

OREGON HOUSING & COMMUNITY SERVICES

2021-2025 Consolidated Plan - Evaluation of Public Comments

A 30 day public comment period was provided for the 2021 Consolidated Plan and its supplemental documents from May 7, 2021 through June 6, 2021. In addition, two Public Hearings were held, both on May 27, 2021. The Consolidated Plan includes the following documents with additional supplemental information, all of which were available for public comment:

- 2021-2025 Consolidated Plan
- 2021 Annual Action Plan
- 2021-2025 Analysis of Impediments
- Citizen Participation Plan

Notice of the public comment period was published in Oregon media outlets of general circulation, distributed by email to interested parties, and posted on the OHCS website in compliance with Oregon's Citizen Participation Plan. The four newspapers requesting public comment in English with contact information also in Spanish was made available through the 'Bulletin' 'The Oregonian', 'East Oregonian' and the 'Medford Mail Tribune'. Information was also posted on the OHCS website.

The opportunity for Citizen Participation is a critically important aspect in development of a Consolidated Plan and OHCS received three public comments, one of which was specific to the Analysis of Impediments. The comments were as follows:

Public Comment #1

Received from: Housing Oregon

Public Comment – full comment:

Thank you for the opportunity for Housing Oregon members to provide input on as to how to program \$33 million in HOME funding as part of the American Rescue Plan Act stimulus. Eligible uses include permanent, transitional and emergency shelter housing. You heard from 25 members at the Portland Metro Policy Council meeting April 14 and 15 members at a special rural policy council meeting on April 20.

While feedback incorporated a wide array of needs to address the current affordable housing and homelessness crisis in Oregon, there were common themes. As HOME's typical criteria and

application process can be elaborate and time consuming, we urge OHCS to simplify and streamline the funding process for projects in response to the COVID pandemic and wildfire recovery efforts Oregon faces.

The influx of federal stimulus funding – HOME and other resources – should be directed to support current programs and initiatives, including GAP financing, to help complete projects confronting wild escalations in costs, especially pairing HOME with LIFT projects in rural communities.

We do not need new start-up projects at this time. Allow for flexibility and a range of housing types, without triggering prevailing wages, encompassing manufactured housing in response to wildfires, preservation, rental and homeless “Turnkey” property operations deeper subsidies for PSH units, and homeownership subsidies. Allow for choice of housing types to respond to localized needs.

This past year’s unprecedented crises have resulted in significant costs increases and demands on ongoing operations for many nonprofits including challenges with hiring and maintaining a diverse workforce in high demand property management and housing services.

Your request for input indicated you were open to alternative distribution ideas different from the traditional NOFA process. Typically, new projects and initiatives require new and additional management and oversight capacity by OHCS staff. It would seem better administratively to add new resources into existing RFPs, programs and processes, where current capacity exists, rather than create new initiatives that will require new administrative and compliance capacity by the Department. Adding these resources to existing funding rounds would certainly be better for affordable housing developers, who are already stretched to capacity. It would also be an expeditious way to deploy the funds and allow projects that are ready to proceed to move forward, getting more housing built as quickly as possible.

We also encourage OHCS to coordinate with local jurisdictions with their own HOME stimulus allocations, such as the City of Portland’s \$14 million, to align goals and outcomes.

Below are more detailed notes on topics addressed above:

GAP financing for current projects

Current resources in housing development (OHCS RFPs) are oversubscribed. The influx of new funding could help projects already in the pipeline. Support current pipeline projects that are facing funding gaps due to cost escalation, permitting and construction delays due to COVID restrictions and wildfires.

Rural communities

Prioritize the balance of state HOME funds as critical gap funding with LIFT and other projects, especially for smaller rural projects that have no local source to fill those gaps. Depending on timing, consider adding a HOME funding bucket to the upcoming Small Projects and Veterans Housing NOFA – leverage those resources and buttress those projects given the cost environment.

