

STATE of OREGON

# 2010 CAPER



Consolidated Annual Performance Report for

HOME INVESTMENT PARTNERSHIPS PROGRAM  
COMMUNITY DEVELOPMENT BLOCK GRANT  
EMERGENCY SERVICES GRANT PROGRAM  
HOUSING OPPORTUNITIES FOR PEOPLE WITH AIDS



EQUAL HOUSING  
OPPORTUNITY

Oregon Housing and Community Services  
Oregon Business Development Department  
Oregon Health Authority

March 2010

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# EXECUTIVE SUMMARY

Oregon cares . . . . .about its environment . . . . . its infrastructure . . . . . and its people, especially those less fortunate. The outcome of that caring is an intricate quilt of programs and services from myriad public/private resources, stitched together by committed volunteers, inspired elected officials, and dedicated staff.

This report is the Consolidated Annual Performance Evaluation Report, or CAPER. It is a review of four of the programs funded by the U.S. Department of Housing and Urban Development. While related state and federal programs may be referenced in the CAPER, the focus will be on those in the following chart.

Program	Acronym	General Program Usage	2010 Funding
Home Investment Partnership Program	HOME	<ul style="list-style-type: none"> <li>• acquisition, rehabilitation of existing and construction of new affordable housing</li> <li>• Rental assistance for low and moderate income persons</li> <li>• Funding for specific organizations developing affordable housing</li> </ul>	\$11,479,306
Community Development Block Grant	CDBG	<ul style="list-style-type: none"> <li>• public infrastructure such as streets, water and sewer systems</li> <li>• economic development activities</li> <li>• public facilities such as community centers, fire stations etc</li> <li>• owner occupied housing rehabilitation</li> <li>• support for regional housing centers</li> </ul>	\$15, 680,902
Emergency Services Grant	ESG	<ul style="list-style-type: none"> <li>• shelter for homeless</li> <li>• support services for homeless</li> <li>• homelessness prevention activities</li> </ul>	\$971,066
Housing Opportunities for Persons with HIV/AIDS	HOPWA	<ul style="list-style-type: none"> <li>• tenant based rental assistance and permanent housing placement services in the form of deposits</li> </ul>	\$374,867

Oregon's 2010 CAPER reports on the use of four HUD funding programs in the "balance of state", areas outside of HUD entitlement cities and counties. The 2010 CAPER reflects on the fifth and final year's progress towards meeting the general goals and objectives set out in the 2006-2010 Consolidated Plan and the more specific goals in the 2010 Annual Action Plan.

Oregon Housing and Community Services (OHCS) is the applicant for HUD funding for HOME and ESG. The Oregon Business Development Department (OBDD) is the applicant for the CDBG program. Oregon Health Authority (OHA, formerly part of Department of Human Services) is the applicant for the HOPWA program

## 2010 General Program Results

The State of Oregon supports housing and community development through a variety of programs and funding sources for support of HIV/AIDS populations, programs for homeless, public works projects, rental assistance, housing preservation, housing construction, home purchase, economic development, and more. Accomplishments summarized below focuses on projects *closed* in calendar 2010, regardless of when originally funded.

### HOME

- New construction of rental units: Thirteen projects with 24 units of HOME funded new multi-family units were completed in 2010. HOME funds of \$3.6 million were part of \$18.6 million invested.
- Acquisition-rehabilitation of rental units: 65 units of HOME funded affordable housing were acquired/rehabilitated in 2010. HOME funding accounted for \$4 million of \$17.6 million invested.
- Tenant Based Rental Assistance: \$2,615,000 of HOME resources was budgeted and 967 households were assisted in maintaining residence in affordable housing.
- Home Owner Assistance: Two HOME (ADDI) funded units were completed in 2010 units. In 2008 Oregon surpassed over \$1 billion in its single family loan portfolio. In 2009, due to the collapse of financial markets, the single family loan department of OHCS was effectively not open for business. In 2010, Oregon was again able to issue bonds and re-enter the market, utilizing ADDI funds.
- Community Capacity Building: \$410,000 of HOME resources was granted to eleven Community Housing Development Organizations (CHDOs) to support local efforts developing affordable housing and improve their organizations.

### ESG

In 2010 the State expended \$970,009 of ESGP along with \$2 million in State Emergency Housing Account (EHA), State Homeless Assistance Program (SHAP) and Housing Stabilization Program (HSP) funds to expand the supply and effectiveness of emergency shelters and transitional housing, provide essential services and prevent homelessness. Over 55,000 persons were assisted.

### HOPWA

Long term TBRA (tenant based rental assistance) was provided to 82 unduplicated households. HOPWA funding of \$374,867 was used in conjunction with \$619,607 from other sources.

### CDBG

The State of Oregon awarded \$15,680,902 in CDBG funds that leveraged \$4,690,604 in other funds. Overall there were 35 new grant awards and 13 grant increases that will be used for water and wastewater system improvements, community facility projects, microenterprise assistance, housing rehabilitation and housing resource center projects.

In summary, awards of CDBG funds in 2010 will assist 316 microenterprises, 34,346 persons of which 23,279 (67.7%) will be low and moderate income, rehabilitate 139 housing units which will benefit 295 LMI persons, create 8 domestic violence beds benefitting 250 LMI person and provide improvements for 16 public works projects

For additional CDBG information please refer to the 2010 CDBG Performance Evaluation Report (PER), Attachment 13.

### Investment of HUD Resources by Program Area

#### From PR01 - HUD Grants and Program Income

Program	Fund Type	Authorized Amount	Suballocated Amount	Amount Committed to Activities	Net Drawn Amount	Available to Commit	Available to Draw
CDBG	EN	\$372,974,404	\$35,994,509	\$326,966,655	\$303,195,208	\$10,013,240	\$33,784,686
	AD	\$5,037,500	\$4,934,757	\$45,867	\$37,545	\$56,876	\$65,198
	PI	\$4,978,696	\$0	\$3,459,477	\$3,278,314	\$1,519,219	\$1,700,382
	SU	\$30,957,010	\$30,957,010	\$0	\$0	\$0	\$0
CDBG-R	EN	\$3,837,579	\$0	\$3,837,579	\$2,701,714	\$0	\$1,135,865
ESG	EN	\$15,433,507	\$0	\$15,433,507	\$14,783,655	\$0	\$649,852
HOME	EN	\$181,828,883	\$74,689,402	\$100,587,432	\$98,271,804	\$6,552,048	\$8,867,676
HOPWA	EN	\$2,016,981	\$0	\$1,496,762	\$1,488,281	\$520,219	\$528,700
HPRP	EN	\$7,873,436	\$0	\$7,873,435	\$5,217,628	\$1	\$2,655,808
<b>GRANTEE TOTALS</b>		<b>\$588,972,032</b>	<b>\$146,575,678</b>	<b>\$459,729,261</b>	<b>\$429,002,697</b>	<b>\$18,661,603</b>	<b>\$49,388,167</b>

### CITIZEN PARTICIPATION

Oregon's 2010 CAPER was made available for a fifteen day comment period in early March.

No comments were received.

### CLOSING

2010 was a very challenging year. Oregon ranked as high as 3<sup>rd</sup> nationally in foreclosures. The State unemployment rate remains over the national average. Oregon food insecurity places the state 3<sup>rd</sup> worst in the nation. Much good was done for Oregon's poor in 2010. Much more remains to be done.

# 2010 OREGON CAPER

The 2010 CAPER is organized into these major sections:

- I. Housing Assistance
- II. Community Development Assistance
- III. Homeless Assistance
- IV. Assistance to Populations With the Presence of a Disability
- V. Annual Objectives and Outcomes
- VI. HOME Required Information
- VII. ESG Required Information
- VIII. HOPWA Required Information
- IX. CDBG Required Information
- X. Other HUD Required Information
- XI. 2010 CAPER Endnotes
- XII. Attachments

## I. HOUSING ASSISTANCE

Oregon combines several sources of state and federal funds for new construction and acquisition/rehabilitation of affordable rental housing. Funds are allocated primarily through the competitive consolidated funding cycle (CFC) process, although other processes such as request for proposals or demonstration programs may be used. An outline of the CFC process is included as Attachment 11.

The CAPER focuses on *accomplishments* completed with HUD funds for calendar 2010. However, OHCS 2010 funding *commitments* in all of Oregon (not just the balance of state) were made to a total of 56 projects with a total of 2,208 units. Total investment for these projects will be \$239,199,461 with eleven HOME commitments of \$8,525,849 funding 106 of the units.

OHCS *closed* a total of 48 new construction and rehabilitation projects costing a cumulative \$137,097,739 which produced/preserved 1,027 total units. HOME funds of \$7,724,042 were used in 13 projects producing 89 units.

The next two tables provide further breakdown of HOME fund usage.

### A. NEW CONSTRUCTION OF RENTAL UNITS

#### HOME Closed in balance of state

Closed HOME projects cost	\$18,664,625	Number HOME projects	7
Program income	0	Total units	93
HOME funds in projects	\$ 3,681,283	Total Section 215 units	93
Other funds	\$14,983,342	HOME units*	24
HOME leverage ratio	\$ 1 to \$4.07		

\* One group home, counted as one unit, provided beds for four residents.

## B. ACQUISITION/REHABILITATION OF RENTAL UNITS

**HOME Closed** in balance of state

Closed HOME project cost	\$ 17,696,926	Number HOME projects	6
Program income	0	Total units	190
Other funds	\$13,654,167	Total Section 215 units	135
HOME funds	\$ 4,042,759	HOME units*	65
HOME leverage ratio	\$ 1 to \$ 4.37	Displacement	1

\* One group home, counted as one unit, provided beds for five residents.

Please see the HOME Project Sampler (Attachment 10), for a description of closed HOME projects.

## C. ASSISTANCE TO RENTERS

Oregon assistance to renters in this section is from HOME funded tenant based rental assistance (TBRA). \$2,635,000 of the annual HOME Grant was allocated to tenant-based rental assistance (TBRA) activities. OHCS contracts with various public service agencies to administer the TBRA program at the local level.

The program offers rental assistance in one-year terms, which may be renewed. Very low-income tenants may apply for the payment of refundable security deposits, utility starts, and partial monthly rent. A rental assistance agreement is executed between the public service agency, tenant and the landlord. Payments may be made directly from the public service agency to the landlord on behalf of the tenant.

To qualify, a household consisting of an individual or group of individuals must be very low-income, *i.e.*, cannot have a total gross household income from all sources that exceeds 50% of the area median income for that household size. Rental payment standards are based on the HUD Fair Market Rents or the area-wide exception rent approved by HUD. The minimum tenant contribution for housing costs is \$10.

HOME Tenant Based Rental Assistance budget	\$2,635,000	2010 unit goal	1,200
Direct match from various sources	\$272,272	2010 TBRA units assisted	967
		Relocation	None

In addition to the above, Oregon administers over 9,000 Section 8 units, plus provides renter assistance to populations with the presence of a disability through ESG, Continuum of Care, and HOPWA.

## D. ASSISTANCE TO HOME OWNERS

HUD funded assistance to homeowners historically has come from two primary sources, CDBG and HOME/ADDI. Until 2009, Oregon had an aggressive and highly successful program to support first-time homebuyers. ADDI funds were an integral part of first time home-buyer programs through Oregon's PAL program. Due to the collapse of the financial markets OHCS did not made a single family loan in 2009. In 2010, Oregon was able to issued state mortgage revenue bonds in the amount of \$33 million. All these funds have been reserved for loan acquisitions. Oregon continues to provide support for home buyers through the Individual Development Account program which provides matching funds to participants who complete educational and saving requirements.

Like many other Housing Finance Agencies, OHCS is waiting for the Oregon housing market to rebound, the rates to increase, and the unfolding of reforms of the Government Sponsored Enterprises. With historically low rates in the previous two years OHCS cannot offer lower than market rates. Current offerings are 4.75% (with a 3% of total note cash assistance) and 4.375%.

All first-time homebuyers participating in Oregon's programs were successful graduates of "The ABCs of Home Buying".

State Mortgage Revenue Bonds (including Home Purchase Case Assistance program)	\$33 million	ADDI program income from recapture on sale	0
ADDI	\$13,493	ADDI households	2
NSP Funds with ADDI	\$88,345	Total all households	0
ADDI minority households	0	ADDI Persons	4
ADDI female headed HH	1	ADDI Large family	0

CDBG rehab program description is available in the attached PER.

CDBG housing rehabilitation total obligated	\$3,117,484	CDBG rehab goal	151 hh
CDBG rehab obligations	139 hh	**Administratively closed	199 hh

## E. REGIONAL HOUSING CENTERS

2010 CDBG Funds allocated	\$528,000	Goal	10 centers
Goal for # Persons served	4,800	Funded	1 new awards and 10 grant increase to centers (Accomplishments from the grant increases will be reported in prior year PER reports.)
Low/Moderate income Persons served	191*	Persons served	375*

\* 2010 CDBG funds were used to re-capitalize prior awards so all the accomplishments for those funds will be reported in prior year's per reports.

The 2010 year brought new perspectives into the Regional Housing Centers. Number of persons served is down slightly from last year. The overall direction of clients was not as supportive for homeownership. There were fewer programs available to assist clients and even though housing costs dropped, without the assistance programs, it was difficult for lower income clients to consider purchasing homes. Many were just trying to get by as job losses meant people were just trying to survive. For those that did attend pre-purchase classes, their incomes were higher than in the past.

Housing Centers are seeing more people with default and foreclosure issues. Much of the time was focused on this clientele. Many of them are recently poor or not below AMI.

- In 2009 there was a boom with people buying homes using the First Time Homebuyer Tax Credit as an incentive.
- With unemployment especially bad in the balance of state, to and in many cases, rising, people hesitated to purchase homes or take classes that promote home buying.
- When the families are in a depressed situation, they do not consider taking classes that may benefit them, such as financial fitness, etc. until they see themselves coming out of the situation.
- Oregon foreclosure clients increased and these cases take longer than any other type of counseling.
- In the fourth quarter 2010, classes and individual home buying counseling decreased because of the staff time required for Oregon's new Mortgage Payment Assistance Program.

The state has no control on the types or number of applications submitted to the program annually, and funded all complete applications received

## F. 2010 HUD HOUSING RELATED FUNDS DETAIL

By Tenure and Family Size		HOME TBRA*	HOME	ADDI	CDBG Rehab	5 year goal	2010 Goal	2010 Assist
Renters	Small family 0-2 bedrooms	310	160	2	NA	3367	828	472
	Large Family 3+ bedrooms	657	36	NA	NA	2580	410	693
	Elderly	not tracked	87	NA	NA	2005	11	87
Owners	Small Family	NA	NA	NA	199	730	146	199
	Large Family	NA	NA	NA				
<b>Totals</b>		<b>967</b>	<b>283</b>	<b>2</b>	<b>199</b>	<b>8682</b>	<b>1395</b>	<b>1451</b>

- Original goal in Consolidated Plan included elderly recipients of TBRA. Current data collection does not include "elderly" as a category, thus the assistance count is spread between large and small HH.

- Housing center results are for all income levels.

\* TBRA results are for single and family assistance

<b>By Income Targets</b>		<i>ConPlan Priority</i>	<i>TBRA</i>	<i>HOME</i>	<i>ADDI</i>	<i>CDBG Rehab</i>	<i>5 year goal</i>	<i>2010 Goal</i>	<i>2010 assist</i>
<i>Renters</i>	<i>0-30% MFI</i>	<i>High</i>	771	7	NA	NA	6080	1001	778
	<i>31-50% MFI</i>	<i>High</i>	182	262	NA	NA	1390	217	444
	<i>51-60% MFI</i>	<i>Medium</i>	<i>see below</i>		NA	NA			
	<i>61-80% MFI</i>	<i>Low</i>	14	14	NA	NA	482	31	28
<i>Owners</i>	<i>0- 30% MFI</i>	<i>Low</i>	NA	NA	NA	199	730	146	201
	<i>31-50% MFI</i>	<i>Low</i>	NA	NA	NA				
	<i>51-80% MFI</i>	<i>Medium</i>	NA	NA	2				
<b>Totals</b>			<b>967</b>	<b>283</b>	<b>2</b>	<b>199</b>	<b>8682</b>	<b>1395</b>	<b>1451</b>

- From Table J in Consolidated Plan
- Housing center results are for low and moderate income citizens.

## II. COMMUNITY DEVELOPMENT ASSISTANCE

CDBG by far provides the most financial resources for activities presented in this section. HOME funded assistance to Community Housing Development Organizations is targeted to support of housing assistance by community based development corporations.

Due to the complexity of the program and reporting requirements, reporting on CDBG activities is available in the 2010 PER in Attachment 13.

In summary, a list analyzing the states progress towards the CDBG goals and objectives, under the 2010 CDBG program is listed below:

- 14 new awards and 2 grant increases – Public works projects improving the safety and livability of communities. Meeting the states goal, as no numeric goal was achieved by the state, since the state has no control over the type and number of applications submitted to the program each year.
- 0 – Public works project to extend publicly owned off-site infrastructure to a new affordable housing development. Meeting the states goal, as no numeric goal was achieved by the state, since the state has no control over the type and number of applications submitted to the program each year.
- 1 – Public/community facility in increase access to quality facilities and services, creating 8 beds within a domestic violence shelter. Meeting the states goal, as no numeric goal was achieved by the state, since the state has no control over the type and number of applications submitted to the program each year.
- 1 new award and 10 grant increases – Housing resource center projects to improve affordability and sustainability of quality facilities that are proposed to benefit 375 persons, exceeding the goal of 10 center projects but does not meet the goal of assisting 4,800 persons.
- 8 new awards and 1 grant increase - Housing rehabilitation projects to improve affordability and sustainability of quality facilities that are proposed to rehabilitate 139 housing units, which will benefit 295 persons, thus not exceeding the goal 151 housing units.
- 7 - Microenterprise assistance projects. Meeting the states goal, as no numeric goal was achieved by the state, since the state has no control over the type and number of applications submitted to the program each year.

