



**OREGON HOUSING** *and*  
**COMMUNITY SERVICES**

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Oregon Housing and Community Services  
Rental Housing Division  
Minority, Women-owned, Emerging Small  
Business and Service-Disabled Veteran Business  
Enterprises collectively known as  
MWESB/SDVBE Compliance Manual

October 2021

## **Oregon Housing and Community Services Department**

### **Affordable Rental Housing Division**

### **MWESB/SDVBE-COBID Compliance Manual**

### **An Equity and Racial Justice Approach**

Oregon Housing and Community Services (OHCS) has embarked on an agency wide effort to embed concepts, practices, and policies to help advance equity and racial justice in the field of affordable housing.

The Affordable Rental Housing Division (ARHD) at OHCS is charged with the implementation of state and federal funding programs and the distribution of financial resources to build and or preserve affordable housing in the state. With that charge ARHD and its various sections play an important role for the implementation of the agency's commitments for equity and racial justice from the perspective of a funder and affordable housing compliance regulatory agency.

It has been known that the housing and construction industry employs, from design to lease up and management, a wide spectrum of size trade and business sectors. However, the participation of Certified Minority Business Enterprises (MBE), Women-owned Business Enterprises (WBE), and Emerging Small Businesses (ESB) - collectively known as Minority, Women and or Emerging Small Businesses (MWESB/SDVBE) - as well as Service-Disabled Veteran Business Enterprises (SDVBE); is small and their share of the financial investments in housing is small in comparison to the size of the investment.

Underlying this under representation are the limited and often cumbersome requirements by other systems to prepare, encourage and facilitate that more minority women and veteran owned enterprises get a share of the financial activities of the construction industry. Furthermore, while some of these systems of economic incentives are in place, they do not reach or are unable to break the veil of distrust that women, business owners from communities of color or veterans have in public systems that hinder their participation in construction and in the affordable housing industry.

Diversity, Equity, and Inclusion (DEI) and Certification Office for Business Inclusion and Diversity (COBID) are mechanisms and opportunities to help increase the economic participation of minority, women and veteran-owned enterprises in the development and construction of affordable housing

It is the goal of this manual that minority, women-owned and service-disabled veteran business enterprises have equal access to business opportunities resulting from OHCS-financed developments. The desired outcome is to see a greater economic participation and share of financial resources for COBID certified firms. The Manual implementation and approach are established from a wider and interrelated ecosystem of opportunities, access, and engagement.



*The Oregon Housing and Community Services (OHCS) does not discriminate on the basis of race, color, creed, national origin, sex, religion, marital status, status with regard to public assistance, disability, familial status, gender identity, or sexual orientation in the provision of services.*

*An equal opportunity employer*

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## Chapter 1 – Introduction

### 1.01 Manual Summary

It is the Manual of Oregon Housing and Community Services (OHCS) that Certification Office for Business Inclusion and Diversity (COBID) Certified firms in the process of certification have equal access to business opportunities resulting from OHCS financed developments. This Manual addresses marketing and outreach requirements for OHCS financed developments.

#### **OHCS MWESB Engagement Manual through December 2023**

- All Applicants, applying for development financing utilizing OHCS funds or Tax Credits, will be required to identify a plan, from an equity and racial justice perspective, outlining efforts to contact and contract with COBID and **Non-COBID** certified contractors and subcontractors, notifying the enterprises of the bidding opportunities in the construction and operation of the proposed Project
- COBID firm engagement plan will be submitted at time of application
- MWESB firm engagement efforts should include contractors, sub-contractors, engineering, architectural firms, planning consultants, legal assistance, and management agents.
- Awardees will be required to submit a report to OHCS, demonstrating outcomes of MWESB firm bidding opportunity efforts, contracting and sub-contracting efforts
- Non-COBID Certified firms can be listed as a qualified MWESB firm but are encouraged to complete its certification with the COBID office by the end of construction.
- Applicants will be required to provide a profile of the general contractor and management agent including history of addressing diversity, equity and inclusion, summary of marketing efforts, culturally relevant publications, and organizations, and efforts addressing racial and equity goals utilized in bidding opportunities
- Applicants will list all non-COBID MWESB firms utilized in the OHCS funded project
- Applicants will utilize any and all firms identifying as MWESB firms and include professional MWESB firms (Brokers, Architects, Engineering, Marketing..) in their MBE contract awards.
- If applicant utilizes MWESB General Contractor (GC), GC will include its profits (from proforma) in the MBE contract award section.

