

Housing Stability Council

MEETING MATERIALS PACKET



Deer Springs Terrace
North Bend Oregon

July 10, 2020

9:00 a.m. – 12:00 p.m.

Oregon Housing & Community Services
Conference Phone

Council Members:
 Claire Hall, Chair
 Sarah DeVries
 Sami Jo Difuntorum
 Barbara Higinbotham
 Anna Geller
 Mary Li
 Gerardo F. Sandoval, PhD
 Charles Wilhoite







AGENDA

July 10, 2020 9:00 a.m.-1:00 p.m.
 Oregon Housing and Community Services
 725 Summer St NE, Salem OR 97301

Call In Mtg Only

Call-In: 1-253-215-8782 or Toll Free: 1-888-788-0099
 Meeting ID: 943 7928 6967 Password: 402403



TIME	TOPIC	SWHP Priority	ACTION
9:00	Meeting Called to Order <i>Roll Call</i>		Call Roll
9:05	Public Comment		Discussion
9:15	Meeting Minutes Approval: June 5, 2020		Decision
9:20	Report of the Director: <ul style="list-style-type: none"> • COVID-19 Response • Equity and Racial Justice • Legislative Update 		Briefing
10:00	Homeownership Division (pg. 08) <i>Emese Perfecto, Director, Homeownership Division</i> <ul style="list-style-type: none"> • Oregon Homeowner Stabilization Initiative Update: <i>Carmel Charland, OHSI Program Manager</i> 	 	Briefing
10:30	Affordable Rental Housing Division (pg. 10) <i>Julie Cody, Director, Affordable Rental Housing</i> Multifamily Housing Transactions <ul style="list-style-type: none"> • Glenhaven Park Apartments: <i>Joanne Sheehy, Production Analyst; Casey Baumann, Production Manager</i> • LIFT Homeownership NOFA Awards: <i>Amy Cole, State Development Resources Manager</i> • LIFT Rental NOFA Awards: <i>Amy Cole, State Development Resources Manager</i> • MWESB Final Report and Implementation Plan: <i>Rick Abrego, Sr. MWESB Program Analyst; Roberto Franco, Director of Development Resources & Production</i> 	   	Decision Briefing
11:45	Report of the Chair		Briefing
12:00	Meeting Adjourned		

All times listed on this agenda are approximate and subject to change. Agenda items may also be taken out of order and addressed at different times than listed. The agenda may be amended by the Council at the time of the meeting.

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The Housing Stability Council helps to lead OHCS to meet the housing and services needs of low- and moderate-income Oregonians. The Housing Stability Council works to establish and support OHCS' strategic direction, foster constructive partnerships across the state, set policy and issue funding decisions, and overall lend their unique expertise to the policy and program development of the agency.

The 2019-2023 Statewide Housing Plan outlines six policy priorities that focuses OHCS' investments to ensure all Oregonians have the opportunity to pursue prosperity and live from poverty.

For more information about the Housing Stability Council or the Statewide Housing Plan, please visit Oregon Housing and Community Services online at <https://www.oregon.gov/ohcs/OSHC/Pages/index.aspx>

Statewide Housing Plan Policy Priorities



Equity & Racial Justice



Homelessness



Permanent Supportive Housing



Affordable Rental Housing



Homeownership



Rural Communities

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Council Members:
 Chair: Clair Hall
 Sarah DeVries
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June 5, 2020

Oregon Housing Stability Council Meeting Minutes

Chair Hall called the meeting to order at approximately 9:00 am, and then asked for the roll call:

Agenda Item: Roll Call

Councilmember	Present	Excused	Absent	By phone
Devries, Sarah	X			
Difuntorum, Sami Jo	X			
Chair Hall, Claire	X			
Higinbotham, Barb	X			
Geller, Anna	X			
Li, Mary	X			
Sandoval, Gerardo	X			
Wilhoite, Charles	X			

**With at least six members in attendance, we have reached a quorum for voting purposes*

Public Comment:

Travis Phillips, Catholic Charities of Oregon provided comment about the proposed update to Rent Increase Policy based on submitted written materials available in the meeting packet. Travis stated that the Housing Oregon Board is supportive of the comments.

Brian Hoop, Director of Housing Oregon added comment about the Housing Oregon Property and Asset Managers workgroup as a perfect opportunity to engage with this group in the future about topics such as the Rent Increase Policy.

Karen Saks, DevNW provided comment about the 2021-2023 Legislative Agenda, and concerns with the proposal to eliminate LIFT Homeownership stating that homeownership development must be a central strategy to address inequities.

Approval of Meeting Minutes for May 01, 2020:

Chair Hall introduced meeting minutes for council approval and called to motion. Councilmember Wilhoite moved to accept the minutes, and Councilmember Sandoval seconded the motion. Chair Hall then called for the vote.

Agenda Item: Meeting Minutes Approval

Motion: Move to approve the Oregon Housing Stability Council Meeting Minutes from May 1, 2020

	Motion	Yes	No	Abstain	Excused
Sarah Devries		X			
Sami Jo Difuntorum		X			
Chair Claire Hall		X			
Barb Higinbotham		X			
Anna Geller		X			
Mary Li				X	
Gerardo Sandoval	2	X			
Charles Wilhoite	1	X			

**With seven members voting to approve, we have met the quorum requirements to pass this item.*

Director's Report

Executive Director Margaret Salazar

Executive Director Salazar provided reference to the Special Directors Message sent on June 3rd memorializing George Floyd and reaffirming OHCS's commitment to anti-racism and calling for an end to police brutality.

Key Agency Updates:

Executive Director Salazar updated the Housing Stability Council about an interagency effort under direction from Governor Brown in support of agricultural workers during COVID, allocating \$30M to protect agricultural workers and to secure Oregon's food supply. \$10M is available for safe housing for reimbursement of costs incurred by growers related to alternative housing needs during COVID. An additional \$3.5M is available directly to agricultural workers and families in partnership with the Oregon Human Development Corporation. These funds are dedicated to address the sheltering needs of agricultural workers and families.

Other Legislative Updates:

Later this afternoon, the Emergency Board will convene to allocate Coronavirus Relief Funds, through the CARES Act. These funds are essentially a block grant provided to state governments specifically to address needs related to COVID. Funds must be expended by the end of the calendar year. The E-Board will consider the following funds to be allocated to OHCS:

\$55M in rental assistance and \$15M in energy assistance that will be granted to Community Action Agencies under existing Master Grant Agreements, along with \$20M to provide operating support to owners of Affordable Rental Properties in OHCS' portfolio.

Executive Director Salazar provided a personnel update:

- Mike Savara and Laura Lien are new managers in the Housing Stabilization Division
- Caleb Yant has been appointed to the role of Deputy Director
- Tricia Tillman, Equity, Diversity and Inclusion Manager

Executive Director Salazar turned it over to Division Directors for updates related to COVID.

Homeownership Division – Director Emese Perfecto:

Director Perfecto stated we were able to reallocate \$500,000 of HOAP Funds for forbearance assistance through Homeownership Centers. The Division has been facilitating monthly partner calls during

COVID, along with reaching out to communities of color to understand needs for populations that are disproportionately impacted.

Oregon Homeownership Stabilization Initiative – Hardest Hit Funds. Oregon is one of the only states that has this significant resource available, approximately \$25M in recycled funds. Director Perfecto reported that we are working out some kinks in the contracting with US Treasury. We are currently looking at programs to help with mortgage assistance, and anticipating additional federal funds for homeownership.

Affordable Rental Housing Division – Director Julie Cody:

We have been working in partnership with Business Oregon to explore Community Development Block Grant (CDBG) in Balance of State (non-entitlement communities) for rental assistance. We are assisting Business Oregon to develop program parameters that will work with existing established delivery mechanisms, through local jurisdictions already set up to work with Business Oregon. The Area Median Income allowed will be slightly higher than some of the other funding that is available as we are trying to fill gaps in resources targeted to COVID-19 households.

The Emergency Board is considering a proposal to allocate \$20M to provide operating loans to stabilize affordable housing projects in the OHCS portfolio, providing another tool to help households remain stable in housing. We are anticipating a potential benefit cliff event toward the end of summer as the \$600 Pandemic Additional Compensation program ends at the end of July, and likely to see decreases in rent payments. We are developing a program framework exploring potential loans to the property.

We continue to track the federal funding guidelines related to compliance and inspections and continually update the OHCS website, and share information with partners. Partners have provided information through surveys on both development issues and rent collection issues. We have heard that construction has not been that impacted, except at some local levels with permitting and rehab projects are experiencing slight delays due to relocation issues. We continue to monitor these issues on the ground and are also researching what other Housing Finance Agencies are doing during this crisis.

Councilor Li asked Director Cody to talk about how we are using a racial justice lens with these funds.

Director Cody responded that we are actively engaging stakeholders in the delivery system to understand this more, knowing that communities of color are disproportionately impacted by COVID-19.

Councilor Sandoval asked about funds to assist farmworkers, and what mechanisms for accountability are in place to make sure that the intent of those fund are carried out and making a difference?

Executive Director Salazar said we will need to get back to the Council about these questions. It is a moment when we can make smart decisions centered in racial justice, and we have to really understand the federal funds including Coronavirus Relief Funds, including CDBG and requirements related to immigration status. Our hope is that as we look at constraints with respect to federal funds, we can understand where State funds can fill in the gap.

Housing Stabilization Division – Director Andrea Bell:

Director Bell began by outlining the framework for accountability in the delivery system to provide guidance on how to use resources strategically, how to help communities reach public health goals, to maintain and increase housing stability, preventing future increases in homelessness, focused on equity and racial justice.

Federal Funds:

COVID 19 Emergency Solutions Grant is based on HUD’s existing needs based formula. We received an award letter of \$6.7M but haven’t received the funds yet. We know there will be a second allocation using a modified needs based formula likely using COVID-19 data to target highly impacted areas. We received \$8M for Community Solutions Block Grant which looks at the broader community needs. There is also \$9.5M for Low Income Home Energy Assistance Program (LIHEAP) for assistance with paying utility bills.

On April 23rd the Legislative E-Board allocated \$12M, with \$8.5M for rental assistance at 50% AMI to be administered by Community Action Agencies, and \$3.5M serve Oregon farmworkers and families through Oregon Human Development Corporation. The purpose is to provide safe sheltering for those who are symptomatic or need to isolate due to COVID-19, make sure that their housing is not impacted if they are not allowed to work.

During the 2019 session, OHCS received \$5M in one time shelter funding, and we made a portion of those funds available for winter shelter infrastructure. The remaining funds were distributed to Community Action Agencies for safe sheltering and social distancing needs during the pandemic.

With our existing agreements, equity and racial justice is already woven into the framework. We have been around reaffirming it in this emergency. Regarding data collection, we know that CAA’s are doing work to serve communities of color, as we know these communities disproportionately impacted. Our position is that we must do data collection now to optimize the federal dollars.



Homeownership Division Report

Emese Perfecto, Director, Homeownership Division

Oregon Bond Loan Approvals – *Kim Freeman, Single Family Program Manager*

Ms. Freeman asked the Council’s approval for the Oregon Bond Loans. She then asked if the Council had any questions or comments.

More information can be found [here](#).

Chair Hall called for the motion to approve the Oregon Bond Loans.

Agenda Item: Oregon Bond Residential Loan Consent Calendar

Motion: Approve the Oregon Bond Residential Loan Consent Calendar

Councilmember	Motion	Yes	No	Abstain	Excused
Devries, Sarah	2	X			
Difuntorum, Sami Jo	1	X			
Chair Hall, Claire		X			

Higinbotham, Barb		X			
Geller, Anna		X			
Li, Mary		X			
Sandoval, Gerardo		X			
Wilhoite, Charles				X	

Pass/Fail 7:0:1:0/ PASS

Affordable Rental Housing Division

Julie Cody, Director of Affordable Rental Housing

Multifamily Housing Transactions:

Additional information can be found [here](#).

Council Comments/Questions:

Reference to discussion begins at 1:37 of the meeting recording.

Agenda Item: Patton Home, Conduit Bond 4% LIHTC funding request

Motion: Move to approve Pass through Revenue Bonds in an amount up to and not to exceed \$5,400,000 to CDP PATTON HOME LIMITED PARTNERSHIP for rehabilitation and acquisition of Patton Home, subject to the borrower meeting OHCS, and Umpqua Bank underwriting and closing criteria, documentation satisfactory to legal counsel and State Treasurer approval of the bond sale.

Councilmember	Motion	Yes	No	Abstain	Excused
Devries, Sarah		X			
Difuntorum, Sami Jo	1	X			
Chair Hall, Claire		X			
Higinbotham, Barb		X			
Geller, Anna	2	X			
Li, Mary		X			
Sandoval, Gerardo		X			
Wilhoite, Charles					X

Pass/Fail 7:0:0:1/ PASS

Agenda Item: Tigard Triangle Apartments

Motion: Move to approve Pass-Through Revenue Bonds in an amount up to and not to exceed \$17,000,000 to Tigard Triangle Limited Partnership for the new construction of the project known as Tigard Triangle Apartments, subject to the borrower meeting OHCS, Citibank & R4 Capital underwriting and closing criteria, documentation satisfactory to legal counsel and State Treasurer approval of the bond sale.

Councilmember	Motion	Yes	No	Abstain	Excused
Devries, Sarah	2	X			
Difuntorum, Sami Jo		X			
Chair Hall, Claire		X			
Higinbotham, Barb		X			

Geller, Anna	1	X			
Li, Mary		X			
Sandoval, Gerardo		X			
Wilhoite, Charles					X

Pass/Fail 7:0:0:1/ PASS

Agenda Item: Springtree Apartments

Motion: Move to approve Pass-Through Revenue Bond Financing in an amount up to and not to exceed \$9,170,000 to Springtree Associates Limited Partnership for the acquisition and rehabilitation of Springtree Apartments, subject to the borrower meeting OHCS, Lender and Investor (PNC Bank, National Association) underwriting and closing criteria, documentation satisfactory to legal counsel and Treasurer approval for the bond sale.

Councilmember	Motion	Yes	No	Abstain	Excused
Devries, Sarah		X			
Difuntorum, Sami Jo	2	X			
Chair Hall, Claire		X			
Higinbotham, Barb		X			
Geller, Anna	1	X			
Li, Mary				X	
Sandoval, Gerardo		X			
Wilhoite, Charles					X

Pass/Fail 6:0:1:1/ PASS

Agenda Item: Springtree Apartments

Motion: Move to approve the award of Housing Development Grant Program funds in the amount of \$5,000,000 to Springtree Associates Limited Partnership for the Portfolio Preservation of Springtree Apartments. This reservation is subject to the sponsor meeting the requirements of the 4% LIHTC and Conduit Bond programs.

Councilmember	Motion	Yes	No	Abstain	Excused
Devries, Sarah		X			
Difuntorum, Sami Jo		X			
Chair Hall, Claire		X			
Higinbotham, Barb		X			
Geller, Anna	1	X			
Li, Mary				X	
Sandoval, Gerardo	2	X			
Wilhoite, Charles					X

Pass/Fail 6:0:1:1/ PASS

Chief Financial Officer

Caleb Yant, Chief Financial Officer, CFO Division

Chief Financial Officer Yant and Nicole Stoenner: 2021-23 Legislative Agenda Development:
Additional information can be found [here](#).

Council Comments/Questions:
Reference to discussion begins at 3:14 of the meeting recording.

Affordable Rental Housing Division
Julie Cody, Director of Affordable Rental Housing

Rent Increase Policy – Rick Ruzicka, ARH Policy Analyst, Natasha Detweiler-Daby, Senior ARH Policy Analyst, Julie Cody, ARH Director

Additional information can be found [here](#).

Council Comments/Questions:
Reference to discussion begins at 3:59 of the meeting recording

Agenda Item: Rent Increase Policy

Motion: Move to approve the revised Rent Increase Policy as presented [or with noted revisions] at the June Housing Stability Council meeting and to report back to Housing Stability Council once directed tenant input following COVID-19 recovery.

Councilmember	Motion	Yes	No	Abstain	Excused
Devries, Sarah	1	X			
Difuntorum, Sami Jo		X			
Chair Hall, Claire					X
Higinbotham, Barb		X			
Geller, Anna		X			
Li, Mary		X			
Sandoval, Gerardo		X			
Wilhoite, Charles	2	X			

Pass/Fail 7:0:0:1/ PASS

Report of the Chair

No report was given.

Adjourned at 1:05pm



**OREGON HOUSING and
COMMUNITY SERVICES**

725 SUMMER STREET NE, SUITE B | SALEM, OR 97301
503-986-2000 | www.oregon.gov/OHCS

Date: July 10, 2020
To: Housing Stability Council Members
Margaret Solle Salazar, Director
From: Carmel Charland, OHSI Administrator
Re: Oregon Homeownership Stabilization Initiative (OHSI) Update

PURPOSE: To provide the Housing Stability Council with an update on the Oregon Homeownership Stabilization Initiative (OHSI) program. Informational only, no motion needed.

Last September, we gave the Housing Stability Council an overview of the OHSI programs and announced the wind down plan, based on U.S. Treasury's deadlines. Much has changed since then and OHSI has simultaneously implemented that plan, and begun the process of increasing foreclosure prevention assistance. This briefing will provide an update of the wind down plan, OHSI's response to the coronavirus, and the current status of the program.

The Mortgage Payment Assistance (MPA) program for unemployed homeowners remained available through December 31, 2019, in order to offer a lifeline to over 1400 workers impacted by the NORPAC food processing plant closures last year. The Loan Preservation Assistance (LPA) and Principal Reduction/Lien Extinguishment (PRLE) programs both closed for applications on April 30, 2020, as planned. This wind down schedule would allow OHSI to have all applications processed before December 31, 2020 as required by U.S. Treasury, and stay within the administrative budget. It was expected that at the close of the program, several million dollars would be returned to U.S. Treasury. This is because Oregon had more money return to the program through loan payoffs and other revenue (referred to as "recycled funds") than there was time available to disburse it.

As the reality of the corona virus pandemic hit, OHCS sought to maximize all available resources to address the economic fallout. An obvious asset was OHSI's recycled funds. If U.S. Treasury would allow an extension of the timeline to process applications, and increase OHSI's administrative budget, an appropriate program to assist homeowners struggling due to covid-19 could be implemented using the existing infrastructure. Through a collaborative effort with Oregon's federal delegation, OHCS did receive the requested timeline change. On May 22, 2020, Treasury announced an extension of the deadline for processing applications to June 30, 2021, with the final funding deadline still being December 31, 2021.

OHSI made a program change request to U.S. Treasury to allow an increase in the administrative budget so that the program can operate long enough to expend the remaining funds. While U.S. Treasury is supportive of this request, it is a challenge to execute. The participation agreement made with the states in 2016 requires all recycled funds be used for program expenses. To amend the agreement so that Oregon can use a portion of the recycled funds for administrative expenses requires a legal review and process outside of the normal course of a program change. To date, OHSI has expended \$40 million more than was allocated by U.S. Treasury (116% of the program allocation), while still utilizing the original



administrative budget. We anticipate this very reasonable request will be approved in July. However, In the event that U.S. Treasury is unable to provide timely approval of the request for additional administrative funds, \$2.75 million has been set aside from the Coronavirus Relief Fund funding approved by the E-Board for OHCS to be used for this purpose.

OHSI is moving forward with plans to reopen its Loan Preservation Assistance program (LPA) and disburse the approximately \$20 million of recycled funds. It will reinstate delinquent first lien mortgage accounts with a one-time payment. OHSI projects as many as 4000 homeowners could be assisted with this program, as it is anticipated that the benefit amount paid will be lower than in earlier versions of LPA, since the delinquencies will not yet be as severe as during the Great Recession.

Since 2018, OHSI has been working with Brink Communications to improve its outreach efforts. This led to a very successful Spanish language campaign used in the push to close out the last programs. Building on this momentum, Brink will concentrate the focus of the new LPA campaign on BIPOC communities who are disproportionately impacted by the covid-19 crisis. The detailed marketing plan is in development and will include a variety of media components.

The specific details for opening the covid-19 response version of LPA are not yet available. OHSI is busy meeting with partners to fine tune eligibility guidelines, recruiting staff to meet the need, and developing improved operational systems so that the remaining funds can be fully utilized within the required timeframe. Ideally, more details can be reported on by the time of the HSC presentation. Attached is an addendum detailing the existing program statuses and progress updated through March 30, 2020.

Date: July 10, 2020

To: Housing Stability Council
Margaret Solle Salazar, Director

From: Joanne Sheehy – Production Analyst
Casey Baumann – Production Manager
Roberto Franco – Assistant Director of Development Resources and Production
Julie V. Cody – Director of Affordable Rental Housing Division

RE: Glenhaven Park Apartments

MOTION: Move to approve Pass-Through Revenue Bond in an amount up to and not to exceed \$12,750,000 to Glenhaven Park LLC for the acquisition and rehabilitation of the four sites encompassing the project known as Glenhaven Park Apartments, subject to the borrower meeting OHCS, Lender (Umpqua, NOAH and USDA RD) & Investor (PNC) underwriting and closing criteria, documentation satisfactory to legal counsel and State Treasurer approval of the bond sale.