- 4 – Public/community facility projects to provide a suitable living environment. Meeting the states goal, as no numeric goal was achieved by the state, since the state has no control over the type and number of applications submitted to the program each year.
- 6 – Conference sponsorships to support efforts to increase local capacity in planning, administration and project implementation for 2010 and 2011 conferences. As result of the 2010 conferences, 340 participants attended. Meeting the states goal, as no numeric goal was achieved by the state, since the state has no control over the type and number of applications submitted to the program each year.

There were no real challenges for the CDBG program indentified in 2010. Overall the program in 2010 met the state's needs. However, OBDD constantly strives to improve and streamline the program where possible and will implement the following changes in 2011:

- a. The maximum grant amount for public works projects was increased from \$1,500,000 to \$2,000,000.
- b. All the Type 1 (2010 maximum grant of \$1,000,000) and Type 2 (2010 maximum grant of \$800,000) Community Facilities projects were combined into one project grouping and the maximum grant for all Community Facility projects was increased to \$1,500,000.
- c. A maximum grant exception for public works projects was increased from \$3,000,000 to \$3,500,000.
- d. The Regional Housing Center grant category was eliminated from the program.
- e. OBDD-IFA re-assumed the Regional Housing Rehabilitation program management from Oregon Housing and Community Services.
- f. Overall, the program in 2010 met the state needs.

## **B. HOME/CHDO**

Number of Oregon certified CHDOs	15
CHDOs eligible for operating subsidy	11
Operating subsidy contracted in 2010	\$410,000
Total CHDO operating fund committed in 2010	\$410,000

## **III. HOMELESS ASSISTANCE**

HUD funded homeless assistance in Oregon is primarily delivered through the ESG program. However, within the very general labels of "homeless" services include housing assistance, prevention activities, and supportive and other services. While this section reports on ESG, a more holistic view can be gained by review of Continuum of Care and HOPWA sections of this CAPER and Attachments.

## A. EMERGENCY SERVICES PROGRAM

ESG Funding	\$971,066	Statewide sub-recipients	14
State EHA & HSP funding	\$1,399,931*	Oregon SHAP funding	\$642,838
ESG leverage	\$1 to \$3.04	Total resources	\$3,012,778
Total Persons and families receiving homeless and at-risk services			25,342
Persons & families receiving essential services			15,056
Persons & families receiving prevention assistance			5,390
Persons and families receiving emergency shelter and transitional housing			9,273

\*While ESG funds are matched with SHAP funding, EHA and HSP data are reported as informational to detail the continuum of homeless services.

## B. CONTINUUM OF CARE

Oregon's Continuum of Care's is organized around two main goals –

- Planning for the homeless housing and service system in the rural balance of state
- Applying for funding from the HUD's competitive McKinney-Vento Act programs.

To receive HUD McKinney-Vento funding, organizations must work through a local CoC. All continuum partners should be invested in these goals but depending on the partner, their roles can and should vary.

Oregon Housing and Community Services agency leads and administers the Board of Directors Rural Oregon Continuum of Care (CoC) meetings.

Each Oregon county has it's own local continuum structure with regular meetings and objectives as well.

Additional information can be found at

[http://www.ohcs.oregon.gov/OHCS/CRD\\_Continuum\\_of\\_Care\\_Application\\_Exhibits.shtml](http://www.ohcs.oregon.gov/OHCS/CRD_Continuum_of_Care_Application_Exhibits.shtml)

A detailed discussion of Continuum of Care activities is contained in Attachment 1 of this document.

## IV. ASSISTANCE TO POPULATIONS WITH THE PRESENCE OF A DISABILITY

The following analysis shows 2010 rental housing developments funded by Oregon loan, grant and tax credit programs (balance of state) with units meeting Section 215 and 504 requirements as well as units with other amenities that support populations with the presence of a disability.

Tenure	ConPlan Priority*	Income	Total in Oregon	Unmet HH Need	2010 HH Goal	2010 Units/Beds Completed
<b>Farmworker</b>	High	under 80%	40,000 to 124,400	See notes	100	161
<b>Disabled</b>	High	under 80%	70,809	38,943	60	54
<b>Frail Elderly</b>	High	under 80%	Counted with elderly and other populations with the presence of a disability.			
<b>Chronic Homeless</b>	High	under 80%	1,131	1,131	See notes	102 units in projects
<b>Homeless/ near homeless</b>	High	under 80%	3,592 (does not include chronic)	3,592	See notes	
<b>First time Minority Home buyers</b>	High	under 80%	5,422	2,902	1	0
<b>HIV/AIDS and families</b>	High	under 80%	1,646	See notes	75	92 households
<b>Post incarceration</b>	Low	under 80%	2,664	2,664	see notes	0
<b>Persons in recovery</b>	Low	under 80%	9,785	7,695	see notes	0

\* From Table J in Consolidated Plan

+ Farmworker closed projects are all funding sources.

+ Disabled included physically disabled, developmentally disabled, and chronically mentally ill, all funding sources

+ The extent of need for near homeless, homeless and chronic homeless is established by Point In Time counts. Units of service delivered over the course of any given period of time involve multiple services to the same individual, making realistic goal setting difficult. Please also refer to the narratives for ESG and Continuum of Care and the Attachments.

+ Oregon has a goal of increasing the number of first time home buyers who are minority. Need was determined from Census data by counting the number of moderate income minority renters with housing problems.

+ HOPWA numbers adjusted for duplication.

## V. ANNUAL OBJECTIVES AND OUTCOMES

(Table M from Consolidated Plan and Table AP-4 in Acton Plan)

OBJECTIVE	STRATEGIES	PROGRAMS/ ASSETS	OUTCOMES
<b>1. Reduce Chronic Homelessness</b>  (compatible with OHCS Long Term Objective #4)	A. Provide emergency housing	ESGP + CDBG + state programs and other federal programs	i. 50% reduction in chronic homelessness over five years  ii. OHCS Performance Measure: 60% of individuals receiving transitional housing gain permanent housing within two years.
	B. Support continuum of care concept in providing services	ESGP, CSBG and Oregon programs	More and better coordination
	C. Acquire and rehab properties when feasible	HOME + other state and federal programs	Construct units for homeless
<b>2010 Results for Reducing Chronic Homelessness</b>			
A	i.	Governor Kulongoski established the Ending Homeless Advisory Council (EHAC), a statewide working group of experts and community representatives to begin planning ending homelessness in Oregon, including the ten year plan to end homelessness. EHAC will also work with community leaders in developing local plans. In 2008 the Oregon Legislature launched the \$15.6 million Housing PLUS program. Housing PLUS is a new initiative to help provide permanent, supportive housing to homeless throughout Oregon. The program is expected to produce 150 units of permanent supportive housing, subsidize rents, and provide help similar to a case worker to identify and access a variety of supportive services needed to prevent recurrence of homelessness. In terms of Availability/Accessibility, ESG funds were used to improve the Suitable Living Environment for 15,140 homeless individuals by providing emergency housing.	
	ii.	Oregon's goal of placing 60% of participants in permanent housing within two years has proven exceptionally aggressive. Results for 2010 show 37.11%. Two major factors have impacted the results. The first is a change in policy to housing with intensive services for the homeless. This change required a sharing of scarce resources between projects and support services, leaving less for brick and mortar. The second, more recent change is the collapse of the bond market and the recession. Please also refer to Attachments 1 and 2 for additional background.	
	iii.	In 2010 the CDBG program funded one domestic violence shelter, which will create 8 beds that will assist 250 persons in the first year of operation.	
B	OHCS spearheaded reorganization of the Rural Continuum of Care, streamlining and consolidating operations. Additional information is in the Attachments.		
C	In 2010, OHCS closed projects providing 44 units for homeless persons. None of these projects were HOME funded. Funding was awarded for an additional 102 units serving homeless populations.		

OBJECTIVE	STRATEGIES	PROGRAMS/ ASSETS	OUTCOMES
<b>2. Increase minority homeownership</b>  (compatible with OHCS Long Term Objective #5)	A. ADDI funds specifically targeted to minorities	ADDI + state programs and other federal programs	Increase Oregon's rate of ownership to national average for minorities
	B. ADDI funds used for first time home buyer assistance		OHCS Performance Measure: 100% of ADDI recipients complete <i>ABCs of Home Buying</i>
<b>2010 Results for Increasing Minority Homeownership</b>			
A	Oregon re-entered the single family home mortgage market again in 2010 by issuing \$33 million in bonds. All proceeds have been reserved for loan acquisitions. ADDI funds were used by two income qualified households. NSP funds were used in conjunction with the ADDI.		
B.	100% of ADDI loan recipients completed the <i>ABCs of Home Buying</i>		

OBJECTIVE	STRATEGIES	PROGRAMS/ ASSETS	OUTCOMES
<b>3. Reduce Poverty</b>  (compatible with OHCS Long Term Objective #3,4)	A. Promote job creation/retention	CDBG + state programs and other federal programs	Creation/retention of jobs
	B. Provide affordable housing opportunities	HOME, ESG state programs and other federal programs	i. Net gain in available affordable units ii. OHCS Performance Measure: 50% of units developed are for elderly and those with the presence of a disability.
	C. Promote interagency cooperation with Oregon Health Authority and others as appropriate	other federal and state programs	More and better coordination
	D. Support affordable and safe infrastructure	CDBG + state programs and other federal programs	Increase in affordable and safe Oregon infrastructure. Please also see Attachment 13.
	E. Assist in microenterprise development	CDBG	Increased assistance to microenterprise organizations
<b>2010 Results for Reducing Poverty</b>			
A	OBDD provided no numeric goal for CDBG on the number of job creation projects, water/wastewater systems or microenterprise projects to be assisted annually, as the state has no control over the types and number of applications submitted to the program. During 2010 OBDD provided CDBG funding for: 16 public works projects; 316 microenterprises; and, 0 economic development projects.		
B	i.	OHCS programs were used in completion of 1,027 units of affordable housing. An estimated 44 affordable units went "off-line" in 2010.	
	ii	Statewide, Oregon closed projects with 1,027 units of affordable housing in 2010. Of those, 194 or 18.95% were for elderly or those with the presence of a disability.	
C	The 2009 Legislature passed SB 200, which creates Oregon's policy on homelessness. SB 200 reorients the state's response to homelessness, with a focus on permanent housing instead of temporary solutions, on better collaboration between all levels of agencies to serve homeless persons, on housing stability to show accountability, and a focus on the needs of the person. It requires the Oregon Health Authority and OHCS to coordinate housing and services.		
D	OBDD provided no numeric goal for CDBG on the number of job creation projects, water/wastewater systems or microenterprise projects to be assisted annually, as the state has no control over the types and number of applications submitted to the program. During 2010 the state funded: 16 public works (water/wastewater) projects that will benefit 21,015 persons of which 11,919 (56.7%) will be low and moderate income.		
E	OBDD provided no numeric goal for CDBG on the number of job creation projects, water/wastewater systems or microenterprise projects to be assisted annually, as the state has no control over the types and number of applications submitted to the program. During 2010 the CDBG program funded 7 microenterprise assistance grants that will benefit 316 microenterprises of which 198 (62.6%) will be low and moderate income. Oregon made available over \$6 million in Individual Development Accounts. The accounts provide matching funds at a minimum 1:1 ratio that can be used for micro-enterprise, or homeownership. Over 1,000 Persons have participated since the program began.		

OBJECTIVE	STRATEGIES	PROGRAMS/ ASSETS	OUTCOMES
<b>4. Preserve existing affordable housing</b>  (compatible with OHCS Long Term Objective #3, 4)	A. Acquire and rehabilitate affordable rental units	HOME+ state programs and other federal programs	Net gain in available affordable units
	B. Provide housing rehabilitation funds for LMI owners	CDBG + state programs and other federal programs	Net reduction in owner occupied substandard units
	C. Support affordable and safe infrastructure	CDBG + state programs and other federal programs	Increase number of public water and wastewater systems to come into compliance with federal and state requirements
	D. Provide cost saving weatherization	state programs and other federal programs	Increase self-sufficiency among low-income Oregonians with a minimum return of \$1 in energy savings for every \$1 spent on conservation.
<b>2010 Results in Preserving Existing Affordable Housing</b>			
A	Statewide, 323 units of acquired/rehabilitated affordable housing funded through the CFC process were closed in 2010. 24 of those units were HOME funded. Statewide, funding was awarded to 30 acquisition/rehab projects for 1,169 units. 44 units went off line.		
B	The CDBG rehab goal was 151 units and 199 were completed as part of administratively closed projects in 2010.		
C	OBDD provided no numeric goal for CDBG on the number of job creation projects, water/wastewater systems or microenterprise projects to be assisted annually, as the state has no control over the types and number of applications submitted to the program. During 2010 the state funded: 16 public works (water/wastewater) projects that will benefit 21,015 persons of which 11,919 (56.7%) will be low and moderate income.		
D	CFC projects closed in 2010 had \$973,915 in low income weatherization funds in multi-family developments.		

OBJECTIVE	STRATEGIES	PROGRAMS/ ASSETS	OUTCOMES
<b>5. Support and expand affordable housing opportunities</b>	A. Support affordable and safe infrastructure – extend publicly owned infrastructure to new affordable housing	CDBG + state programs and other federal programs	net gain in affordable housing units
	B. Leverage other federal and state funds	HOME, RDA, tax credits + state programs and other federal programs	net increase of leverage ratio
	C. Remove or mitigate barriers to fair and affordable housing	HOME, CDBG	See 2010 Analysis of Impediments
	D. Provide rental assistance for permanent housing	HOME, TBRA + state programs and other federal programs	Meet current goal of 1200 households
<b>2010 Results in Supporting and Expanding Affordable Housing Opportunities</b>			
A	OBDD provided no numeric goal for CDBG on the number of off-site infrastructure projects to be assisted annually, as the state has no control over the types and number of applications submitted to the program. During 2010 the state did not fund any publicly owned off-site infrastructure projects.		
B	HOME fund leverage in 2010 was \$4.71 for closed projects.		
C	<p>In 2010, the Fair Housing Council of Oregon, under contract with OBDD and OHCS, conducted 4 audit tests, presented 7 informational "road shows" conducted numerous educational outreach activities, and made many thousands of contacts with brochures, newsletters, and the ever popular annual fair housing poster contest. Efforts are detailed in Attachment 5. Please also refer to the narratives for information on affordable housing barriers. During 2010 the CDBG program provided \$75,000 to retain a private consultant to prepare the States 2011-2015 Analysis of Impediments and Fair Housing Action Plan.</p> <p>In 2010, the Oregon Business Development Department continued their contract with the Oregon Fair Housing Council (FHCO) established to provide activities to assist the State to implement the State's Fair Housing Plan. OBDD contributed \$73,000 to FHCO to continue fair housing activities beginning July 1, 2009 through June 30, 2010, which was extended to December 31, 2010. These activities include but are not limited to: conducting audits to find out what type of discrimination is occurring most in the state; conducting campaigns or "road shows" for educational purposes; distribute fair housing brochures, posters, public service announcements, radio interviews and maintaining the Fair Housing Council of Oregon website; distribute fair housing resource materials including applicable laws and regulations; conduct the annual fair housing poster contest; assisting with the production and distribution of the Fair Housing Council of Oregon's quarterly newsletter; continue the fair housing information hotline; development of the fair housing resource list and its distribution to all relevant state agencies; conduct targeted mass media campaigns in the non-entitlement areas of the state focusing on familial status protection; investigating how to implement a financial literacy curriculum in public schools; promote statewide anti-predatory lending campaigns; produce new public service announcements; re-design and print 20,000 brochures; continuing in the State's Fair Housing Collaborative.</p>		
D	HOME TBRA and other state and federal funds were used in 2010 to provide assistance to approximately 970 households.		

OBJECTIVE	STRATEGIES	PROGRAMS/ ASSETS	OUTCOMES
<b>6. Support neighborhood revitalization</b>	A. Improve downtown areas to enhance development/redevelopment	CDBG, other federal and state programs	Increase in viable downtown areas.
	B. Eliminate brownfields	CDBG, other federal and state programs	Net gain in developable brownfield sites.
<b>2010 Results in Supporting Neighborhood Revitalization</b>			
A	OBDD provided no numeric goal for CDBG on the number of downtown improvement projects or brownfield projects to be assisted annually, as the state has no control over the type and number of applications submitted to the program. During 2010, the CDBG program did not fund any downtown revitalization or brownfield improvement projects.		
B	OBDD provided no goal for CDBG on the number of downtown improvement projects or brownfield projects to be assisted annually, as the state has no control over the type and number of applications submitted to the program. During 2010, the CDBG program did not fund any brownfield redevelopment projects.		

OBJECTIVE	STRATEGIES	PROGRAMS/ ASSETS	OUTCOMES
<b>7. Services for HIV/AIDS populations</b>	Provide tenant based rental assistance, short term rent, utility and mortgage assistance and supportive services i.e. Deposits	HOPWA + state programs and other federal programs	Increase the number of low-income people living with HIV/AIDS living in stable, permanent housing.
<b>2010 Results in Providing Services to HIV/AIDS Populations</b>			
HOPWA funds were used to help 82 households with rent assistance and 10 households with deposit assistance. Please also refer to the CAPER report from Oregon OHA, included as Attachment 12.			