### 1.02 Applicability

OHCS financed developments trigger the COBID/ MWESB/SDVBE firm marketing and outreach applicant requirements and performance goals described in this Manual. Financing includes the following state and federal programs: Low Income Housing Tax Credits (LIHTC), Housing General Housing Account Program (GHAP), Local Innovation Fast-track (LIFT), Permanent Supportive Housing (PSH), Oregon Affordable Housing Tax Credits (OAHTC), Preservation Funds, Manufactured Park Preservation, Agriculture Workforce Housing Tax Credits (AWHTC), HOME Investment Partnerships, and National Housing Trust Fund (HTF).

### 1.03 Statutory and Regulatory Authorities

The COBID/ MWESB/SDVBE Certified firm marketing, outreach, and participation in the construction of OHCS affordable housing aligns with similar state and federal requirements and processes to eliminate bias and barriers for businesses owned by COBID/ MWESB/SDVBE firms to provide the state with goods and services.

#### **Specific Program Regulations:**

- Home Investment Partnerships. 24 CFR §92.350 directs participating jurisdictions including Oregon Housing and Community Services to establish and oversee minority outreach programs within the jurisdiction to ensure the inclusion of minorities and women and entities owned by minorities and

women, in all contracts entered into by the participating jurisdiction § 92.508(a)(7)(ii) jurisdiction requires documentation and record keeping of efforts taken to implement an outreach program, the amount of contracts and documentation.

- National Housing Trust Fund. 24 CFR §93.407(a)(5)(ii) requires records demonstrating compliance with 2 CFR §200.321 regarding grantees' s activities related to MBE/WBE/SDVBE

## **1.04 Responsibilities**

### **Oregon Housing and Community Services (OHCS)**

- Notify the owner/developer at the approval of funding, of the COBID/MWESB/SDVBE firm participation goals and objectives along with where to find this Manual on the OHCS's website: <https://www.oregon.gov/ohcs/development/Pages/mwesb-sdvbe-rental-housing.aspx>.
- Provide this Manual and all appendices to the owner/developer at application (see appendix B)
- Monitor performance of owner/developer with respect to COBID/MWESB and OHCS requirements

### **Owner/Developer**

- Provide this Manual and all appendices to the prospective contractors before bidding, contractor will acknowledge receipt of Manual by signing document (see appendix B)
- Identify Owners MWESB/SDVBE COBID firm participation level goal for project
- Outline the steps the construction team will take to achieve the owner's goals for participation by COBID/ MWESB/SDVBE subcontractors and suppliers
- Provide summary of general contractor's profile and team member demographics
- Provide details of general contractor's history of addressing MWESB/SDVBE sub-contractor diversity, equity, and inclusion in affordable rental housing projects
- List summary of marketing strategies listing of any culturally based marketing publications or organizations utilized for COBID/ MWESB/SDVBE firm bidding outreach
- Describe the subcontractor's outreach efforts for Non-COBID/ MWESB/SDVBE certified contractors utilized for bid submissions, if any.
- Developer will list all non-COBID/ MWESB/SDVBE firms utilized in project
- List any opportunities of partnerships for sub-tier contracts by teaming up with smaller contracting firms with larger firms in a mentor/protégé relationship
- Utilize OHCS's reporting Matrix and submit quarterly (see appendix C)
- Utilize OHCS's reporting Matrix and submit at construction completion or Final Application (see appendix C)