Preservation

Funding at the state level for preservation projects has decreased. Use the influx of resources to preserve more properties we know well are at risk of conversion to market rents. Resources for affordable housing preservation, including manufactured home parks and ROCs, should be prioritized on smaller projects that are unlikely to access other mainstream preservation financing (4% LIHTC, bonds).

Wildfire recovery

Targeted funds can assist with wildfire recovery and equitable development/antidisplacement housing in the eight affected communities. Manufactured Home Park funding is a priority, especially in Southern Oregon. We understand that HUD regulations regarding the use of HOME funds for MHUs must be carefully considered, especially when it comes to Lease Terms. HOME regulations require that the “lease” for the space upon which the unit is placed be equal to the affordability period.

Equity and capacity support for CDCs and CHDOs

While there has been an infusion of money to pay for unpaid rents, the reality is rents were set to cover regular property operation, not operations during a pandemic. Numerous organizations are facing higher utility costs due to families and kids staying at home and insurance prices have increased significantly.

With a focus on equity, allow for professional development efforts to attract more BIPOC individuals into high demand property management, housing and compliance services needed to maintain expansion of affordable housing developments across Oregon. Additionally, capacity support is needed for environmental reviews in low resource and capacity jurisdictions.

Permanent Supportive Housing

To include more PSH units, deeper subsidy is needed in the capital stack to underwrite these units – especially in rural projects. This capital will need to be paired with dedicated and ongoing rental assistance and supportive service funding.

Racial Disparities in Homeownership

The State of Oregon has clearly demonstrated the need to assist low- and moderate-income working families - especially BIPOC communities - purchase a home through programs familiar with HOME funding given the history of discrimination and exclusion. HOME dollars can be used effectively to provide down payment assistance to help fill the gap between what mortgage a family can qualify for and what it costs to buy or build a home in the market. The Interim Committee on Racial Disparity in Homeownership Report and OHCS's Statewide Strategy Plan both call for investments in homeownership for BIPOC families - HOME funding could advance these goals. Ensure that homeownership nonprofits can apply for new HOME dollars to serve families statewide especially as communities recover from COVID 19.

Ongoing operations for emergency shelters

Lastly, your original request for feedback indicated an emphasis on acquisition of hotels/motels to use as emergency and transitional shelters. First, consider what are the lessons learned from the Turnkey project. Do we know enough about this model to further promote and invest in it? We urge you to consider how the State can help developers and operators to address challenges brought on by location and zoning limitations, deteriorating physical assets, and ongoing operations.

Many of these run-down properties have long been in disrepair – all likely having mold and rot issues, low energy efficiency, lack of security upgrades, lead pipes, asbestos issues, and more. Funding support is needed for due diligence to investigate these items which is costly and timely. Making adequate repairs to ensure fire, life and safety, healthy living, and environmental sustainability issues will add to acquisition and rehab costs.

The location of a motel/shelter needs to facilitate access to community resources and amenities. All zoning is local and different. To make it work, the zoning tail is wagging the programming dog of how to transition people from homelessness to permanent housing, rather than best practices in homeless services, housing first, trauma-informed care, harm reduction, etc. In addition, we need to ensure local homeless service systems across the state are resourced, coordinated and available to help with an expansion of the motel/shelter model.

With little to no “rent” or “program fees” collected by shelter program participants, funding is needed for staffing, maintenance, reserve contributions, insurance for both property and liability, and utilities. Shelter operations requires 24/7/365 staffing to provide security and support to shelter guests – we cannot expect these will be staffed like a multi-family property.

Managing a guest policy - meaning when and how program participants can host and accommodate guests - is very important. It will be nearly impossible to manage and monitor the comings and goings of people who are not program participants with multiple doors facing outward, as many of the motels, at least in rural areas, are designed.

Funding is needed to facilitate housing placement and retention - case management, financial assistance, and on-going support. Without this component of the homeless services system, acquiring and operating a motel/shelter feels like just one end of the solution.