OBJECTIVE	STRATEGIES	PROGRAMS/ ASSETS	OUTCOMES
<b>8. Affordable housing for special populations including those with the presence of a disability</b>  OHCS Long Term Objective #3, 4	A. Subsidize farmworker housing	HOME TBRA, ESGP, state funds including tax credits	<i>Additional farmworker access to affordable housing.</i>
	B. Support housing for frail elderly, handicapped, disabled, etc.	HOME, ESG, and other federal and state programs	<i>Additional affordable housing for frail elderly, handicapped and disabled.</i>
<b>Results providing Affordable Housing for Those with the Presence of a Disability</b>			
A	Oregon closed projects with 141 units of affordable Farm worker housing in 2010. None were HOME funded. 17 farmworker households were assisted through HOME TBRA.		
B	Statewide, Oregon closed projects with 242 units of affordable housing for frail elderly, elderly, handicapped, disabled and those with the presence of a disability. 103 were HOME funded units.		

	STRATEGIES	PROGRAMS/ ASSETS	OUTCOMES
<b>9. Build local capacity</b>  (compatible with OHCS Long Term Objective #2)	A. Partner with other agencies to leverage resources to train for management and other operational skills	HOME, CHDO, Enterprise Fund, Neighborhood Partnership Fund	<i>Fund at least 8 CHDO operating grants</i>
	B. Provide operational support to CHDOS	HOME CHDO	<i>Fund at least 8 CHDO operating grants</i>
	C. Provide operational support for regional housing centers	CDBG, other federal and state programs	Increased assistance/outreach
	D. Capitalize regional revolving housing rehab loan funds	CDBG, local funds	Gain in number and capitalization of regional revolving housing rehab loan funds
<b>2010 Results in Building Local Capacity</b>			
A	In 2010 Oregon provided operating support to 11 CHDOs totaling \$410,000. The new document recording fee and other sources provided \$394,000 in grants to eight affordable housing providers for organizational capacity building, training and technical assistance.		
B	Oregon provided operating support grants totaling \$410,000 to 11 CHDOs.		
C	CDBG funds totaling \$ 528,000 (FY 2010 and prior year recaptured funds) were reserved in support of 11 (1 new award and 10 grant increases) regional housing centers. The goal was ten centers.		
D	CDBG funds of \$ 3,117,484.23 capitalized 9 )8 new awards and 1 grant increase) regional revolving rehab loan funds in 2010. With a goal of 151, 199 households received rehabilitation benefits from the projects which were administratively closed in 2010. Further information can be found in the CDBG 2010 PER Attachment 13. In 2010 the state funded the rehabilitation of 139 housing units for 295 LMI Persons.		

OBJECTIVE	STRATEGIES	PROGRAMS/ ASSETS	OUTCOMES
10. Community and economic development	1. Provide public facilities necessary for vulnerable populations (such as seniors, disabled, victims of domestic violence, etc)	CDBG	Increase in the number of facilities to serve vulnerable populations
<b>2010 Results in Community and Economic Development</b>			
OBDD provided no numeric goal for CDBG on the number public facilities funded for vulnerable populations such as senior centers, domestic violence shelters, disabled etc..to be assisted annually, as the state has no control over the type and number of applications submitted to the program. During 2010 the CDBG program funded one domestic violence shelter that will create 8 beds, and over the first year of operation will benefit 250 persons.			
The Consolidated plan for the non-housing CDBG activities specifically does not identify funding goals (number of projects to be funded by funding category) as the state has no control on the types of applications submitted to the program annually.			

## VI. HOME REQUIRED INFORMATION

### Planned fund distribution versus actual

The 2010 HOME action plan indicated that Oregon Housing and Community Services (OHCS) would offer the activities as listed in the table below. The table also shows proposed or anticipated distribution versus actual distribution of HOME resources, based on funds committed.

HOME ACTIVITY	PROPOSED DISTRIBUTION	COMMITTED	2010 DISTRIBUTION
Construction (non-CHDO)	up to 30%	\$1,213,331	15.2 %
Tenant Based Assistance	up to 24%	\$2,409,873	30.2 %
CHDO construction	Up to 15%	\$3,920,849	49.2 %
CHDO Operating Grants	up to 5%	\$410,000	45
ADDI	1%	\$13,493	>1 %
Disaster Assistance	Up to 5%	\$0	0%

### Actions to minimize impact of displacement and relocation

OHCS awards HOME funds through the Consolidated Funding Cycle process. The process is highly competitive, typically oversubscribed by at least 100% and often fewer than a single point separates the funded from unfunded in awards. In this competitive environment, CFC instructions address minimizing relocation in two sections. The section titled Performance Measures and Preferences has this language " *Regardless of the Department funding source being requested, the Department discourages permanent or temporary displacement of tenants (residential or commercial/retail), who currently occupy the proposed project.*" In the HOME section, this language is found " *It is the policy of the Department to encourage project sponsors to pursue only those projects that will not permanently cause displacement.*"

All CFC applications for projects with existing tenants must submit a tenant survey, a relocation form, and a relocation plan. All HOME applications must of course follow federal law and HUD regulation.

Oregon has taken steps to minimize displacement in the overall affordable housing market related to expiration of periods of affordability and potential associated ownership changes. The competitive CFC process sets aside 50% of available resources for projects which preserve units having project based rental assistance. Oregon's bond financing also has a preservation emphasis. Oregon also had funding programs to preserve manufactured dwelling parks by their owners, and a separate program to assist tenant co-ops in purchasing their parks. While these priorities have no direct impact on

rehabilitation related displacement, there is a significant impact on preventing affordable units from "going market" or parks being sold for the value of land in total redevelopment.

In 2010 Oregon had two HOME projects with relocation of 79 households. All but one relocation was temporary. The single permanent relocation was of one white household.

Actions to address the needs of the severely rent burdened

Oregon recognizes the need of those paying rents in excess of 50% of their income both in research shown in the 2006-2010 Consolidated Plan and in the design of goals and objectives for that Plan, and subsequent Annual Plans.

Oregon's current income qualification guidelines do not require applicants to provide a rent history. So, although the low income households served through affordable rental housing are those most likely to have severe rent burdens, Oregon is unable to quantify assistance rendered to those who had an extreme rent burden.

In order to serve those with the highest housing needs, Oregon Housing & Community Services has placed emphasis on serving those of the lowest incomes who are most likely to have extreme rent burdens and live in substandard housing. For example, nearly 80% of the states HOME TBA rental assistance dollars in the 2010 fiscal year were used for households earning 30% of less of median income.

Since 2005 the percentage of those in the state that are renters has increased modestly, from 36.2% in 2005 to 36.9% in 2009; reflecting the impact of the recession and foreclosure crisis in the state the 2009 renter rate is 1.7 percentage points above the lowest rate reported in 2006. At the same time, the percentage of renters with an extreme rent burden has remained fairly stable since 2005 at 25%, though is 1.8 percentage points higher in 2009 than the lowest rate reported at the start of the recession in 2007.

	2009	2008	2007	2006	2005
<b>Total Households</b>	1,485,919	1,474,755	1,471,965	1,449,662	1,425,340
<b>Renter Households</b>	549,000	525,957	521,192	510,539	516,227
% Renters	36.9%	35.7%	35.4%	35.2%	36.2%
<b>Extreme Rent-Burden Households</b>	134,996	126,383	118,659	119,794	128,467
% Renters Extreme Burden	24.6%	24.0%	22.8%	23.5%	24.9%

data source: annual American Community Survey data for Oregon

Affirmative action and fair housing efforts

Concerted efforts continue to inform local governments, non-profits, for-profits, and housing authorities about the affirmative marketing requirements of the HOME program. OHCS is committed to assuring fair housing and affirmative marketing in all its developments, but particularly in those including HOME funds. The Equal Housing Opportunity logo is included in OHCS publications such as the Consolidated Funding Cycle Application Handbook, and on the OHCS letterhead. OHCS materials such as the Consolidated Funding Cycle Application, the HOME Program Compliance Manual and the HOME Project Management Handbook address the policies of fair housing and affirmative marketing.

OHCS requires each owner of a HOME funded project with five or more rental housing units to develop and execute an Affirmative Fair Housing certification, an Affirmative Marketing policy for marketing of rental units and a Section 3 policy involving attempted use of low-income persons in development and construction of the project. All marketing must be done without regard to race, color, national origin, sex, religion, familial status or disability.

Each HOME recipient must certify that it will not discriminate in the sale, rental, leasing or financing of housing. The affirmative marketing certification requires owners to do the following:

- include the equal housing opportunity logo or statement when advertising vacant units,
- post the HUD fair housing poster in common area(s) of housing assisted with HOME funds, and;
- solicit applications for vacant units from persons in the housing market who are least likely to apply for the HOME-assisted housing without the benefit of special outreach efforts.

HOME grant or loan agreements are not approved by OHCS until these policies have been submitted and approved by the Department.

The first component of the fair housing planning process is to review impediments to fair housing choice in the public and private sectors. In 2010 the state updated the 2006-2010 plan and developed a new 2011-2015 plan which was submitted to HUD in November 2010 along with the updated 2011-2015 Fair Housing Action Plan and the 2011-2015 five year Consolidated Plan.

In 2010, the Oregon Business Development Department continued their contract with the Oregon Fair Housing Council (FHCO) established to provide activities to assist the State to implement the State's Fair Housing Plan. OBDD contributed \$73,000 to FHCO to continue fair housing activities beginning July 1, 2009 through June 30, 2010, which was extended to December 31, 2010. These activities include but are not limited to: conducting audits to find out what type of discrimination is occurring most in the state; conducting campaigns or "road shows" for educational purposes; distribute fair housing brochures, posters, public service announcements, radio interviews and maintaining the Fair Housing Council of Oregon website; distribute fair housing resource materials including applicable laws and regulations; conduct the annual fair housing poster contest; assisting with the production and distribution of the Fair Housing Council of Oregon's quarterly newsletter; continue the fair housing information hotline; development of the fair housing resource list and its distribution to all relevant state agencies; conduct targeted mass media campaigns in the non-entitlement areas of the state focusing on familial status protection; investigating how to implement a financial literacy curriculum in public schools; promote statewide anti-predatory lending campaigns; produce new public service announcements; re-design and print 20,000 brochures; continuing in the State's Fair Housing Collaborative.

In 2005, OHCS, OBDD, BOLI, FHCO and other private and other public sector participants formed a fair housing collaborative to address statewide fair housing issues and were a large part of the successful completion and development of the 2011-2015 Analysis of Impediments to Fair Housing Choice and Fair Housing Action Plan. This collaborative was meeting monthly during the development of these documents, and then quarterly thereafter to work on fair housing issues. In 2010, the Fair Housing Collaborative meetings were increased to a monthly basis to assist in the development of the new 2011 - 2015 Analysis of Impediments to Fair Housing Choice and Fair Housing Action Plan. OBDD and OHCS continue to participate in this collaborative.

**Oregon has affirmatively attempted to increase local jurisdictions' understanding of how land use and zoning laws and policies affect affordable housing development and housing opportunities by contracting for or performing the following activities:**

- **During the 4/23/10 Fair Housing Month statewide event, a presentation was given by the Director of the FHCO regarding the Westchester, NY FH case in which he discussed affirmatively further fair housing and the impacts of failure to perform these important activities. Attendees at this event included representatives of local jurisdictions who are responsible for building code, land use, and zoning activities.**
- **The Community Development Law Center developed curriculum and implemented a training webinar on 8/3/10 for building and land use officials. The topic of this training was fair housing laws as they relate to building and land use enforcement and included the need to affirmatively further fair housing opportunity.**
- **The Fair Housing Council of Oregon published a fall 2010 newsletter, which was mailed to more than 1400 recipients (including representatives of local jurisdictions who are responsible for building code, land use, and zoning activities) then posted the newsletter on their website. The information in this newsletter included information about the Westchester, NY FH case and extensively explained the need for affirmatively furthering fair housing as a way to create equal housing opportunity and create inclusive communities.**
- **In presentations conducted in conjunction with the hearings conducted by FHCO staff at all four of the Fair Housing Public Forums located in Salem, Klamath Falls, Tillamook, and Pendleton, information was provided about the importance of affirmatively furthering fair housing in non-entitlement jurisdictions. Representatives of local jurisdictions attended these hearings.**

The Oregon Business Development Department (OBDD), which administers Community Development Block Grant funds for the state's non-metropolitan cities and counties, educates its recipients about their fair housing responsibilities in several ways including: 1) presentations at workshops, 2) an updated comprehensive Grant Management Handbook, 3) provision of informational handouts, posters, brochures, and individual technical assistance, as needed or requested, 4) sending recipients notices of workshops or conferences which address fair housing issues, and 5) partnering with OHCS to complete a new 2011-2015 statewide Analysis of Impediments to Fair Housing Choice and Fair Housing Action Plan which are made available to recipients to identify, plan for and remove impediments to fair housing choice.

During 2010 the following occurred:

- a. The 2010 Grant Management Handbook (GMH) was updated and provided to all grant recipients in March 2010. This updated handbook contains accurate contact information and forms for processing fair housing complaints.
- b. The next (2011) annual update to the Grant Management Handbook was initiated in December 2010 and was distributed to all CDBG grant recipients in February 2011. The 2011 handbook includes additional requirements, references and information regarding:
  - a. Additional Fair Housing Requirements and Activities.
    - i. Within 6 months prior to the first draw for non-construction funds, the grant recipient must not only publish the required fair housing resolution, they must

also disseminate fair housing posters and brochures at City Hall, the County Courthouse, etc.; and,

- ii. Every grant recipient must undertake an additional fair housing activity for each grant they receive. The 2011 GMH contains a more detailed list of acceptable fair housing activities. The list acceptable activities to affirmatively furthering fair housing was updated to that there are no paper compliance or meaningless action activities contained in the list.

1. One exception to this requirement was provided within the 2011 GMH. If a grant recipient has received more than one grant per program year, the grant recipient need only conduct one additional fair housing activity for both grants.

b. New Limited English Proficiency Plan Requirements.

- i. Starting in 2012 each grant recipient must prepare and submit a Limited English Proficiency Plan prior to the first draw for non-construction funds.
- ii. The 2011 GMH was updated to include the Limited English Proficiency Plan requirements and other informational resources.

- c. OBDD staff participate in the new Interagency Council on Homelessness and Hunger that was formed as a direct result of House Bill 2073. This council will play a key role in reviewing and implementing policy initiatives that will effectively move Oregon forward in reducing the problem of hunger and homelessness.

- d. Oregon's CDBG program continues to fund the printing of the State's fair housing posters and brochures for distribution around the state.

### **Affirmatively Furthering Fair Housing**

OHCS and OBDD had no success during 2006-2010 in engaging the Department of Land Conservation and Development (DLCD) in Fair Housing Strategies by addressing zoning and land use barriers. The States 2011-2015 Analysis of Impediments to Fair Housing and Fair Housing Action Plan once again identifies the need to initiate communication with DLCD to review land use laws in the non-entitlement areas of the state. Therefore, in July 2011 OBDD-IFA contracted with the Fair Housing Council of Oregon (FHCO) to address impediments to Fair Housing identified in the 2011-2015 Analysis of Impediments to Fair Housing Choice and the Fair Housing Action Plan. The \$55,000 contract for these services will end on December 31, 2013. The work completed by the FHCO will address numerous impediments identified in the 2011-1015 Analysis of Impediments to Fair Housing Choice (AI), and specifically the following impediment:

- A – Political Constraints. In accordance with item A(2) of the of the suggested actions to consider in the AI identifying the need to initiate communication with the Oregon Department of Land Use and Conservation Development (DLCD) to review land use laws in the non-entitlement areas of the Oregon to identify and attempt to overcome any impediments to fair housing choice created by these laws, OBDD-IFA has contracted with the FHCO to:
  - Initiate coordination and completion of 4 meetings with DLCD to discuss non-entitlement land use laws and to prepare a summary white paper of the results of the 4 meetings.

**2010 COMPLETED PROJECTS AND AFFIRMATIVE MARKETING**  
Rental Housing and TBA

SPONSOR	PROJECT NAME	# HOME UNITS	White	Black	Hispanic	Asian	American Indian	Other Multi Racial	<30%	<50%	<80%	Homeless		Non-Homeless Special Need
												Ind	Family	
New Day Enterprises	Aspen Park Place	5	5		No					4	1			1
Cedar Grove North Bend LLC / Lovelace Properties	Cedar Grove	11	10		No	1				11				
Northwest Housing Alternatives	Cottonwood I	2	2		No					2				
Northwest Housing Alternatives	Cottonwood II	7	7		No					5	2			
Pacificrest Affordable Housing	Discovery Park Lodge	7	7		No					7				
Polk CDC	EAST Place	5	5		No				5					5
Pok CDC	Jen's Place	5	4		1 Yes			1	5					
Step Forward Activities LLC	Liles Place	1	1		No						1			1
Willamette Neighborhood Housing Services	Linnhaven / Stonebrook	7	7		No					3	4			
Southern Oregon Affordable Rentals I LLC	Rogue Terrace	20	19	1	No				20					20
Housing Authority of the City of Heppner	St. Patrick's Senior Apartments	13	13		1 Yes					3	10			
Step Forward Activities LLC	West Bench	1	1		No						1			1
TBRA	n/a	967	856	21	88 Yes	4	24	61	771	182	14	310	657	

<b>Grand Total</b>					90 Yes	5	24	62	801	217	33	310	657	28
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- Project household count does not equal total unit count reported elsewhere due to inclusion of group home residents and exclusion of manager units

### Section 3 and minority and women owned business

In accordance with 24 CFR 92.351 (b), concerning minority and women-owned business enterprises, OHCS directs HOME funding recipients to include, to the maximum extent feasible, the use of such enterprises in providing supplies, professional and construction services in conjunction with HOME-assisted projects.

In order to maintain statistical data on the solicitation and participation of minority and women-owned business enterprises on HOME-assisted projects, OHCS requires project sponsors to identify jobs that have been bid by such enterprises and/or small or disadvantaged business enterprises.

The Oregon Office of Minority, Women and Emerging Small Business maintains a list of eligible MBE WBE businesses on the Internet. If Internet access is not available to a recipient, OHCS provides the names of MBE WBE businesses located in the project area.