## Chapter 2 – Requirements

### 2.01 Participation Goals

OHCS encourages participants seek COBID and non-COBID MWESB/SDVBE professional firms to increase the participation level of minority owned businesses in its construction project to meet OHCS’ MWESB/SDVBE goal for each region. Total MWESB participation will be determined utilizing construction cost (including Broker, Architect, Engineering, Attorney...). General contractor and the developer can utilize and include non-COBID/ MWESB/SDVBE firms in their MWESB reporting provided that the MWESB/SDVBE firm listed will be encouraged and assisted to become a COBID certified firm prior to construction completion of project.

OHCS also encourages the utilization of local labor and partnering with the community to help build healthy, affordable homes which addresses OHCS’ goal of increasing apprenticeship programs in Oregon and improve economic and social vitality while increasing pathways out of poverty.

Applications will be scored on their approach to MWESB/SDVBE engagement and contracting and how well this implements the OHCS MWESB policy. OHCS MWESB/SDVBE Manual and reports can be located at: <https://www.oregon.gov/ohcs/development/Pages/mwesb-sdvbe-rental-housing.aspx>

| Regional Groups | Regions | MWESB Goal |
|-----------------|---------|------------|
| Metro Oregon    | 1       | 30%        |
| Rural Oregon    | 2, 3    | 20%        |
| Rural Oregon    | 4, 5    | 20%        |

\* **Regions 1** include **Clackamas, Columbia, Multnomah, Washington, and Yamhill**

\* **Regions 2 & 3** include *Clatsop Tillamook, Yamhill, Polk, Marion, Lincoln, Benton, Linn, Lane, Coos, Douglas, Curry, Josephine, Jackson*

\*\* **Regions 4 & 5** include *Wasco, Sherman, Gillam, Jefferson, Wheeler, Crook, Deschutes, Klamath, Lake, Morrow, Umatilla, Union, Wallowa, Grant, Baker, Harney and Malheur*

For Region 1, a 30 percent certified firm goal of total construction costs for projects funded by OHCS resources is established based on availability. OHCS will align the basics of its MWESB/SDVBE strategy with the Metro framework with additional requirements the Housing Stability Council may direct.

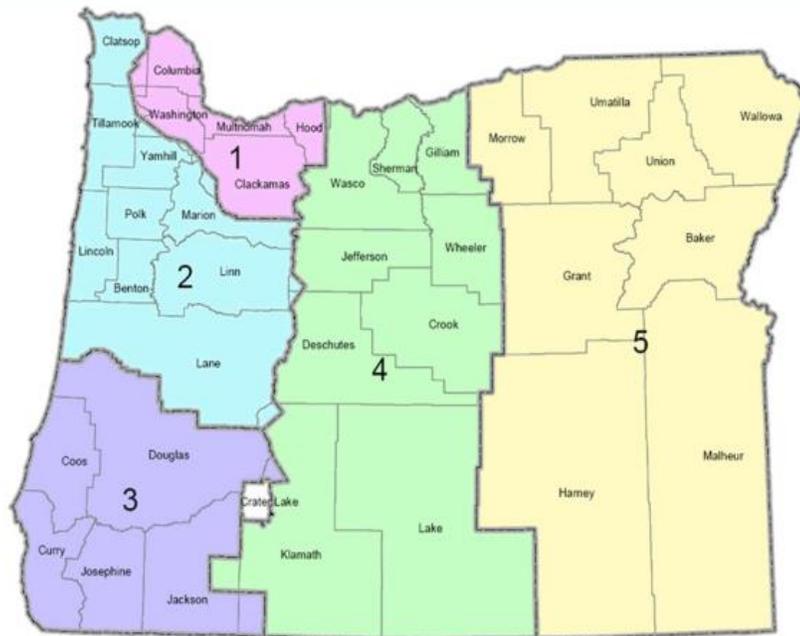
For Regions 2 -5 a minimum of 20 per cent local economic development utilization for contractors and workforce for the first year to establish a data baseline. OHCS understands the challenges and differences in demographics, certified firms and availability of resources for rural Oregon. OHCS will seek a stakeholder participation and input to establish long-term goals and requirements, with separate tracks for COBID contracting and for workforce/apprenticeship.