MOTION: Move to recommend to Housing Stability Council the reservation of Lottery Backed Bonds/Housing Preservation Funds in the amount of \$8,333,000 to Chrisman Development Inc. to be used in junction with 4% LIHTC and Conduit Bonds for Glenhaven Park LLC. This reservation is subject to sponsor meeting the requirements of the 4% LIHTC and Conduit Bond programs.

Overview and Location:

Glenhaven Park Apartments (GPA) is an acquisition, rehabilitation, and preservation scattered site project. Apartment complexes are located in Heppner, McMinnville, Newberg and Tillamook.

- The Heppner property, Mountain Glen Apartments (Morrow County), is a 24 unit family project consists of 3 two-story buildings with a unit mix of 20 two-bedrooms, and 4 three-bedrooms. All 24 units receive USDA rental assistance.
- The McMinnville Property, Jandina Apartments (Yamhill County) is a 36 unit family project consists of 3 buildings and one community building with 12 one-bedroom, 20 two bedroom and 4 three-bedroom units. 28 of the 36 units receive USDA rental assistance.
- The Newberg property, Newberg Village (Yamhill County), is a 32-unit senior project and consists of 16 one-bedroom units and 16- two bedroom units. 28 of the 30 units receive USDA rental assistance.
- The Tillamook Property, Pine Ave Apartments (Tillamook County), is a 30 unit family project consists of 3 one-bedroom, 20 two-bedroom and 7 three –bedroom units. All units receive USDA rental assistance.

With the acquisition of these properties, the current RD mortgages will be assumed. The mortgages will then be re-amortized for 50 years. It is a requirement of the USDA RD program that a RD mortgage

is in existence to maintain the rental assistance. This project will preserve 110 units receiving RD rental assistance of the 122 total rental units of the project

Heppner



McMinnville



Newberg



Tillamook



Population Served:

The populations served are families and seniors earning 60% of the Median Family Income (MFI) and below.

Funding History:

OHCS Finance Committee approved a reservation of Lottery Backed Bonds/Housing Preservation Funds (LBB/HPF) on January 9, 2019 to Chrisman Development Inc. (CDI) for the acquisition, rehabilitation, and preservation of the four apartment complexes encompassing Glenhaven Park Apartments. This project met the top priority for the preservation resources in a 2018 NOFA. These funds provide gap financing leveraging 4% LIHTC paired with conduit bonds.

The reservation of these competitive resources required Chrisman Development Inc. to sign a Diversity, Equity, and Inclusion agreement to address equity and diversity in the project through the use of Minority, Women and Emerging Small Business (MWESB) contracting, sub-contracting, and professional services. This agreement was signed and a fully developed plan was submitted to OHCS. CDI has engaged professional services with a minority owned emerging small business and a woman owned businesses, as well as the general contractor (ESB) on this project. They look forward to additional guidance from OHCS as the MWESB policy is further developed and addresses rural areas of the State.

Funding Context:

In addition to the competitive resources described above, this project also uses non-competitive 4% LIHTC and Tax-Exempt Conduit Bond resources, which require the developer to comply with federal regulations and requirements. In addition, the project will utilize OAHTC on a portion of the permanent loan totaling \$7,259,000. There is no required annual rent pass through as this is qualifies as a preservation project.

Sponsor:

The sponsor is Chrisman Development, Inc. The development and management staff have many years of experience with 9% and 4% LITHC, HOME, CDBG, GHAP, and RD funding, and other diverse financing sources. Doug Chrisman, President, has been developing and managing properties since 1989 and has extensive experience in the intricacies of USDA Rural Development, HUD and Low-Income Housing Tax Credit properties. Tim Cox, the CFO, has been a CPA since 1995 and has been working in the Multifamily Housing Industry since 2004. Doug Alley, Senior Project Manager, is a trained architect and has worked on numerous project renovations in the OHCS portfolio.

Partnerships:

Chrisman Development and Viridian Management Services have reached out to community partners to provide linkages to both entitlement and other services and programs. Though resident services are not an allowable expense for RD, the development team has reached out to the following community partners to provide stability, self-sufficiency and improved quality of life as well as culturally specific services. Below is a list of partners and referral resources with a brief description of their services.

Heppner:

- **Blue Mountain Community College’s Workforce Training Center**, in nearby Boardman, Oregon, offers a variety of services including job skills workshops, college preparatory classes, including adult basic education, and credit recovery, GED preparation, and ESL classes, as well as customized training for business and industry. Enrollment services can assist applicants to obtain grants and scholarships to offset education costs and navigate Veteran education benefits.
- **Community Action Program of East Central Oregon (CAPECO)** offers energy assistance, homeless

services, case management, utility assistance, and food and nutrition programs (emergency food boxes, tribal commodities, community food resources, senior commodities, congregate meals, home-delivered meals. Congregate meals in Heppner are served at St. Patrick's Senior Center.

- **Umatilla Morrow Head Start, Inc.** offers a free family-focused child development program that addresses literacy, social services, nutrition and health for children.
- **Neighborhood Center of South Morrow County** has clothing, emergency assistance, food, transportation assistance, and thrift store to help households with financial need in Heppner.
- **Department of Human Services (DHS)** provides medical assistance programs, food stamps, temporary cash assistance for needy families, emergency assistance, job training and assistance with child-care costs.
- **The Loop** serves Morrow County residents Dial-a-Ride services, with ADA accessible buses and vans, throughout Morrow County and into nearby locales, including Pendleton, Boardman, The Dalles and Walla Walla.
- **Community Counseling Solutions** offers mental health services, drug and alcohol treatment, senior peer outreach, development disability support programs, and more to residents of Heppner. Clients will not be denied care for inability to pay.
- **WorkSource Oregon**, with offices in Hermiston and Pendleton, give job-seekers access to a variety of tools and services to achieve their employment goals. WorkSource also works closely with local employers and businesses to recruit and fill job openings.

McMinnville

- **A Family Place Relief Nursery** offers a diaper bank and children/maternity clothing closet and supports at-risk families by offering free professional home visiting, parent educations and specialized preschool for children aged 0-5. Offers Spanish-speaking staff and/or materials.
- **City Outreach Ministry** offers baby items to meet children's basic needs, as well as free furniture and bedding.
- **Valley Baptist Church** provides free clothing, books and shoes.
- **Lutheran Community Services NW** offer child and family counseling, violence intervention, healthy relationships program, immigration counseling and advocacy. Offers Spanish-speaking staff and/or materials.
- **Pregnancy Counseling and Information Centers** offer free pregnancy testing and counseling, free diapers and baby clothing. Stroller and care seats are eared via the workbook system. Offers Spanish-speaking staff and/or materials. Offers Spanish-speaking staff and/or materials.
- **Disabled Veteran Outreach Program** provides an array of veteran services, including advocacy, employment and career counseling, vocational guidance, labor market information, individual employment plans, resume and application assistance, on-the-job training and job development, apprenticeship information, government employment opportunities and referrals to veteran service providers.
- **Yamhill Community Action Partnership** also assists households in need one-time financial assistance, employment resources, case management, and energy assistance. Offers Spanish-speaking staff and/or materials.

- **Yamhill County Adult Mental Health** offers mental health counseling and medication management.
- **Yamhill County Family and Youth Programs** provides counseling for children and youth, and drug rehabilitation support.
- **Hope on the Hill** provides one box per family per month of non-perishable foods, paper products, toiletries, and hygiene items. Offers Spanish-speaking staff and/or materials/
- **St. Vincent de Paul Social Services** has an emergency food bank, and limited funds to help with rental assistance/72-hour notices, utility shut-offs, emergency prescriptions and household goods. Availability is based on inventory, family size and need.
- **St. Barnabas Soup Kitchen** serves complete meals and often give away extra produce, bread or other items.
- **McMinnville Free Clinic** is a free, first come-first service, medical clinic. Services include injury care, laboratory services, acute illnesses treatment, refills for limited medications, lifestyle counseling, social service, counseling and medication for those with mental health problems. Offers Spanish-speaking staff and/or materials.
- **Henderson House** offers safety planning, protection order assistance, court accompaniment, support groups, bilingual services, emergency shelter, victim's advocacy, counseling and referrals for victims of domestic and sexual violence. Performs Hispanic outreach and bilingual services. Offers Spanish-speaking staff and/or materials.
- **Yamhill Community Action Partnership (YCAP)** offers some rent and energy assistance (through the LIHEAP program) and operates the Coordinated Entry System for Yamhill County, called AnyDoor Yamhill. Persons who are homeless, living in a shelter or about to be homeless can apply online in English or Spanish for multiple assistant types. Additionally, YCAP may provide one-time financial assistance to elderly persons through the Elderly Assistance Fund, and short-term case management to include transportation assistance and employment related needs through the Direct Client Assistance Fund. Bilingual assistance is available.

Newberg

- **Program of All-inclusive Care for the Elderly (PACE)** is part of a nationwide, federally recognized program. The PACE model is centered on the belief that it is better for the well-being of seniors with chronic care needs and their families to be served in the community whenever possible and provides the structural support to do so.
- **Newberg Fish Emergency Service** is a member of the Oregon Food Network and focuses its efforts on providing emergency food services and cooperating with other local agencies to help people meet other critical needs such as emergency dental and medical care, and prescription vouchers.
- **St. Vincent de Paul Social Services** has an emergency food bank, and limited funds to help with rental assistance/72 hour notices, utility shut-offs, emergency prescriptions and household goods.
- **Community Connections - Faith in Action** through the Providence Newberg Medical Center offers a *Caregiver Program* through which volunteers assist older persons with housekeeping, respite, errands, transportation, etc., as well as *Strong for Life*, a free exercise class for older adults. The **Department of Human Services (DHS) - Vocational Rehabilitation** and **Experience Works** offer

vocational counseling, job development and job search assistance to persons with disabilities and low-income adults.

- The **Senior Meal Program** provides in-home meals to seniors as well as a hot meal program at the **Newberg Senior Center** through the Chehalem Park and Recreation District.
- **NorthWest Senior and Disability Services** provides seniors and persons with disabilities assistance with Medicaid, Medicare and SHIBA, food, and in-home caregiving. Additional offerings include health and wellness programs, senior peer mentor program, and the Oregon Money Management program. Lastly, the agency serves as the Adult Protective Services authority and provides abuse prevention services and victim advocacy.
- **Yamhill County Health and Human Services - Veterans Services** assists veterans and their families to file for benefits with federal and state agencies, enrollment into VA Health, dependent and survivor benefits and vocational rehabilitation.
Confederated Tribes of Grand Ronde helps connect tribal members and spouses who have served in the military to available services.
- **Yamhill County Transit Area** offers transportation in Yamhill County with links to surrounding counties and includes Dial-a-ride and Link Service. All buses are wheelchair accessible.
- **Virginia Garcia Memorial Health Clinic** offers medical, dental, vision, mental and behavioral health and wellness programs. Additionally, the clinic offers a self-management program for patients to learn strategies to manage their chronic condition and live a healthier life. This class is offered in English and Spanish. The Spanish class is designed to be culturally appropriate for Hispanics and is taught in Spanish by two certified facilitators.
- **Yamhill Community Action Partnership (YCAP)** offers some rent and energy assistance (through the LIHEAP program) and operates the Coordinated Entry System for Yamhill County, called AnyDoor Yamhill. Persons who are homeless, living in a shelter or about to be homeless can apply online in English or Spanish for multiple assistance types. Additionally, YCAP may provide one-time financial assistance to elderly persons through the Elderly Assistance Fund, and short-term case management to include transportation assistance (help to obtain a driver's license, car repair, registration, bus passes) and employment related needs through the Direct Client Assistance Fund. Bilingual assistance is available.

Tillamook

- **Community Action Resource Enterprises in Tillamook County (CARE)** offers energy assistance, homeless services, case management, one-time rental assistance, gas vouchers and bus tokens, prescription assistance, car seats, personal items, eviction assistance, and a Healthy Family program, which is a home visitation program designed to help families with newborn children develop healthy parenting skills.
- **Head Start of Tillamook** offers a free family-focused child development program that addresses literacy, social services, nutrition and health for children.
- **Marie Mills Center, Inc.** provides employment and work experience, and help with daily living skills, for disabled persons of Tillamook County.
- The **Tillamook Food Bank** provides food and supplies for residents in need.

- **Meals for Seniors, Inc.** offers nutritious meals, both on-site and to the home-bound, as well as the opportunity for social interaction and entertainment for seniors of Tillamook County.
- The **Tillamook County Women’s Resource** offers a wide-range of emergency and support services for victims of domestic violence, sexual assault, dating violence and stalking, which includes a job-training program, as well as outreach, education and prevention programs.
- **Tillamook County Community Health Centers** provide sliding fee scale for services, bilingual staffing, WIC (Special Supplemental Nutrition Program for Women, Infant, and Children) services through several area clinics.
- **NorthWest Senior and Disability Services** offers information and referral services for seniors and those are disabled and under the age of 65.
- **Tillamook County Transportation District** offers general public dial-a-ride, local deviate route, intercity and commuter bus services. This includes a route to Portland, a free shuttle to Pacific City, and a commuter bus between Salem, Spirit Mountain Casino and Grand Ronde. All buses and vans are lift equipped and meet ADA requirements.

General Contractor:

AB Construction was formed in 2019. Angela Chase, President and Brad Chase, Vice President have over 20 years of experience in the construction and property management business. Brad has worked on Chrisman properties for the past 10 years, before forming his own company. AB Construction has a strong understanding of the various rural communities, USDA RD and OHCS requirements. They have a goal of at least a 10% participation of MWESB sub-contractors on their projects in the various rural communities.

OHCS Policy Priorities: The project meets four key OHCS policy priorities as outlined in the Statewide Housing Plan.

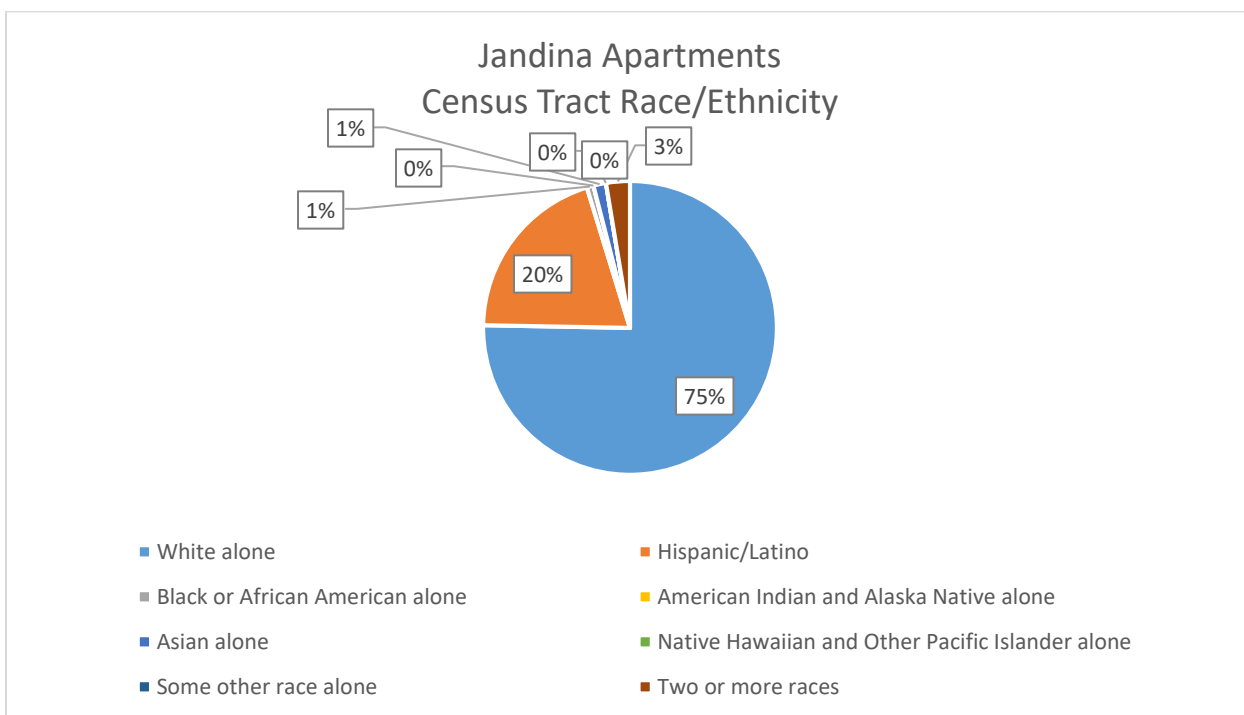
- **Equity and Racial Justice:**

Glenhaven Apartments is a scattered-site acquisition/rehab project; the units in these buildings are already occupied. The project will preserve four USDA/RD 515 rental subsidized properties in four rural cities scattered throughout the state: McMinnville, Tillamook, Newberg, and Heppner.

Below we will review the demographics of the community for each of these project locations. This information is used to develop Affirmative Fair housing Marketing strategies as well as to determine language access needs. We do not currently have project specific tenant demographics, though are working to explore ways to measure successful marketing and partnership strategies. When units become available there is an opportunity to ensure they are actively marketed to populations that are least likely to have applied for and be represented in affordable rental housing.

Jandina Apartments/McMinnville

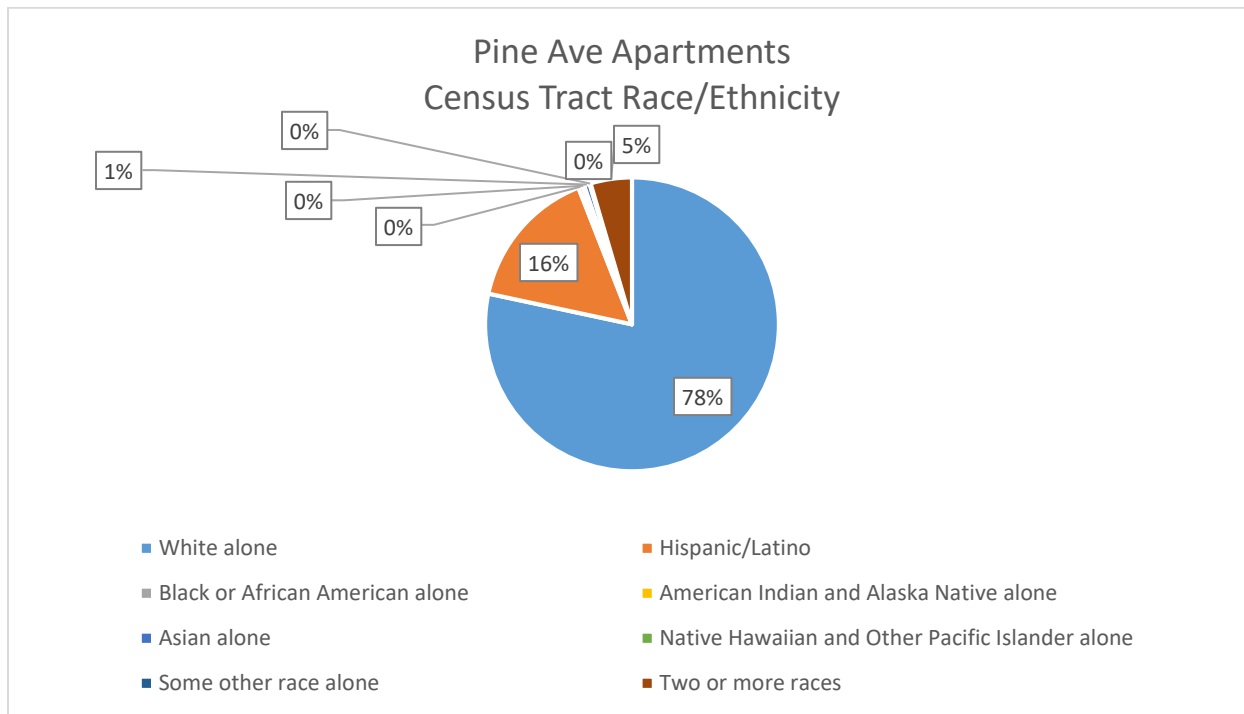
Jandina Apartments in McMinnville is located in a Census Tract with a racial and ethnic composition that consists of 24.7% people of color. Further disaggregated, of those people of color 80.8% identify as Latino (91.9% of whom identify specifically as Mexican), 10.6% identify as multiracial (58.5% American Indian/Alaska Native and White, and 19.5% Asian and White), and 5.6% identify as Asian (100% of whom identify as Filipino). People of color in the Census Tract are disproportionately likely to be renters, with 51.1% of households of color renting compared with 34.9% of white households renting. Digging deeper within this community, the Asian community, of whom 100% identified as Filipino, consists of 100% renter households. Due to the high proportion of renters, loss of rental housing in this community would disproportionately impact people of color, particularly Mexican and Filipino Oregonians.



