow-up needed. Follow-ups in the form of email.
150-194	Multiple follow ups needed
100-149	Additional on-site monitoring is needed for the year
50-99	Additional monitoring needed for the year, OHCS Program Staff intervention and improvement planning
0-49	Critical agency Intervention needed

A score of **149 or below** will automatically trigger a second monitoring within a month of the score being released. Second monitoring will include a more in depth look at all OHCS-funded PSH files on the property and include an improvement plan to increase scoring.

To be eligible for future PSH funding offered through the Oregon Centralized Application (ORCA) the project must have a score greater than 150 if they have not completed the Institute within the past four years.

PSH Household File Reviews: The maximum total amount of points the PSH Files can score is **100**. Files that “Need Correction” will be notated in the final report with deadlines.

Financial Review: The maximum total number of points the Financial Review section can score is **35**. Corrections or explanations needed will be documented in the final report with deadlines.

Scores from all three categories will be used in a Risk Analysis to determine the level of PSH Monitoring needed. The final report will be available to the property within one month of completion of monitoring. The Monitoring Report will be available in the properties' PSH Procorem WorkCenters.

E. PSH Portfolio Compliance

PSH has adopted the development capital portfolio compliance standards specified in the LIHTC Compliance Manual: [LIHTC Compliance Manual](#).

This is the standard for the ongoing monitoring of operating PSH projects with PSH development capital. Information will be transferred to the OHCS Portfolio Management Section for ongoing compliance until the end of the project's affordability period. An annual Certificate of Continuing Compliance will be required as well as periodic onsite inspections and monitoring, according to Portfolio Administration's guidelines and the LIHTC Compliance Manual. A compliance monitoring fee sufficient to cover OHCS' due diligence costs will be required annually. This fee may be adjusted over time by OHCS. In addition, for PSH only projects, OHCS will not require annual independent 3rd party audited financial statements unless they are required by a lender, as OHCS is more interested in how the property is performing. If the property meets all its other annual certification, asset management, and operating requirements, then internal financial statements, in addition to the Prolink Standard Template submitted through the Procorem WorkCenter for the property within 90 days of the close of the fiscal period, will suffice. If any time in the future, OHCS determines, at its sole discretion, that it needs more information, specifically as it relates to a property's financial performance, then OHCS will ask for independent 3rd party audited financial statements at the owner's expense and may continue to do so until the performance issue is resolved.

Definitions

The terms defined in this PSH Manual (including those provided in this subsection), as well as terms defined in other existing Program documents, will have the following meanings unless the context clearly indicates otherwise:

100% PSH: All units in a property are operating as PSH units.

Area Median Income (AMI): The median income for the county in which the Project is located, adjusted for family size, as determined by the Housing and Community Services Department using U.S. Department of Housing and Urban Development information.

Affirmatively Furthering Fair Housing (AFFH): A provision of the 1968 federal Fair Housing Act that legally requires that all federal departments and agencies, as well as grantees of federal funding, must administer their programs and activities relating to housing and urban development in a manner that affirmatively furthers the purposes of the Fair Housing Act. Since 1 For further information, see Title VIII of the Civil Rights Act of 1968, 42 U.S.C. 3608, and Executive Order 12892 the Fair Housing Act has two primary purposes – to prevent discrimination in the sale, rental, and financing of housing based on race, color, national origin, religion, sex, familial status, and disability and to reverse housing segregation – affirmatively furthering fair housing is fulfilling the dual purpose of the law. Specifically, as enforced by the U.S. Department of Housing and Urban Development (HUD), affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity based on protected characteristics, by replacing segregated living patterns with truly integrated and balanced living patterns by transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and by fostering and maintaining compliance with civil rights and fair housing laws

Chronically Homeless: means households identified as chronically homeless by a project's local Continuum of Care (CoC).

Construction: For PSH funding, construction is defined as planning, design, and the actual building, or rehabilitation of structures intended for the purpose of creating affordable housing. Constructed housing follows an approval process of meeting codes and standards until occupied. To be able to utilize PSH funding, a project cannot be under construction while applying for or planning to apply for OHCS funding.

Continuum of Care (CoC): means a regional or local planning body that coordinates housing and services funding for families and individuals experiencing homelessness. CoCs are organized to carry out the responsibilities required under 24 CFR part 578 and are composed of representatives of organizations, including nonprofit homeless service providers, victim service providers, faith-based organizations, governments, businesses, advocates, public housing agencies, school districts, social service providers, mental health agencies, hospitals, universities, affordable housing developers, law enforcement, organizations that serve homeless and formerly homeless veterans, and homeless and formally homeless individuals to the extent these groups are represented within the CoC's geographic area and are available to participate.

Coordinated Entry: means a centralized or coordinated process developed to ensure that all people experiencing a housing crisis have fair and equal access and are quickly identified, assessed for, referred, and connected to housing and assistance based on their strengths and needs. Coordinated Entry is facilitated by a region's Continuum of Care.

Homeless Management Information System (HMIS): means the locally designated information system used to collect client-level data and data on the provision of housing and services to homeless individuals and families and persons at risk of homelessness.



Housing First: An approach to connect individuals and families experiencing homelessness to permanent housing without preconditions and barriers to entry, such as sobriety, treatment completion, or service participation requirement

Integrated PSH: A percentage of units in the property are operating as PSH, as opposed to being 100% PSH.

Low Income Housing Tax Credits (LIHTC): provides tax credits for developers to construct, rehabilitate, or acquire and rehabilitate qualified low-income rental housing. These development projects include multifamily and single-family rental housing units. Eligible applicants include for-profit, nonprofit, and housing authority developers. OHCS reserves and allocates credits to eligible properties through the Oregon Centralized Application process.

Oregon Centralized Application (ORCA): The Oregon Centralized Application is a noncompetitive funding process that offers loan, grant, and tax credit funds. The ORCA allocates funds on a first-come, first-reviewed basis with the goal of ensuring project readiness before a final commitment of funds is awarded. OHCS does not prescribe any pace for getting through the application steps. However, inactivity or failure to make progress on meeting evaluation standards for a period of between 6 and 12 months, depending on the step, will potentially remove a project from the application process and require it to restart at Intake.

Permanent Supportive Housing (PSH): means a housing or program type that combines a leased unit with Rental Assistance and Comprehensive Tenancy Support Services for persons experiencing chronic homelessness so that they may live independently.

Procorem WorkCenter: a secure portal technology solution by ProLink Solutions™ and used by OHCS to help facilitate collaboration and communication models for all applicants and future housing partners. The Procorem WorkCenter includes a repository for electronic document submission, a task management and tracking tool, an events calendar, and communication features.

Reasonable Accommodation: is a change, exception, or adjustment to a rule, policy, practice, or service that may be necessary for a person with disabilities to have an equal opportunity to use and enjoy a dwelling, including public and common use spaces, or to fulfill their program obligations. Please note that the ADA often refers to these types of accommodations as “modifications.”