OHCS also publicizes the Internet availability of the list in the sponsor's reservation letter, and directs the HOME recipient to contact businesses from the list when soliciting bids. Project sponsors who publicize for bid solicitation are encouraged to publicize advertisements for bids and requests for proposals in newspapers serving minority and women-owned business enterprises (MBE WBE).

OHCS requests that recipients direct jobs, training, and contracting opportunities to businesses owned by, or employing, low and very low income residents. HOME recipients are encouraged to provide bidding opportunities to Section 3 firms. Recipients are also encouraged to request the general and sub-contractors working on a HOME-assisted project to hire low income persons within the project area if there are job openings due to the project's construction. HOME recipients are required by the Department to report on their activities in attempting to employ Section 3 firms or individual workers.

The number of MBE/WBE firms used per HOME project rose in 2010. Section 3 results declined however. Section 3 contract value is a new measure not previously reported, as is Section 3 new hires as a percent of new hires. The following table illustrates the most recent totals. Please note the number of HOME contracts for Section 3 reporting can be different from HOME projects closed in the year.

	2003	2004	2005	2006	2007	2008	2009	<b>2010</b>
# HOME Contracts	16	11	11	12	13	9	14	8
MBE WBE firms	20	11	15	13	27	12	23	18
Section 3 firms	16	24	33	16	4	11	4	3
Sect. 3 contract value								12%
MBE/WBE per project	1.3	1.0	1.4	1.1	2.1	1.3	1.6	2.3
Sect. 3 % new hires								14%

### Assessment

Oregon's 2010 MBE WBE results, per project were higher than previous years. As shown in the table above, results fluctuate annually.

OHCS monitors project sponsors, both in the office and in the field, to determine their compliance efforts in promoting the use of minority and women-owned business enterprises. OHCS continues to work closely with HOME recipients to ensure these actions are carried out.

OHCS staff consults by phone or in person with each HOME recipient as needed after grant reservation and explains the obligations of the HOME program. During these conversations, the recipient is also advised of the fair housing and affirmative marketing requirements. Copies of fair housing and affirmative marketing policy formats are provided to the developer after funding is reserved and copies of the fair housing poster and an EEO poster are included with the HOME project sign reminder letter to the developer.

The state encourages grantees to make contracts awarded under CDBG grants available to minority and women-owned businesses. Through the Grant Management Handbook and training given to recipients, the state describes the various ways that contracting opportunities can be made available to minority and women-owned businesses. Some examples include dividing larger contracts into smaller portions that can be bid on by smaller firms, or directly soliciting proposals or bids from lists of certified minority and women-owned businesses.

The Grant Management Handbook (GMH) (revised March 2010 and February 2011) provides forms that grant recipients use to collect and report their efforts to the state. The updated 2011 GMH contains new information and new requirements for housing rehabilitation and off-site affordable housing projects in 2011. These two project types must meet the minimum acceptable outreach efforts/**STANDARDS** to minority and women-owned businesses:

- A good faith, comprehensive and continuing endeavor:
- Supported by a statement of public policy and commitment published in the printed media of the widest local circulation;
- Supported by an office/or a key, ranking staff person with oversight responsibilities and access to the chief elected official; and
- Designed to utilize all available and appropriate public and private sector resources.

In addition to meeting the STANDARDS listed above, these grant recipients are encouraged to use the new **GUIDELINES** contained in the 2011 GMH in implementing outreach programs to ensure the inclusion to the maximum extent feasible, of entities owned by minorities and women.

The state will report in future PERs, for each allocation, on the use of minority and women-owned businesses, and on Section 3 activities by its recipients.

OHCS submitted the Section 3 report electronically on February 9<sup>th</sup>. As happened last year, there were difficulties with the format accepting the standard return e-mail address of OHCS staff. The report was eventually successfully submitted. Unfortunately the "print receipt" function also did not work.

### Program income

There was no HOME program income in 2010.

### Project inspection and monitoring

The project sponsor is ultimately responsible for the ongoing compliance of HOME program regulations and standards during the period of affordability. Hiring a management agent or onsite manager does not relieve the sponsor of this responsibility. The OHCS Program Analysis & Enforcement Section (PCS) monitors the projects to ensure the sponsors continue to meet the requirements outlined in the HOME Grant or Loan Agreement.

### Physical Inspections

The PA&E Section conducts an on-site visit a minimum of once a year for projects consisting of more than 25 total units, and once every two years for projects with 1-25 units. Approximately 159 HOME projects were visited during the calendar year 2010. During the on-site visit, the Compliance Officer assigned to the project completed an inspection of the buildings, the grounds, and at least 20% of the units to ensure that the project continues to be maintained in accordance with HUD property standards. If the project consisted of more than one building, Compliance Officers were instructed to make attempts to schedule at least one unit inspection in each building (this is a HUD recommendation rather than requirement).

Most projects visited in 2010 were in good condition. The majority of inspection findings reported by PA&E staff related to tenant-caused problems in the units, i.e., tenant items too close to heat sources, tenant damage and housekeeping issues, and minor exterior deferred maintenance. These issues are common in property management, owners/tenants are quick to correct deficiencies, and overall, OHCS HOME projects are maintained and managed as well as, or better than, average open market projects.

### Owner Physical Inspections

OHCS requires that owners certify annually, via the OHCS required form "Owners Annual Certification of Compliance" that HOME assisted and HOME-Like units are in compliance with program regulations. Owners are also required to maintain records demonstrating compliance. OHCS requires that each HOME assisted and HOME-Like unit be inspected annually by the owner or the owner's representative, and that the individual completing the inspection(s) be knowledgeable of the required property standards as set forth in program regulations and OHCS guidance Handbooks and memorandums. OHCS has adopted the Uniform Physical Condition Standards (UPCS) as the required HOME standards to be consistent with other funding sources. The owner must make the UPCS

inspection records available to OHCS staff upon request. The Compliance Officers review the records during on-site visits.

### Lead-Based Paint

Projects originally constructed prior to 1978 (Pre-1978 projects) may be subject to requirements for assessment, evaluation, and/or mitigation of lead-based paint, per federal regulations as codified in 24 CFR Part 35. Compliance Officers will verify, through examination of project documents, if ongoing monitoring for lead-based paint is required for Pre-1978 projects, and implement and/or advise project owners of monitoring requirements.

## Tenant Eligibility/File Audits

PA&E, at a minimum, will audit 20% of tenant files at each scheduled site visit, for tenants occupying HOME-assisted and HOME-like units. Owner/Agents are required to document the status of HOME-assisted and HOME-like units so the CO can track them separately. File audit standards used by PA&E are codified at 24 CFR Part 5. Guidance provided for the implementation of the standards in Part 5 are outlined in HUD Handbook 4350.3 REV-2. Owners are required by OHCS to establish initial and ongoing tenant eligibility using the guidance found in Handbook 4350.3 REV-2, in combination with HUD's published annual income limits. In addition, the OHCS "HOME Compliance Manual" 2009 edition, lists recommended and required forms for use in the income eligibility process. PA&E file audits for 2021 revealed few instances of ineligible households occupying HOME units. The majority of file findings reported by OHCS staff were related to poor file management and incomplete documentation. Common findings included failure to follow up on income and/or assets, incorrect income and asset calculations, late signature dates, missing HOME Tenant Income Certifications, failure to follow up on child support income, late annual certifications and non-existent or inadequate waiting list management.

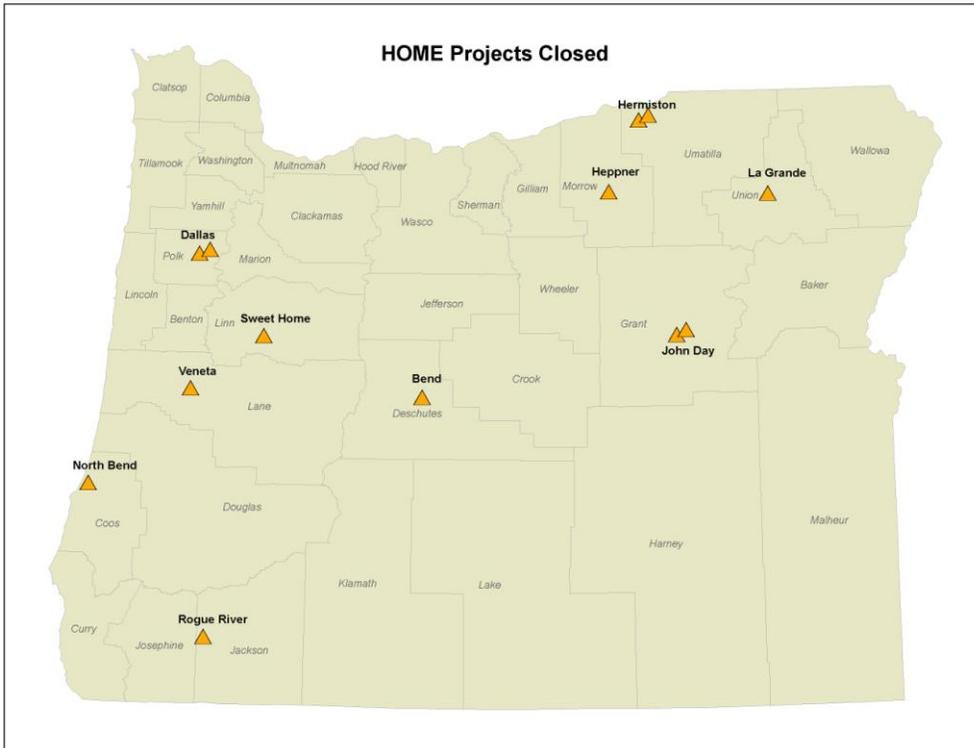
## Management Activities/Rental and Lease Requirements

PA&E spends a considerable amount of time answering HOME compliance questions regarding the disposition of HOME units and rents when tenant incomes change. PA&E has provided extensive informal training and guidance to owners and agents in the year 2008 regarding the treatment of HOME units when tenant incomes change over the course of time. Subsidy layering issues are frequently the reason for questions. PA&E monitors to ensure, that if HOME restrictions trump in a layered subsidy project, that owners and agents implement these required restrictions. The most common findings in 2010 would be rent increases implemented without OHCS notification/approval, incorrect unit mixes (low/high HOME), incorrect TIC's, and lack of documentation for HOME units. (HOME Addendums, which units are non-HOME, HOME-assisted, HOME-like). We have also noticed an increase in units with rents above the HOME limits, due to failure to review and implement changes in the utility allowances.

PA&E requires prior approval for all changes in Management, during the period of affordability. PA&E reviews and approves initially all new Management Agreements and attachments (i.e., leases, house rules, tenant selection criteria, etc.) to ensure HOME Program compliance. After approval, all subsequent modifications to documents and procedures by ownership/management are examined by PA&E to ensure compliance.

## HOME match requirements

The HOME program provided \$2.3 million in 2010 match, with excess of match of \$17.8 million carried forward. The full Match report is included as Attachment 8.



## HOME TBA

\$2,635,000 of the annual HOME Grant is allocated to tenant-based rental assistance (TBRA) activities. Oregon Housing and Community Services (OHCS) contracts with various public service agencies to administer the TBRA program at the local level.

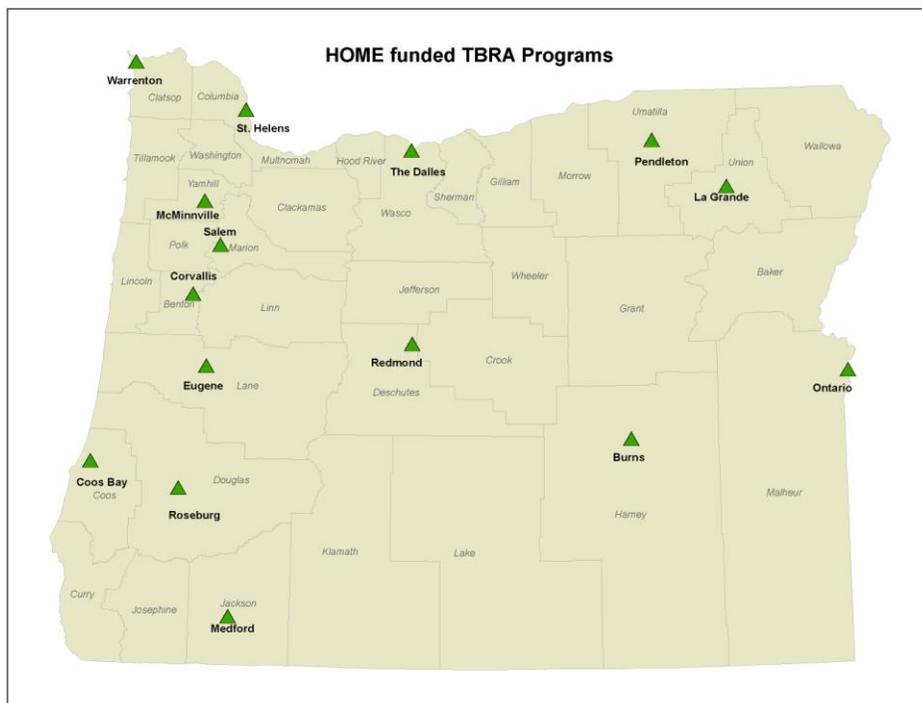
Oregon was unable to commit the entire allocation in 2010 for a number of reasons. Sub-grantees indicate that at the end of the fiscal year, they don't have the staffing resources to fully commit funds returned from client grants that terminate early; or the amount of HOME TBRA available at year-end may not be sufficient to fund a client's grant. In 2010, some sub-grantees experienced high turn-over of staff, resulting in a period of time when few HOME TBRA applications were processed, causing the agencies to serve less households than expected.

The program offers rental assistance with a one-year lease, which may be renewed. This is provided to very low-income tenants for a refundable security deposit, the payment of housing costs and utility start-up. A rental assistance agreement is executed between the public service agency, tenant and the landlord. Payments are made directly from the public service agency to the landlord on behalf of the tenant.

To qualify, a household consisting of an individual or group of individuals must be very low-income (*i.e.*, cannot have a total gross household income from all sources that exceeds 50% of the area median income for that household size). Rental payment standards are based on the HUD Fair Market Rents or the area-wide exception rent approved by HUD. The minimum tenant contribution for housing costs is \$10.

An eligible tenant will receive rental assistance for a unit of their own choosing provided the unit meets basic program requirements. These requirements include the Housing Quality Standards, which contains a lead-based paint assessment. This assessment promotes preventative measures to avert childhood lead-based paint poisoning. The rental assistance can follow the household in the event the household moves to another unit.

The HOME Grant requires a 25% match of non-federal funds and HTBA must comply with this requirement also. Public service agencies are responsible for the documentation and the reporting of Match expenditures to OHCS. These expenditures may include direct housing costs or supportive services for self-sufficiency activities provided to HTBA participants during their term of assistance. Subgrantees will ensure that each household to whom it provides HTBA rental assistance, receives social services directed to the goal of enabling the household to become self-sufficient by the time the assistance terminates. Resources other than program funds shall fund these social services. The participant, assisted by a case manager, develops a self-sufficiency plan that details goals, activities and timelines that will meet the needs of the specific household. Not only has this resulted in positive outcomes for the participating households, but also the non-federal funding of direct expenditures to assist households toward self-sufficiency is utilized as a source of match. Rental assistance may be terminated if the public service agency determines that the tenant is non-compliant with the self-sufficiency plan.



## HOME Self Assessment

Type	Goal	Completed	Comments
New and rehab construction	8 projects	13 projects	Oregon is very pleased with the number of projects reported for 2010 but recognizes that consistent results can only be evaluated over several years.
TBRA	1200 hh	967 hh	Several factors impacted the lower than expected number of households assisted in 2010. Oregon's Low Income Rental Housing Funding (LIRHF) is used for HOME TBA match. LIRHF funding was reduced in part of 2010. Reduction not only restricted the number of households that could be subsidized but also increased per household costs for TBA when used to "pick up the slack". Loss and replacement of sub-recipient staff also cause a temporary slow-down of grant issuance.
ADDI	6 loans	2	Back on track after last year's difficulty with bond financing technicalities.

## HUD funded goals

TENURE	2010 Goal	2010 Actual	% Goal	5 Year Goal	5 year actual	% Goal
Renter*	1,249	1,250	100%	7,955	6,704	84.3 %
Owner**	151	201	133%	730	964	132 %
<b>TOTALS</b>	<b>1,400</b>	<b>1,451</b>	<b>103%</b>	<b>8,685</b>	<b>7,668</b>	<b>88.3 %</b>

\* Includes HOME and TBRA

\*\* Includes ADDI and CDBG rehab

HUD's ranking of Oregon among State Participating Jurisdictions for HOME performance, as of September 30, 2010 is shown in the table below.

Category	Ranking
Funds committed	1st
Funds disbursed	4th
Funds leveraged	29 <sup>th</sup>
Rental completed	36 <sup>th</sup>
CHDO completed	35 <sup>th</sup>
Units at 50% AMI	13 <sup>th</sup>
Units at 30% AMI	30th
Occupied units	1st
Overall	22nd

Overall, Oregon is right on track in providing affordable housing assistance.

## **VII. ESG REQUIRED INFORMATION**

The State of Oregon used Emergency Shelter Grant Program (ESGP) funds for continued operation of existing shelters. ESGP funds were linked with supportive housing dollars to add scattered site transitional housing units with services and permanent housing units for homeless individuals and families throughout 33 of the 36 counties in Oregon.

In 2010 the State expended \$970,009 of ESGP allocation along with over \$2 million in State Emergency Housing Account (EHA), State Homeless Assistance Program (SHAP) and Housing Stabilization Program (HSP) funds to expand the supply and effectiveness of emergency shelters and transitional housing, provide essential services and prevent homelessness.