Pine Ave Apartments/Tillamook

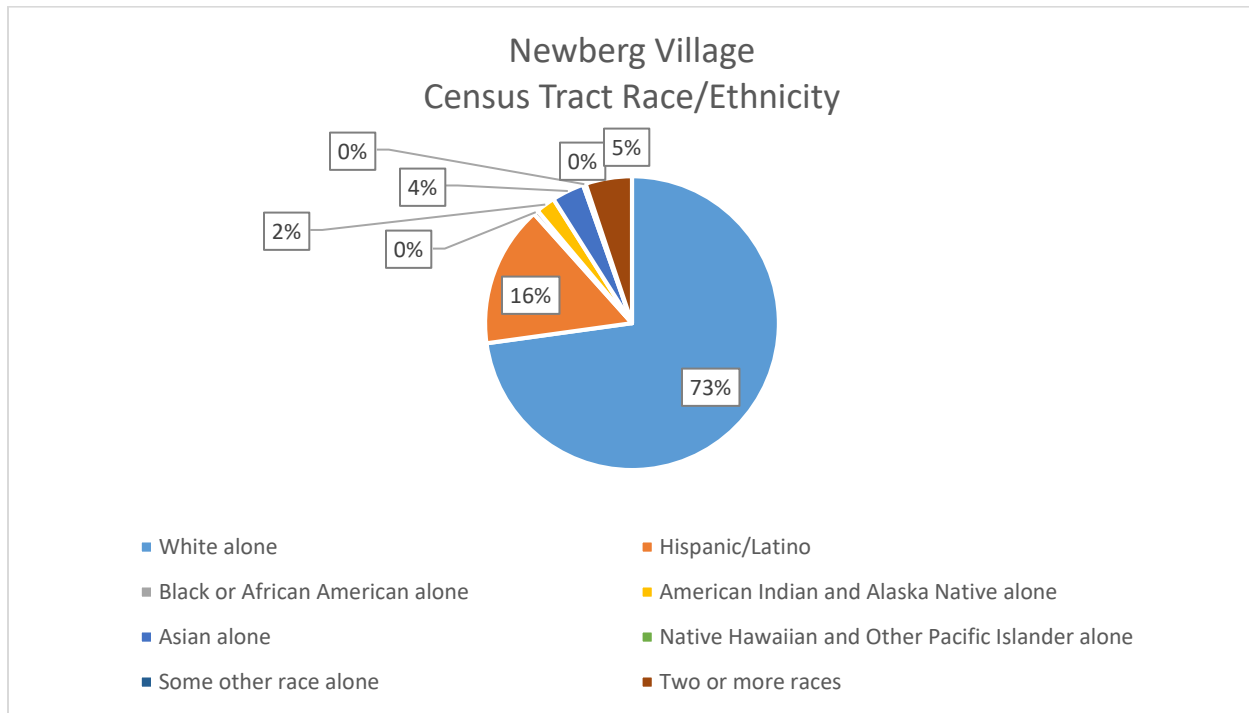
Pine Ave Apartments in Tillamook is located in a Census Tract identified as at risk of gentrification using the criteria in OHCS’s 2019 QAP. When compared to similar census tracts, this one has a high percentage of renters (40.6%), a low percentage of high school graduates (87.5%), and a high percentage of people of color (21.6%). Of those people of color, 72.5% identify as Latino (95% Mexican, 5% Other Hispanic/Latino), and 21% identify as multiracial (51.7% American Indian/Alaska Native and White, 34.4% Asian and White, and 31% Black/African American and White). As with the other properties in this project, Pine Ave Apartments’ Census Tract also contains a disproportionate number

of renter households of color (64.2%) than white renter households (36.5%). This disparity is even more pronounced when looking at Latino households, of which 73.2% are renters.



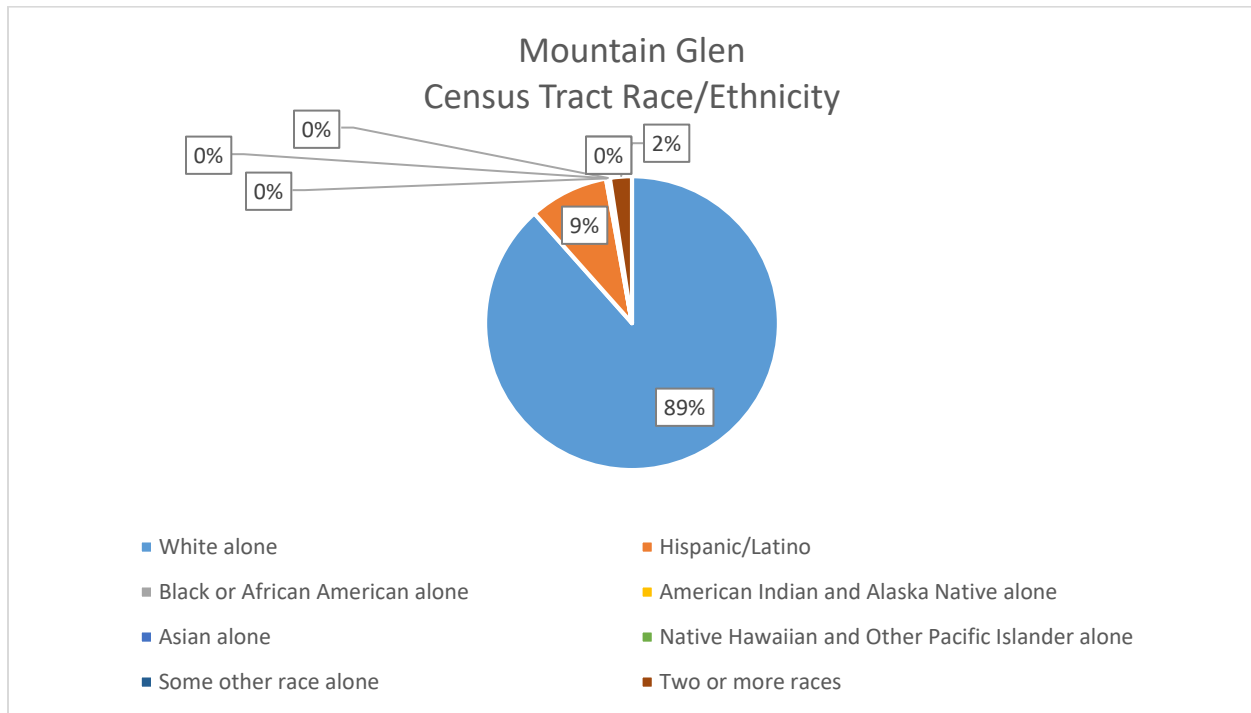
Newberg Village/Newberg

Newberg Village in Newberg, like Pine Ave Apartments, is also located in a Census Tract identified as vulnerable to gentrification by OHCS’s 2019 QAP. This tract, when compared to comparable census tracts, has a high proportion of renters (56.1%), low percentage of high school graduates (76.4%), and a high percentage of people of color (27.2%). Conversely, this tract also contains some indicators that highlight opportunity, namely a high labor market engagement index (59 out of a possible 100) and a high jobs to labor ratio (1.13). This signifies an exacerbated risk of displacement, with jobs to draw in new residents if gentrification were to occur, and further amplifies the need for preserving affordable housing to ensure current residents are not forced out of their neighborhood. This Census Tract is comprised of 27.2% people of color, of whom 57.2% identify as Latino (90% Mexican, 10% Other Hispanic/Latino), 18.8% identify as multiracial (45.4% Asian and White, 31.4% American Indian/Alaska Native and White, and 2.5% Black/African American and White), and 13.1% identify as Asian (41.9% Chinese, 31% Other Asian, 11.3% Filipino, and 10.5% Korean). Disparities in housing tenure are stark in this census tract as well. While 51.7% of White households are renters, 93.1% of Latino households are renters, and 100% of Asian households are renters. With the increased risk of displacement, preserving rental units is crucial to keeping these diverse communities of color stably housed in this area.



Mountain Glen

Mountain Glen in Heppner is located in a Census Tract that was identified as a high opportunity area using the criteria from OHCS’s 2019 QAP. When compared with other comparable census tracts, this tract has a higher household income (3.1% greater than median), higher labor market engagement index (42 out of 100), a higher job to labor ratio (0.73), and it is near an elementary school that is rated above average (7 out of 10 on GreatSchools.org). Additionally, the tract has a higher percentage of renters than comparable Census Tract (35.8%) and this property is one of only two publicly supported affordable housing properties in the city. The tract is made up of 11.6% people of color. Of those people of color, 75.5% identify as Latino (98% Mexican, 2% Other Hispanic/Latino), 20.9% identify as multiracial (86.8% of whom identify as American Indian/Alaska Native and White), and 2.1% Asian (100% of whom identify as Japanese). These households of color, as with each of these tracts, are disproportionately likely to be renters. While 34.1% of White households are renters, 52.3% of households of color are renters, and more specifically, 78.9% of the Latino households are renters. This city has limited rental stock already for its community of renters, of whom people of color, the Mexican community in particular, are disproportionately represented and therefore more likely to be negatively impacted by the loss of this housing were it not preserved.



Marketing/Leasing:

As an occupied project, all the properties operate via a wait list and must use Affirmative Fair Housing Marketing Strategies to ensure the marketing efforts reach those that are least likely to be served with affordable rental housing in the community. In addition to posting wait lists on the Viridian (management agent) and other Oregon Housing Authority websites, they advertise the wait list in local publications, and market to organizations serving low income, disabled and communities of color. They advertise in culturally specific publications and community newspapers. All properties are to provide low barrier housing, which is specifically designed to ensure access by households that may not be able to meet general market standards for tenancy; a minimal number of expectations are placed on people who wish to live there.

MWESB Participation:

AB Construction, formed in 2019, is in the process of becoming certified as an Emerging Small Business. Angela Chase, President and Brad Chase, Vice President have over 20 years of experience in the construction and property management business. Brad has worked on Chrisman properties for over 10 years. Forming his own construction company will allow more control over MWESB participation of sub-contractors as well as being able to manage projects Statewide in very diverse, rural communities.

Strategies employed to ensure MWESB usage will include the utilization of a state of the art software program, Procore, that targets bid solicitations and track MWESB results. This system allows outreach to the various communities to locate potential MWESB-eligible contractors and supporting MWESB eligible business interested in registering for certification.

In addition, while work to-date has shown that there are few registered MWESB businesses in the regions of the proposed contract, AB Construction will reach out to culturally relevant community organizations, small business development agencies, construction industry associates, and other service organization that will help identify potential MWESB eligible sub-contractors. They have a goal to reach a minimum participation of at least 10% MWESB participation.

- **Homelessness:** Provides 110 out of 122 units of project based USDA RD rental assistance.
- **Permanent Supportive Housing:** N/A
- **Affordable Rental Housing:** Rehabilitates and preserves 122 units of affordable housing.
- **Homeownership:** N/A
- **Rural Communities:** All four projects are in rural communities.

Risks and Mitigating Factors:

This development conforms to OHCS underwriting standards. The primary risk is with the current unknown environment relating to COVID-19 and whether it will affect the construction period or delay any material deliveries necessary for the project. Enough contingency was built into the budget to mitigate delays.



Project Detail: Glenhaven Park Apartments

Project Sponsor: Chrisman Development, Inc.

Property: Glenhaven Park Apartments (4 sites)

Mountain Glen
200 E Pioneer Drive
Heppner, Oregon 97836

Jandina Park
1750 SW Sesame Street
McMinnville, Oregon 97218

Newberg Village
1209 N Springbrook Rd
Newberg, OR 97132

Pine Ave Apartments
403 Pine Ave
Tillamook, Oregon 97141

Owner: Glenhaven Park LLC

Description: Glenhaven Park Apartments (GPA) is a scattered site project consisting of four apartment complexes consisting of 122 total units in fourteen buildings. GPA is an acquisition/rehabilitation/ preservation project which will preserve 110 units of USDA RD rental assistance along with needed repairs serving seniors and families.

Glenhaven Park Recommendation

Affordability:

Funding Source	# Units	% Income	% Rents	# Years
LIHTC/BOND	122	60	60	30
LBB/HPF	122	60	60	60

Target Population: Families and Seniors.

Environmental Review: A Phase I and Phase II were completed. Due to the age of the properties, a plan to remediate any potential asbestos and lead paint during the rehabilitation has been developed to meet the standards set by DEQ, the Environmental Protection Agency (EPA) and OSHA and will be contracted by trained and approved contractors.

Finance Committee Approval: OHCS Finance Committee Reviewed and Approved this Project to be recommended to the OHCS Director and the Housing Stability Council on June 23, 2020.

Summary:

Glenhaven Park Apartments is a scattered site project consisting of four apartment complexes consisting of 122 total units in fourteen buildings. Glenhaven Apartments is an acquisition/rehabilitation/ preservation project which will preserve 110 units of USDA rental assistance along with needed repairs serving seniors and families.

- Management Agent:** Viridian Management
- Architect:** Wallace Architects
- General Contractor:** AB Chase
- Construction Lender:** Umpqua
- Permanent Lender:** USDA RD and NOAH
- Syndicator/Investor:** PNC

Project Financing:

SOURCES:		USES:	
OHCS Sources:			
Tax Exempt Bonds (Short Term)	\$12,750,000	Acquisition	\$7,117,599
Short Term Use of Bonds	(\$12,750,000)	Construction	\$11,732,260
4% LIHTC Equity	\$6,182,635	Development	\$7,551,898
Housing Preservation Funds	\$8,333,000		
Weatherization	\$20,720		
Non-OHCS Sources:			
Loans: USDA RD	\$2,706,909		
Loan NOAH	\$7,259,000		
Deferred Developer Fee	\$1,074,880		
CF During Rehab	\$267,443		
Reserve Accounts	\$557,170		

TOTAL Sources and Uses: \$26,401,757

Bond Structure:

The total tax-exempt conduit bond amount is \$12,750,000, which will be short-term, used for the acquisition and rehabilitation of the project. Umpqua Bank will be the construction lender.

Architectural:

- Mountain Glen Apartments (Morrow County), Heppner, is a 24 unit family project consisting of 3 two-story buildings with a unit mix of 20 two-bedrooms, and 4 three-bedrooms. It is a garden style complex with exterior stairs and breezeways. The laundry is adjacent to the office and maintenance.
- Jandina Apartments, McMinnville (Yamhill County), is a 36 unit family project consisting of 3 buildings and one community building with 12 one-bedroom, 20 two bedroom and 4 three-bedroom units. It is a garden style complex with exterior stairs and breezeways. The laundry is located near the manager’s office.
- Newberg Village, Newberg (Yamhill County), is a 32-unit senior project and consists of 16 one-bedroom units and 16- two bedroom units. It is a garden style complex with exterior stairs and breezeways. The laundry and common room are located near the manager’s office.
- The Tillamook location, Pine Ave Apartments (Tillamook County), is a 30 unit family project consisting of 3 one-bedroom, 20 two-bedroom and 7 three –bedroom units. It is a garden style complex with exterior stairs and breezeways. The laundry is adjacent to the office and maintenance area.

Parking: All complexes offer adequate parking for the apartment complexes. All parking available are open spaces and averages 1.45 spaces per unit.

Scope of Work:

The scope of work was developed following consultation with the CNA consultant, architects and the general contractor and addresses structural issues, systems conditions, repairs and replacement of finishes at the end of their lifespan. The scope of work include:

- Roofing/Gutters/Downspouts
- Dry Rot Repair and Siding
- Asphalt repairs
- Select upgrades to electrical and energy efficient lighting
- Stair/Railing Repairs
- Window Replacements
- Painting- Exterior and Interior
- Replacement of trash enclosures
- New cadet heaters and thermostats
- Select replacement of doors and door hardware;
- Select replacement of kitchen cabinets, counter tops
- Renovation of unit bathrooms, fan/lighter/heater combos, toilets, bath/shower surrounds
- Flooring

Rehabilitation cost per unit: \$96,166 (\$127.64 per square foot). These cost are reasonable considering the scope of work.

Developer Fee:

Total Developer fee: \$2,990,000. This is below the OHCS maximum of 16% per the OHCS developer fee calculation.

- Deferred Developer fees: \$1,074,880 ; Deferred fee will be repaid within the first 13 years of operation
- Cash Developer fee: \$1,915,120

Tenant Relocation:

The scope of work at Glenhaven Park Apartments will require temporary relocation of residents for an estimated seven days and fourteen days for ADA units. The Relocation Plan is consistent with OHCS requirements and URA regulations. All residents will be interviewed to determine their housing and moving needs. Relocation benefits for lodging and meals will be provided for each tenant. All expenses

for moving and storage of personal property will be coordinated by CDI and Viridian Management. No resident will have to pay out of pocket for any relocation related costs.

One permanent displacement is anticipated. Chrisman Development Inc. and Viridian Management will complete tenant interviews with each household, including discussion of the availability of relocation assistance and relocation to a comparable accommodation. The household that is risk of being over income is in McMinnville, where they is a supply of similar properties. The household's special needs including packing and unpacking assistance, moving and storage of personal belongings and accessibility features will all be addressed and provided for in the relocation budget.

A plan has been developed as a result of the COVID 19 virus to ensure safety of the tenants and contractors during the renovation period.

Income:

- All 122 units will be restricted to 60% MFI
 - 30 years per LIHTC restrictions
 - 60 years per LBB/HPF restrictions
- The project will be subsidized with 110 units USDA RD rental assistance.

Operating Expenses:

- Annual operating expense per unit are \$5,935. These expenses are acceptable to OHCS for the following reasons:
 - USDA has reviewed/approved these expenses in accordance to their underwriting standards.
 - Appraisal supports the budgeted expenses using comparable properties and the project's historical expenses
-

Debt Service Coverage Ratio (with OAHTC):

- First full year of operations: 1.26
- DCR at year 15: 1.39
- DCR at year 20: 1.15
- DCR at year 30 (w/o OAHTC): 0.88

Project Schedule:

- Target construction close date: July 2020
- Construction completion: July 2022
- Construction period anticipated to be 24 months
-

Location:

Mountain Glen, located in Heppner, is located slightly east of the downtown core in an area

that is a mix of residential homes and medical use facilities. It is one of two apartment complexes available in the town.

- Hospital Adjacent
- Grocery Store 0.5 miles
- Elementary School 0.4 miles
- Middle School 0.4 miles
- High School 1.4 miles
- Community Pool 1.2 miles

Newberg Village, located in Newberg, is located in a residential area where shopping and public amenities are within a two mile radius. There are several government support services and educational facilities in the neighborhood.

- Hospital 0.9 miles
- Grocery Store 0,2 miles
- Bus Stop 0.2 miles
- Middle School 0.4 miles
- High School 1.7 miles
- Parks 0.4 miles

Jandina Apartments, located in McMinnville, is located SW of the city center in a residential area adjacent to a City park. Shopping and public amenities are within 2 miles. There are also several government support services and education facilities in the neighborhood.

- Hospital 4.0 miles
- Grocery Store 1.5 miles
- Bus Stop 0.3 miles
- Middle School 0.6 miles
- High School 2.3 miles
- Park Adjacent

Park Avenue Apartments, located in eastern Tillamook, is situated primarily in a residential area. There are some industrial uses nearby, including a lumber mill. Shopping and public amenities are with 2 miles.

- Hospital 1.4 miles
- Grocery Store 1.0 miles
- Park 0.4 miles
- Schools 0.5 miles

Resident Services:

Resident Services are not an allowable expense on RD financed properties. CDI have developed referral services with local and community service organizations to assist with social service benefits, food bank, nutrition services, translation services, credit education, and homebuyer education. Services will be provided on site when available. A list of agencies available in each communities was listed previously in the packet.

