



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

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Oregon Housing and Community  
Services Homeownership Division  
Minority, Women-owned, Emerging Small  
Business and Service-Disabled Veteran  
Business Enterprises (MWESB/SDVBE)  
Compliance Manual

August 2023

**Oregon Housing and Community Service**  
Homeownership Division  
**MWESB/SDVBE Compliance Manual**  
**An Equity and Racial Justice Approach**

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

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

The housing and construction industry employs, from design to home sale, a wide spectrum of size trade and business sectors. However, the participation of Certified Minority Business Enterprises (MBE), Women-owned Business Enterprises (WBE), and Emerging Small Businesses (ESB) - collectively known as Minority, Women and or Emerging Small Businesses (MWESB) - as well as Service-Disabled Veteran Business Enterprises (SDVBE); are under-represented in housing construction activities.

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

The goal of this manual is to ensure that MWESB/SDVBE business enterprises have equal access to business opportunities resulting from OHCS-financed developments. The desired outcome is to see a greater economic participation and share of financial resources for MWESB/SDVBE firms. The Manual implementation and approach are established from a wider and interrelated ecosystem of opportunities, access, and engagement.



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## Chapter 1 – Introduction

### 1.01 Manual Summary

It is the intention of Oregon Housing and Community Services (OHCS) Homeownership Division that MWESB/SDVBE firms have equal access to business opportunities resulting from OHCS financed developments. OHCS also encourages firms self-identifying as MWESB/SDVB to be COBID-certified firms and encourages partners to use firms, labor, and materials in their projects that further the Diversity, Equity and Inclusion (DEI) goals of OHCS. This Manual addresses marketing and outreach requirements for OHCS-financed developments.

#### OHCS MWESB Engagement Manual

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

### 1.02 Applicability

OHCS financed developments trigger the MWESB/SDVBE firm marketing and outreach applicant requirements and performance goals described in this Manual. Financing includes the following programs: Local Innovation Fast-track (LIFT) Homeownership and Homeownership Development Incubator Program (HDIP).

### 1.03 Statutory and Regulatory Authorities

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

### 1.04 Responsibilities



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

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

- Notify the owner/developer at the approval of funding of the MWESB/SDVBE firm of participation goals and objectives along with where to find this Manual on the OHCS website: <https://www.oregon.gov/ohcs/homeownership/Pages/mwesb.aspx>
- Provide this Manual and all appendices to the owner/developer at application
- Monitor performance of owner/developer with respect to MWESB/SDVBE and OHCS requirements.

### **Partner**

- Identify Owners MWESB/SDVBE firm participation level goal for project.
- Outline the steps the construction team will take to achieve the partner's goals for participation of MWESB/SDVBE subcontractors and suppliers.
- Provide summary of general contractor's profile and team member demographics.
- Provide details of general contractor's history of addressing MWESB/SDVBE subcontractor diversity, equity, and inclusion. List a summary of marketing strategies, including any culturally based marketing publications or organizations utilized for MWESB/SDVBE firm bidding outreach.
- Describe the subcontractor's outreach efforts for Non-MWESB/SDVBE certified contractors utilized for bid submissions, if any.
- List all non-COBID Certified MWESB/SDVBE firms utilized in the project.
- List any opportunities of partnerships for sub-tier contracts by teaming up with smaller contracting firms with larger firms in a mentor/protégé relationship.
- Utilize OHCS's reporting Matrix and submit initial, biannual and final reports (see appendix B).

## **Chapter 2 – Requirements**

### **2.01 Participation Goals**

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

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



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

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

- \* **Regions 1** include **Clackamas, Columbia, Multnomah, Washington, and Yamhill**
- \* **Regions 2 & 3** include *Clatsop Tillamook, Yamhill, Polk, Marion, Lincoln, Benton, Linn, Lane, Coos, Douglas, Curry, Josephine, Jackson*
- \*\* **Regions 4 & 5** include *Wasco, Sherman, Gillam, Jefferson, Wheeler, Crook, Deschutes, Klamath, Lake, Morrow, Umatilla, Union, Wallowa, Grant, Baker, Harney and Malheur*