### **Actions taken to prevent homelessness**

For Program Year 2010, OHCS leveraged its \$279,845 of ESG allocation with the State's HSP funds totaling \$281,692 to address funding gaps for homeless prevention programs. OHCS has formed a partnership with 14 Community Action Agencies in the state that provided the following homeless prevention activities to over 5,390 low-income individuals and families: short term subsidies for unpaid rent and utility bills, security deposits or first months rent to permit the homeless to move into their own apartment, mediation programs for landlord - tenant disputes, legal services to prevent eviction, payments to prevent foreclosures and innovative programs designed to prevent the incidence of homelessness. The State allowed local determination of funding for this activity not to exceed 30% of the local agency's allocation.

### **Actions to address emergency shelters and transitional housing needs**

OHCS continued to fund emergency shelter and transitional housing activities through the use of ESG and SHAP funds. \$433,243 of ESG funds and \$642,838 of the State's SHAP funds were used to pay for maintenance and operational costs for emergency shelters and transitional housing and served 9,276 homeless individuals and persons in families. Payments for maintenance and operational costs included: rent, repairs, security, fuels and equipment, insurance, furniture, utilities and maintenance of the facility. In geographic areas that lacked enough or any shelters these funds were used for voucher payments to motels/hotels to shelter the homeless.

The provision of essential services to the homeless included: assistance in obtaining permanent housing, medical and psychological counseling and supervision, employment counseling, nutritional needs, substance abuse counseling and treatment and assistance in obtaining other resources for similar activities, other services such as child care, transportation, job placement and training, and staff salaries to provide these services. \$209,027 in ESG funds were used on the provision of essential services along with \$1,118,239 of EHA to provide essential services to 15,056 individuals and persons in families. The State allowed local determination of funding for this activity not to exceed 30% of the local agency's allocation.

### **Actions to assist transitional housing**

ESG funds were used with supportive housing dollars to add scattered site transitional housing units with case management services for homeless families and individuals throughout 11 of the 15 rural

regions in Oregon. A portion of the State's EHA dollars was used to provide additional case management services to homeless families and individuals transitioning towards stabilized housing. OHCS has worked with subgrantees to link EHA dollars with HOME TBA dollars.

For Program Year 2010, the State expended \$433,243 of ESGP allocation along with \$642,838 of the State Homeless Assistance Program (SHAP) funds to expand the supply and effectiveness of emergency shelters and transitional housing.

In addition, the State expended \$209,027 ESGP along with \$1,118,239 of the States Emergency Housing Account (EHA) and Housing Stabilization Program (HSP) funds to provide essential services.

The One Night Shelter Count Advisory Committee has made a strong recommendation to expand the level of participation in the homeless one night shelter count to include faith-based charities to participate in order to get an accurate numbers. In addition to expanding the scope of the providers who participate in the survey, the Committee for the January 2010 Count revised the format to continue collecting data and track the number of chronically homeless individuals in shelter on any given night and to collect data on unsheltered and street counted homeless. On January 31, 2010, of the 19,207 individuals that were homeless that night, 2,951 (15.36%) met the federal definition of Chronic Homeless.

The State continues to adopt the policy of cooperation and collaboration at the regional level between shelter providers and agencies providing supportive services by working closely together and coordinating their efforts to address the homeless problems in their community. There are over 200 non-profit service providers and governmental agencies throughout Oregon that works closely together and coordinates their efforts to providing emergency housing and supportive services to the homeless. Services offered are sometimes very basic from emergency shelter to meal programs and others provide counseling, help in finding employment, medical care, and general life-skills training. Part of that medical support services included funding medical and mental health clinics for the homeless in rural areas of the state. CDBG funds were used to provide funding for the public facilities reported in the Attachments.

The State continues to use the ESGP allocation combined with EHA and HSP funds to expand the effective activities designed to provide financial assistance and supportive services in order to prevent families and individuals from becoming homeless.

The State continues to address the causes of homelessness. There are many causes of homelessness but two remain as the primary causes: income and cost of living associated with housing, childcare, healthcare, and food.

In September 2000, the Oregon Housing and Community Services sponsored a study by the University of Oregon, Department of Planning, Public Policy and Management in Community Planning Workshop. According to the study, the cost of living is rising faster than the income of the working poor and the minimum wage is not sufficient for the cost of living suggesting that the state economy is not creating enough jobs with livable wages.

The following table provides a list of ESGP expenditures by our subgrantees between January 1, 2010 and December 31, 2010 under each category of eligible activities.

**ESGP FY 2010 Funds July-December 2010**

AGENCY	ADMIN	OPERATIONS	PREVENTION	SERVICES	TOTAL	Operation Staff Cost
ACCESS	\$1,018	\$8,000	\$29,582	\$2,100	\$40,700	
CAPECO	\$416	\$4,991	\$7,486	\$3,743	\$16,636	\$ 499
CAT	\$545	\$17,229	\$2,842	\$1,188	\$21,804	
CCN	\$297	\$3,462	\$8,104	\$0	\$11,863	
CSC	\$1,226	\$43,801	\$3,986	\$0	\$49,012	
CINA	\$242	\$4,911	\$1,795	\$2,738	\$9,686	
KLCAS	\$484	\$17,716	\$1,131	\$0	\$19,331	
LCHHS	\$2,198	\$35,303	\$0	\$50,407	\$87,907	\$ 7,500
MCCAC	\$212	\$5,000	\$0	\$3,271	\$8,483	
MWVCAA	\$1,866	\$20,013	\$27,419	\$25,341	\$74,638	
NIMPACT	\$1,158	\$27,891	\$13,903	\$3,348	\$46,298	\$ 4,520
ORCCA	\$502	\$13,150	\$0	\$6,427	\$20,079	
UCAN	\$1,264	\$3,735	\$40,134	\$5,409	\$50,541	\$ 1,485
YCAP	\$411	\$16,010	\$0	\$0	\$16,421	
HCS	\$12,139				\$12,139	
<b>TOTALS</b>	<b>\$23,974</b>	<b>\$221,210</b>	<b>\$136,380</b>	<b>\$103,970</b>	<b>\$485,533</b>	\$ 14,004
%	4.94%	45.56%	28.09%	21.41%	100.00%	3% % of Total
						6% % of operations

**ESGP FY 09 Funds January-June 2010**

AGENCY	ADMIN	OPERATIONS	PREVENTION	SERVICES	TOTAL	Staff Cost
ACCESS	\$1,016	\$8,000	\$29,496	\$2,100	\$40,611	
CAPECO	\$415	\$4,856	\$7,474	\$3,856	\$16,600	\$ 4,370
CAT	\$544	\$15,985	\$4,039	\$1,188	\$21,756	
CCN	\$296	\$3,462	\$8,079		\$11,837	
CSC	\$1,223	\$43,801	\$3,882		\$48,905	
CINA	\$242	\$5,090	\$1,810	\$2,524	\$9,665	
KLCAS	\$482	\$17,654	\$1,000	\$153	\$19,289	
LCHHS	\$2,193	\$35,116		\$50,407	\$87,715	\$ 8,681
MCCAC	\$212	\$5,520		\$2,733	\$8,464	
MWVCAA	\$1,862	\$16,321	\$30,977	\$25,316	\$74,476	
NIMPACT	\$1,155	\$23,371	\$16,684	\$4,988	\$46,197	
ORCCA	\$501	\$13,150		\$6,385	\$20,036	
UCAN	\$1,261	\$3,735	\$40,026	\$5,409	\$50,431	
YCAP	\$410	\$15,976			\$16,385	\$ 1,639
HCS	\$12,112				\$12,112	
<b>TOTALS</b>	<b>\$23,922</b>	<b>\$212,034</b>	<b>\$143,465</b>	<b>\$105,057</b>	<b>\$484,476</b>	\$ 14,689
%	4.94%	43.77%	29.61%	21.68%	100.00%	3% % of Total
						7% % of operations

**Combined 2010 CAPER DATA**

AGENCY	ADMIN	OPERATIONS	PREVENTION	SERVICES	TOTAL	Staff Cost	
ACCESS	\$2,033	\$16,000	\$59,078	\$4,200	\$81,311	\$0	
CAPECO	\$831	\$9,847	\$14,960	\$7,598	\$33,235	\$4,869	
CAT	\$1,089	\$33,214	\$6,881	\$2,376	\$43,560	\$0	
CCN	\$593	\$6,924	\$16,183	\$0	\$23,700	\$0	
CSC	\$2,448	\$87,601	\$7,868	\$0	\$97,917	\$0	
CINA	\$484	\$10,001	\$3,604	\$5,262	\$19,350	\$0	
KLCAS	\$966	\$35,370	\$2,131	\$153	\$38,619	\$0	
LCHHS	\$4,391	\$70,418	\$0	\$100,813	\$175,622	\$16,181	
MCCAC	\$424	\$10,520	\$0	\$6,004	\$16,947	\$0	
MWVCAA	\$3,728	\$36,333	\$58,396	\$50,657	\$149,114	\$0	
NIMPACT	\$2,313	\$51,262	\$30,586	\$8,335	\$92,495	\$4,520	
ORCCA	\$1,003	\$26,300	\$0	\$12,812	\$40,115	\$0	
UCAN	\$2,525	\$7,470	\$80,159	\$10,818	\$100,972	\$1,485	
YCAP	\$820	\$31,986	\$0	\$0	\$32,806	\$1,639	
HCS	\$24,251	\$0	\$0	\$0	\$24,251	\$0	
<b>TOTALS</b>	<b>\$47,895</b>	<b>\$433,243</b>	<b>\$279,845</b>	<b>\$209,027</b>	<b>\$970,009</b>	<b>\$ 28,693</b>	
%	4.94%	44.66%	28.85%	21.55%	100.00%	3%	% of Total
						7%	% of operations

\$642,838 of the SHAP funds provided operational costs for emergency and transitional shelters as well as case management and other essential social services.

\$ 1,118,239 of the EHA funds were used to provide emergency shelter and services, transitional housing services, supportive services as well as emergency payments of rent, mortgage, utilities, rental deposits, and other needed services for those who were homeless and/or at risk of being homeless.

\$ 281,692 of the HSP funds were used to provide emergency shelter and services, transitional housing services, supportive services as well as emergency payments for rent, mortgage, utilities, rental deposits, and other social services needed to assist families with children who were homeless or at risk of being homeless.

ESGP Leverage					
Subgrantee	ESG	EHA	SHAP	HSP	Total Allocation
ACCESS	\$81,311	\$32,494	N/A	\$27,612	\$141,417
CAPECO	\$33,235	\$62,137	\$36,844	\$11,152	\$143,368
CAT	\$43,560	\$60,040	\$34,943	\$10,522	\$149,065
CCN	\$23,700	\$10,075	\$18,964	\$13,680	\$66,419
CSC	\$97,917	\$6,557	\$19,123	\$59,418	\$183,015
CINA	\$19,350	\$30,727	\$15,642	\$5,847	\$71,566
KLCAS	\$38,619	\$8,110	\$24,697	\$8,110	\$79,536
LCHHS	\$175,622	\$310,549	\$153,134	\$5,036	\$644,341
MCCAC	\$16,947	\$42,171	\$9,614	\$10,889	\$79,621
MWVCAA	\$149,114	\$277,685	\$133,515	\$43,782	\$604,096
NIMPACT	\$92,495	\$113,729	\$70,660	\$20,383	\$297,267
ORCCA	\$40,115	\$63,453	\$34,331	\$6,952	\$144,851
UCAN	\$100,972	\$100,512	\$66,588	\$10,928	\$279,000
YCAP	\$32,806	N/A	\$24,783	\$2,054	\$59,643
<b>TOTAL</b>	<b>\$945,758</b>	<b>\$1,118,239</b>	<b>\$642,838</b>	<b>\$281,692</b>	<b>\$2,988,527</b>

Note: The State's share of program administration dollars are not leveraged and are therefore, not reflected in this table.



## **Self Evaluation:**

For Program Year 2010, OHCS used its ESG allocation in accordance with the Stewart B. McKinney Homeless Assistance Act, and to meet the homeless needs, goals, and objectives identified in the State of Oregon Consolidated Plan for 2006-2010.

The State entered into agreements with 14 subrecipients requiring that they use the ESG funds for the following activities: operational expenses, the provision of essential services, homeless prevention or rehabilitation of shelter facilities.

In turn, the 14 subrecipients funded 42 homeless shelters and service providers to provide the emergency assistance needed for homeless and at-risk individuals and families in their community. A total of 9,276 people were served for shelter and other emergency support services under the ESG program for 2010.

The Oregon Housing and Community Services (OHCS), in order to comply with the Emergency Shelter Grant (ESG) application requirements under 24 CFR 576.51, has adopted a process of awarding its ESG funds to eligible subrecipients. As part of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988, it allowed states to distribute ESG funds directly to private not-for-profits organizations if certification from the local government approving the proposed projects.

### **Method of Distribution**

ESG funds are distributed in rural regions of the state. Factors for determining the distribution formula to subgrantees include populations based on the poverty level, unmet assisted housing need, migrant and seasonal farm workers data and the homeless population based on the one night shelter count biannual data in each geographic region of the state. These subgrantees, primarily community action agencies and regional governments, must demonstrate the capacity to provide community-based services and undertake anti-poverty initiatives in order to receive ESG funds. Each Community Action Agency uses a community-based needs assessment to develop advocacy and service priorities that provide services designed specifically for their own community. The activities and services vary by agency, depending on the needs of the community, local resources, and the opportunities for collaboration and partnership with business, private non-profit organizations and state and local government. In addition, each subgrantee must coordinate a local planning process that identifies local priorities based on the needs and gaps in homeless services before an award can be approved. This process is conducted annually for the Supportive Housing Continuum of Care Application and biannually for the Master Grant Agreement Process. We also consider factors such as capacity of the service providers and shelters to provide the services, the type of activities provided, number of homeless or at-risk individuals to be served, coordination with other providers, cost effectiveness, and administrative capacity.

### **Summary of Limited Use of Funds Under Each Eligible Activities**

ESG funds were administered according to applicable federal requirements and regulations. For program year 2010, the table below illustrates the State was in compliance with the statutory requirement Title 42 of the US Code 42 U.S.C. 11374 (a) (2-5) by staying within the maximum requirement for each eligible ESG activities:

<b>Eligible Activities</b>	<b>Maximum Requirement</b>	<b>Actual Percentages</b>	<b>Amount Expended</b>
Administration	5 %	4.94%	\$47,895
Essential Services	30%	21.55%	\$209,027
Homeless Prevention	30%	28.85%	\$279,845
Operation (staff cost)	10% staff costs	3%	\$28,693

OHCS expends no more than 2.5 percent of the ESG appropriation for administrative costs. The other 2.5 percent is appropriated to the subgrantees as their administrative costs.

Matching Requirement

The ESG subgrantees were able to obtain matching resources from other funding sources to leverage against the ESG 2010 funds.

Drawdown Status

Through submission of the Financial Status Report, OHCS is able to measure the subgrantee’s drawdown rate on a quarterly basis to ensure that they are expending funds accordingly. If a subgrantee is found to have low drawdown rate at the critical time of the program, OHCS will notify the subgrantee of its status and request that a plan be submitted to reach the acceptable level of expenditures.

Relocation

There was no known ESG funded project in 2010 which necessitated relocation.

Monitoring

OHCS conducts an on-site monitoring of all subgrantees and selected service providers to ensure that they are in compliance with ESG program rules and regulations.

We require subgrantees and its service providers to submit an Annual Provider Report to show the accomplishments and the number and type of clients served by each ESG project. The annual report conforms with the ESG Beneficiary Report developed for IDIS.

## OUTCOME PERFORMANCE MEASURES FOR 2010 ESG

OBJECTIVE	STRATEGIES	PROGRAMS/ ASSETS	OUTCOMES
1. Suitable Living Environment	A. Provide Emergency Housing	ESGP	Availability/Accessibility
	B. Essential Services to the Homeless	ESGP	Availability/Accessibility
2010 Results for Improving Availability/Accessibility of a Suitable Living Environment			
A	Improved the Availability/Accessibility of a Suitable Living Environment to 9,276 Homeless Individuals by Providing Emergency Housing.		
B	Improved the Availability/Accessibility of a Suitable Living Environment to 15,056 Homeless Individuals by Providing Essential Services to the Homeless.		

	DEMOGRAPHICS	EHA	ESGP	HSP	SHAP
		People	People	People	People
<b>Race/ Ethnicity</b>	American Indian or Alaskan Native	137	936	31	234
	American Indian/Alaskan Native & Black	0	1	0	3
	American Indian/Alaskan Native & White	8	65	8	40
	Asian	24	30	1	22
	Asian & White	2	1	0	3
	Native Hawaiian or Other Pacific Islander	39	52	1	29
	Black or African American	164	263	24	115
	Black/African-American & White	17	21	4	13
	Hispanic or Latino Ethnicity/White Race	695	1,172	210	458
	White/Caucasian	5,958	8,069	1,492	3,035
	Other Mixed Heritage	44	313	34	85
	Unknown	618	144	19	708
		<b>7,706</b>	<b>11,067</b>	<b>1,824</b>	<b>4,745</b>

Individuals listed in chart are not duplicated by fund but may be duplicated across fund sources.

## VIII. HOPWA REQUIRED INFORMATION

The Oregon Health Authority (OHA) (formally Department of Human Services (DHS)) implements the Oregon Housing Opportunities in Partnership Program (OHOP) through grants awarded by the Department of Housing and Urban Development (HUD), Housing Opportunities for Persons with AIDS (HOPWA) program. The goal of OHOP is to assist clients in achieving and maintaining housing stability so as to avoid homelessness and improve their access to, and engagement in, HIV care and treatment. OHOP is designed to act as a bridge to other long term assistance programs, such as Section 8. The OHOP Program Manager is Annick Benson-Scott ([annick.benson@state.or.us](mailto:annick.benson@state.or.us), 971-673-0142). OHOP is a part of the Oregon Public Health Division, HIV/STD/TB Programs, managed by Veda Latin ([veda.latin@state.or.us](mailto:veda.latin@state.or.us), 971-673-0175).