Project Amenities:

- Community Room (Jandina)
- Common Laundry Room
- Play Ground (Jandina, Pine Ave, Mt Glen)
- On site leasing offices
- On-site parking

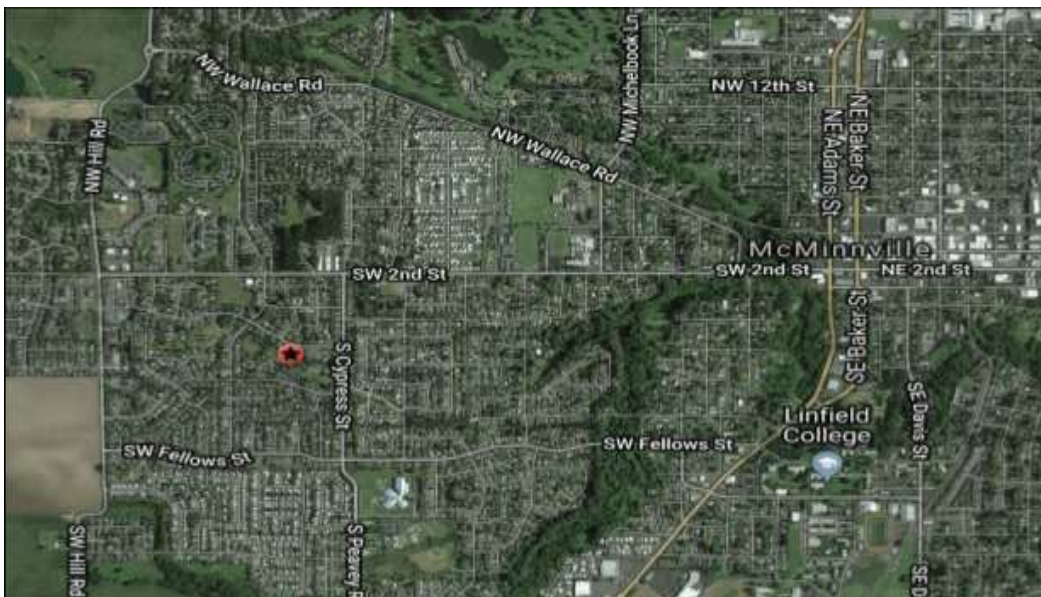
Unit Amenities:

- Range/oven
- Refrigerator
- Cadet heating
- Vinyl Flooring

Heppner



McMinnville



Newberg



Tillamook





OREGON HOUSING *and*
COMMUNITY SERVICES

725 SUMMER STREET NE, SUITE B | SALEM, OR 97301
503-986-2000 | www.oregon.gov/OHCS

Date: July 10, 2020

To: Housing Stability Council Members;
Margaret Solle Salazar, Director

From: Julie V. Cody, Director, Affordable Rental Housing
Roberto Franco, Assistant Director, Development Resources and Production
Amy Cole, LIFT Program Manager

Re: 2020 LIFT Homeownership NOFA Award Recommendations

Motion: Approve the LIFT funding recommendations for the following projects:

- **27th Bend in Bend, \$900,000 in LIFT funds**
- **Alder Commons in Hillsboro, \$800,000 in LIFT funds**
- **DevNW CLT in Eugene and Corvallis, \$3,115,000 in LIFT funds**
- **Foster Road Condos in Portland, \$3,900,000 in LIFT funds**
- **Kidd Court in Forest Grove, \$300,000 in LIFT funds**
- **Lincoln City Affordable Homes in Lincoln City, \$140,000 in LIFT funds**
- **Orchard District Cottages in Bend, \$340,000 in LIFT funds**
- **Quince Townhomes in Redmond, \$705,000 in LIFT funds**
- **Yeoman Townhomes in Bend, \$600,000 in LIFT funds**

At the upcoming Housing Stability Council meeting, we will be presenting the LIFT Homeownership Award Recommendations for Council approval. These selections are based on the policies laid out in the LIFT program framework as approved by the Housing Stability Council: <https://www.oregon.gov/ohcs/HD/DRP/nofa/2020/LIFT-HO/Final-LIFT-3.0-Framework-11-01-19.pdf>. In this memo, we are providing you with a high level summary of the recommended projects, more detailed information regarding each project can be found in the one-page summaries following this cover memo. We will provide a more detailed analysis of the NOFA policy direction and outcomes during the Housing Stability Council meeting.

NOFA Applications & Scoring:

This is the third round of LIFT funding dedicated to developing affordable homeownership units; the first round of LIFT funding for homeownership development was approved by the Housing Stability Council at its September 7, 2018 meeting. Of the \$150 million in LIFT funds

allocated by the 2019 Legislature, 20 percent (\$30 million) are set-aside for homeownership development; half of these resources were offered in this NOFA for a total of \$15,000,000. In addition, there are funds from two returned LIFT Homeownership reservations available for commitment, bringing the total to \$16,105,000. The LIFT Homeownership NOFA was released on February 13, 2020 and included soft set-asides of 50% of funds for developments serving urban communities and 50% for developments serving rural communities.

Significant changes in the current offering, compared to past offerings, are:

- Applicants were required submit an appraisal or other acceptable property valuation with their application. If an appraisal was not available at the time of application, applicants were required to guarantee to cover any gaps between an eventual appraised valuation of property and their LIFT loan request.
- Both rural and urban projects were required to score a minimum of 5 points in the Service to Communities of Color scoring category to be considered for funding.

In all, there were 12 applications submitted requesting a total of \$16,900,000 in LIFT loans. Eight projects were submitted for development in urban communities and four projects were submitted for development in rural communities. Requests totaled approximately \$10.6 million for the projects serving urban communities and \$6.2 million for projects serving rural communities.

Applications were reviewed for completeness, and had to meet minimal threshold requirements in order to qualify to be scored by internal and external scoring committees on the following factors:

- Readiness to Proceed / Financial Viability / Development and Management Capacity: 45 points
- Service to Communities of Color / Innovation & Replicability / MWESB: 29 points
- Low Subsidy / Low Construction Costs: 26 points

Nine of the total applications met the threshold requirements and were scored, while three did not meet threshold requirements and were not scored. Threshold requirements include:

- Readiness to proceed,
- Development team capacity,
- Financial viability
- Ownership Integrity
- Service to Communities of Color

- Commitment to Diversity, Equity and Inclusion

Funding Recommendation:

We are recommending a LIFT funding reservation for all nine projects that met threshold and scored 50 or more points. All together, these projects will create 129 new affordable homes in communities across the state. Remaining resources from this offering will be added to resources reserved through the LIFT Rental NOFA. _

Project Serving a Rural Community

Project Name	County	Total Units	Sponsor
Lincoln City Affordable Homes	Lincoln	2	Habitat for Humanity of Lincoln County
Total		2	

Projects Serving Urban Communities

Project Name	County	Total Units	Sponsor
27 th Bend	Deschutes	12	Bend-Redmond Habitat for Humanity
Alder Commons	Washington	8	Willamette West Habitat for Humanity
DevNW CLT	Lane/Benton	42	DevNW
Foster Road Condos	Multnomah	40	Habitat for Humanity Portland/Metro East
Kidd Court	Washington	3	West Tuality Habitat for Humanity
Orchard District Cottages	Deschutes	4	Kor Community Land Trust
Quince Townhomes	Deschutes	10	Bend-Redmond Habitat for Humanity
Yeoman Townhomes	Deschutes	8	Bend-Redmond Habitat for Humanity
Total		127	

As in the fall 2018 round of LIFT Homeownership, we see once again that use of LIFT Homeownership funding continues to be a challenge for rural projects. In this round, three of the four rural projects failed to meet threshold. These rural developers failed to meet threshold programmatic requirements for a variety of reasons; common to all of them was a lack of demonstrated or contracted expertise in starting up and managing Community Land Trust. Using a Community Land Trust model or a specific condominium structure is required so that LIFT Homeownership will meet the Article XI-Q bonds, which require that the State maintain an operating interest in the property for the life of the loan. Other barriers to meeting threshold concerned property valuation as well as site control. This situation exemplifies the challenges

inherent to using this funding source in both rural communities as well as for small culturally specific organizations not set up to operate this form of affordable homeownership.

See attached project summaries for additional information.

Recommended LIFT Homeownership Projects

Housing Stability Council 7/10/2020

Urban

PROJECT NAME	SPONSOR	PROJ CITY	COUNTY	Rural LIFT	Urban LIFT	LIFT \$	LIFT\$/UNIT	TOTAL UNITS
27th Bend	Bend-Redmond HFH	Bend	Deschutes		\$ 900,000	\$ 900,000	\$ 75,000	12
Alder Comons	Willamette West HFH	Hillsboro	Washington		\$ 800,000	\$ 800,000	\$ 100,000	8
DevNW CLT 2020	DevNW	Corvallis/Eugene	Benton/Laneq		\$ 3,115,000	\$ 3,115,000	\$ 74,167	42
Foster Rd. Condos	HFH Portland/Metro East	Portland	Multnomah		\$ 3,900,000	\$ 3,900,000	\$ 97,500	40
Kidd Court	West Tuality HFH	Forest Grove	Washington		\$ 300,000	\$ 300,000	\$ 100,000	3
Orchard District Cottages	Kor Community Land Trust	Bend	Deschutes		\$ 340,000	\$ 340,000	\$ 85,000	4
Quince Townhomes	Bend-Redmond HFH	Redmond	Deschutes		\$ 705,000	\$ 705,000	\$ 70,500	10
Yeoman Townhomes	Bend-Redmond HFH	Bend	Deschutes		\$ 600,000	\$ 600,000	\$ 75,000	8
Total					\$ 10,660,000	\$ 10,660,000		127

Rural

PROJECT NAME	SPONSOR	PROJ CITY	COUNTY	Rural LIFT	Urban LIFT	LIFT \$	LIFT\$/UNIT	TOTAL UNITS
Lincoln City Affordable Housing	Newport HFH	Lincoln City	Lincoln	\$ 140,000		\$ 140,000	\$ 70,000	2
Total				\$ 140,000		\$ 140,000		2
Total for all categories				\$ 140,000	\$ 10,660,000	\$ 10,800,000		129

Available Funding

Project	Available	
	Rural	Urban
	\$ 8,052,000	\$ 8,052,500
27th Bend	\$ -	\$ 900,000
Remaining	\$ 8,052,000	\$ 7,152,500
Alder Commons	\$ -	\$ 800,000
Remaining	\$ 8,052,000	\$ 6,352,500
DevNW CLT 2020	\$ -	\$ 3,115,000
Remaining	\$ 8,052,000	\$ 3,237,500
Foster Road Condos	\$ -	\$ 3,900,000
Remaining	\$ 8,052,000	\$ (662,500)
Kidd Court	\$ -	\$ 300,000
Remaining	\$ 8,052,000	\$ (962,500)
Lincoln City Affordable Housing	\$ 140,000	\$ -
Remaining	\$ 7,912,000	\$ (962,500)
Orchard District Cottages	\$ -	\$ 340,000
Remaining	\$ 7,912,000	\$ (1,302,500)
Quince Townhomes	\$ -	\$ 705,000
Remaining	\$ 7,912,000	\$ (2,007,500)
Yeoman Townhomes	\$ -	\$ 600,000
Remaining	\$ 7,912,000	\$ (2,607,500)
\$ 5,304,500 Total Remaining (transferred to LIFT Rental)		

LIFT Homeownership Applicants

Housing Stability Council 7/10/2020

Urban

PROJECT NAME	SPONSOR	PROJ CITY	COUNTY	Rural LIFT	Urban LIFT	LIFT \$	LIFT\$/UNIT	TOTAL UNITS
27th Bend	Bend-Redmond HFH	Bend	Deschutes		\$ 900,000	\$ 900,000	\$ 75,000	12
Alder Comons	Willamette West HFH	Hillsboro	Washington		\$ 800,000	\$ 800,000	\$ 100,000	8
DevNW CLT 2020	DevNW	Corvallis/Eugene	Benton/Laneq		\$ 3,115,000	\$ 3,115,000	\$ 74,167	42
Foster Rd. Condos	HFH Portland/Metro East	Portland	Multnomah		\$ 3,900,000	\$ 3,900,000	\$ 97,500	40
Kidd Court	West Tuality HFH	Forest Grove	Washington		\$ 300,000	\$ 300,000	\$ 100,000	3
Orchard District Cottages	Kor Community Land Trust	Bend	Deschutes		\$ 340,000	\$ 340,000	\$ 85,000	4
Quince Townhomes	Bend-Redmond HFH	Redmond	Deschutes		\$ 705,000	\$ 705,000	\$ 70,500	10
Yeoman Townhomes	Bend-Redmond HFH	Bend	Deschutes		\$ 600,000	\$ 600,000	\$ 75,000	8
Total					\$ 10,660,000	\$ 10,660,000		127

Rural

PROJECT NAME	SPONSOR	PROJ CITY	COUNTY	Rural LIFT	Urban LIFT	LIFT \$	LIFT\$/UNIT	TOTAL UNITS
Lincoln City Affordable Housing	Newport HFH	Lincoln City	Lincoln	\$ 140,000		\$ 140,000	\$ 70,000	2
Baker City Integrated Housing	FTK Holding Group LLC	Baker City	Baker	\$ 880,000		\$ 880,000	\$ 40,000	22
Ontario Integrated Housing	H2MK LLC	Ontario	Malheur	\$ 2,400,000		\$ 2,400,000	\$ 100,000	24
Sharing the Family Dream	Euvalcree	Ontario	Malheur	\$ 2,820,000		\$ 2,820,000	\$ 47,000	60
Total				\$ 6,240,000		\$ 6,240,000		108

Total for all categories \$ 6,240,000 \$ 10,660,000 \$ 16,900,000 235



**OREGON HOUSING *and*
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SUMMARY

Project Name:	27 th Bend Townhomes		
City:	Bend	County:	Deschutes
Sponsor Name:	Bend-Redmond Habitat for Humanity		
Urban/Rural:	Urban	Total Units:	12
LIFT Request:	\$900,000	Units by Size & Affordability:	12 2-BR or 3-BR units at or below 80% AMI

PROJECT DETAILS

Project Description:	Bend-Redmond Habitat for Humanity (BRHFH) plans to build 12 2 or 3-bedroom homes of 800-1,200 square feet. Homes will be sold to homebuyers earning at or below 80% of area median income (AMI). Bend Area Habitat for Humanity plans to use a community land trust for the property, this satisfies the requirement that OHCS maintain an operating interest in the property for the life of the LIFT loan.
Partnerships to Serve Communities of Color:	Bend-Redmond Habitat for Humanity’s outreach partners include the Latino Community Association, the Deschutes Public Library, Central Oregon Veterans Association, and a history of working local print and broadcast media, including Radio La Bronca. Local churches, such as St. Francis of Assisi in Bend, are a hub of Latino communities. BRHFH works with 20+ local churches and various community groups to disseminate information to specific populations.
Alignment with Statewide Housing Plan:	This project aligns with the Statewide Housing Plan by meeting the following priorities: <ul style="list-style-type: none"> • Homeownership • Equity and Racial Justice

The LIFT program requires that all project sponsors sign a Diversity, Equity, and Inclusion (DEI) agreement and agree to solicit and engage MWESB organizations.



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SUMMARY

Project Name:	Alder Commons		
City:	Forest Grove	County:	Washington
Sponsor Name:	Willamette West Habitat for Humanity		
Urban/Rural:	Urban	Total Units:	8
LIFT Request:	\$800,000	Units by Size & Affordability:	8 3 and 4-BR units at or below 80% AMI

PROJECT DETAILS

Project Description:	Willamette West Habitat for Humanity plans to build 8 3 and 4-bedroom homes of 1,100-1,300 square feet. Homes will be sold to homebuyers earning at or below 60% of area median income (AMI). Willamette West Habitat for Humanity plans to use a community land trust for the property, this satisfies the requirement that OHCS maintain an operating interest in the property for the life of the LIFT loan.
Partnerships to Serve Communities of Color:	Willamette West Habitat collaborates with organizations such as IRCO, Bienestar, Virginia Garcia Health Center, Open Door, and the African American Alliance for Homeownership to provide information about Habitat programs to their constituents and encourage them to apply for Habitat for Humanity housing programs. Willamette West Habitat for Humanity also collaborates with other local nonprofits such as Centro Cultural, Adelante Mujeres, and Catholic Charities. Working with Communities of Color in Washington County, Willamette West Habitat for Humanity has found that word-of mouth and a widely understood reputation as a safe organization for people of color means that there is a consistent pipeline of members of Communities of Color seeking housing assistance from Willamette West Habitat for Humanity.
Alignment with Statewide Housing Plan:	This project aligns with the Statewide Housing Plan by meeting the following priorities: <ul style="list-style-type: none"> • Homeownership • Equity and Racial Justice

The LIFT program requires that all project sponsors sign a Diversity, Equity, and Inclusion (DEI) agreement and agree to solicit and engage MWESB organizations.



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SUMMARY			
Project Name:	DevNW CLT 2020		
City:	Eugene, Corvallis	County:	Lane, Benton
Sponsor Name:	DevNW		
Urban/Rural:	Urban	Total Units:	42
LIFT Request:	\$3,115,000	Units by Size & Affordability:	11 1 and 3-BR units at or below 80% AMI in Corvallis 31 1 and 3-BR units at or below 80% in Eugene

PROJECT DETAILS	
Project Description:	DevNW plans to build 1 1-BR and 10 3-BR homes in Corvallis for a total 11 units and 2 1-BR and 29 3-BR homes in Eugene for a total of 31 units. Unit sizes will be 500-1,750 square feet. Homes will be sold to homebuyers earning at or below 80% of area median income (AMI). DevNW plans to use a community land trust for the properties, this satisfies the requirement that OHCS maintain an operating interest in the property for the life of the LIFT loan.
Partnerships to Serve Communities of Color:	DevNW will ensure Communities of Color are aware of the housing opportunity by informing and working closely with social service partners, such as Linn Benton Health Equity Alliance (LBHEA) in Corvallis and Head Start, Huerto de la Familia, and Centro Latino, Lane Workforce Partnership’s Latino Business Connect and Latino Professionals Connect in Eugene. Through DevNW’s Financial Wellbeing programming, the sponsor will ensure current and new clients working towards homeownership, as well as potential homebuyers not yet engaged in our services, are aware of the homeownership opportunities and prepared to take advantage of them.
Alignment with Statewide Housing Plan:	This project aligns with the Statewide Housing Plan by meeting the following priorities: <ul style="list-style-type: none"> • Homeownership • Equity and Racial Justice
The LIFT program requires that all project sponsors sign a Diversity, Equity, and Inclusion (DEI) agreement and agree to solicit and engage MWESB organizations.	



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SUMMARY

Project Name:	Foster Road Condominiums		
City:	Portland	County:	Multnomah
Sponsor Name:	Habitat for Humanity Portland/Metro East		
Urban/Rural:	Urban	Total Units:	40
LIFT Request:	\$3,900,000	Units by Size & Affordability:	40 2,3, 4, and 5-BR units at or below 80% AMI

PROJECT DETAILS

Project Description:	Habitat for Humanity Portland/Metro East (HfHPME) plans to build 4 2-BR, 20 3-BR, 12 4-BR and 4 5-BR homes for a total 40 units in Portland. Unit sizes will be 900-1,750 square feet. Homes will be sold to homebuyers earning at or below 80% of area median income (AMI). Habitat for Humanity Portland/Metro East plans to use a leasehold condominium structure for the property, which satisfies the requirement that OHCS maintain an operating interest in the property for the life of the LIFT loan.
Partnerships to Serve Communities of Color:	Habitat for Humanity Portland/Metro East maintains many community partnerships, both in education and outreach. Community partnerships include Native American Youth and Family Center (NAYA), Hacienda CDC, and Asian Pacific American Network of Oregon (APANO). These are culturally specific nonprofit organizations who refer clients, teach classes, and support HfHPME’s housing programs in Multnomah County. HfHPME has existing MOUs with these culturally specific community organizations and will work with them to ensure the communities are aware of the Foster Road Condos home-buying opportunity.
Alignment with Statewide Housing Plan:	This project aligns with the Statewide Housing Plan by meeting the following priorities: <ul style="list-style-type: none"> • Homeownership • Equity and Racial Justice

The LIFT program requires that all project sponsors sign a Diversity, Equity, and Inclusion (DEI) agreement and agree to solicit and engage MWESB organizations.



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SUMMARY

Project Name:	Kidd Court		
City:	Forest Grove	County:	Washington
Sponsor Name:	West Tuality Habitat for Humanity		
Urban/Rural:	Urban	Total Units:	3
LIFT Request:	\$300,000	Units by Size & Affordability:	3 3-BR units at or below 60% AMI

PROJECT DETAILS

Project Description:	West Tuality Habitat for Humanity plans to build 3 3-bedroom homes of approximately 1,200 square feet. Homes will be sold to homebuyers earning at or below 60% of area median income (AMI). West Tuality Habitat for Humanity plans to use a community land trust for the property, this satisfies the requirement that OHCS maintain an operating interest in the property for the life of the LIFT loan.
Partnerships to Serve Communities of Color:	Culturally specific organizations, and organizations with a large portion of Latino and other immigrant stakeholders in West Tuality Habitat’s service area include the Virginia Garcia Health Center, Adelante Mujeres, Centro Cultural de Washington County, and churches, including St. Anthony’s in Forest Grove and St. Alexander’s in Cornelius. West Tuality Habitat continues to reach out to these and other organizations, including Forest Grove and Cornelius schools to advertise housing services. In these small communities, West Tuality Habitat for Humanity is recognized as a safe organization, and word of mouth and neighbor referrals has resulted in a sustained and diverse pipeline of prospective homebuyers, generally at 30% -60% AMI.
Alignment with Statewide Housing Plan:	This project aligns with the Statewide Housing Plan by meeting the following priorities: <ul style="list-style-type: none"> • Homeownership • Equity and Racial Justice

The LIFT program requires that all project sponsors sign a Diversity, Equity, and Inclusion (DEI) agreement and agree to solicit and engage MWESB organizations.