The required MWESB/SDVBE plan in the Application [NOFA] will be evaluated on track record and experience, history of contracting COBID firms and/or women and minority owned businesses (outreach, marketing, engagement), how the plan matches with project location (metro/urban and rural), representation of COBID firms on core development team, and any supporting information for the proposed OHCS regional goal and participation rate.

OHCS will review project by project their established goals and participation rates. Each project should establish their MWESB/SDVBE goals based on the hard and soft construction costs to include construction, professional and operational costs factored by availability. Availability is understood as the total dollar value of scopes of work that are or would be available to any MWESB/SDVBE firms, and small businesses.

Applicants receiving OHCS funding will be required to submit quarterly reports demonstrating outcomes of their efforts to contract with MWESB/SDVBE and COBID contractors/subcontractors using the state COBID registry, and submit a final report outlining the Applicant’s efforts in meeting their target goals in their final application

# Regions



| Participation Goals | Regions | Goal |
|---------------------|---------|------|
| Metro Oregon        | 1       | 30%  |
| Non-Metro           | 2, 3    | 20%  |
| Rural Oregon        | 4,5     | 20%  |

## **2.02 Affirmatively Marketing to MWESB/SDVBE Firms**

Developers/owners and contractors should maintain evidence of efforts made to demonstrate proof of the MWESB/SDVBE outreach. Efforts to include COBID must allow sufficient time to effectively participate in the bidding and/or application process. Good faith efforts to achieve success may be demonstrated by providing documentation detailing outreach plans an activity, including affirmative steps defined in federal regulations at 2 CFR 200.321:

1. Requiring the prime contractor, seek out participation with MWESB/SDVBE firms
2. Placing qualified COBID firms on solicitation lists.
3. Using the services and assistance, as appropriate, of the COBID, Business Oregon, Professional Business Development Group (PBDG), Office of Veterans Business Development, Oregon Association of Minority Entrepreneurs, Native American Business Network, Network of Entrepreneurial Women and Women Entrepreneurs of Southern Oregon.
4. Ensuring that small and minority businesses are solicited whenever they are potential sources.
5. When possible, dividing total requirements, when they are economically feasible, into smaller tasks or quantities to permit maximum participation by COBID firms
6. Establishing delivery schedules, where the requirement permits, that encourage participation by MWESB/SDVBE firms

## **Chapter 3 – Performance and Compliance and Report**

### **3.01 Compliance Summary**

To demonstrate compliance with OHCS's MWESB/SDVBE firm affirmative marketing requirements, developers and project sponsors must identify jobs and indicate those bids by minority-owned; women-owned using OHCS's MWESB Matrix Report. For projects with federal funds, the owner/developer/contractors must complete the HOME program HUD Form 40107 for the state to complete its Consolidated Annual Performance and Evaluation Report (CAPER), and HOME Annual Performance Reports. OHCS may request additional documentation, if necessary, to ensure compliance with this obligation.

### **3.02 Compliance Timeline**

#### **Project Selection**

- OHCS will notify owner/developer at time of reservation

#### **Initial Introduction Call**

- OHCS will discuss and provide this Manual and all appendices to owner/developer via email or in person at time of call or meeting
- Owner/developer certifies (by signing certification attached) that they will comply with laws prohibiting discrimination in employment.