Lastly, owning and managing such a facility raises the level of risk and exposure to an organization, different than providing motel vouchers and supportive services.

Please feel free to contact me if you have questions at 503-475-6056 or brian@housingoregon.org.

Sincerely,
Brian Hoop
Executive Director, Housing Oregon

OHCS Response: OHCS appreciates the comments providing suggestions on the American Rescue Plan Act. The funding associated with this Act was not added to this submission and therefore any comments on this topic would not be relevant. OHCS currently anticipates an addendum to this plan in the fall of 2021 which would specifically address the American Rescue Plan Act funding provided to the HOME program. OHCS will retain this comment and respond to it during that amendment process.

Public Comment #2

Received From: Habitat for Humanity of Oregon

Public Comment – full comment:

In reviewing the 2021 – 2025 Oregon Consolidated Plan, many advocates were disheartened to see the absence of homeownership as a suggested use of HOME funds. Clearly, the following eligible uses of HOME readily support affordable homeownership:

- Land acquisition, demolition (if needed), infrastructure improvements and new construction

- Down payment assistance
- Repair, rehabilitation and reconstruction of owner-occupied housing

Given flat federal funding for HOME in recent years, advocates are strongly pressing federal legislators to increase HUD HOME resources as part of the infrastructure package under current consideration by the same lawmakers who passed the American Rescue Plan Act. This is a perfect time for Oregon Housing and Community Services (OHCS) to leverage this federal resource to address the increasing homeownership gap, particularly acute for persons of color, and expand the production of homes affordable for purchase by qualifying Oregon households.

OHCS highlighted Homeownership as one of the top seven priorities for “Breaking New Ground” the 2019 – 2023 Oregon Statewide Housing Plan:

Provide more low- and moderate-income Oregonians with the tools to successfully achieve and maintain homeownership, particularly in communities of color.

“Breaking New Ground” further explains:

Why This Matters: *Affordable homeownership is a critical component of any forward-thinking strategy that seeks to address both housing and prosperity. Homeownership is the key method by which most Americans build wealth. In markets with rising home prices, homeownership is one of the best paths to housing stability, as most mortgages do not fluctuate with housing prices; this insulates homeowners from displacement pressures that renters may experience. Ownership also creates financial opportunity in other ways: owners can access home equity to invest in college education, business start-up or other key financial needs.*

In the May 2021 Urban Institute Article “Homeownership Is Affordable Housing,” Mike Loftin highlights the imperative to increase equitable access to homeownership as a key strategy for addressing our nation’s racial wealth gap:

Contrary to popular belief, owning one’s own home is frequently more affordable than renting. It is cheaper to buy a home than it is to rent in two-thirds of American counties. Even now, as America is grappling with systemic racism that impedes economic opportunities for people of color, homeownership is still often more affordable than renting for people of color.

https://www.urban.org/sites/default/files/publication/104214/homeownership-is-affordable-housing_0_0.pdf

Besides being more affordable on a daily, monthly and yearly basis, affordable homeownership meaningfully contributes to low- and moderate-income households' ability to acquire wealth.

For nearly 25% of all Americans, their home is their biggest financial asset. The average net worth of a homeowner in was \$231,400, compared to just \$5,200 for a renter, according to the 2016 [Survey of Consumer Finances](#) by Federal Reserve.

<https://prosperitynow.org/blog/why-homeownership-still-matters>

While Homeownership advocates across Oregon fervently applaud OHCS's inclusion of homeownership among the department's top priorities and its longstanding commitment to innovation, we boldly ask that the department apply these same values to the 2021 – 2025 Oregon Consolidated Plan.

As a proactive example, OHCS could initiate a \$2 million HOME pilot program that would provide \$40,000 in per home funding to stimulate the production of 50 new homes affordable to first-time buyers who earn up to 80% of the area median income.