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SUMMARY

Project Name:	Lincoln City Affordable Homes		
City:	Lincoln City	County:	Lincoln
Sponsor Name:	Habitat for Humanity of Lincoln County		
Urban/Rural:	Rural	Total Units:	2
LIFT Request:	\$140,000	Units by Size & Affordability:	2 2-BR or 3-BR units at or below 60% AMI

PROJECT DETAILS

Project Description:	Habitat for Humanity of Lincoln County plans to build 2 2 or 3-bedroom homes of approximately 1,000-1,200 square feet. Homes will be sold to homebuyers earning at or below 60% of area median income (AMI). Habitat for Humanity of Lincoln County plans to use a community land trust for the property, this satisfies the requirement that OHCS maintain an operating interest in the property for the life of the LIFT loan.
Partnerships to Serve Communities of Color:	Habitat for Humanity of Lincoln County partners with culturally specific organizations, churches and human services organizations for referrals and other needed services for families, including: St. James Santiago, Lincoln City, Centro de Ayuda, Children’s Advocacy Center of Lincoln County, Confederated Tribes of the Siletz, Economic Development Alliance of Lincoln County, Head Start Lincoln County, Neighbors for Kids, South Lincoln Resources, the Youth Development Coalition of Lincoln County, and the Lincoln County School System. Habitat for Humanity Lincoln County tailors both its programs and outreach (advertising of services) through a lens of cultural relevancy to the recipient. Examples include the location of the outreach (community organization, churches serving specific populations) and materials with images reflecting the diverse community members served.
Alignment with Statewide Housing Plan:	This project aligns with the Statewide Housing Plan by meeting the following priorities: <ul style="list-style-type: none"> • Homeownership • Equity and Racial Justice • Rural Communities

The LIFT program requires that all project sponsors sign a Diversity, Equity, and Inclusion (DEI) agreement and agree to solicit and engage MWESB organizations.



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SUMMARY

Project Name:	Orchard District Cottages		
City:	Bend	County:	Deschutes
Sponsor Name:	Kor Community Land Trust		
Urban/Rural:	Urban	Total Units:	5
LIFT Request:	\$340,000	Units by Size & Affordability:	4 1-BR units at or below 80% AMI and 1 1-BR unit at 125% AMI (not subsidized with LIFT)

PROJECT DETAILS

Project Description:	Kor plans to build 4 1-BR homes affordable to homebuyers earning at or below 80% AMI and 1 1-BR unit that is affordable to homebuyers earning at 125% AMI. The unit affordable to homebuyers at 125% AMI will not be subsidized with LIFT funds. Units will be approximately 825 square feet. Kor plans to use a community land trust for the properties, this satisfies the requirement that OHCS maintain an operating interest in the property for the life of the LIFT loan.
Partnerships to Serve Communities of Color:	Kor has an MOU with the Latino Community Association (LCA) in Central Oregon to assist with outreach and provide equitable opportunities in homeownership to the Latinx population in Central Oregon. Kor also engages with members of the Latinx community through other nonprofit partnerships and individual connections. Kor provides information about homeownership opportunities in Spanish, provides a translator for all information sessions and classes, and conducts strategic outreach to connect with the Latinx community. Information about Kor’s homeownership program is shared in locations that are known to serve the Latinx population, examples include the public library, ethnic food markets and restaurants, laundromats, and other nonprofits.
Alignment with Statewide Housing Plan:	This project aligns with the Statewide Housing Plan by meeting the following priorities: <ul style="list-style-type: none"> • Homeownership • Equity and Racial Justice

The LIFT program requires that all project sponsors sign a Diversity, Equity, and Inclusion (DEI) agreement and agree to solicit and engage MWESB organizations.



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SUMMARY

Project Name:	Yeoman Townhomes		
City:	Redmond	County:	Deschutes
Sponsor Name:	Bend-Redmond Habitat for Humanity (BRHFH)		
Urban/Rural:	Urban	Total Units:	10
LIFT Request:	\$705,000	Units by Size & Affordability:	10 3-BR units at or below 80% AMI

PROJECT DETAILS

Project Description:	Bend-Redmond Habitat for Humanity plans to build 10 3-bedroom homes of approximately 1,000-1,200 square feet. Homes will be sold to homebuyers earning at or below 80% of area median income (AMI). Bend Area Habitat for Humanity plans to use a community land trust for the property, this satisfies the requirement that OHCS maintain an operating interest in the property for the life of the LIFT loan.
Partnerships to Serve Communities of Color:	Bend-Redmond Habitat for Humanity’s outreach partners include the Latino Community Association, the Deschutes Public Library, Central Oregon Veterans Association, and a history of working local print and broadcast media, including Radio La Bronca. Local churches, such as St. Francis of Assisi in Bend, are a hub of Latino communities. BRHFH works with 20+ local churches and various community groups to disseminate information to specific populations.
Alignment with Statewide Housing Plan:	This project aligns with the Statewide Housing Plan by meeting the following priorities: <ul style="list-style-type: none"> • Homeownership • Equity and Racial Justice

The LIFT program requires that all project sponsors sign a Diversity, Equity, and Inclusion (DEI) agreement and agree to solicit and engage MWESB organizations.



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SUMMARY

Project Name:	Yeoman Townhomes		
City:	Bend	County:	Deschutes
Sponsor Name:	Bend-Redmond Habitat for Humanity (BRHFH)		
Urban/Rural:	Urban	Total Units:	8
LIFT Request:	\$600,000	Units by Size & Affordability:	8 2-BR units at or below 80% AMI

PROJECT DETAILS

Project Description:	Bend-Redmond Habitat for Humanity plans to build 8 2-bedroom homes of approximately 800 square feet. Homes will be sold to homebuyers earning at or below 80% of area median income (AMI). Bend Area Habitat for Humanity plans to use a community land trust for the property, this satisfies the requirement that OHCS maintain an operating interest in the property for the life of the LIFT loan.
Partnerships to Serve Communities of Color:	Bend-Redmond Habitat for Humanity’s outreach partners include the Latino Community Association, the Deschutes Public Library, Central Oregon Veterans Association, and a history of working local print and broadcast media, including Radio La Bronca. Local churches, such as St. Francis of Assisi in Bend, are a hub of Latino communities. BRHFH works with 20+ local churches and various community groups to disseminate information to specific populations.
Alignment with Statewide Housing Plan:	This project aligns with the Statewide Housing Plan by meeting the following priorities: <ul style="list-style-type: none"> • Homeownership • Equity and Racial Justice

The LIFT program requires that all project sponsors sign a Diversity, Equity, and Inclusion (DEI) agreement and agree to solicit and engage MWESB organizations.



**OREGON HOUSING *and*
COMMUNITY SERVICES**

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Date: July 10, 2020

To: Housing Stability Council Members;
Margaret Solle Salazar, Executive Director

From: Amy Cole, LIFT Program Manager
Natasha Detweiler-Daby, Senior Operations and Policy Analyst
Roberto Franco, Assistant Director, Development Resources and Production
Julie V. Cody, Director, Affordable Rental Housing Division

Re: 2020 LIFT Rental NOFA Award Recommendations

Motion: Approve the LIFT funding recommendations for the following projects:

- **Barnes Butte Vista in Prineville, \$4,750,000 in LIFT funds**
- **East Q Apartments in La Grande, \$7,400,000 in LIFT funds**
- **Hermanson Preserve in Woodburn, \$7,350,000 in LIFT funds**
- **Las Adelitas in Portland, \$5,440,570 in LIFT funds**
- **Lincoln St. Apartments in Eugene, \$3,412,500 in LIFT funds**
- **Minnesota Places in Portland, \$3,537,499 in LIFT funds**
- **Ontario Townhomes in Ontario, \$5,325,000 in LIFT funds**
- **St. Helens Apartments in St. Helens, \$13,400,000 in LIFT funds**
- **Stark Street in Portland, \$3,812,500 in LIFT funds**
- **TBD Sunshine Apartments in Roseburg, \$9,800,000 in LIFT funds**

At the upcoming Housing Stability Council meeting, we will be presenting the LIFT Rental Award Recommendations for Council approval. These selections are based on the policies laid out in the LIFT program framework as approved by the Housing Stability Council:

<https://www.oregon.gov/ohcs/HD/DRP/nofa/2020/LIFT-HO/Final-LIFT-3.0-Framework-11-01-19.pdf>. In this memo, we are providing you with a high level summary of the recommended projects, more detailed information regarding each project can be found in the one-page summaries following this cover memo. We will provide a more detailed analysis of the NOFA policy direction and outcomes during the Housing Stability Council meeting.

NOFA Applications & Scoring:

Of the \$150 million in LIFT funds allocated by the 2019 Legislature, 80 percent (\$120 million), is set-aside for rental development; half of these resources (\$60 million) were offered in this NOFA. The other half will be offered in the 2021 LIFT NOFA, planned for early 2021. The LIFT Rental NOFA was released on February 13, 2020 and included soft set-asides of 50% of funds for developments serving urban communities and 50% for developments serving rural communities. A change in the current offering, compared to the prior LIFT offering, is that all projects, in both rural and urban areas, were required to score at least 5 out of 18 points in the service to communities of color criteria of the NOFA to be considered for funding. In the prior round of funding only projects in urban areas were required to meet this minimum score for this scoring category. As in the past, all applicants were required to describe their approach to soliciting and using MWESB contractors and were required to sign an organizational diversity, equity, and inclusion (DEI) agreement as part of the application process.

In all, 20 applications were received, requesting a total of \$156.7 million in LIFT funds. Nine projects were submitted for development in urban communities, eleven projects were submitted for development in rural communities. Requests totaled approximately \$64 million for projects serving urban communities and \$92.7 million for projects serving rural communities.

Applications were reviewed for completeness, and had to meet minimum threshold requirements in order to qualify for scoring by internal and external scoring committees on the following factors:

- Readiness to Proceed / Financial Viability / Development Capacity: 31 points
- Service to Communities of Color / Innovation & Replicability / MWESB/Use of Affordable Rents/Family-sized units: 43 points
- Low Subsidy / Low Construction Costs: 26 points

All applications met threshold requirements and were scored. All but two applications met the minimum score of 60 points and were eligible to be considered for funding.

Funding Recommendation:

We are recommending a LIFT funding reservation for ten projects. All together, these projects will create 1,133 units of new affordable housing in communities across the state. The recommendations are for awards totaling \$64.2 million. In order to fully fund all recommended projects, \$4.75 million in unallocated LIFT Homeownership funds from that NOFA’s rural set-aside is needed. After the recommended projects are funded, approximately \$1 million in LIFT

funds remains unallocated in this round of funding. This is not enough to fund another project and the funds will be used in the next offering of LIFT funding, planned for early 2021.

Projects Serving Urban Communities

Project Name	County	Total Units	Sponsor
Hermanson Preserve	Marion	168	Wishcamper Development Partners, LLC
Las Adelitas	Multnomah	142	Hacienda CDC
Lincoln Street Apartments	Lane	59	11thandLincoln LLC
Minnesota Places	Multnomah	71	PDX Signature Properties
Stark St. Apartments	Multnomah	93	Human Solutions, Inc.
Total		533	

Projects Serving Rural Communities

Project Name	County	Total Units	Sponsor
Barnes Butte Vista	Crook	44	Housing Works, Inc.
East Q Apartments	Union	104	NE Oregon Housing Authority
Ontario Townhomes	Malheur	70	Nacosto LLC
St. Helens Apartments	Columbia	238	Community Development Partners / NW Oregon Housing Authority
TBD Sunshine Apartments	Douglas	144	Wishcamper Development Partners, LLC
Total		600	

See attached project summaries for additional information.

Policy Analysis:

Each round of funding, we learn from the application, review and, scoring processes and use these lessons to further refine the processes for future fund offerings in order to better achieve LIFT policy priorities.

In this round of funding there were three main refinements made:

- **Unit Size:** The funding caps and scoring structure were revised to prioritize and fund applications that include 2+ bedroom units that are large enough to house families. In the applications that are being recommended for funding, most units, 857 out of 1,133 (76%) are 2+ bedrooms.
- **Fund Limits and Scoring for Rural Projects:** It is important for the LIFT program to serve all areas of the state. In the previous scoring structure for projects, if the maximum per

unit subsidy was requested, a project lost all 25 points in this scoring category. Of the applications submitted in previous rounds, the vast majority of rural projects have requested LIFT subsidy at or close to the cap, losing a quarter of the 100 available points. In urban areas however, projects have been able to leverage other resources and have been able to maximize points in this category. Some of those rural projects met important LIFT policy priorities such as service to communities of color, development team capacity, engagement of MWESB contractors, etc. but not earning a high enough overall score that qualifies for funding. In this round of funding, rural projects that asked for the largest subsidy still scored 5 points in the category. The scoring category was also reduced from 25 to 20 points

- **Scattered Site Projects:** In previous funding rounds, we had chosen to incentivize scattered site projects through both higher per unit funding limits as well as a 2-point bonus score. This was originally done because we were seeing fewer applications for rural areas. This round we removed the scattered site category because in the last couple of rounds we had seen more, higher quality rural applications. At this funding round we had more rural applications than urban applications and more higher scoring rural applications.

Statewide Housing Plan

With a focus on adding affordable rental units to the housing stock, specific scoring and funding set-aside for rural proposals, and its concentration on creation of housing opportunities for historically underserved populations, MWESB contracting, and DEI agreements, the LIFT Rental program and resulting housing meet the following Statewide Housing Plan priorities:

- Affordable Rental Housing: LIFT adds new affordable rental units to the affordable housing stock
- Rural Communities: LIFT has a soft 50% set-aside for rural developments
- Equity and Racial Justice: LIFT requires that all projects have detailed specific actions to engage with communities of color, all sponsors sign a diversity, equity, and inclusion agreement, and have a plan to engage with MWESB organizations.

LIFT Rental Applicants

Housing Stability Council 7/10/2020

<i>Urban</i>													
PROJECT NAME	SPONSOR	PROJ CITY	COUNTY	Rural LIFT	Urban LIFT	LIFT \$	LIFT\$/UNIT	OAHTC \$	LIHTC4 \$	EQUITY \$	CONDUIT BONDS \$	OMEPE \$	TOTAL UNITS
Hermanson Preserve	Wishcamper Development Partners	Woodburn	Marion		\$ 7,350,000	\$7,350,000	\$43,750	\$0	\$9,931,120	\$8,590,419	\$19,308,917	\$200,000	168
Las Adelitas	Hacienda CDC	Portland	Multnomah		\$ 5,440,570	\$5,440,570	\$38,314	\$0	\$19,730,775	\$18,152,313	\$29,900,000	\$117,285	142
Lincoln St Apartments	11thandLincoln LLC	Eugene	Lane		\$ 3,412,500	\$3,412,500	\$57,839	\$0	\$5,232,120	\$4,917,701	\$8,800,000	\$0	59
Minnesota Places	PDX Signature Properties LLC	Portland	Multnomah		\$ 3,537,499	\$3,537,499	\$49,824	\$0	\$8,179,037	\$7,523,962	\$0	\$109,340	71
Stark Street Project	Human Solutions	Portland	Multnomah		\$ 3,812,500	\$3,812,500	\$40,995	\$96,361	\$10,771,142	\$9,684,334	\$18,796,000	\$135,000	93
53rd Flats	Connonwealth	Portland	Multnomah		\$ 9,300,000	\$9,300,000	\$93,000	\$0	\$7,422,360	\$6,828,571	\$14,500,000	\$154,000	100
Harbor Apartments	DBG Properties	Portland	Multnomah		\$ 13,250,000	\$13,250,000	\$72,802	\$0	\$11,525,000	\$10,603,000	\$16,000,000	\$0	182
The Lucy	Metropolitan Affordable Housing Group	Eugene	Lane		\$ 2,700,000	\$2,700,000	\$75,000	\$0	\$1,162,852	\$1,011,580	\$6,200,000	\$0	36
USA Powell	USA Properties Fund	Portland	Multnomah		\$ 15,200,000	\$15,200,000	\$92,121	\$0	\$19,463,559	\$18,488,530	\$0	\$550,888	165
Total					\$ 64,003,069	\$ 64,003,069		\$ 96,361	\$ 93,417,965	\$ 85,800,410	\$ 113,504,917	\$ 1,266,513	1,016
<i>Rural</i>													
PROJECT NAME	SPONSOR	PROJ CITY	COUNTY	Rural LIFT	Urban LIFT	LIFT \$	LIFT\$/UNIT	OAHTC \$	LIHTC4 \$	EQUITY \$	CONDUIT BONDS \$	OMEPE \$	TOTAL UNITS
Barnes Butte Vista	Housing Works	Prineville	Crook	\$ 4,750,000		\$4,750,000	\$107,955	\$0	\$4,914,601	\$4,521,433	\$6,500,000	\$0	44
East Q Apartments	NE Oregon HA	La Grande	Union	\$ 7,400,000		\$7,400,000	\$71,154	\$0	\$ 6,367,484	\$5,730,736	\$6,600,000	\$0	104
Ontario Townhomes	Nascosto LLC	Ontario	Malheur	\$ 5,325,000		\$5,325,000	\$76,071	\$0	\$ 5,537,450	\$5,204,682	\$12,500,000	\$0	70
St. Helens Apartments	NW Oregon HA/Community Development Partners	St. Helens	Columbia	\$ 13,400,000		\$13,400,000	\$56,303	\$0	\$26,227,382	\$23,340,036	\$48,006,544	\$0	238
TBD Sunshine Apartments	Wishcamper Development Partners	Roseburg	Douglas	\$ 9,800,000		\$9,800,000	\$68,056	\$0	\$11,373,750	\$9,894,178	\$15,846,389	\$200,000	144
Aumsville Apartments	Neighborly Ventures	Aumsville	Marion	\$ 14,301,250		\$14,301,250	\$126,560	\$0	\$0	\$0	\$0	\$0	113
Baker City Integrated Housing	FTK Holding Group	Baker City	Baker	\$ 2,375,000		\$2,375,000	\$125,000	\$0	\$0	\$0	\$0	\$0	19
Colonia Paz II	FHDC	Lebanon	Linn	\$ 15,425,000		\$15,425,000	\$141,514	\$0	\$8,548,930	\$7,352,080	\$15,000,000	\$179,298	109
Moorehouse Apartments	Crisman Development	Hermiston	Umatilla	\$ 6,850,000		\$6,850,000	\$114,167	\$0	\$5,109,890	\$4,394,065	\$0	\$0	60
Ontario Integrated Housing	H2MK LLC	Ontario	Malheur	\$ 3,000,000		\$3,000,000	\$136,364	\$0	\$0	\$0	\$0	\$0	22
Shore Pines at Munsel Creek	Northwest Housing Alternatives	Florence	Lane	\$ 10,075,000		\$10,075,000	\$150,373	\$30,648	\$ 5,431,120	\$6,035,181	\$14,901,000	\$0	67
Total					\$ 92,701,250	\$92,701,250		\$30,648	\$68,596,006	\$61,950,958	\$119,353,933	\$379,298	990
Total for all categories					\$ 92,701,250	\$ 64,003,069	\$156,704,319	\$127,009	\$162,013,971	\$147,751,368	\$232,858,850	\$1,645,811	2,006

Recommended LIFT Rental Projects

Housing Stability Council 7/10/2020

Urban

PROJECT NAME	PROJ CITY	COUNTY	Rural LIFT	Urban LIFT	LIFT \$	LIFT\$/UNIT	OAHTC \$	LIHTC4 \$	EQUITY \$	CONDUIT BONDS \$	OMEF \$	TOTAL UNITS
Hermanson Preserve	Woodburn	Marion		\$7,350,000	\$7,350,000	\$43,750	\$0	\$9,931,120	\$8,590,419	\$19,308,917	\$200,000	168
Las Adelitas	Portland	Multnomah		\$5,440,570	\$5,440,570	\$38,314	\$0	\$19,730,775	\$18,152,313	\$29,900,000	\$117,285	142
Lincoln St Apartments	Eugene	Lane		\$3,412,500	\$3,412,500	\$57,839	\$0	\$5,232,120	\$4,917,701	\$8,800,000	\$0	59
Minnesota Places	Portland	Multnomah		\$3,537,499	\$3,537,499	\$49,824	\$0	\$8,179,037	\$7,523,962	\$0	\$109,340	71
Stark Street Project	Portland	Multnomah		\$3,812,500	\$3,812,500	\$40,995	\$96,361	\$10,771,142	\$9,684,334	\$18,796,000	\$135,000	93
Total				\$ 23,553,069	\$ 23,553,069		\$96,361	\$53,844,194	\$48,868,729	\$76,804,917	\$561,625	533