#### **Reporting**

- Owner/developer and contractor will record name, address, and bid information and results of bid for all MWESB/SDVBE firms and submit to OHCS via MWESB Matrix
- Owner/developer and general contractor will record name and COBID # (if applicable) in OHCS MWESB Matrix
- Owner/developer and general contractor will record name, address, and bid information of any non-COBID MWESB/SDVBE firms bidding on project and submit to OHCS via MWESB Matrix
- OHCS will review and record compliance with applicable goals

#### **At start of construction**

- Owner/developer and general contractor will continue (if necessary) to solicit bids as required through construction completion
- Owner/developer and general contractor will report new bids (if any) and contracts through construction completion
- OHCS will continue to monitor MWESB participation until construction completion

#### **Quarterly Reporting (calendar quarter)**

- Submit MWESB quarterly report
- OHCS will continue to monitor MWESB participation and discuss any changes to MWESB/SDVBE sub-contractors with developer

#### **Upon completion of construction**

- Owner/developer and general contractor must update the OHCS COBID firm participation and submit final report reflecting the COBID and Non-COBID MWESB/SDVBEs participation level in the OHCS funded development

### **3.03 OHCS MWESB Report Submission Timeline**

Below is a timeline for submission of OHCS MWESB Equity reports for all OHCS funded projects.

#### **Reports:**

- Initial MWESB Equity report (application)
- Housing Stability Council Report

- MWESB Equity quarterly report
- Final MWESB Equity Report (Final application)

**Timelines:**

**All OHCS funded projects (including LIHTC) currently under construction (construction close prior to January 2021)**

- Require Final MWESB Equity Report at Final Application

**2021 and future NOFA's, 4% and 9% LIHTC projects**

- First calendar quarter-end after construction close, Initial MWESB Equity report
- Quarterly, at calendar quarter-end, MWESB Equity quarterly report
- Construction completion/Final Application, Final MWESB Equity Report

**New 4% & Conduit Bonds**

- \* Tier 2 requirement at application, Housing Stability Council Report (HSC)
- \* Quarterly, at calendar quarter-end, MWESB Equity quarterly report
- \* Final Application Final MWESB Report

## **Chapter – 4 - Penalties**

### **4.01 Penalty**

Failure to strictly comply with the requirements set forth in the Oregon Housing and Community Services COBID Compliance Manual section **1.04. Owner/Developer responsibilities**; Manual may result in reduction or limitation of MWESB points awarded to sponsor/owner in future OHCS NOFA applications.

#### **1.04. Owner/Developer responsibilities.**

##### **Owner/Developer**

- Provide this Manual and all appendices to the prospective contractors before bidding, contractor will acknowledge receipt of Manual by signing document (see appendix B)
- Identify Owners MWESB/SDVBE COBID Certified firm participation level goal for project
- Outline the steps the construction team will take to achieve the owner's goals for participation by COBID Certified subcontractors and suppliers
- Provide summary of general contractor's profile and team member demographics
- Provide details of general contractor's history of addressing MWESB/SDVBE sub-contractor diversity, equity, and inclusion in affordable rental housing projects
- List summary of marketing strategies listing of any culturally based marketing publications or organizations utilized for COBID Certified firm bidding outreach
- Describe the subcontractor's outreach efforts for Non-COBID MWESB/SDVBE certified contractors utilized for bid submissions, if any.
- Developer will list all Non-COBID MWESB/SDVBE firms utilized in the OHCS funded project
- List any opportunities of partnerships for sub-tier contracts by teaming up with smaller contracting firms with larger firms in a mentor/protégé relationship
- Utilize OHCS's reporting Matrix and submit quarterly (see appendix C)
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## Appendix A – Terms