We urge you to carry through the same values of layering department resources to stimulate the construction of homes affordable for Oregonians of modest means to rent, by also catalyzing homeownership production in a substantive way.

In addition, we respectfully ask that you increase the number of nonprofit homeownership developers and for-profit professionals (such as realtors and homebuilders) included in future HUD stakeholder processes. Despite minimal representation in the survey distribution, increasing homeownership production still scored "28". If outreach had been more representative of these fields, this number would likely have been significantly greater.

This letter is submitted on behalf of the Board of Directors of Habitat for Humanity of Oregon and the 24 local Habitat for Humanity affiliates we serve. |

Thank you for your consideration,
Shannon M. Vilhauer, Executive Director

OHCS Response: OHCS prioritizes homeownership assistance as an important strategy to reduce the generational wealth gap for households from communities of color. OHCS and other Consolidated Plan partners have prioritized resources other than federal HOME dollars to support households in accessing and maintaining the benefits of homeownership. CDBG resources administered by Business Oregon are used for homeowner rehab and state general fund resources support down payment and foreclosure

prevention assistance given the more flexible nature of those resources. OHCS remains committed to prioritizing homeownership outcomes through the commitment of resources and implementation of programs. This includes supporting homeownership access and retention by identifying local and federal homeownership dollars that best maximize the long term benefits for assisted households.

Public Comment #3

Received from: Housing Land Advocates

Public Comment – full comment:

Thank you for this opportunity to provide comments regarding the draft State of Oregon Analysis of Impediments to Fair Housing Choice (AI). Housing Land Advocates (HLA) is a volunteer-based nonprofit comprised of attorneys, planners, educators, and policy experts. We are proponents for land use policies and planning choices that advance affordable, fair, and equitable housing outcomes, and we collaborate with other organizations to help achieve those goals. We commend the work done so far on the AI and provide additional information to strengthen the sections where we can offer additional knowledge and specialized expertise. Based on this information, we advocate for additional Actions to be included in the Fair Housing Action Plan.

Oregon is in the process of reforming its 50+ year old land use system to better plan for the housing needs of all Oregonians and address historic land use practices that have led to persistent patterns of segregation in our communities. Much of this work is being led by the Oregon legislature and being realized through the collaborative work of the Department of Land Conservation and Development (DLCD) and Oregon Housing and Community Services (OHCS) with a diverse group of sometimes contentious stakeholders, including Housing Land Advocates. Our comments below are intended to provide reinforcement for continuing that work by knitting them into the state's Analysis of Impediments and Fair Housing Action Plan.

1. Comments Regarding Review of State Level Public Sector Barriers to Fair Housing in Oregon

While it is commendable that Oregon's land use laws provide standards that "are stronger, and remove barriers to fair housing choice more effectively, than those in the statutes of most other states" (Section V, p. 6), we wish to point out how low a bar that sets for our state, given the persistent patterns of segregation throughout the nation. Since the last Analysis of Impediments was adopted, considerable momentum has built around addressing patterns of segregation through the Oregon Land Use Program, and much work remains to be done. While some of the recent work is mentioned in the analysis, it should be more prominent. Therefore,

we recommend that the following items be added to the bulleted list of notable features of the state's land use statutes (Section V, p. 5-6):

- Now require cities and areas inside Urban Growth Boundaries to allow middle housing types in single-family neighborhoods, which sets the stage for neighborhoods that are more diverse in income, race, and ethnicity in the decades to come.
- Now require cities with populations more than 10,000 to produce a Housing Needs Analysis and Housing Production Strategy on a periodic basis (every eight years in most of the state, and every six years inside the Portland metro area). Housing Production Strategies are a new concept and require that cities detail the actions they will take to promote the development of needed housing. Most significantly, the Administrative Rules that prescribe standards for the Housing Production Strategies require cities to explain how their efforts will “achieve fair and equitable housing outcomes,” including affirmatively furthering fair housing. Significantly, Oregon adopted the 2015 HUD language in defining affirmatively furthering fair housing in state regulations. Specifically, OAR 660-008-0050(4)(b) states “affirmatively furthering fair housing means addressing disproportionate housing needs, patterns of integration and segregation, racially or ethnically concentrated areas of poverty, and disparities in access to opportunity.” At a time when the federal government backed off from this definition of AFFH, Oregon took the step of embodying it in the state's regulatory framework.
- Required the state housing agency (Oregon Housing and Community Services) and the state land use agency (Department of Land Conservation and Development) to collaborate in creating and evaluating a model Regional Housing Needs Analysis to address inherent problems in the current system that perpetuate and reinforce wealth and income disparities among jurisdictions.