OHA is sole grantee for Oregon's Balance of State HOPWA Formula grant. In 2010, the OHOP program provided assistance under the HOPWA 2010 Formula grant serving 82 households with HOPWA Tenant-Based Rental Assistance (TBA) and deposit assistance under Permanent Housing Placement Services to 10 households.

In partnership with Oregon’s Ryan White Part B Program and HIV case management providers, OHOP clients receive supportive services, including medical services, emergency short term housing assistance, substance abuse treatment, oral health care and other necessary services for clients to access HIV care and maintain stable housing. This partnership allows the OHOP program to leverage multiple funding streams and maximize HOPWA funds available for rental assistance. During the 2010 HOPWA Formula grant year, the OHOP program supported clients with more than \$611,283 in leveraged support and housing services.

Of the 82 unduplicated clients served by the 2010 HOPWA Formula grant, major achievements were reported; 100% of households served with HOPWA TBA maintained permanent stable housing. Furthermore, 99% of clients served had access to health insurance, and 91% saw a health care provider for their HIV disease.

The OHOP program currently maintains a waitlist for HOPWA TBA assistance of 124 HOPWA eligible individuals. The waitlist is prioritized by living situation acuity, which assures that persons with the highest need for housing assistance receive that assistance first (clients who are homeless are placed above those who are experiencing housing instability).

In 2010, OHA acted as the sole grantee for HOPWA Formula dollars under Oregon’s Action Plan. OHA provides HOPWA services to clients throughout the 31-county Balance of State region of Oregon through its OHOP program. Those services included Tenant-Based Rental Assistance (TBA), and permanent housing placement services (deposit assistance).

In 2010, the OHOP program used HOPWA Formula funds to serve 82 unduplicated households. The following chart summarizes the program’s accomplishments by HOPWA Formula activity:

Activity	Objective (in households)	Accomplishments (in households)
HOPWA TBA	60	82
Permanent Housing Placement	15	10

The program was able to serve more households with HOPWA TBA than anticipated due to lower rents than expected and unspent funds that allowed us to increase enrollment. The HOPWA Formula budget is monitored quarterly and adjustments are made to ensure appropriate expenditure levels.

Assessment

Increasing client access to and engagement in HIV/AIDS care and support is one of the primary goals of the OHOP program. Clients served with HOPWA housing assistance under the 2010 OHOP Formula grant continued to achieve very high levels of housing stability and reduced risks of homelessness. All outcomes (including leveraged services) were assessed directly from client-level service utilization data obtained through collaboration with the Ryan White Program (including the AIDS Drug Assistance Program), HIV/AIDS surveillance system, and LIHEAP program database.

Among those served under the OHOP Formula grant in 2010:

- 100% of households served with HOPWA TBA continued in the program or left the program to stable permanent housing situations including self-sufficiency in private housing or other housing subsidy programs (primarily Section 8).
- 100% of households had a housing plan for maintaining or establishing stable on-going residency.
- 100% of clients had verified recent contact with a Ryan White case manager for ongoing supportive services.
- At least 91% of clients saw a health care provider for HIV/AIDS care.
- 99% of clients had access to medical insurance or health assistance.
- 67% successfully accessed or maintained qualification for sources of income.

These outcomes are seen in the numerous stories of success reported by our housing coordinators. Of those clients served in 2010, many are working towards long term stability through employment, school and access to entitlement programs. For example, while receiving rental assistance through the OHOP program, one client was able to secure Social Security, create and maintain a household budget and transition to Section 8. She is now very stable in her housing and health, and volunteers for a local AIDS community organization as a speaker in area schools. Another client battled years of homelessness, substance abuse issues, and credit problems before moving into a HOPWA funded unit. The client now attends regular support meetings for his substance issues, is working with a local agency to secure employment and has an undetectable viral load.

Please also refer to the CAPER report from Oregon OHA, *included as Attachment 12*.

## **IX. CDBG REQUIRED INFORMATION**

The State of Oregon awarded \$15,739,680.23 in CDBG funds that leveraged \$4,690,604 in local funds. Overall there were 35 new grant awards and 13 grant increases that will be used for water and wastewater system improvements, community facility projects, microenterprise assistance, housing rehabilitation and housing resource center projects.

In summary, awards of CDBG funds in 2010 will assist 316 microenterprises, 34,346 persons of which 23,279 (67.7%) will be low and moderate income, rehabilitate 139 housing units which will benefit 295 LMI persons, create 8 homeless beds benefitting 250 LMI person and provide improvements for 16 public works projects

The Part II Narrative (A)(1) for the 2009 grant does identify that OBDD received \$7,195,934 in recaptured funds in 2009. But the table following (A)(1) shows that during 2009 OBDD-IFA obligated \$4,999,329 of the recaptured funds in 2009 and had an unobligated balance of \$2,196,605 on December 31, 2009. This unobligated balance was carried over to 2010 for distribution in accordance with the 2010 Method of Distribution. The unobligated 2009 recaptured funds were combined with the \$1,354,832 unobligated 2010 recaptured funds (as of December 31, 2010) and total \$3,551,437 (FY05 - \$41,445; FY06 - \$341,688.13; FY07 - \$2,523,500.29; FY08 - \$644,803.58). This unobligated recaptured fund balance is shown after the FY2010 Part II Narrative (A)(1). The recaptured funds in sum do not total over \$10 million as indicated, they total \$3,551,437.

The \$3,551,437 in unobligated recaptured funds have not been obligated, however as of August the State has concluded its 2<sup>nd</sup> quarter application processes for 2011. In addition, there are 2 more quarterly application rounds (3<sup>rd</sup> and 4<sup>th</sup> quarters) to complete in 2011 for CDBG funds.

Over the last five years, OBDD-IFA and our sub-grantee OHCS have obligated an average of \$14,288,270 annually.

### **OUTLOOK -**

#### **Total Funds Available:**

- **FY 2010 Funds** **\$5,360,439.94 (Must be obligated by August 11, 2011)**
- **FY 2011 Funds** **\$12,657,997.75 (Must be obligated by October 5, 2012)**

• Recaptured Funds	\$3,551,437.00 (Must be expeditiously obligated)
<b>SUB-TOTAL</b>	<b>\$21,569,874.69</b>
Less 2011 Obligations/Potential Obligations:	
• FY2011 Grant Increases	\$605,353 (already obligated)
• 2 <sup>nd</sup> Quarter 2011 awards	\$6,981,500 (already obligated)
• 3 <sup>rd</sup> and 4 <sup>th</sup> Quarter awards	\$7,000,000 (estimated based upon annual average)
<b>SUB-TOTAL</b>	<b>\$14,586,853</b>

ESTIMATED TOTAL AVAILABLE FOR OBLIGATION BY DECEMBER 31, 2011 = \$6,983,021.69

Less 2012 Potential Obligations:

When estimating another \$7,000,000 in awards for the 1<sup>st</sup> and 2<sup>nd</sup> quarters of 2012, with awards announced by August 2012, prior to the October 5, 2012 deadline for FY2011 funds, the estimated available December 31, 2011 balance of \$6,983,021.69 will be obligated by September 2012.

On July 28, 2011, OBDD-IFA e-mailed a clarifying question to HUD, about program income versus recaptured funds, which directly pertains to the requested explanation. OBDD-IFA requested clarification about annual grant repayments received from Klamath County to repay grants that did not meet the national objective and/or public benefit test requirements.

In 2001 OBDD awarded Klamath County (E01018) under "Urgent Need" due to a governor declared drought. When HUD monitored the project, it was determined that the project did not meet the urgent need national objective and the grant had to be re-paid to the state. The County had made loans to farmers to drill irrigation wells, so annually the County tallies up the repayments and interest earnings from these loans and sends it to the state, as repayment of the grant. The attached PDF (my personal notes) shows the total repayments received to date. The original grant was \$500,000 and OBDD re-captured \$35,506 when the grant was closed, therefore the County needs to repay the state \$464,494, plus any associated interest. To date they have re-paid \$353,254.51.

In 2006 OBDD awarded Klamath County (E06026) n economic development revolving loan fund grant. The county was to create 30 jobs of which 51% would be LMI to meet the national objective and for each job the public benefit test contained in the MOD (page 9-3) requires that the amount of CDBG funds may not exceed \$25,000 per permanent FTE created. The County made loans with these funds to business to create jobs and some of the loans did not meet the national objective and overall the County did not create the 30 FTE required. Therefore, the County and OBDD entered into a 5 year repayment plan to recapture the grant from the County.

The repayments received from Klamath County are as follows:

2009	E01018	\$58,354.43
2010	E01018	\$41,386.04
	E06026	\$3,061.67
	Sub-Total	\$44,447.71
<b>TOTAL</b>		<b>\$102,802.14</b>

Based upon HUD's August 1, 2011 response, the \$102,802.14 in repayments are considered recaptured funds and not program income. As such the funds are improperly recorded in the CAPER and fiscal records. To keep moving forward, OBDD-IFA will correctly record the old repayments and current repayments within IDIS and all future CAPER reports as recaptured funds. Since the funds are considered recaptured funds, OBDD-IFA is only required to obligate recaptured funds in an expeditious manner and expeditious is not defined in Federal Statute or regulation. OBDD-IFA has no unobligated program income on hand and is therefore in compliance with the federal requirements for program income.

Due to the complexity and size of CDBG reporting, the entire 2010 CDBG PER is in Attachment 13.

## X. OTHER HUD REQUIRED INFORMATION

### Geographical distribution

#### Areas Covered by Oregon's Consolidated Plan

Jurisdiction	HOME	CDBG	ESG	HOPWA
Portland/Gresham/Multnomah Co.	No	No	No	No
Multnomah Urban County	No	No	No	No
Clackamas Urban County	No	No	No	No
Washington Urban County/Beaverton	No	No	No	No
Eugene/Springfield	No	No	Yes	Yes
Salem/Keizer	No	No	Yes	Yes
Corvallis	No	No	Yes	Yes
Ashland	Yes	No	Yes	Yes
Medford	Yes	No	Yes	Yes
Bend	Yes	No	Yes	Yes
Yamhill County	Yes	Yes	Yes	No
Columbia	Yes	Yes	Yes	No
Balance of state	Yes	Yes	Yes	Yes

The CDBG program does not have any geographic distribution requirements, other than no State non-entitlement funds can be used within a CDBG entitlement area. Unlike entitlement grantees, Oregon fund distribution is not targeted by geography.

### Continuum of Care

Rural Oregon Continuum of Care Committee  
Supported by staff of Oregon Housing and Community Services

During the 2009 year, the Rural Oregon Continuum of Care (ROCC) developed and adopted a new set of by-laws and a Board of Directors. This new regional strategy divided the non-entitlement areas of the state into 6 regions:

Region #1	Coos/Curry/Josephine/Douglas
Region #2	Klamath/Lake/Harney/Malheur
Region #3	Baker/Union/Wallowa/Grant
Region #4	Hood River/Wasco/Sherman/Gilliam/Wheeler/Morrow/Umatilla
Region #5	Columbia/Clatsop/Tillamook/Yamhill
Region #6	Lincoln/Benton/Linn

Each region has one representative that serves on the Board. Each of the 6 regions have various local planning groups comprised of Community Action Agencies (CAA's), other non-profit organizations, service providers, faith based groups, grass roots organizations, tribes, local government, homeless & formerly homeless, businesses, banks, neighborhood groups, housing developers, state agency representatives, foundations & Housing Authorities. The local planning processes vary slightly mainly due to the territory covered. The intent of the regions is to combine those less populated areas with

other areas that may be able to provide technical assistance and cross boundaries in an effort to work more effectively in providing housing and services to the homeless.

The remaining Board members are representatives from the following areas:

- Oregon Housing Opportunities in Partnership- OHA
- Corrections
- Oregon Housing and Community Services
- Oregon Food Bank
- Addictions & Mental Health – DHS
- CAPO
- Housing Authorities
- Veteran’s Administration
- Education
- Law Enforcement
- Employment
- Fair Housing Council of Oregon
- Homeless person or formerly Homeless person, and
- two members at large

The Board meets monthly using the Dept. of Human Services Video Conferencing system. The Board members are responsible for planning and decision making about the Continuum of Care process and in coordination with the State’s 10 year plan to End Homelessness. The Board also works under the direction of the Governor’s Ending Homelessness Advisory Committee (EHAC). The ROCC is using the new HUD Rural Continuums of Care document that was released in June 2010 to update and strengthen goals and strategies. Monthly meetings include updates on all homeless programs at the Federal, State and Local level to encourage broad based participation and interest.

In addition to the monthly meetings, there were two in-person meetings during 2010. The first meeting in June was held in Salem with good statewide attendance. The by-laws were finalized and adopted and some strategies were discussed. The 2<sup>nd</sup> in-person meeting was in October in Salem, and was also well attended. Doug Carlson, Director of the Community Planning and Development and Rick Crager, Deputy Director of Oregon Housing and Community Services spoke with the ROCC and answered questions about the direction of homeless programs at the Federal and State level.

The Board has set up four sub committees to assist with the Continuum of Care application process, HMIS issues, training issues and permanent housing oversight. The sub committees are as follows:

- **CoC Application Evaluation Sub Committee** – this group works to update the ROCC application process each year after the HUD NOFA is published. This group scores the renewals and the new projects and submits recommendations for funding to the Board of Directors.
- **HMIS Sub Committee** – This group addresses HMIS training needs, improving data tracking methods and reporting, encouraging non-CoC programs to participate in HMIS.
- **Training Sub Committee**- This committee assesses training needs such as case management and homeless program training. This committee looks for ways to set up trainings in conjunction with statewide conferences.
- **Permanent Housing Performance Sub Committee** – This committee provides oversight of Permanent Housing Projects within the continua, ensuring there are sufficient PH projects and that local continua are moving homeless individuals into PH, and that services are being provided to keep them stabilized in PH.

Oregon has three main statewide organizations that deal directly with poverty and homelessness. These three organizations share members and receive reports on progress of each group on collaborative endeavors.

- The Oregon Coalition on Housing and Homelessness (OCHH) is a statewide coalition of individuals and organizations working together as a force of change, dedicated to ending homelessness and increasing affordable housing options in Oregon. The ROCC is working with OCHH to increase participation between the two groups and provide support and assistance in creating good, effective annual homeless conferences.
- The Community Action Partnership of Oregon, is an advisory body to OHCS. Its members include CAA Directors, Oregon Heat, Oregon Energy Partnership, Oregon Food Bank, Department of Education, Malheur County Council on Aging, Harney County Senior Center, Oregon Energy Coordinators Association, OCHH and Association of Oregon and Community Development Organizations. CAPO has a board seat on the ROCC Board of Directors.
- Community Action Agencies (CAA): CAAs are non-profit organizations that provide a multi-faceted human service delivery system and administer short- and long-term human service programs. Their mission is to assist economically disadvantaged persons in identifying problems and causes relating to homelessness, poverty, and to help these individuals develop a plan to overcome barriers in order to achieve the highest level of family self-sufficiency. Through community planning, these agencies coordinate local resources and linkages among local agencies and governments to provide services.

The CAAs are deeply involved in their local continuums serving as the organizing agency at the county levels, and serving as liaisons between the Local County-wide Planning Groups and the ROCC, providing a strong link between the local level of planning and the statewide rural planning occurring in the ROCC.

Oregon Housing and Community Services was able to hire an intern from Oregon State University (OSU) to work on the coordination of the 2010 Continuum of Care Application. This intern was from the Masters in Public Policy with a strong interest in rural studies. On-going work is being done with OSU to find ways to bring more students into the continuum process to provide capacity building, asset mapping and more.

Oregon Housing and Community Services is also continuing work on the state wide Discharge Planning that also benefits the ROCC when applying for the Continuum of Care funds, as well as the other seven continua in the state. In 2010, a PSU masters student in the Public Policy and Administration program was hired to do research and analysis of the current Discharge Planning process. That intern worked for 6 weeks, and currently there are two more interns, both from PSU working on their masters, who are continuing the work on the Discharge Planning process. This work is also being done in conjunction with the Governor's Re-Entry task force with Dept. of Corrections.

In 2010, Oregon applied for and was awarded Continuum of Care funding as follows.

**OR-505 - Oregon Balance of State CoC**

CARE Homeless Permanent Housing SHP \$112,175.00 – This went to C.A.R.E. in Tillamook

ROCC - Homeless Rural Housing (HRH) SHP \$82,006.00 – This went to the DHS OHOP program

**OR-505 Total: \$194,181.00**

## **Chronic Homeless Efforts**

Efforts to reduce chronic homelessness have been undertaken with funding from the ESG, Continuum of Care, and HOPWA programs as reported in this CAPER, as well as other Oregon funding.

The Housing Plus program finished in 2009. Housing Plus linked services and structures for a comprehensive approach to eradicating homelessness. Housing Plus funded 20 projects with a total of 199 units.

NSP 2 was funded at \$6.2 million and targeted permanent supportive housing for the homeless. The program is on track to deliver an estimated 110 units.

Rural Oregon Continuum of Care received HUD funds to provide services to homeless individuals and families.

Created at the direction of Gov. Ted Kulongoski the plan to end homelessness in 10 years, is largely the work of the Ending Homelessness Advisory Council. EHAC is a 25-member commission of state and local advocates and experts who have dedicated themselves to the task of preparing the plan this past year.

Three key elements frame the Governor's 10-year Plan to End Homelessness.

- prevention and intervention, which include programs to keep people in housing.
- permanent housing and supportive services, aimed at placing homeless individuals and families into housing that provides them the services that keep them out of costly institutions.
- system improvements, will require better alignment of the disjointed services that have hindered collaborative solutions by state agencies and communities in ending homelessness.