Rural

PROJECT NAME	PROJ CITY	COUNTY	Rural LIFT	Urban LIFT	LIFT \$	LIFT\$/UNIT	OAHTC \$	LIHTC4 \$	EQUITY \$	CONDUIT BONDS \$	OMEF \$	TOTAL UNITS
Barnes Butte Vista	Prineville	Crook	\$4,750,000		\$4,750,000	\$107,955	\$0	\$4,914,601	\$4,521,433	\$6,500,000	\$0	44
East Q Apartments	La Grande	Union	\$7,400,000		\$7,400,000	\$71,154	\$0	\$6,367,484	\$5,730,736	\$6,600,000	\$0	104
Ontario Townhomes	Ontario	Malheur	\$5,325,000		\$5,325,000	\$76,071	\$0	\$5,537,450	\$5,204,682	\$12,500,000	\$0	70
St. Helens	St. Helens	Columbia	\$13,400,000		\$13,400,000	\$56,303	\$0	\$26,227,382	\$23,340,036	\$48,006,544	\$0	238
TBD Sunshine Apartments	Roseburg	Douglas	\$9,800,000		\$9,800,000	\$68,056	\$0	\$11,373,750	\$9,894,178	\$15,846,389	\$200,000	144
Total			\$40,675,000		\$ 40,675,000		\$ -	\$ 54,420,667	\$ 48,691,065	\$ 89,452,933	\$ 200,000	600

Total for all categories \$40,675,000 \$23,553,069 \$64,228,069 \$96,361 \$108,264,861 \$97,559,794 \$166,257,850 \$761,625 1133

Available Funding

Project	Available		
	Rural	Urban	
	\$ 35,305,000	\$ 30,000,000	
Barnes Butte Vista	\$ 4,750,000	\$ -	
Remaining	\$ 30,555,000	\$ 30,000,000	
East Q Apartments	\$ 7,400,000.00	\$ -	
Remaining	\$ 23,155,000	\$ 30,000,000	
Hermanson Preserve	\$ -	\$ 7,350,000	
Remaining	\$ 23,155,000	\$ 22,650,000	
Las Adelitas	\$ -	\$ 5,440,570	
Remaining	\$ 23,155,000	\$ 17,209,430	
Lincoln St Apartments	\$ -	\$ 3,412,500	
Remaining	\$ 23,155,000	\$ 13,796,930	
Minnesota Places	\$ -	\$ 3,537,499	
Remaining	\$ 23,155,000	\$ 10,259,431	
Ontario Townhomes	\$ 5,325,000	\$ -	
Remaining	\$ 17,830,000	\$ 10,259,431	
St. Helens	\$ 13,400,000	\$ -	
Remaining	\$ 4,430,000	\$ 10,259,431	
Stark Street	\$ -	\$ 3,812,500	
Remaining	\$ 4,430,000	\$ 6,446,931	
TBD Sunshine Apartments	\$ 9,800,000	\$ -	
Remaining	\$ (5,370,000)	\$ 6,446,931	\$ 1,076,931



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SUMMARY			
Project Name:	Barnes Butte Vista		
City:	Prineville	County:	Crook
Sponsor Name:	Housing Works, Inc.		
Urban/Rural :	Rural	Total Units	44
LIFT Request:	\$4,750,000	Units by Size & Affordability:	1 2-BR at 30% AMI 17 2-BR at 60% AMI 8 3-BR at 30% AMI 18 3-BR at 60% AMI
4% LIHTC:	\$4,914,600	# Rent Assisted Units:	8

PROJECT DETAILS	
Project Description:	Barnes Butte Vista is a 44-unit development of 44 units with a mix of 2 and 3 bedroom units affordable to renters earning at or below 30% and 60% of area median income (AMI). Eight of the units will have project-based rent assistance provided by the local housing authority and project sponsor, Housing Works. Barnes Butte Vista will provide three units with rental assistance for survivors of domestic violence. Saving Grace will provide professional case management services for these residents.
Partnerships to Serve Communities of Color:	Housing Works' experience working with the Latinx community has revealed four primary barriers: language, literacy, legal barriers (perceived and real), and trust. In order to overcome these barriers, Housing Works has partnered with the Latino Community Association (LCA) to disseminate and translate information on affordable housing. Housing Works has found that literacy is a barrier for many members of the Latinx community. To remove this barrier, Housing Works and the LCA plan to offer program information in both video and written format.
MWESB Target:	25% MWESB participation in contracting
Alignment with Statewide Housing Plan:	<ul style="list-style-type: none"> Equity and Racial Justice Affordable Rental Housing Rural Communities
The LIFT program requires that all project sponsors sign a Diversity, Equity, and Inclusion (DEI) agreement and engage MWESB organizations.	



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SUMMARY			
Project Name:	East Q Apartments		
City:	La Grande	County:	Union
Sponsor Name:	NE Oregon Housing Authority (NEOHA)		
Urban/Rural :	Rural	Total Units	104
LIFT Request:	\$7,400,000	Units by Size & Affordability:	21 1-BR at 30% AMI 15 1-BR at 60% AMI 16 2-BR at 30% AMI 16 2-BR at 60% AMI 7 3-BR at 30% AMI 25 3-BR at 60% AMI 1 4-BR at 30% AMI 3 4-BR at 60% AMI
4% LIHTC:	\$5,730,163	# Rent Assisted Units:	45

PROJECT DETAILS	
Project Description:	East Q Apartments is a 104-unit development with a mix of 1, 2, 3 and 4 bedroom units affordable to renters earning at or below 30% and 60% of area median income (AMI). Thirty-five of the units have project-based rental assistance provided by the local housing authority and project sponsor, NEOHA, and ten units have project-based rental assistance through an MOU with OHA’s Housing for Persons with AIDS (HOPWA) program. The sponsors acquired the site using OHCS’ Land Acquisition Program.
Partnerships to Serve Communities of Color:	NEOHA’s approach to service Communities of Color is centered on working with Eastern Oregon University, Latino Network, the Portland State Center for Public Interest Design, and a broad-based group of community agencies and organizations in La Grande who work with persons from Communities of Color through the services they provide. NEOHA has consulted with these organizations in the planning for the project and this working group is endeavoring to provide integrated on and off site services to renters in this development.
MWESB Target:	Not specifically noted, however, using a contractor that achieved a 40% MWESB utilization on a similar project in the region.
Alignment with Statewide Housing Plan:	<ul style="list-style-type: none"> Equity and Racial Justice Affordable Rental Housing

Document Name/Program – Date

	<ul style="list-style-type: none">• Rural Communities
<p>The LIFT program requires that all project sponsors sign a Diversity, Equity, and Inclusion (DEI) agreement and engage MWESB organizations.</p>	



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SUMMARY			
Project Name:	Hermanson Preserve		
City:	Woodburn	County:	Marion
Sponsor Name:	Wishcamper Development Partners, LLC		
Urban/Rural :	Urban	Total Units	168
LIFT Request:	\$7,350,000	Units by Size & Affordability:	10 1-BR at 30% AMI 32 1-BR at 60% AMI 34 2-BR at 30% AMI 50 2-BR at 60% AMI 40 3-BR at 30% AMI 2 3-BR at 60% AMI
4% LIHTC:	\$8,589,560	# Rent Assisted Units:	84

PROJECT DETAILS	
Project Description:	Hermanson Preserve Apartments is a 168-unit development with a mix of 1, 2, and 3 bedroom units affordable to renters earning at or below 30% or 60% of area median income (AMI). Eighty-four of the units will have project-based rental assistance from a local housing authority. The project gives preference for housing victims and survivors of domestic violence and individuals referred by the Marion County Law Enforcement Diversion Program.
Partnerships to Serve Communities of Color:	To remove barriers for access to affordable housing for the Latinx community, Wishcamper has signed an MOU with Eugene-based Cornerstone Community Housing. This organization will provide tailored resident services and programming, driven by resident input. The sponsor plans to implement low barrier entry screening, linguistically appropriate on-site staffing and marketing materials.
MWESB Target:	20% for construction contracts and professional services
Alignment with Statewide Housing Plan:	<ul style="list-style-type: none"> Equity and Racial Justice Affordable Rental Housing
The LIFT program requires that all project sponsors sign a Diversity, Equity, and Inclusion (DEI) agreement and engage MWESB organizations.	



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SUMMARY			
Project Name:	Las Adelitas		
City:	Portland	County:	Multnomah
Sponsor Name:	Hacienda Community Development Corporation (CDC)		
Urban/Rural :	Urban	Total Units	142
LIFT Request:	\$5,440,570	Units by Size & Affordability:	15 0 BR at 30% AMI 29 1-BR at 30% AMI 4 2-BR at 30% AMI 67 2-BR at 60% AMI 1 2-BR at 80% AMI (mgr's unit) 26 3-BR at 60% AMI
4% LIHTC:	\$18,152,313	# Rent Assisted Units:	8

PROJECT DETAILS	
Project Description:	Las Adelitas is a 142-unit development with a mix of efficiency, 1, 2, and 3 bedroom units affordable to renters at or below 30% and 60% of area median income (AMI). A manager's unit is affordable at or below 80% AMI. The development will have 15 permanent supportive housing (PSH) units for people experiencing/at risk homelessness. Cascadia Behavioral Health will provide tenancy support services for the PSH units. The development will have 8 units with project-based rental assistance provided by the local housing authority.
Partnerships to Serve Communities of Color:	Hacienda CDC is a culturally specific organization and will work with Living Cully for outreach as well as rely on its connections with APANO, IRCO and NAYA for connections with Asian, refugee and Indigenous communities. Hacienda CDC will also work with the Continuum of Care's Coordinated Entry system and Familias En Accion for referrals for the PSH units.
MWESB Target:	35% for professional services and construction contracts
Alignment with Statewide Housing Plan:	<ul style="list-style-type: none"> Equity and Racial Justice Affordable Rental Housing
The LIFT program requires that all project sponsors sign a Diversity, Equity, and Inclusion (DEI) agreement and engage MWESB organizations.	





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SUMMARY			
Project Name:	Lincoln Street Apartments		
City:	Eugene	County:	Lane
Sponsor Name:	11thandLincoln LLC		
Urban/Rural :	Urban	Total Units	59
LIFT Request:	\$3,412,500	Units by Size & Affordability:	3 1-BR at 60% AMI 8 2-BR at 60% AMI 13 3-BR at 30% AMI 35 3-BR at 60% AMI
4% LIHTC:	\$4,917,701	# Rent Assisted Units:	13

PROJECT DETAILS	
Project Description:	Lincoln Street Apartments is a 59-units development with a mix of 1, 2, and 3 bedroom units affordable to renters earning at or 30% or 60% of area median income (AMI). Thirteen of the 3 bedroom units will have project-based rental assistance, provided by the local housing authority. This will make the units affordable to families at or below 30% AMI.
Partnerships to Serve Communities of Color:	The owner of the property has MOUs in place with Cornerstone Community Housing (CCH) and Centro Latino Americano (CLA). These organizations will utilize their experience and understanding of barriers facing the Latinx community to create and implement a comprehensive outreach plan and a suite of culturally responsive services at the property.
MWESB Target:	20% for construction contracts
Alignment with Statewide Housing Plan:	<ul style="list-style-type: none"> • Equity and Racial Justice • Affordable Rental Housing
The LIFT program requires that all project sponsors sign a Diversity, Equity, and Inclusion (DEI) agreement and engage MWESB organizations.	



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SUMMARY			
Project Name:	Minnesota Places		
City:	Portland	County:	Multnomah
Sponsor Name:	PDX Signature Properties LLC		
Urban/Rural :	Urban	Total Units	71
LIFT Request:	\$3,537,499	Units by Size & Affordability:	14 0-BR at 60% AMI 22 2-BR at 60% AMI 35 3-BR at 60% AMI
4% LIHTC:	\$7,523,962	# Rent Assisted Units:	n/a

PROJECT DETAILS	
Project Description:	Minnesota Places is a 71-unit development with a mix of efficiency, 2, and 3 bedroom apartments affordable to renters at 60% of area median income (AMI). providing affordable housing for residents on a foundation of community involvement and social equity. The site is located in the City of Portland’s N/NE Preference Policy area.
Partnerships to Serve Communities of Color:	The YWCA, whose mission is to eliminate racism and empower women has expressed interest in partnering for resident services and outreach. DHS Self-sufficiency and Housing Stability Programs has committed to providing outreach and services to residents who qualify for their programs.
MWESB Target:	None noted. A similar project by the contractor reached 40% MWESB involvement.
Alignment with Statewide Housing Plan:	<ul style="list-style-type: none"> • Equity and Racial Justice • Affordable Rental Housing
The LIFT program requires that all project sponsors sign a Diversity, Equity, and Inclusion (DEI) agreement and engage MWESB organizations.	



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SUMMARY			
Project Name:	Ontario Townhomes		
City:	Ontario	County:	Malheur
Sponsor Name:	Nascosto LLC		
Urban/Rural :	Rural	Total Units	70
LIFT Request:	\$5,325,000	Units by Size & Affordability:	32 2-BR at 60% AMI 38 3-BR at 60% AMI
4% LIHTC:	\$5,204,682	# Rent Assisted Units:	none

PROJECT DETAILS	
Project Description:	Ontario Townhomes is a 70-unit development with a mix of 2 and 3 bedroom units affordable to renters at or below 60% of area median income (AMI). Project stakeholders include local mission-driven project developer Nascosto LLC; local service provider Community in Action (CinA); the City of Ontario; 4-Star Property Management; Meyer Memorial Trust; Home First Development Partners and a wide consortium of local service delivery providers.
Partnerships to Serve Communities of Color:	The sponsor for Ontario Townhomes plans to partner with Community in Action (CinA), the local community action agency, and the Four Rivers Welcome Center for Refugees (IRCO Ontario) to ensure that outreach and resident services are culturally appropriate and sensitive to the unique needs of the Latinx population in Ontario.
MWESB Target:	20% of professional service and construction contracts
Alignment with Statewide Housing Plan:	<ul style="list-style-type: none"> • Equity and Racial Justice • Affordable Rental Housing • Rural Communities
The LIFT program requires that all project sponsors sign a Diversity, Equity, and Inclusion (DEI) agreement and engage MWESB organizations.	



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SUMMARY

Project Name:	St. Helens Apartments		
City:	St Helens	County:	Columbia
Sponsor Name:	Northwest Oregon Housing Authority (NOHA) and Community Development Partners (CDP)		
Urban/Rural :	Rural	Total Units	238
LIFT Request:	\$13,400,000	Units by Size & Affordability:	46 1-BR at 30% AMI 20 1-BR at 60% AMI 53 2-BR at 30% AMI 46 2-BR at 60% AMI 20 3-BR at 30% AMI 53 3-BR at 60% AMI
4% LIHTC:	\$23,340,036	# Rent Assisted Units:	75

PROJECT DETAILS

Project Description:	St. Helens is a 238-unit development with a mix of 1, 2, and 3 bedroom units affordable to renters earning at or below 30% and 60% of area median income (AMI). Seventy-five of the units have project-based rental assistance provided by the local housing authority and project co-sponsor, NOHA. The sponsors, NOHA and CDP, partnered to acquire the site using OHCS' Land Acquisition Program.
Partnerships to Serve Communities of Color:	The sponsors, NOHA and CDP, are partnering with Latino Network and Community Action Team (CAT) to engage the local Latino community for awareness of the housing opportunity and to enlist members as active participants in its development. Latino Network will collaborate with its partner organizations, including the Coalition of Communities of Color, to support outreach efforts and will support the development of bi-lingual marketing material. Sponsors plan to work with PSU's Center for Public Interest Design to deploy an asset-based community development model for the St. Helens Apartments.
MWESB Target:	30% for professional services and construction contracts
Alignment with Statewide Housing Plan:	<ul style="list-style-type: none"> • Equity and Racial Justice • Affordable Rental Housing • Rural Communities

The LIFT program requires that all project sponsors sign a Diversity, Equity, and Inclusion (DEI) agreement and engage MWESB organizations.



July 10, 2020

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SUMMARY

Project Name:	Stark St. Apartments		
City:	Portland	County:	Multnomah
Sponsor Name:	Human Solutions, Inc. (HSI)		
Urban/Rural :	Urban	Total Units	93
LIFT Request:	\$3,812,500	Units by Size & Affordability:	8 1-BR at 30% AMI 39 1-BR at 50% AMI 13 2-BR at 30% AMI 20 2-BR at 50% AMI 10 3-BR at 30% AMI 3 3-BR at 50% AMI
4% LIHTC:	\$9,684,334	# Rent Assisted Units:	16

PROJECT DETAILS

Project Description:	Stark Street Project is a 93-unit development with a mix of one, two, and three bedrooms units affordable to renters earning at or below 30% or 50% area median income (AMI). Sixteen of the units will have rental assistance and be designated as permanent supportive housing (PSH) for persons who are homeless. There will be on-site behavioral health and family advocacy services for the PSH units, provided by Lifeworks Northwest.
Partnerships to Serve Communities of Color:	HSI met with the Immigrant and Refugee Community Organization (IRCO) and African Youth Community Organization (AYCO) during project planning to better understand their participants' housing needs. Feedback from the Rosewood Initiative's Purpose Built Communities conversations also informed project design and programming. HSI also plans to seek input from ORCO, AYSO, El Programa Hispano, Latino Network, Urban League, NAYA and the Rosewood Initiative for guidance on how best to reach prospective residents where they are.
MWESB Target:	30% for construction contracts, 20% for professional services
Alignment with Statewide Housing Plan:	<ul style="list-style-type: none"> Equity and Racial Justice Affordable Rental Housing
The LIFT program requires that all project sponsors sign a Diversity, Equity, and Inclusion (DEI) agreement and engage MWESB organizations.	





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SUMMARY

Project Name:	TBD Sunshine Apartments		
City:	Roseburg	County:	Douglas
Sponsor Name:	Wishcamper Development Partners, LLC		
Urban/Rural :	Rural	Total Units	144
LIFT Request:	\$9,800,000	Units by Size & Affordability:	24 1-BR at 60% AMI 88 2-BR at 60% AMI 32 3-BR at 60% AMI
4% LIHTC:	\$9,894,178	# Rent Assisted Units:	none

PROJECT DETAILS

Project Description:	Sunshine Apartments is a 144-unit development with a mix of 1, 2, and 3 bedroom units affordable to renters earning at or below 60% of area median income (AMI).
Partnerships to Serve Communities of Color:	To remove barriers for access to affordable housing, Wishcamper has signed an MOU with Eugene-based Cornerstone Community Housing. This organization will provide tailored resident services and programming (driven by resident input). The sponsor believes that this, combined with Wishcamper’s dedication to developing a robust Equity Plan, that is a living document beyond construction and lease-up, is the best way to serve the Latinx community and other marginalized communities of Roseburg and Douglas County throughout the project’s lifecycle.
MWESB Target:	20% for construction contracts and professional services
Alignment with Statewide Housing Plan:	<ul style="list-style-type: none"> • Equity and Racial Justice • Affordable Rental Housing • Rural Communities

The LIFT program requires that all project sponsors sign a Diversity, Equity, and Inclusion (DEI) agreement and engage MWESB organizations.



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Date July 10, 2020

To: Housing Stability Council
Margaret Solle Salazar, Director

From: Rick Abrego, Senior MWESB Program Analyst
Roberto Franco, Assistant Director Affordable Rental Housing
Julie V. Cody, Director of Affordable Rental Housing

RE: Affordable Rental Housing MWESB Strategy – Final Report and Implementation Strategy

MOTION: Housing Stability Council accepts the MWESB Strategy Report provided by John Jackley which provides a framework to develop an Affordable Rental Housing MWESB implementation strategy.

Attached you will find the final MWESB Strategy Report from our consultant, John Jackley. Based on this report and the feedback received to-date from our stakeholders, staff has been working to develop an implementation plan, including a timeline for milestones. This work is a fundamental part of the division's Equity and Racial Justice goals.

At the July Housing Stability Council (HSC) meeting you will be asked to formally accept the final MWESB Strategy Report and provide feedback and guidance on the implementation strategy and corresponding outreach efforts to foster the use of Minority, Women and Emerging Small Business (MWESB) contractors.

Following this memo is a presentation that contains the overview of our MWESB Strategy and next steps as well as the final MWESB Strategy Report from our consultant, John Jackley.



Affordable Rental Housing MWESB Strategy

Implementation Strategy and Next Steps

Today's Presentation

- Context for this MWESB Conversation
- MWESB Strategy Overview
- Regions
- Implementation Strategy
- Discussion
- Next Steps

What is MWESB?

- While there are numerous Minority Business designations (with none more important than the other) the most commonly used phrased as to identify “all” minority owned businesses is: MWESB or MWESB/SDVBE, with the assumption all designations are addressed when identifying as a Minority Owned Business (MBE), unless we are addressing a particular minority group.

What is MWESB?