Recommended Actions Related to State Level Public Sector Barriers

- **State of Oregon Affirmatively Furthering Fair Housing Law:** Like the rest of the country, Oregon has suffered from changing housing expectations among public parties and public agencies, especially with respect to the fulfillment of the pledge of the Fair Housing Act of 1968, passed in the wake of the death of Dr. King, that it was a national policy to “affirmatively further fair housing.” The Obama administration saw the passage of a HUD rule to apply this objective to federal programs; however, a subsequent administration repealed that rule, and that action is under reconsideration by the current administration. In the absence of stability at the national level, we believe that the state must act.
 - Action: Support the adoption of legislation to establish a state Affirmatively Furthering Fair Housing Policy along the lines of that provided by the Obama

administration and apply that legislation to all state and local programs affecting housing.

- **Regional Housing Needs Analysis:** HB 2003 (2019 legislative session) charged OHCS with the responsibility to create a pilot Regional Housing Needs Analysis (RHNA) to help address Fair Housing and other problems inherent in the current system of estimating local housing need. The legislation also charged DLCDC with the responsibility of evaluating the pilot RHNA. DLCDC found “that the current system chronically underestimates housing need, especially for lower-income households, does not enforce responsibilities of local governments to comprehensively address housing need, and perpetuates geographic patterns of racial and economic segregation, exclusion, and inequity...The Regional Housing Needs Analysis methodology addresses the shortcomings of the current system in two key ways –it uses a methodology that more accurately captures need, and it allocates a share of this regional need to local cities and counties. This report concludes that a Regional Housing Needs Analysis could serve as an acceptable methodology statewide for land use planning relating to housing and could appropriately allocate housing shortage among local governments in a region.” The next steps are to refine the process and formally adopt it. This requires resources, collaboration, and policy direction.
 - Action: Support the adoption of an ongoing Regional Housing Needs Analysis program, along with the needed resources and state agency staff capacity to implement it successfully. Use it as a gauge to measure compliance, help allocate subsidized housing resources (including federal funds), and assist local governments in meeting their housing obligations.
- **Housing Production Strategies:** HB 2003 (2019 legislative session) also placed a new obligation on cities with populations greater than 10,000 to update their Housing Needs Analysis and Buildable Lands Inventory on a periodic basis and create a Housing Production Strategy that details the actions that cities will take to help create needed housing. The Housing Production Strategies require that cities go beyond merely ensuring that there is enough properly zoned land for needed housing types to taking proactive steps to support the development of housing for which a demonstrable need has been shown. With the regulatory framework now in place, two things are needed to implement the Housing Production Strategy approach successfully: sufficient resources to provide for ongoing technical assistance to local jurisdictions and state oversight and expansion to smaller cities.