An executive summary is in the attachments and the full plan and first year report can be viewed at [www.ehac.oregon.gov](http://www.ehac.oregon.gov).

Under the CDBG and CDBG-R programs the activities to reduce chronic homelessness have been separately identified in each annual PER report under the introduction section entitled "Activity Report" as required by CPD 07-06. During 2010 the state's CDBG program funded one domestic violence shelter which will create 8 beds.

## **Actions to meet underserved needs**

Oregon Housing & Community Services continues work with other State partners to address the needs of Oregon's mentally ill population. As the State moves to decentralize facilities, community based housing becomes increasingly critical. Oregon continues to prioritize funding for special populations through the CFC process.

In 2007, Governor Ted Kulongoski created the Governor's Re-Entry Council. The purpose of the Council is to identify and create systems which break down the barriers facing those who are released from the prison and community corrections processes so they have the opportunity to be productive members of society who do not return to criminal activity. OHCS is a member of the Governor's Re-Entry Council. OHCS' Director was appointed by the Governor to the Council. The Administrator of

Community Resources Division serves on the Council's Steering Committee and is the facilitator for the Housing Workgroup sub-group, which is a cross-section of housing and criminal justice staff working together to ensure there are appropriate housing opportunities for released offenders.

The Workgroup is currently planning a pilot project which will pair the Department's Rent Guarantee program with the housing efforts of Sponsors, a non-profit agency specializing in assistance to released offenders. The Rent Guarantee will help up to 20 homeless ex-offenders in Lane County obtain safe and secure housing every year. OHCS plans to reproduce the program with other housing/services providers and directly with the Department of Corrections.

In Oregon, one out of every three people released from prison commits a new felony crime within three years of release. Having available appropriate housing and associated services at the time of release will help reduce the risk of re-offense and make Oregon's communities safer.

In general, the State develops or encourages the development of a range of affordable rental housing projects appropriate for very low-, low-, and moderate-income individuals and families. In addition, the State has targeted a significant amount of resources for the development of farm worker housing throughout the rural areas of Oregon.

OHCS has a renewed concentration on our commitment to the Farmworker population. Through a Legislative mandate, OHCS is to maintain a Farmworker Information Center on our web site and host a Farmworker Housing Facilitation Team composed of federal, state and local leaders of governmental and community agencies, for the purpose of discussing issues impacting farmworker housing. In addition to staff from OHCS, team members include representatives from U.S. Dept. of Housing and Urban Development, U. S. Dept. of Labor, USDA Rural Development, Oregon Dept. of Land Conservation, Oregon Dept. of Agriculture, Oregon Employment Dept., Oregon OSHA, local government, labor unions, non-profit housing and services providers, farmworker advocates, agricultural employers and Legal Aid of Oregon. The first team meeting was held November 12, 2009. Future monthly meetings will focus on identifying issues affecting the availability of farmworker housing and needs of farmworkers in Oregon. The team will address the issues and develop possible solutions which will be instituted or proposed as recommendations to the state Legislature.

All projects funded through the CFC process (with the exception of Section 8 Department funded multifamily housing) are required to develop and implement a resident services plan. Plans must address these objectives.

- *Through coordination, collaboration, and community linkages, residents will be provided the opportunity to access appropriate services which promote self-sufficiency, maintain independent living, and support them in making positive life choices; and*
- *To effectively maintain the fiscal and physical viability of the development by incorporating into the ongoing management the appropriate services to address residents issues as they arise.*

## **Actions to foster and maintain affordable housing**

Oregon . . . . .

- received and awarded approximately \$47.3 million in TCAP and Exchange funds which target 24 projects with almost 1,000 units and a total cost of \$157 million.
- received an additional \$284,998 to support foreclosure prevention from the National Foreclosure Mitigation Counseling program.
- enacted Oregon legislation for a document recording fee which will generate approximately \$11.4 million for the biennium. \$10.5 is targeted to housing projects and \$900,000 will support capacity building for housing authorities and non-profit affordable housing developers. \$3.4 million was awarded in the 2010 CFC competition, supporting 487 units of affordable housing. \$300,000 was awarded to housing providers for capacity building activities. Oregon used \$300,000 to capitalize a revolving loan fund for capital needs assessments.
- sold \$55 million in bond funds for first time homeownership support
- awarded Tax Credit Exchange Program funding to preserve 270 units of affordable housing, 200 of which had project based assistance.
- Continued participation in the Neighborhood Stabilization Program. NSP 1 was funded at \$19.6 million and targeted five Oregon areas, two in the balance of state. All funds are committed to 357 home owner units. NSP 2 was funded at \$6.2 million and targeted permanent supportive housing for the homeless. The program is on track to deliver an estimated 110 units. NSP 3 was announced in October and Oregon is seeking \$5 million for acquisition and rehab of affordable units.
- In October Oregon Housing and Community Services received the Annual Award for Program Excellence in the Multi-family Management category for the development of the Annual Income and Expense System ( AIES) at the NCSHA (National Council of State Housing Agencies) Conference. AIES collects data that impacts the financial operation of an affordable housing project and presents it in a coherent format for use by both sponsors and funders.
- OHCS continues to implement ARRA funding in nine different categories with 93% of funding committed. For full information, go to [http://www.oregon.gov/OHCS/Recovery/ARRA\\_Oregon\\_OHCS\\_Programs.shtml](http://www.oregon.gov/OHCS/Recovery/ARRA_Oregon_OHCS_Programs.shtml)
- received over \$100 million in federal funding to assist homeowners facing foreclosure. For full information go to [www.oregonhomeownerhelp.org](http://www.oregonhomeownerhelp.org)

## **Actions taken to eliminate barriers to affordable housing**

A number of barriers to affordable housing such as zoning or land use are local issues, beyond control of the State. Funding is an issue the State can impact, always troublesome, the issue has been profoundly exacerbated by the collapse of markets for bonds and tax credits and the pervasive impacts of the recession.

Efforts to address financial issues are addressed above. Efforts are also underway to revisit how OHCS defines and applies construction quality standards.

Oregon conducted the 2010 "Analysis of Impediments to Fair Housing" and created the companion 5 Year Fair Housing Action Plan.

## **Actions taken to overcome gaps in institutional structures and enhance coordination**

The Oregon Regional Economic Recovery Teams continue to be a nationally recognized model for breaking down the “silos” in institutional government structure. The name has changed however, and teams are now referred to as Regional Economic Revitalization Teams, or RERTs. The RERTs are an interconnected network of multi-agency teams that serve as both a service delivery system and a feedback loop for continuously improving and streamlining state services to local communities.

Locally based, multi-agency teams and Regional Coordinators form the basis of the RERT service delivery system. They "put a face on the faceless bureaucracy" and provide local communities with direct access to an array of expert knowledge and specialized skills, a multitude of services and a host of funding programs.

When a local jurisdiction is faced with a complicated problem or an opportunity it needs to act on immediately, it should contact either the Regional Coordinator or any one of the locally stationed state agency staff Persons serving on an RERT. The coordinator and the team can sit down with local officials and stakeholders and work out a solution. Involving the team early can shorten the time it takes to move from idea to reality. The team can streamline permitting, coordinate follow-up actions, and help locate or leverage funding.

While most problems are resolved at the local or regional team level, some issues can be traced to policy or program disconnects. When this happens, agency liaisons working in the RERT Office in Salem are called into service. Because of their close connection with their director and their familiarity with agency processes and operations, agency liaisons work "behind the scenes" to troubleshoot and resolve policy, program and process disconnects.

As discussed above, steps have been taken to require better coordination between state agencies in the provision of services to homeless populations.

## **Actions taken to improve public housing and resident initiatives**

Neither Oregon's Consolidated Plan and/or Action Plan directly addresses specific assistance to public housing. However, public housing projects are eligible applicants under the CFC process.

Neither Consolidated Plan nor Action Plan directs resources towards resident initiatives or services specifically for public housing. Oregon does require resident services plans for CFC projects. Among the opportunities for residents of affordable housing, including public housing, is access to Oregon's Individual Development Account Program.

In 2010 approximately \$6 million was awarded to nonprofits to help Oregonians “build” their way out of poverty through the Oregon Individual Development Account (IDA) Initiative. The Oregon IDA Initiative is a collaboration between OHCS and Neighborhood Partnerships, which awarded the funds to six nonprofit agencies with over 70 partners serving 29 counties. The Oregon IDA Initiative enables low-income Oregonians to build assets that help them to cycle out of poverty. IDA funds allowed more than 1,000 low-income individuals to begin savings towards an asset goal in 2010.

After enrolling in the IDA program, participants save for homeownership, to start or expand a small business, to access higher education, to repair their homes, or to purchase technology or equipment that will help them to secure or retain employment. Once they have completed financial-education classes,

an asset-specific education class such as home buying 101 and have met their savings goals, participants' savings are matched by funds from the Oregon IDA Tax Credit.

The Oregon IDA Initiative is a unique partnership between Oregon Housing and Community Services, Neighborhood Partnerships, and nonprofit partners across the state, along with the public. Public involvement occurs through individual and corporate charitable contributions to Neighborhood Partnerships for the Oregon IDA Initiative. These contributions are eligible for a 75-percent state tax credit. And the tax credits create matching funds for the IDA participants. The Oregon IDA Initiative began in 1999.

Although not restricted to public housing, the Oregon Legislature approved funding to support the preservation of OHCS' current loan portfolio of affordable housing developments that are secured with Section 8 project-based rental assistance. There were over 100 properties in the department's portfolio with rent subsidy contracts set to expire in the next five years. Oregon wishes to ensure that the existing housing is preserved and the federal rental subsidies supporting these projects be maintained.

Rehabilitation funds are being made available for owners who wish to remain in the program and would like to rehabilitate the property and retain the affordability of the property. It is the department's expectation that owners would work with HUD and extend their rental assistance for up to 20 years beyond the current expiration. In 2010 funding was committed to 14 balance-of-state projects with 507 units with project based assistance. State-wide, 23 projects with 1,059 units were funded. .

## **Actions taken to evaluate and reduce lead based paint hazards**

### Background

On July 19, 1995, Governor Kitzhaber signed into law Oregon House Bill 2971, which provided the authorizing legislation for the development of a state Lead-Based Paint Program. The Oregon Health Division promulgated final rules for the accreditation of lead-based paint training programs in December 1997 (OAR 333-068). The Oregon Health Division recognizes only provisionally accredited or accredited training courses, or those for which the Division has established accreditation through reciprocity.

At this time, the only provider offering lead-based paint training courses either provisionally accredited or accredited by the Division is the Western Regional Lead Training Center at Oregon State University. In November, 1998, the Oregon Health Division issued amended rules regarding the certification of professionals to conduct lead-based paint activities.

The Oregon Construction Contractors Board is a state agency that registers and monitors the construction trades industry in the state. In addition to obtaining certification through the Oregon Health Division, every individual and every business offering lead-based paint services must also be licensed through the CCB.

Oregon Housing and Community Services coordinates its home weatherization screening program with Oregon Health Division. OHCS also participates in the development of statewide policies and plans for lead hazard abatement training and contractor certification.

Oregon Housing and Community Services, as a part of the low-income weatherization program, screens housing built prior to 1978 for lead-based paint hazards (when the house is occupied by a child under age six). This procedure is followed in all regions of the state where qualified and trained staff are located.

### CDBG Rehab and LBP

All applicants must demonstrate how the rehabilitation work will be conducted in accordance with the Lead Based Paint Poisoning Prevention Act and HUD implementing regulations at 24 CFR 570.487©. Effective September 15, 2000 revisions to the Lead Based Paint regulations 24 CFR Part 35 were implemented.

All purchasers and tenants of CDBG assisted housing constructed prior to 1978 received notice about the hazards of lead-based paint. Applicants for housing rehabilitation loans or grants also received notification. Grant recipients must keep documentation of the notifications in their local project file. All state CDBG programs were required to develop procedures to eliminate the hazards of lead poisoning due to the presence of lead-based point in housing assisted with CDBG funds.

Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implement regulations at part 35, subparts A, B,J, K, and R of this title.

### Weatherization and LBP

Non-HOME/CDBG funded weatherization also plays a major support role in lead based paint eradication. OHCS has 18 agencies under contract providing weatherization services. All agency weatherization workers and contract staff must undergo Lead Safe Work Place Training. While weatherization does not fund correction of LBP hazards, , workers encountering hazards follow Lead Safe Work Practices. Occupants of all weatherized units built prior to 1978 receive and sign for the EPA brochure “Protect Your Family From Lead in Your Home.” Because weatherization does not abate LBP hazards, specific data is not kept.

In 2010 EPA authorized Oregon to administer and enforce its Lead Renovation Repair and Painting Program

## **Actions taken to reduce persons living below poverty level.**

OHCS continues to be a lead agency for the Rural Oregon Continuum of Care (discussed elsewhere) and plays a key role in Oregon's effort to combat hunger. Despite these efforts, a recent Huffington Post report tallied Oregon as the 3<sup>rd</sup> most hungry in the U.S., a slight increase from the last count which placed the state second.

OHCS utilized ARRA funds to pay for training of benefits specialists at CAP agencies. The benefits specialists are permanent FTEs and will continue to provide services in their communities. They enroll eligible disabled individuals into SSI/SSD, and complete the applications using a SOAR model. This is based on a successful Portland program that has an over 80% success rate. Benefits are awarded in months instead of years. The CAP agencies are paying for the FTEs. In addition, the specialists are forming a "train the trainer" network which will be able to train other specialists in other communities.

All projects funded through the CFC process (with the exception of Section 8 Department funded multifamily housing) are required to develop and implement a resident services plan. Plans must address these objectives.

- Through coordination, collaboration, and community linkages, residents will be provided the opportunity to access appropriate services which promote self-sufficiency, maintain independent living, and support them in making positive life choices; and

- To effectively maintain the fiscal and physical viability of the development by incorporating into the ongoing management the appropriate services to address residents issues as they arise.

In 2010 approximately \$6 million was awarded to nonprofits to help Oregonians “build” their way out of poverty through the Oregon Individual Development Account (IDA) Initiative. The Oregon IDA Initiative is a collaboration between OHCS and Neighborhood Partnerships, which awarded the funds to six nonprofit agencies with over 70 partners serving 29 counties. The Oregon IDA Initiative enables low-income Oregonians to build assets that help them to cycle out of poverty. IDA funds allowed more than 1,000 low-income individuals to begin savings towards an asset goal in 2010.

After enrolling in the IDA program, participants save for homeownership, to start or expand a small business, to access higher education, to repair their homes, or to purchase technology or equipment that will help them to secure or retain employment. Once they have completed financial-education classes, an asset-specific education class such as home buying 101 and have met their savings goals, participants’ savings are matched by funds from the Oregon IDA Tax Credit.

The Oregon IDA Initiative is a unique partnership between Oregon Housing and Community Services, Neighborhood Partnerships, and nonprofit partners across the state, along with the public. Public involvement occurs through individual and corporate charitable contributions to Neighborhood Partnerships for the Oregon IDA Initiative. These contributions are eligible for a 75-percent state tax credit. And the tax credits create matching funds for the IDA participants. The Oregon IDA Initiative began in 1999.

In Oregon, the overall economic development factor on a housing project can average 11 times the initial investment in addition to the benefits to an individual or family of having a home. The most significant short-term economic impact from housing development is on employment. Each job supported or created through affordable housing projects generates another one or more at the local level. Statewide, every job generates almost another three, on average.

Every \$1 in rental income generates just over \$2 in economic activity for local economies and about \$2.25 statewide. The impact of labor is even greater, with each dollar generating about \$2.77 locally and \$3 in statewide economic activity. OHCS continues to target housing funds to those communities facing the greatest need for affordable housing. For the five years ending with 2009, OHCS and private sector funding partners financed more than 11,000 units at a total development investment of \$375 million. A full report (10mb) on the economic impacts of affordable housing can be found at: <http://www.ohcs.oregon.gov/OHCS/docs/08HousingEconomicStimulus.pdf>

A special 2010 OHCS report on poverty is available at:  
[http://www.ohcs.oregon.gov/OHCS/ISD/RA/docs/2010\\_Oregon\\_Poverty\\_Report.pdf](http://www.ohcs.oregon.gov/OHCS/ISD/RA/docs/2010_Oregon_Poverty_Report.pdf)

## ***Leveraging Resources***

A. Progress in obtaining other funds to address needs in the plan.

In addition to information occurring in 31 other areas, the following chart is offered to address leverage. Oregon has, with one exception, made progress annually by increasing its leverage ratio as posted in HUD's "Snapshot Report".

<i>Snapshot Report Leverage Ratios</i>							
<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>
<i>3.06</i>	<i>3.11</i>	<i>3.17</i>	<i>3.14</i>	<i>3.23</i>	<i>3.46</i>	<i>4.24</i>	<i>3.53%</i>

B. HUD resources and leveraging other public and private resources.

- HOME funds for construction are leveraged through the Consolidated Funding Cycle (CFC). The CFC process pools funds from all available state and federal sources to strive for the most effective use of all funds. HOME projects closed in 2010 had \$7.7 million in HOME funds used in conjunction with \$137,097,739 in total funding sources.
- HOME TBRA receives match from a variety of sources. In 2010, HOME TBA funds had a direct match of \$272,272 with the balance coming from other HOME sources. Due to economic conditions, Oregon's Low Income Rental Housing Fund was unable to provide the same level of funding as in past years.
- ADDI funds of \$13,493 were used in 2010. Private funds totaled \$106,600.
- Oregon funds totaling \$2,042,769 were leveraged with \$970,009 in ESG funds.
- As shown in the PER (Attachment 13) CDBG in 2010 the State of Oregon awarded \$15,739,680.23 in CDBG funds that leveraged \$4,690,604 in other funds.