|                              |  |
|------------------------------|--|
| COBID                        | Certification Office for Business Inclusion and Diversity  |
| Contractor/Subcontractor     | An entity that contracts to perform work in conjunction with the project or work generated by expenditure of Oregon Housing and Community Services deferred multifamily financing .  |
| Minority                     | An entity Persons who are of the following racial or ethnic groups: American Indian or Alaskan Native, Asian, Black /African American, Native Hawaiian or other Pacific Islander, Hispanic or Latino.  |
| Minority Business Enterprise | An MBE is a business that is both owned and controlled by minorities. This means that there must not be less than 51 percent minority ownership of the business and the minority ownership must control the management and daily operations of the business. |
| Women Business Enterprise    | An MBE is a business that is both owned and controlled by women. This means that there must not be less than 51 percent women ownership of the business and the women ownership must control the management and daily operation of the business              |
| SDVBE                        | A <b>Service-Disabled</b> Veteran Business Enterprise, is a Veteran-Owned Small Business that is at least 51 percent owned by a veteran with a service-related disability as defined by the Department of Veteran’s Affairs.                                 |

## MWESB Acknowledgment and Certification - LIFT

### Owner/Developer/Sponsor

Owner/Developer has been supplied with a copy of and has read the Oregon Housing and Community Services Multifamily MWESB Compliance Manual and fully understands and acknowledges the obligation and commitment to reaching the required MWESB participation percentage in all of OHCS funded projects including **LIFT Homeownership funded projects**. Using MWESB professional services (I.E., architect, engineer, site reports, etc) are recommended to help achieve your MWESB goals. Goals are outlined for the region and county this project is located below.

<https://www.oregon.gov/ohcs/development/Documents/admin/MWESB/OHCS-MWESB-Compliance-Manual.pdf>

| Regional Groups | Regions | MWESB Goal |
|-----------------|---------|------------|
| *Metro Oregon   | 1       | 30%        |
| **Rural Oregon  | 2, 3    | 20%        |
| ***Rural Oregon | 4, 5    | 20%        |

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**For Region 1**, a 30 percent certified firm goal of total construction costs for projects funded by OHCS resources is established based on availability. OHCS will align the basics of its MWESB strategy with the Metro framework with additional requirements the Housing Stability Council may direct.

**For Regions 2 -5** a minimum of 20 per cent local economic development utilization for contractors and workforce for the first year to establish a data baseline. OHCS understands the challenges and differences in demographics, certified firms and availability of resources for rural Oregon. OHCS will seek a stakeholder participation and input to establish long-term goals and requirements, with separate tracks for COBID contracting and for workforce/apprenticeship.

**Name:**

**Title:**

**Company:**

**Signature**

## MWESB Acknowledgment and Certification

### Owner/Developer/Sponsor

Owner/Developer has been supplied with a copy of and has read the Oregon Housing and Community Services Multifamily MWESB Compliance Manual and fully understands and acknowledges the obligation and commitment to reaching the required MWESB participation percentage in all of OHCS funded projects including non-competitive 4% conduit Bond projects. Using MWESB professional services (I.E., architect, engineer, site reports, etc) are recommended to help achieve your MWESB goals. Goals are outlined for the region and county this project is located below.

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**Name:**

**Title:**

**Company:**

**Signature:**

## **Appendix C**

### **GC MWESB Equity Matrix**

OHCS seeks to record and report the participation level of COBID firms utilized in its Affordable Rental Housing funded projects. MWESB Equity Matrix: The MWESB Equity Matrix is designed to record and track MBE participation in OHCS Multifamily Affordable Housing projects.

The **GC MWESB Equity Matrix** consists of 5 Tabs (including instruction tab)

**Tab 1.** COBID Outreach Summary, this tab details the Contractors own demographics, history of DEI efforts with COBID and BIPOC firms, Contractors Cultural outreach, and bidding outreach efforts

**Tab 2.** Trade by Ethnicity tracks the ethnicity of professionals, contractor, and sub-contractors employees.

**Tab 3.** Tracks the total award by MBE sub-categories, made to COBID registered professionals, contractor, and sub-contractors.

**Tab 4.** Diversity Grid, Auto fill, reports percentage of funds awarded to subcontractors