- Action: Support funding to provide for robust state oversight of the Housing Production Strategy program and technical assistance to cities. Expand the approach to include smaller cities and other urban areas.
- **Post-Acknowledgement Plan Amendments:** In the absence of the state periodically reviewing local Comprehensive Plans for compliance with state Land Use Goals and related laws and regulations, local governments amend their plans and land use regulations through the Post Acknowledgment Plan Amendment (PAPA) process, which allows for notice of those amendments and public participation in their consideration at the local level and for a possible appeal if a participant was dissatisfied with an outcome. One of the original reasons for the PAPA process was to avoid having all such amendments be reviewed by LCDC, but rather have greater state agency participation in their adoption. That reason has not been realized as DLCD (and Metro at the regional level) has been AWOL on housing issues. We believe DLCD, other state agencies, and Metro must be active participants in local land use proceedings and not leave the implementation of Oregon’s housing programs to nonprofits and private parties.
 - Action: Support a robust and collaborative effort among state agencies and Metro to more thoroughly review and comment on local land use actions through the PAPA process.
- **Periodic Review:** Shortly after the passage of SB 100 in 1973 to create the Oregon land use program, the state legislature wisely provided a system by which local plans and land use regulations would be reevaluated over time to measure continued compliance with the statewide planning goals. Over time, that legislative commitment lapsed, and this periodic review process reflected longer intervals, until that process dropped away. We believe an effective periodic review process is the preferred way of improving comprehensive planning generally and evaluating and providing for housing needs generally. To be effective, that process must both be funded adequately and led with vision.
 - Action: Support funding to re-institute an effective Periodic Review process.

2. Farmworker Housing Protections

Although the Oregon planning system provides the legal basis for providing for farmworker housing, there is still a lack of safe, decent, and affordable housing for those employed in the harvesting and processing of crops. The work of the Fair Housing Council of Oregon, including partnerships with groups that represent and work directly with farmworkers, should continue

to be supported and encouraged.

Oregon law provides for the award of attorney fees if a challenge to the grant of the development of publicly supported housing, as defined in ORS 456.250, is unsuccessfully challenged. The Oregon legislature should consider a similar award in the event of an unsuccessful challenge to farmworker housing, given the strong legislative policy found in ORS 197.677 to .685

- Action: Support efforts to amend state law to provide for the award of attorney fees if a legal challenge to the development farmworker housing is unsuccessfully challenged.

Thank you for your work on this analysis and for considering our comments.

Sincerely,

Jennifer Bragar, President
Housing Land Advocates

OHCS Response: Responding specifically to the action items, the Oregon Housing & Community Services (OHCS) would reply as follows:

- **State of Oregon Affirmatively Furthering Fair Housing Law** – OHCS supports and has included in its Analysis of Impediments an action item that would encourage the adoption of legislation to establish a state Affirmatively Furthering Fair Housing Policy. OHCS stops short of advocating what that looks like and who it applies to as we believe that any state AFFH policy should be crafted through a robust stakeholder process.
- **Regional Housing Needs Analysis** – OHCS supports and has included this action item in the Analysis of Impediments action items.
- **Housing Production Strategies** – OHCS supports advocating for funding to provide for robust state oversight of the Housing Production Strategy program and technical assistance to cities. In terms of expansion of HB2003, OHCS would support that this be looked at more closely by an Interagency Workgroup with extensive stakeholder participation or through a PILOT initiative of some kind. Additional data and outreach our necessary prior to making this determination. An action item in the AI will be added to express support for a review process.
- **Post-Acknowledgement Plan Amendments** – OHCS has been supportive of the PAPA’s initiative and would support additional collaboration amongst the various

branches of state government and stakeholders to determine the best structure to assure accountability associated with this effort.

Additional Information

In addition to the public comment period for the full 2021 Consolidated Plan, Oregonians were offered the ability to comment on the Community Development Block Grant program individually through a public notice announcing a public hearing and public comment period which was published in 'The Oregonian' in February 2021. An original public comment period was held from February 26, 2021 – March 28, 2021. A second public hearing was also provided for Coronavirus relief funds from June 2 – June 7, 2021. This was a 5 day public notice as authorized through the HUD waiver process and as requested and updated in the Citizen Participation Plan by the State of Oregon. These notices were also placed on Business Oregon's website and "pushed out" through the agency's marketing and communications section to persons signed up to receive CDBG listserv notifications. No public comments were made through these processes.