C. Match Requirements

- HOME: As discussed elsewhere, match for HOME funded construction projects comes from a variety of public and private sources through the Consolidated Funding Cycle process.
- HOME TBRA: Match for HTBRA comes largely through rent contributions from sub-recipients.
- ADDI funds are matched with state bond financing.
- ESG matching funds come largely from Oregon's SHAP program.
- CDBG match for the state administration funds comes from the Special Public Works Fund. The matching (leveraged funds) provided by the applicants to complete the their funded projects comes from the local governments.

## **Fair housing activities**

In 2010 Oregon completed a new Analysis of Impediments to Fair Housing Choice. In 2010 the Fair Housing Council of Oregon carried out contract responsibilities by conducting 4 audits, producing 7 "road shows", hosting media activities, posting numerous website improvements, responding to hundreds of contacts from the balance-of-state, conducting trainings, and distributing almost thousands of leaflets, brochures, and other printed materials, including extensive contact with Oregon schools.

A more detailed report of FHCO activities is included as Attachment 5.

In response to additional HUD guidance on fair housing compliance activities, OBDD issued the revisions to the CDBG Grant Management Handbook which follow.

**RECIPIENTS MUST MEET THE MINIMUM REQUIREMENTS BELOW:**

- 1) All grant recipients, must adopt and publish a Fair Housing Resolution (**Exhibit 2B**) and submit the affidavit of publication to OBDD within 6 months prior to the First Draw for Non-Construction Activities/funds.
- 2) All grant recipients, must distribute and post the Fair Housing Poster(s) and Brochures at City Hall and/or the County Court House and other locations within the community and submit documentation that this was completed within 6 months prior to the First Draw for Non-Construction Activities/funds. Brochures and posters can be found at: <http://www.fhco.org/> or <http://www.hud.gov/offices/fheo/FHLaws/index.cfm>

**Note for item 1 & 2 above:** If the grant recipient's jurisdiction is comprised of 5% of more non-English speaking persons, the fair housing resolution, brochures and posters must also be disseminated in the applicable non-English language.

- 3) All grant recipients must undertake and complete at least one an additional fair housing activity for each grant prior to the final draw for grant funds. The recipient must inform OBDD of the specific additional fair housing action they plan to undertake and clearly document the action was completed within the project file. Documentation can include but is not limited to: a copy of a newly adopted fair housing action plan, newspaper articles covering the additional fair housing activity, meeting and board minutes, contracts and agreements with workshop presenters, sign-in sheets, web-sites, video files and etc.

**Note for #3 above:** If a grant recipient has received more than one grant per program year, example P10005 and P10027, the grant recipient need only conduct one additional fair housing activity for both grants.

**ACCEPTABLE ADDITIONAL FAIR HOUSING ACTIVITIES:**

All grant recipients must undertake and complete at least one an additional fair housing activity for each grant prior to the final draw for grant funds. Actions that the state will accept without further review include:

- Develop and adopt a comprehensive Fair Housing Action Plan, identifying specific actions and timetables. Document the analysis and make it available to the public. Develop a fair housing action plan with corresponding steps to address actions the recipient will undertake to promote fair housing;
- Conducting or participating in an analysis of impediments to fair housing in the community. Document the analysis and make it available to the public. Develop a fair housing action plan with corresponding steps to address actions the recipient will undertake to promote fair housing;

- Undertake a review of existing fair housing ordinances, zoning and land use practices for discriminatory policies and practices. Document the review and make it available to the public. Develop a fair housing action plan with corresponding steps to address discriminatory practices;
- Support and participate in an educational program coordinated with local realtors, home builders, and/or mortgage lenders designed to provide information on fair housing rights;
- Establish a fair housing complaint referral program that provides public information and assistance to persons who want to file a complaint with the federal government or the State of Oregon. Procedures for filing Housing Discrimination Complaints are described on the HUD website at <http://www.hud.gov/complaints/housediscrim.cfm> and at the Fair Housing Council of Oregon by calling 503) 223-8197 or 1-800-424-3247 (Voice and TTY);
- Provide financial or other documented local support to state or local fair housing organizations that provide information, referral and other assistance in the community. Community Development Block Grant administration funds can be used for this without receiving prior approval from the state; and
- Host an informal fair housing session for local employers to encourage cooperation in efforts to find housing for their employees and to promote equal housing choices within the community;
- Speak to an elementary school class about the fair housing rights of the children and their families;
- Host and invite the Fair Housing Council of Oregon to have a discussion with group leaders or rental property owners and managers about their fair housing responsibilities.
- Adopt a resolution that supports government assisted housing programs in the community and print a notice or advertisement that appears in a prominent location of the local newspaper that states that the grantee is an active supporter of fair housing laws. The notice or advertisement must include the contact information for the recipients Fair Housing representative. See **Exhibit 7A** for a sample resolution;
- Develop a community Fair Housing web-page which prominently displays the community's commitment to further fair housing on the community web-site, including links to fair housing enforcement and education agencies; and,
- Recipients may ask the state to approve other actions designed to further fair housing choice in their communities. Such as implementing the actions identified within the recipients Fair Housing Action Plan.

OHCS also drafted a Limited English Proficiency Plan which is included as attachment 15. OHCS has established several practices and procedures to ensure meaningful access to its programs by LEP persons. The practices include the use of Language Line, utilization of bi-lingual staff, availability of translated program materials on the agency's website and training staff to better meet the needs of LEP persons. OHCS will add additional LEP practices recommended by HUD including but not limited to the use of flash cards for persons to identify their primary language, establishing more regular LEP training for applicable staff, updating this LAP on an annual basis and increasing outreach to LEP persons directly and through the agency's partners.

## **Monitoring**

Monitoring for HOME and ESG was described earlier in this CAPER. HOPW and CDBG monitoring are further addressed in the HOPWA CAPER and the MOD.

HOME funded tenant based rental assistance has experienced difficulties meeting intended goals. There are a number of factors contributing to this. \$500,000 of funding for TBRA shifted to construction. OHCS partners in the field. Oregon was unable to commit the entire allocation in 2010 for a number of reasons. Sub-grantees indicate that at the end of the fiscal year, they don't have the staffing resources to fully commit funds returned from client grants that terminate early; or the amount of HOME TBRA available at year-end may not be sufficient to fund a client's grant. In 2010, some sub-grantees experienced high turn-over of staff, resulting in a period of time when few HOME TBRA applications were processed, causing the agencies to serve less households than expected.

HOME Snapshot reports (9/30/2010) report Oregon at 95.8% disbursed and ranked #4 in the nation for HOME project related funds. HOME TBRA in the same report was at 95.5% disbursed, above average but ranked 36<sup>th</sup>.

Oregon fund requests for projects and programs are for exact amounts only, processed through IDIS, and always match.

PROGRAM		Activities or strategies falling behind schedule	Grant disbursements timely	Actual expenditures vs. LOCCS
HOME	Regular Construction \$	No activities or strategies are significantly behind schedule.	Oregon consistently ranks in the top five states nationally for funds committed and disbursed.	Oregon HOME fund requests for projects and programs are for exact amounts only, processed through IDIS, and always match.
	CHDO construction \$	No activities or strategies are significantly behind schedule.		
	TBA	TBA assistance provided was below goals for a variety of reasons detailed on page 21.		
	CHDO operating support	No activities or strategies are significantly behind schedule.		
ESG		No activities or strategies are significantly behind schedule.	Oregon consistently ranks in the top five states nationally for funds committed and disbursed.	Oregon fund requests for projects and programs are for exact amounts only, processed through IDIS, and always match.
HOPWA	TBRA, Permanent Supportive Housing	No activities are behind schedule.	Grant disbursements are appropriate and timely.	Draws are processed monthly through IDIS by our Financial Office. The Program Financial Operations Analyst assures that draws are correct before they are submitted.

### CDBG Monitoring

The CDBG monitoring procedures are described within this section of the CAPER and can be found within the Grant Management Handbook (GBH) and CDBG PER.

Monitoring	The goal of monitoring is to encourage completion of projects within the contract period while ensuring that project objectives are met. Monitoring is an ongoing, two-way communication process between the state and recipients. Successful monitoring involves frequent telephone contacts, written communications, analysis of reports and audits, and periodic meetings. Monitoring is the principal means by which the state:
	<ul style="list-style-type: none"> <li>Carries out its responsibility to review recipient performance in administering the grant project in compliance with state and federal regulations;</li> </ul>
	<ul style="list-style-type: none"> <li>Assures that federal funds are being managed properly and are not being wasted or used for fraudulent purposes; and</li> </ul>
	<ul style="list-style-type: none"> <li>Documents the effectiveness of programs administered by the department.</li> </ul>

CDBG Monitoring Policy	Every project will be monitored formally at least once during the project period, when approximately 50% of the grant has been drawn down by the recipient. Most projects, except Technical Assistance (TA) and Public Works Planning and Engineering grants, will be monitored on-site. Some projects may be monitored through a desk review after the department's Regional Coordinator makes a determination that this level of review is appropriate. A decision to make a desk review or on-site review will depend on the following risk factors:
	<ul style="list-style-type: none"> <li>• Whether the recipient has successfully completed a Community Development Block Grant project in the past;</li> </ul>
	<ul style="list-style-type: none"> <li>• Whether the grant administrator has successful experience with previous Community Development Block Grant projects;</li> </ul>
	<ul style="list-style-type: none"> <li>• The record for the particular project (timely submission of required information, project on schedule, accurately prepared cash requests, cooperative relationship with recipient, etc.); and</li> </ul>
	<ul style="list-style-type: none"> <li>• Housing Rehabilitation and Economic Development projects will always be monitored on-site.</li> </ul>
More than one on-site monitoring visit will be made if the department determines this is necessary. Factors will include: program complexity, local grant administration capacity, recent problems with the project, past monitoring findings and projects with "high risk" activities. "High risk" includes projects generating large amounts of program income, housing rehabilitation and economic development projects and projects that are far behind schedule.	

Sources of Information	The state will use the following sources of information for conducting on-site and in-house desk reviews:
	<ul style="list-style-type: none"> <li>• Recipient files, including all project related correspondence;</li> </ul>
	<ul style="list-style-type: none"> <li>• Grant contracts, including approved applications, project budgets and special conditions;</li> </ul>
	<ul style="list-style-type: none"> <li>• Cash requests and periodic reports on the progress of the project;</li> </ul>
	<ul style="list-style-type: none"> <li>• Recipient monitoring file including checklists, monitoring letters and letter closing monitoring findings;</li> </ul>
	<ul style="list-style-type: none"> <li>• Financial files, including drawdowns; and</li> </ul>
	<ul style="list-style-type: none"> <li>• Citizen complaint files.</li> </ul>

Areas to be Monitored	The state's current monitoring checklists are included in the 2011 Grant Management Handbook as <b>Exhibits 12A, B and C</b> . These are changed occasionally to reflect new regulations or to streamline the monitoring process. The following exhibits will be used for all Community Development Block Grant recipients:
	<ul style="list-style-type: none"> <li>• Overall Management and Project Progress</li> <li>• Eligibility and National Objective</li> <li>• Financial Management</li> <li>• Procurement Checklist</li> <li>• Management of Real Property</li> <li>• Environmental (Part 58) Procedures—Limited Review</li> <li>• Labor Standards (if construction is involved)</li> <li>• Employment Practices</li> <li>• Section 3</li> <li>• Actions to Affirmatively Further Fair Housing</li> <li>• Program Benefits</li> </ul>
	Section 504
	Additional checklists will be used for projects involving these activities: <ul style="list-style-type: none"> <li>• Housing Rehabilitation Program</li> <li>• Economic Development</li> <li>• Acquisition of Real Property</li> <li>• Relocation</li> <li>• One for One Replacement Housing</li> <li>• Program Income</li> </ul>
Staff may require other information from recipients if necessary to document compliance with program requirements.	

CDBG Monitoring Scheduling	Monitoring, whether on-site or desk review, will be timed to coincide with the various phases of the implementation cycle of each project. Formal monitoring will normally be performed once during the project. Final drawdowns from the grant will not be approved until the monitoring has been performed and all findings resolved in order to ensure the project met all contractual requirements.
Monitoring Letters	The Oregon Business Development Department will send a monitoring letter to the recipient with the results of the review. This monitoring letter and report will be mailed to the recipient within 30-days after completion of the on-site or desk review. Those areas in which the recipient has done well will be noted. The letter will also describe monitoring findings or concerns and will include a deadline for a response to all findings. If there were findings, the recipient will have 30 days from the date of the monitoring letter to resolve the findings. Once the recipient resolves the findings the department will mail out a Findings Cleared letter to the recipient.
Findings	A Finding is made when the monitoring review shows that the recipient is not in compliance with federal laws and regulations or contract requirements. The letter will include specific actions the recipient must take to come into compliance. Failure to respond to the finding will result in sanctions.
Concerns	The monitoring letter may identify a "concern" when there is no violation of federal law but where the Department believes a problem may be developing. The letter may include suggestions to prevent a noncompliance finding in the future. A recipient is not required to respond to items identified as "concerns" unless specifically requested.

**The CDBG monitoring procedures are described within this section of the CAPER and can be found within the Grant Management Handbook (GMH) and the CDBG PER.**

- **Monitoring Implementation of the ConPlan/MOD goals** – Refer to the PER narrative, Part IV of each fiscal years’ PER report. Part IV compares the HUD approved Con/Plan goals with the actual activities funded for that specific year.
- **Activities/strategies falling behind** – Refer to the PER narrative, Part IV of the 2009 and 2010 fiscal year PER reports. Part IV provides a summary of the CDBG goals and objectives and an explanation as to if the goal/objective was satisfied. In addition, the PER Part II A(2), for all FY PER reports identifies the improvements to be made as result of the states experience.
- **Timely grant disbursements and expenditure analysis (actual compared to LOCCS)** – 24 CFR 91.330 and 91.520 (c) and (g) do not require the state to provide timely grant disbursement information and expenditure analysis (actual compared to LOCCS). Therefore this is not required. Refer to the statutes listed below:

## Self Analysis

2010 was a significant year in the implementation of affordable housing and community development programs to benefit Oregon low- and moderate-income households. The Oregon Housing and Community Services is the lead agency in the evaluation and implementation of HUD’s four consolidated formula programs but relies on the skill and talent of staff at OHA and OBDD for their expertise with the HOPWA and CDBG programs. The objectives and the investment of resources are established in both the Strategic/Action Plans for the State. Oregon has continued to evaluate/refine its efforts in respect to program implementation.

The State continued to implement the Consolidated Funding Cycle Program which makes HOME, Housing Development Grant Program (Trust Fund), HELP Program, the Low Income Housing Tax Credit Program (LIHTC), Low Income Weatherization, Alcohol and Drug Free Grant Program, and the Oregon Affordable Housing Tax Credit Program (OAHTC) funding available to for profit and non-profit housing developer through a single application for provision of affordable housing with assists

with the implementation of comprehensive community strategies. In addition, Oregon continues to implement widely successful programs using HUD funds, including the CDBG, the Emergency Services Grant, HOME Tenant Based Rental Assistance, and HOME Community Housing Development (CHDO) programs.

Oregon has also afforded opportunities for the sharing of experiences and expertise regarding affordable housing issues. The Continuum of Care Plan maximizes the broad spectrum of services available to those with the presence of a disability, especially the homeless. In terms of production improvements, the State has sought to increase the capacity and responsiveness of housing assistance providers, including local nonprofit organizations.

HERA and ARRA funding has, and continues to provide significant funding to assist Oregon, one of states hardest hit by the collapse of the housing market and the crippling economic downturn. In the last session, the Legislature turned to a creative document recording fee to assist citizens in need of affordable housing. Fruits of that effort began in 2010 with additional funding for building, operating funds, a revolving fund for capital needs assessments, funding of organizational capacity building, and more.

Completion times for HOME projects closed this year ranged from less than one year to one which required three and a half. The number of project funding sources ran from two to six. Not surprisingly, the project with only two funders (plus equity) took less than a year. Given the complexity of funding, varying financial and construction requirements of funders, and the volatility of the tax credit market, Oregon feels the performance is acceptable.

The five year picture for HOME goals versus results is shown in the table below.

	TBA	HOME	ADDI	Total Assist	Goal
2010	967	283	2	1,252	1,249
2009	970	97	0	1,067	1,255
2008	1423	59	40	1,522	1,641
2007	1352	94	64	1,510	1,651
2006	1251	99	30	<u>1,380</u>	<u>1,641</u>
	5 year totals			6,731	7,437

It is obvious that for TBRA and ADDI, the last two years fell well below expectations which were set in the fall of 2005, as well as updated goals set annually. Both programs have suffered from different aspects of the current worldwide economic situation, which as explained earlier, has disproportionately impacted Oregon. Had these programs performed at levels equal to the average of previous years, Oregon's total goals for use of HOME funds would have been exceeded handsomely.

The biggest challenge in 2010 continued to be the economy. Tax credit equity rates remain low. Lenders have been increasingly constrictive in underwriting demands. Project sponsors, many non-profits, also suffered from economic downturn, affecting availability of equity, and even availability of staff time needed to apply for and administer funding. The promise of TCAP and 1602 funding also brought inordinate administrative burdens and breathtaking time constraints.

OHCS continues to modify the CFC process, seeking to improve the ease of application, compliance, and execution. Tools such as the award winning AIES system help project sponsors understand and better manage their existing portfolio. In addition, those planning new projects have a real-time data source for more accurate estimates of operating costs and expenses. In response to federal requirements, Oregon initiated an inspection program which is being extended to all projects as

expertise develops. A corollary project is the start of a "best practices" manual which will include measures for coping with the special weather conditions of the Northwest, especially along the coast.

Thus, the State's efforts in 2010 continued to address its priorities and objectives related to affordable housing and community development issues and the administration of related HUD-funded programs. As a result, the State of Oregon concludes that not only is significant progress being made, but results of efforts to date have helped identify the path towards continual improvement.