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

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

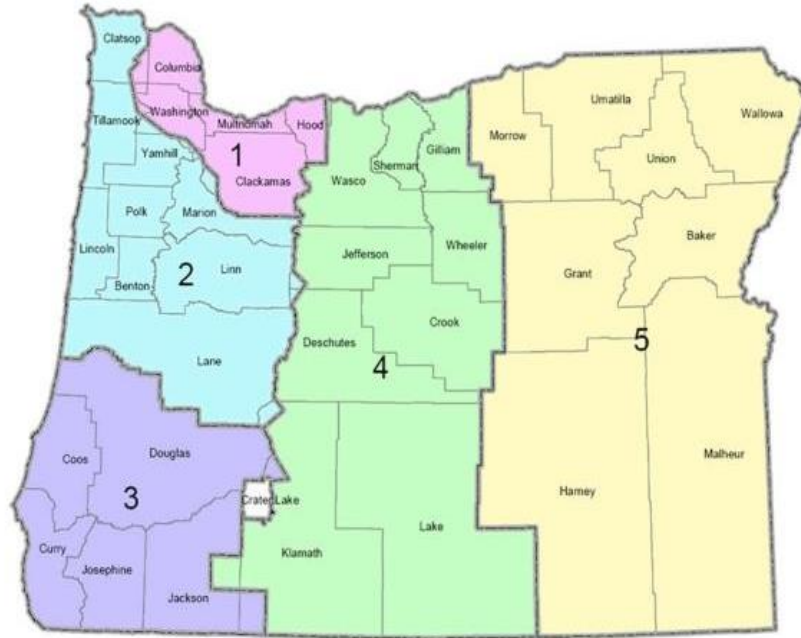
The required MWESB/SDVBE plan in the Application will be evaluated on track record and experience, history of contracting MWESB/SDVBE firms, how the plan matches with project location (metro/urban and rural), representation of MWESB/SDVBE firms on core development team, and any supporting information for the proposed OHCS regional goal and participation rate.

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

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



# Regions



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



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

## 2.02 Affirmatively Marketing to MWESB/SDVBE Firms

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

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

## 2.03 Requirements for tribal-led or tribal-owned projects

Tribal governments often have Tribal Employment Rights Offices (TEROs) that dictate what percentage of contractors and workers on a project must be tribal members. The Federal Department of the Interior also sets standards for tribal participation in tribal-owned or led developments. When reporting MWESB/SDVBE participation, tribal-owned or led projects may use either OHCS's MWESB/SDVBE goals OR their own TERO requirements. Tribal-led or owned projects will submit a narrative detailing their MWESB/SDVBE plan in the project application.

## Chapter 3 – Performance and Compliance and Report

### 3.01 Compliance Summary

To demonstrate compliance with OHCS's MWESB/SDVBE firm affirmative marketing requirements, developers and project sponsors must identify jobs and indicate those bids by minority-owned or women-owned using OHCS's MWESB Matrix Report. OHCS may request additional documentation, if necessary, to ensure compliance with this obligation.

### 3.02 Compliance Timeline Project Selection

- OHCS will notify partner of MWESB/SDVBE requirements in the Notice of Funds Available (NOFA) and in the award Reservation Letter.
- OHCS will make this Manual and all appendices available to partner on its website: <https://www.oregon.gov/ohcs/homeownership/Pages/mwesb.aspx>
- Partner certifies (by signing the attached certification) that they will comply with laws prohibiting discrimination in employment.

### 3.03 Reporting

- Partner and general contractor will record name, address, and bid information and results of the bid for all MWESB/SDVBE firms and submit to OHCS via MWESB Matrix.





- Partner and general contractor will record name and COBID # (if applicable) in OHCS MWESB Matrix.
- Partner and general contractor will record name, address, and bid information of any non-COBID MWESB/SDVBE firms bidding on project and submit to OHCS via MWESB Matrix.
- Partner will record information regarding any organizations that provide volunteer labor or other services that provide opportunities to underserved communities, train underserved youth for jobs, or other such DEI goals.
- OHCS will review and record compliance with applicable goals.

**At the start of construction**

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

**Biannual Reporting** (currently September and March)

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

**Upon completion of construction**

- Partner and general contractor must update the OHCS MWESB/SDVBE firm participation and submit a final report reflecting the COBID and Non-COBID MWESB/SDVBE's participation level in the OHCS funded development.

**3.03 OHCS MWESB Report Submission Timeline**

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

**Reports:**

- MWESB Equity strategy (submitted with application).
- Initial MWESB report (due at OHCS loan/grant closing).
- MWESB Equity biannual report (currently due September and March during construction).
- Final MWESB Equity Report (due when construction is complete).

**Chapter – 4 - Penalties**

**4.01 Penalty**

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



**Appendix A – Terms**

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



## Appendix B - MWESB Equity Matrix

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

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

### Tab 1. Instructions

**Tab 2. Outreach Summary** This tab details the partner demographics, history of DEI efforts with COBID and BIPOC firms, Contractors Cultural outreach, and bidding outreach efforts.

**Tab 3. Categories by Trade** tracks the ethnicity of professionals, contractors, and sub-contractor's employees.

**Tab 4. Firm Detail** Tracks the total award by MWESB sub-categories, made to COBID registered professionals, contractors, and sub-contractors.

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