- MBE - Minority Business Enterprise
- WBE – Woman Business Enterprise
- DVBE or SDVBE - The Disabled Veteran Business Enterprise or Service Disabled Veteran Business Enterprise.
- ESB – Emerging Small Business
- SBE - Small Business Enterprise
- DBE - Disadvantaged Business Enterprise
- ACDBE - Airport Concessions Disadvantaged Business Enterprise
- LGBTQBE - American Designation for business which are owned and operated by lesbian, gay, bisexual, transgender, and queer or (or questioning); LGBTQ2BE is not a widely used acronym and is not widely used outside Canada. However, its popularity is on the rise. The 2 in LGBTQ2 stands for 'two spirit'

HSC Material

July 10, 2020

Context: Affordable Rental Housing & MWESB

- 2016 LIHTC Qualified Allocation Plan update incorporated scoring preference and reporting ability for projects funded with competitive tax credits.
 - Many urban jurisdictions have established MWESB usage targets
 - Accepted competitive application plans for MWESB outreach; narrative scored by internal / external review committee
- MWESB Program Position funded in 2019
- John Jackley of Advanced Technology Communications (ATC) engaged in 2019

Context: Affordable Rental Housing & MWESB

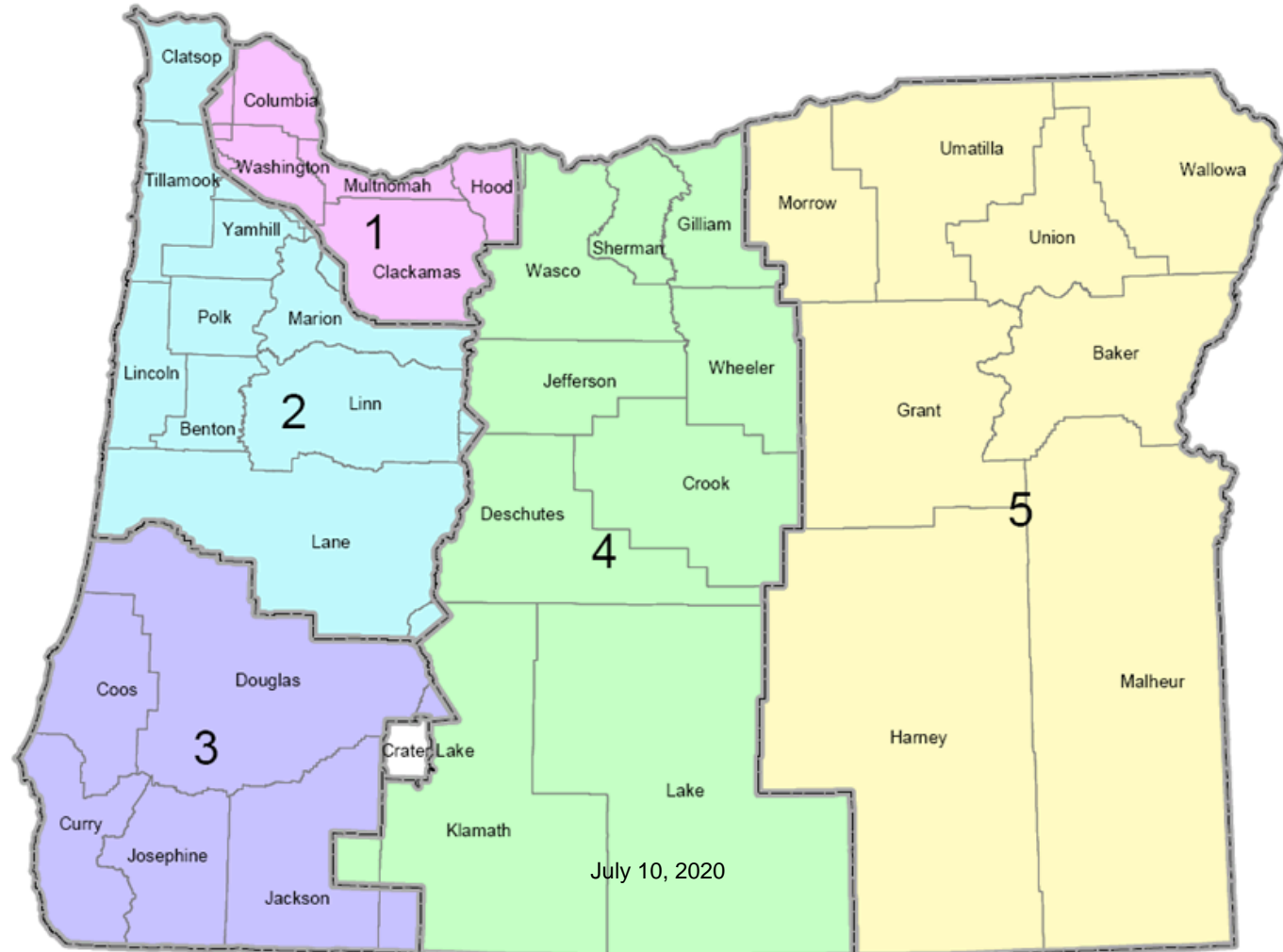
Where are we now?

- John Jackley has completed the MWESB Strategy report; provided a framework to develop an implementation strategy
- At today's Housing Stability Council meeting we aim to present our draft strategy for HSC consideration and input.
- Several bodies of work:
 - OHCS-funded Project Data Collection Efforts
 - Sponsor Outreach, Regional Analysis of Contractor Availability
 - MWESB Registration and Workforce Development

Why MWESB Priority

- Aligns with the Equity and Racial Justice Priority of the Statewide Housing Plan
- Ability to give economic opportunity to MWESB contractors, sub contractors, and others engaged affordable rental housing development and operations.
- Opportunity to ensure a greater utilization of MWESB certified firms in our affordable rental housing funded projects.
- A fully developed state MWESB strategy will have:
 - Regional target goals for MWESB usage that is adjusted based on the availability of MWESB contractors in given areas;
 - Workforce development strategies to expand and support the work of registering qualified firms for state registries
 - Training and Technical Assistance developed to support industry partners in meeting MWESB targets

Regions



HSC Material

Anticipated Outcomes of Implementation

- Data:
 - Identify and monitor the current participation level of MWESB in OHCS affordable rental housing funded projects to establish MWESB participation baseline
- Outreach with Local Jurisdictions and Developers:
 - Conduct outreach to local jurisdictions to align MWESB data collection efforts and developers to determine the level of assistance needed to participate on OHCS funded projects
 - Intentionally engage with Oregon Tribes and identify necessary technical assistance
 - Engage with rural Oregon stakeholders and identify necessary technical assistance
- Programmatic Targets:
 - Informed by outreach efforts and data analysis, develop programmatic targets
 - Adopt practices into OHCS affordable housing financing, production and portfolio efforts
- Workforce Development:
 - Assist COBID and other state agencies to increase licensing and certification of MWESB firms, including apprenticeship opportunities

OHCS MWESB/Workforce Implementation Schedule

FY 2020 Q1 July – September 2020	FY 2020 Q2 October – December 2020	FY 2020 Q3 January – March 2021	FY 2020 Q4 April – June 2021	FY 2020 Q5 July – September 2021
HSC and OHCS Adoption and Notice	Stakeholder & Technical Assistance	Stakeholder & Technical Assistance	Workforce Decisions for Regions 2-5	Workforce Decisions for Regions 2-5
<ul style="list-style-type: none"> Data collection requirements established and aligned with local jurisdictions. Discuss MWESB Contracting goals and requirements. Open MWESB data collection dialog with local jurisdictions, stakeholders, sponsors, developers and GCs. Develop Technical Assistance for data collections. 	<ul style="list-style-type: none"> OHCS continues to build relationships in all regions Tribal Outreach Rural Outreach OHCS participates as a principal in METRO housing bond and METRO Framework oversight process. Work with project sponsors and Region 1 jurisdictions to collect MWESB construction contract data for portfolio projects built in the past 24 months. 	<ul style="list-style-type: none"> DRAFT Technical Assistance provided to *Region 2-5 stakeholders, agencies, developers, GCs Communications plan – ongoing. Data decision: continue with Excel or new platform. Rural Oregon stakeholder outreach and listening process completed; committee appointed to develop workforce recommendations. 	<ul style="list-style-type: none"> OHCS/HSC public hearing on workforce recommendations. Draft availability analyses for Regions 2-5 completed for contracting and workforce Bilingual, culturally appropriate communications plan-strategy developed 	<ul style="list-style-type: none"> Rural stakeholder process initiated for contracting and workforce (*Regions 2-5). First year summary and report produced and presented to HSC/OHCS – lessons learned, recommendations for FY 2021-22 OHSC housing construction and contract compliance training completed. Rural Oregon stakeholder committee develops recommendations for workforce development in OHCS *Regions 2-5.

HSC Material

July 10, 2020

MWESB/SDVBE Policy Strategy and Implementation July 2020

Discussion

- Input from Council on identifying stakeholders and groups that staff should include outreach efforts related to training and technical assistance needs
- Input from Council on the strategy to phase data collection efforts (e.g., initially align with local jurisdictions with MWESB policies; begin in Rural Regions with required baseline data, then continual improvement coupled with Technical Assistance; etc.).
- Input from Council on the implementation timeline.

Next Steps

- Housing Stability Council considers Motion to Accept Consultant Report.
- Begin implementation work; including communication strategy so stakeholders, developers, and contractors are engaged.
- Work to align reporting forms with existing jurisdictional efforts; identify needs and develop tracking.
- Formulate training and technical assistance needs, and schedule.
- Begin working with portfolio project sponsors and local jurisdictions to get MWESB utilization data on projects completed in Region 1 over the past 24 months.



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Final Report and Recommendations

MWESB/SDV and Workforce Development Strategy Services PO #5049

Oregon Department of Housing and Community Services

June 22, 2020



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I. About Advanced Technology Communications

Advanced Technology Communications is a Portland, Oregon-based Emerging Small Business (ESB) formed in 2016. ATC provides construction-related services in diversity and equity policy and in digital communications, drone imaging, mapping and data collection.

ATC founder and Chief Executive Officer John Jackley served as Director of Communications and Social Equity at the Portland Development Commission (Prosper Portland) from 2006-2016, where he led the agency's contracting and workforce diversity strategy. The PDC Business Equity and Workforce Policy produced more than \$100 million in contracting and payroll to minority firms and workers, including 1 million payroll hours for minority workers. Participation of minority, women, and emerging small businesses during his tenure averaged 35 percent per year, with Minority Business Enterprises as the top category. John previously served as Executive Officer for Highway at the Oregon Department of Transportation and was an elected member of the West Linn, Oregon, City Council. He was a senior communications and policy advisor to the Democratic leadership in the U.S. House of Representatives and in the Oregon Senate. He has a Bachelor of Arts from Washington and Lee University in Virginia, a Certificate of Public Management from Willamette University in Salem, and graduate studies in history at Portland State University.

John currently serves on the board of directors for the Hispanic Metropolitan Chamber of Commerce and is a member of LatinoBuilt, the Oregon Native American Chamber and the Oregon Association of Minority Entrepreneurs. He is a founding member of the Metropolitan Contracting Improvement Partnership, which trains and builds capacity in minority contractors, and served as chair and vice chair.

ATC's current diversity and racial justice projects include:

- Training MBEs to bid on Metro's contracting processes (contract with Metro).
- Technical assistance to MBEs for Multnomah County's Construction Diversity and Equity Program training MBEs and conducting outreach on TriMet's Division Transit Project with Raimore Construction.
- MWESB/DBE policy and outreach consulting for the upcoming Metro transportation bond.
- MBE assessment and counseling under a grant from the Collins Foundation.
- Technical and business assistance to MBEs under a grant from the Umpqua Bank Community Foundation.
- MBE business technical assistance, training and outreach for the Broadway Corridor Project with Prosper Portland, including training for agency staff.
- Analyzing MWESB bidding processes and outcomes through a racial equity lens for the City of Portland Procurement Services.
- MBE technical assistance for the Community Opportunities and Enhancement Program on Prosper Portland and City of Portland affordable housing, infrastructure and development projects.

II. Acknowledgements

Establishing goals, requirements and strategies to diversify projects funded by the approximately \$500 million per year in annual resources provided by the Oregon Department of Housing and Community Services is an exciting effort that would not be possible without the vision and support of Governor Kate Brown, OHCS Director Margaret Salazar, Assistant Director Julie Cody, Senior MWESB and Workforce Development Program Manager Rick Abrego, and the OHCS team.

Special thanks for the leadership, review and input from the Oregon Housing Stability Council and Lincoln County Commissioner Claire Heil, Sara DeVries, Sani Jon Difuntorum, Anna Geller, Barb Higinbotham, Mary Li, Dr. Gerardo Sandoval and Charles Wilhoite.

The recommendations build on the findings of the Data Analysis Report submitted to the Oregon Housing Stability Council on May 1, 2020, and are ATC's alone.

Special thanks for insights and observations to Steve Sims, John Cardenas, Komi Kalevor, Mary Li, Charles Wilhoite, Barb Higinbotham, Aaron Bouchane, Gabriele Schuster, Lee Fleming, Lester Spitler, Tiffani Penson, Kimberly Phillips, Jill Smith, Deborah Imse, Willy Myers, John Mohlis, Michael Burch, Andrew Colas, Aneshka Colas, Maurice O'Neill, Nate McCoy, Eddie Lincoln, Rosa Martinez, Tony Jones, Robert Low and Doug Crisman.

III. Executive Summary

Racial justice and the priorities of the Statewide Housing Plan are more important than ever in this time of the current pandemic crisis. In the housing industry, minority contractors and workers have borne the brunt of this crisis and need the active, intentional support of the Oregon Department of Housing and Community Services to ensure fair and equitable utilization of certified firms and workers of color.

To achieve these outcomes, this report recommends that racial justice, affordability and rural areas remain the focus of the OHCS economic development efforts.

Statewide

- Regionalize the data via the five recommended regions in this report.
- Build policies, procedures and specifications that are specific to the contracting and workforce involved in the construction of affordable housing. Establish interim requirements and data collection for Fiscal Year 2020-2021 and convene a stakeholder process for Regions 2-5 for longer term policy adjustments.
- Implement the same standards for goals and requirements, including data collection, for the entire state.
- Draw on the options of the race and gender-neutral requirements toolkit as a way to maximize race and gender-conscious outcomes.
- Establish project-by-project goals to maximize local economic development and to take into account local demographics and certified firm availability.
- Base goals on the total hard construction costs factored by availability as defined in this report.

Proposed OHCS Region 1

- For 2020-2021, align with the Metro Framework for contracting and workforce.
- Require general contractors to provide project reporting to OHCS in Microsoft Excel or B2GNow for contracting and LCPTTracker for workforce, which are the common platforms in the region except for the City of Beaverton, which is developing its own independent system. Excel documents can be exported to B2GNow and LCPTTracker, and vice versa.

Proposed OHCS Regions 2-5

- In Proposed OHCS Regions 2-5, transition to require all general contractors to use the OHCS MWESB data spreadsheets in Excel to establish a utilization baseline (outside of the

Portland metro area, there is no baseline data at all for OHCS projects) as virtually all compliance programs can be imported from Excel.

- Establish a minimum 20 percent local economic development utilization for contractors and workforce for the first year to establish the data baseline. This is a race and gender-neutral factor and can be made a requirement as opposed to a goal.
- Establish and convene a stakeholder process for OHCS Regions 2-5 to develop permanent goals and requirements for projects with OHCS funding, with separate tracks for state-certified firms and workforce/apprenticeship.
- Allow applications for line-item project dollars to assist owners, developers and general contractors in the first two years with developing the capacity to comply with the new equity policy.
- Provide in-region technical assistance and training for funding applicants, developers and general contractors, which can be made mandatory for funding applicants.
- Begin collecting workforce data by race and gender for journey-level and apprentice workers in proposed OHCS Regions 2-5.

For OHCS

- **Contracting:** Provide education for leadership and staff in the construction of affordable housing, not only for financing and equity policy elements. Training should include compliance aspects such as the LCP Tracker and B2Gnow platforms and how construction projects are built in the field from the ground up, scope by scope and trade by trade. This knowledge will be critical to determine the applicability of project-by-project goals based on availability.
- **Workforce:** Train leadership and staff in construction workforce issues and functions, especially how compliance systems function throughout the contracting and workforce ecosystem in Oregon.
- Engage a stakeholder process to inform whether to expand acceptable certifications beyond firms certified by the state.
- Develop a bilingual, culturally competent communications and involvement plan to roll out policy and processes, adapted for the Portland metro area and the rest of the state.

IV. Introduction

In November 2019, a female African American construction crew apprentice found a noose hanging on a construction cone at Oregon Health Sciences University. After bringing her discovery to the attention of a supervisor, she allegedly was told she was making too big a deal of it. A subsequent investigation by OHSU was unable to identify the person responsible.

This incident is appalling on at least two levels — that of the individual who put the noose there in the first place, and the supervisor who allegedly downplayed the significance. The incident also revealed the deeper problem of institutional racism and apparent lack of training or understanding of the seriousness of the situation. It also underscored the observation by the Harvard Business Review in 2011 that “culture trumps strategy, every time.” OHSU and the general contractor had extensive diversity policies and strategies that were nevertheless unable to prevent either the original event or the supervisor’s initial reaction. This was the second such recent incident at OHSU, although not construction related, and there would be yet a third incident in May 2020.

The world has changed since the Oregon Housing and Community Services Department and the Housing Stability Council first discussed this project in November 2019. One of the most tragic aspects is the huge disparity in impact of the coronavirus pandemic on communities of color, with construction contracting one of the hardest-hit sectors. As a result, the equity and racial justice, affordable rental housing, and rural priorities of the Statewide Housing Plan are even more important than ever.

From a racial justice perspective, minority contractors have borne the brunt in the construction world. The dire situation of communities of color, both medically and economically, shows that this is not only not the time to back off from these priorities, but to double down on them and accelerate their implementation in the affordable housing industry.

In addition to the pandemic, the world has changed in other ways too, as nationwide protests have erupted in reaction to the murders of George Floyd, Rayshard Brooks, and countless others by police. A re-examination of systemic racism is taking place in all sectors of society, not just law enforcement. Construction is undergoing scrutiny as well, including a listening session by the National Association of Minority Contractors-Oregon on racism in the building and construction trades unions. Decisions regarding the adoption and implementation of a racial justice policy for contracting and workforce by OHCS will take place in this environment and will be evaluated by a new urgency to seek racial justice in all aspects of government and life.

Pandemic Impact on Minorities and Communities of Color

This impact of the pandemic has been especially intense in the Portland metro region. *The Skanner* newspaper reported on May 14, 2020, that at least 40 percent of COVID-19 cases in Multnomah County were experienced by Black, Indigenous and other people of color, according to data released by Multnomah County’s public health division:

“These populations make up only a third of Multnomah County residents, highlighting disparities in how communities of color experience the pandemic: Multnomah County has become one of the few to include race and ethnicity and housing status demographic information in its COVID-19 data, available and updated on the regional COVID-19 data [dashboard](#). Last week, county health authorities and advocates gathered by video conference call to emphasize the importance of disaggregated data collection, and to inform the public of available resources.

“Black, Indigenous, and people of color are more likely to be exposed to coronavirus because they’re more likely to engage in public-facing essential work—working in grocery stores, in janitorial services, working as nurses....They’re less likely to have the privilege of teleworking, and also we see a lot of communities who are very tight-knit and have close social networks, and we also know that proximity to people is one way that COVID-19 is spread. We see more severity among Black, Indigenous, and people of color because they are more likely to experience severe symptoms and hospitalization because of racial disparities in chronic disease, and access to healthcare and opportunities to health. We also see disparities in mortality or death: Black, Indigenous, and people of color are more likely to die because of higher rates of chronic disease in both young and old. So these underlying conditions that we often hear about that exacerbate what people experience with COVID-19.”

The situation spurred the National Association of Minority Contractors-Oregon to send a letter on March 23, 2020, to statewide policymakers urging, among other recommendations, that the state raise state limits of direct awards from \$10,000 to \$250,000 and direct public agencies to proactively search for ways to award these contracts to minority contractors and disadvantaged businesses, and to immediately require all general contractors on public contracts to bid out all scopes of work and limit self-performed work to 10 percent.

NAMC-OR Executive Director Nate McCoy told the Daily Journal of Commerce, “We don’t want the recovery this time around to be as slow for our industry, so we’re trying to make sure we amplify our very targeted, intentional concerns that our businesses were left behind 12 years ago, and we don’t want to see that happen again.”

The economic damage has not been isolated to the Portland metro region, and rural Oregon has not escaped the crushing economic damage of the pandemic. Oregon Employment Department regional economist Damon Runberg told the *Bend Bulletin*, “Central Oregon remains one of the hardest hit areas by COVID layoffs relative to the size of the labor force.”

Statewide almost 4,400 construction workers filed unemployment claims in the first months of the crisis, representing 10 percent of the industry’s total workforce. Overall, the Oregon Employment Department reported on May 19, 2020, that the construction sector lost 12,000 jobs to date, and on June 16 that 5,600 had been added back, leaving a current net loss of 6,400.

V. Features of Affordable Housing in Oregon

In the midst of this environment of economic crisis, pandemic and a nation torn apart by racial injustice, this report identifies four fundamental features of the affordable housing industry in Oregon that will affect the development and administration of an OHCS MWESB/SDV and workforce policy.

Portland Metro Region

The Portland region is an extremely crowded policy space regarding contracting and workforce, and OHCS will need to decide how to connect with the existing moving parts, especially the recent initiatives by Metro. Most public entities have had some kind of policy requirements or expectations for contracting and workforce equity for years, and the nonprofits, developers and major general contractors are familiar with and have experience constructing affordable housing under these policies.

Perhaps the most significant policy shift currently under way is the emerging role of Metro to create and leverage a set of minimum policy standards for recipients of the Metro housing bond funding. Metro used its leverage with the bond to create a framework for workforce diversity and a goal of 20 percent COBID firm participation on those housing projects.

Metro began this effort with the [2018 Regional Construction Workforce Market Study](#). This study is the most comprehensive to date of the labor market in the Portland metro region, and OHCS should become well-versed in its findings. The overview summary from the report states:

FINDINGS OVERVIEW: PROJECTED DEMAND (3-5 YEARS, PUBLIC PROJECTS OVER \$15 MILLION)

- From 2017 through 2021, the 81 known large public capital projects identified by this study will require nearly 14,000 construction workers.
- Some of these projects have stated apprentice and workforce diversity utilization goals, with average goals of 20 percent hours performed by apprentices, 25 percent hours performed by minorities, and 14 percent hours performed by women.
- These average goals, if applied across *all* 81 projects, puts the 5-year demand at 2,700 apprentices, 3,400 minorities, and 1,900 female construction workers.

While the current 2016 construction workforce on a whole appears could largely ready to meet the demand for diversification across all 81 public projects, analysis of supply within each major trade group shows that only a small portion of trades have enough supply to meet goals.

When diversification and workforce deficits are added together by trade, this analysis shows that the 2016 supply would fall short by 1,074 minorities, 1,416 females, and 445 apprentices to fill the needs for all trades in the region over the next 5 years. These deficits more accurately show the deep need for additional outreach to and training of underrepresented groups for skilled trade career opportunities.

The report then examined barriers to diversity and compared with future demand:

FINDINGS OVERVIEW: BARRIERS TO DIVERSIFYING

The struggle to recruit and retain women and people of color into Construction has *many* causes, including:

- Most connections into apprenticeship still occur through personal referrals, which women and people of color are less likely to experience, and outreach that is done by word of mouth is rarely targeted specifically toward marginalized communities.
- A lack of social networks for women and communities of color within construction minimizes exposure to the possibility of construction as a career option in the first place.
- State-certified pre-apprenticeship programs expose historically underrepresented populations to the trades, screen them for job readiness, and help to cultivate a pipeline of diverse jobseekers. However, these programs have limited capacity due to funding sustainability concerns and reporting fatigue for their numerous existing
- Women and people of color are less likely to have opportunities for advancement within the industry such as becoming foremen, superintendents, or company owners.
- Real-life financial hardships or other challenging situations often arise (i.e. family care needs, transportation issues, etc.), especially for early term apprentices who may have limited or no savings, which can be enough to prevent them from continuing with their careers.
- Lastly, the majority of public projects in the Portland metro area do not have workforce participation goals. Those that do have goals struggle with monitoring and enforcing them. Agencies reported that staff, time, and cost could be barriers to implementing and upholding goals.

The [Construction Career Pathways Framework](#) was born out of these. Metro [adopted the framework](#) on October 24, 2019, and has continued to work with regional governments and stakeholders to secure adoption and then jurisdiction-specific policies to follow.

The [framework](#) has seven major parts:

- Set clear workforce diversity goals: minimum 20 percent apprenticeable hours by trade; minimum 14 percent total hours by women and women-identified persons; and 25 percent minimum hours by persons of color.
- Set project thresholds.
- Track and review progress on goals.
- Develop a workforce agreement.
- Implement worksite anti-harassment and culture change strategies.
- Collectively invest in workforce supply.
- Establish regional collaboration.

One of the more controversial elements is the development of a workforce agreement. The framework does not specify or require any single type of agreement; it identifies Labor Agreements, Project Labor Agreements and Community Workforce Agreements as possibilities. It is important for OHCS to be aware that the minority contracting community is divided on issues involving unions versus open shops, project labor agreements and other issues related to unions. Many minority contractors are union signatory and many are not. In addition, a prime contractor can be union signatory to some trades and non-union for other trades. This issue falls outside of the scope of this study but it is one that the department should pay close attention to.

The Metro framework is a multi-stage process. Jurisdictions were expected to adopt the framework or a close version thereof by December 31, 2019. Subsequently, each jurisdiction will begin a public process to build out the framework into a full policy.

Metro distributed a draft Measuring Outcomes in Racial Equity document on in November 2019 to the housing bond jurisdictions. The required metrics for funding approval include:

- Reporting on COVID outreach efforts.
- Workforce participation disaggregated by race and by income.
- Community engagement outcomes reported with a focus on race and culture.
- Marketing outcomes.
- Application outcomes.
- Tenant diversity outcomes.
- Tenant stability outcomes.

How the new OHCS policy interfaces with the Metro framework and the individual policies of each jurisdiction will be one of the agency's most significant decisions given the large number of local, regional and state jurisdictions with existing programs that are sometimes complementary, sometimes overlapping, and sometimes mutually exclusive. This will also not be a single decision, but because of the constantly shifting developments by the multiple jurisdictions in the region, OHCS staff will want to participate in the relevant meetings and conversations, particularly in the Metro framework committees and structure. The potential already exists for confusion among developers and general contractors when building projects with multiple public funding sources that carry multiple diversity and equity policies. As a result, OHCS' entry into this space needs to be well-communicated with partners, stakeholders and the public, and done so in ways that strengthen the regional effort.

Further complicating this situation is that no current public policies make distinctions between commercial, heavy civil/infrastructure or affordable housing, and ODOT is the only state agency with a statewide comprehensive policy. This report recommends that OHCS make project-by-project determinations about availability and structure goals and requirements that fit local conditions and local economic development goals, and that are specific to this type of construction (see Specifics of Construction of Affordable Housing section below).

Urban-Rural Divide

The urban-rural divide that exists in Oregon becomes even starker when viewed through a lens of MBE and DBE availability. By geography, two-thirds of the state have no MBEs or DBEs for construction as identified in the COBID database. Thirty-three out of 36 counties in Oregon have no apprenticeship training centers. Twenty of the 28 construction trades that have Joint Apprenticeship Training Centers approved by the Oregon Bureau of Labor and Industry are in the Portland area, and only welding and plumbing have training centers statewide.

Furthermore, the financial status of the affordable housing industry is fundamentally different between the Portland region and the rest of the state. No significant long-term, consistent funding source for affordable housing exists in most counties outside of the region other than that provided by OHCS, and even that funding is typically competitive via a Notice of Funding Availability or other process. In contrast, the Portland region has the Metro housing bond, funded county housing authorities, the 30 percent set-aside of all Tax Increment Funding in the City of Portland, and most recently, Measure 26-210, approved by the region’s voters on May 19, 2020, which will provide an estimated \$250 million for supportive services over a 10-year period.

Specifics of Construction of Affordable Housing

The construction of affordable housing is a significantly different industry than commercial construction or infrastructure. The types and extent of the scopes of work are different, and the financing is different compared to commercial or infrastructure. Affordable housing is much heavier on roofing, framing, drywall, flooring, MEP (mechanical-electric-plumbing), painting and taping, finish work and more.

Availability Gaps Statewide

A significant gap exists in the availability of certified firms in the Portland metro region versus the rest of the state in both contracting and workforce. (The following table shows the number of firms in the COBID database for construction as of January 2020.)

Proposed OHCS Region	COBID Firms	MBEs
Region 1	326	113
Region 2	121	31
Region 3	41	8
Region 4	41	0
Region 5	16	0

More than 68 percent of the firms are located in Washington, Multnomah and Clackamas counties:

- 20 percent in Marion, Linn, Lane and Deschutes.
- 26 counties have fewer than 10 certified firms.
- 18 counties have less than 5 certified firms.

A racial equity lens narrows the focus even further:

- 28.5 percent of certified firms are MBEs.
- 75.8 percent of all MBEs are in Washington, Multnomah, Clackamas and Marion counties.
- 17 counties have *zero* MBEs for construction.

VI. Recommendations

The data collected for this research report show fundamental differences between the Portland metro area and the rest of the state; any OHCS policies must take into account local realities of resources, demographics, and funding availability and consistency. As a result, this report and analysis provide recommendations in four areas: statewide, the Portland metro region, rural Oregon and the rest of the state, and those specific to OHCS.

Personal interviews significantly contributed to the recommendations as well as the data. The insights and experiences shared helped shape these recommendations in very positive ways, especially to underscore the passion in rural Oregon for affordable housing and equity; and at the same time, the relatively scarce level of resources for construction and also for the capacity to prepare proposals for NOFAs and respond to opportunities. Rural and urban partners alike share the passion for the affordable housing mission but recognize the gaps in resources available.

Furthermore, even in affordable housing construction itself, significant differences exist in the nature and extent of scopes of work between residential towers and the more common four to five stories over ground-floor retail/commercial or supportive services. Other types of construction can include a combination of affordable and market-rate units in the same project.

Statewide Recommendations

1. Create policies specific to affordable housing construction. The first fundamental building block is to create policies and requirements around the specific kind of housing that OHCS funds. Focus on the specific types of contractors and trades employed in affordable housing – a very different mix than commercial or heavy civil. All paths begin with data; it is essential to begin requiring and collecting, however imperfectly at the outset.
2. Set project-by-project goals. This report recommends that OHCS set and/or approve goals and requirements on a project-by-project basis. The differences between the Portland metro region and rural Oregon and the types of affordable housing construction are too great to have a one-size-fits-all approach. Different project locations around the state have different demographics that call for individual goal-setting or approval.
3. Establish baseline data. Because this initiative is new to the department, no baseline data exist outside of the Portland metro region, so it is essential that basic data collection begin immediately. This report recommends the same data collection standards and requirement for all OHCS-funded projects in the state. With a project-by-project approach, the department can set the minimum 20 percent certified firm goal as a beginning; if the availability analysis for the project shows that there are not sufficient certified or Tribal-owned firms available for those projects, the difference can be made up with local non-certified small businesses. (It will be important for the stakeholder process to land on a workable and acceptable definition of “local.”)

4. Regionalize all data. The department currently looks at funding opportunities from the standpoint of two geographic perspectives, rural and urban (principally the Portland metropolitan area but also Salem-Eugene). Because availability of construction firms and workers varies significantly around the state, however, the department has asked for recommendations for a regional framework to apply a future certified firm and workforce policy and strategy to OHCS funding opportunities.

The two existing regional frameworks that most closely align with the department’s objectives are those used by the Oregon Department of Transportation and the Associated General Contractors – Oregon-Columbia Chapter. The graphic below shows how AGC has divided the state into six regional areas that mirror the state’s construction markets.



Similarly, ODOT divides the state into five regions:



Regional Map Of Oregon

The only significant difference between the two is that AGC has a sixth Central Oregon region compared to ODOT’s five, and AGC’s map is based on administrative management of its programs, including the very large statewide safety program, and not on the distribution of funds and the maintenance geography of the state, which is the ODOT model. In addition, ODOT splits some counties between regions, which would not be useful for OHCS purposes.

This analysis recommends using a five-region approach similar to the ODOT model with some adjustments, including keeping counties whole.

- Keep all of Jackson County in an OHCS Region 3, and all of Klamath County in an OHCS Region 4.
- OHCS Region 1 should include all of Multnomah, Clackamas, Washington and Columbia counties. Although Columbia County only has two MBE firms, its construction market draws from the Portland metropolitan region.
- OHCS Region 2 should include Columbia (only two MBE firms), Clatsop and Tillamook as well as the other ODOT Region 2 counties. All of Lane County should be in OHCS Region 2.
- OHCS Region 4 should include all of Deschutes and Jefferson counties.

A racial equity lens shows that when this regional recommendation is aligned with the distribution of COBID firms, especially MBEs, by county across the state, the need for a framework of a flexible approach becomes clear.

Proposed OHCS Region	COBID Firms	MBEs
Region 1	326	113
Region 2	121	31
Region 3	41	8
Region 4	41	0
Region 5	16	0

This regional breakdown shows:

- Two-thirds of the state by geography, Regions 4 and 5, have no MBEs.
- Southwest Oregon, Region 3, has eight MBEs.
- Nearly all of the current MBEs in the state are clustered in proposed Regions 1 and 2, with 75 percent of the state’s MBEs located in the three counties of proposed OHCS Region 1.

This analysis does not suggest the creation of an additional administrative layer at OHCS, but instead to use this regional framework as a lens whose demographics, company location and company availability can localize expectations and any future goals and requirements.

5. Data Collection and Reporting. All paths begin with data. This report recommends requiring and collecting data, however imperfectly at the outset, and aligning OHCS with the existing State of Oregon systems of B2GNow and LCP Tracker.

As with policies and resources, there is a gap in existing data systems between the Portland metro area and the rest of the state. In the metro region, due to the mature policy and funding infrastructure, all affordable housing projects are currently reporting contracting and workforce data to their public owners. Outside of the region, however, no such systems currently exist for affordable housing. This report recommends as an initial step the use of Excel spreadsheets to track and report data because virtually all of the construction and workforce data systems in the market today can import data directly from Excel. In the short term, this will help developers and owners in rural Oregon reduce the costs of complying with the new policy in the first year of implementation.

The second data recommendation is that construction and workforce data should be compiled and submitted monthly. If reporting is only done upon completion of the project, there will be no opportunity to make mid-course corrections. This is especially important if the department adopts the recommendation to prohibit the switching out of certified firms for non-certified firms (especially MBEs) once the project is under way, without the written permission of the owner. Other areas of potential slippage include not meeting apprenticeship and workforce diversity goals and requirements. Without monthly oversight by the department, projects may not meet state and community expectations, and the department will be held accountable for the outcome.

A third factor is that in the Portland metro region, policy and policy changes are made against the backdrop of 20-plus years of data for similar projects by multiple jurisdictional owners. This data provides a range of reasonable expectations and benchmarks for equity goals and outcomes in the industry. Moving ahead with policy requirements for rural Oregon, however, little to no data exist, and it is challenging to construct detailed policies at the same time the supporting data are being collected. It will be important to set the same high-level expectations for outcomes for rural Oregon as for the Portland metro region, but to look heavily to the monthly and the 2020-2021 data before finalizing policy specifics for those areas.

6. Include Native and Tribal-owned firms. Diversity and equity in construction and workforce have many elements and one of the most overlooked is the capacity of Native and Tribal-owned contractors and workforce. Native American-owned firms are those owned by individuals and are certified by the State of Oregon COBID office as an MBE. Tribal businesses are those owned by recognized tribes, which are sovereign nations and do not need to be certified by the state. This report recommends the inclusion of Tribal-owned businesses as eligible to be counted alongside the MBE category in a way that both counts their participation and recognizes their sovereign status. This report also recommends a significant emphasis be placed on Native and Tribal-owned businesses in the department's outreach and business development efforts in 2020-2021 and beyond.

7. Establish interim requirements. Establish interim requirements for FY 19-20 NOFAs and other funding with a short timeline stakeholder process, with a longer-term inclusive stakeholder process for FY 2021 and beyond, especially in rural Oregon. A detailed suggested process and timeline is attached in Appendix A.

8. Availability. OHCS goals for certified firms should be based on availability as defined by the scopes of work that are available for any small business. This would exclude items such as permits and elevators, and include most other scopes for affordable housing.

9. Include professional services. OHCS goals and requirements should extend to professional services as well as contracting and workforce. Professional services include architecture, design, planning, engineering, environmental, surveying and related fields.

10. Engage culturally specific organizations. Building relationships with culturally specific community organizations is key to increasing the utilization of contractors owned by people of color and workforce. These organizations exist in every region of the state and they should be invited to participate in the stakeholder process and to build a positive working relationship with the department.

11. Language. The department's outreach, communications and policy development need to be culturally and linguistically competent, with a strong emphasis on Spanish language and Latinx demographics. Once again, the urban-rural divide emerges. Developers and owners in the Portland metro area have deeper resources and community organizations — IRCO, APANO, the Hispanic Chamber, and many others — that can provide support. Far fewer such resources exist in rural Oregon, which further underscores the need for project-by-project goals for outreach as well as for project outcomes. At a minimum, Spanish language and the Latinx populations should be an immediate priority given the state's demographics.

Seven of the top 10 cities in Oregon with the largest Latinx populations are outside the Portland metro region, and the three within the boundary are on the western edge of Washington County.

Top 10 Largest Latinx City Populations in Oregon

1. Woodburn	56.18%
2. Cornelius	51.1%
3. Milton-Freewater	49.21%
4. Ontario	44.81%
5. Hermiston	43.94%
6. Umatilla	42.54%
7. Madras	40.46%
8. Independence	35.26%
9. Forest Grove	23.40%
10. Hillsboro	23.39%

12. Communications and Outreach. The department will need an overall communications and outreach strategy that is culturally competent, linguistically diverse, and uses advanced social media and digital communications, especially during the pandemic. Analytics should be the foundation and driver of the communications efforts, with an emphasis placed on tactics and

platforms that produce measurable results. The strategy needs to combine analytics with demographics and place a strong emphasis on short videos in different languages, memes, infographics, platforms such as IGTV (Instagram TV), email marketing, geofencing, and other techniques that allow for specific connections and measurements.

13. Race and Gender-Neutral Requirements. The following recommendations are a race and gender-neutral toolkit for the department to choose from as it sets requirements on a project-by-project basis. These requirements represent powerful leverage to make public construction contracting open to all and to diversify the contracting and workforce for those projects.

Here is an example of the difference. A 20 percent aspirational goal for people of color and women is race and gender-specific. A requirement that all scopes of work be available to all bidders, especially local small businesses, is race and gender-neutral but makes opportunities available to all contractors.

Without these requirements, the available subcontracting opportunities can become so diminished that the race and gender-specific goals and outcomes may never be reached.

Public agencies have authority as project owners and funders to define the process and outcomes regarding COBID firm participation on the project, and hold the proposing teams and the eventual winner to those standards and outcomes. Three levels of specificity create the typical framework for public agency and jurisdiction policies regarding diversity, equity and inclusion in contracting and workforce:

- Policies define the vision, outcomes, broad goals and program elements.
- Procedures define elements such as requirements for apprentice hours on projects and aspirational goals for race and gender-based outcomes.
- Contract specifications are the specific processes and requirements that are part of the contract documents for the project and legally binding on the signatory parties. These elements define the bidding process, how many COBID firms will be contacted and how, and all the other elements of the construction contract.

The only things that carry weight in the field and on the construction site are the specifications in the contract, not aspirational policies several parties removed upstream. *It will be essential for OHCS to ensure that its contract specifications to achieve racial justice outcomes are included in every construction contract for projects funded by the department.*

The following is a list of contract specification options for consideration by the Oregon Department of Housing and Community Services:

1. Limit self-performed work by the prime to 10 percent of the hard construction costs without the owner's written permission. Many primes rely on a certain amount of self-performed work

but they are not entitled to it any more than anyone else. Requiring owner permission gives the agency significant negotiating advantage regarding the primes' contracting plan in all aspects but especially with COBID firms.

2. Require that all scopes be openly and fully bid out. Far too often primes come to a project and announce that the MEP (mechanical, electrical, plumbing) and other scopes have already been awarded. All contractors should have the opportunity to bid on scopes of public projects, not just those that already have an inside track with the primes.

3. Affordable housing funding has timelines measured in years, not months. With this kind of lead time, the time to submit bids by subcontractors should be sufficient so that those who are busy in this construction economy – which are most of them – can have time to consider and prepare for bids. The usual two to three weeks is not sufficient. To determine sufficient time, OHCS can interview certified firms by cultural community to determine how much time they need to respond to bid, by what process, and how primes can make the bidding process more transparent and accessible to minority and women contractors.

4. Proposing primes can be required to demonstrate cultural competence and knowledge of the project region's diverse communities by posting bid opportunities in Spanish, Vietnamese, Russian and any other language used by COBID firms that are in a position to bid for scopes.

5. Prohibit switching out COBID contractors post-award without the owner's or funders' permission. This practice is all too common with some primes who submit a robust diversity plan and then drop or switch out MBEs post-award.

6. Require that any prime team provide a detailed contracting plan that shows they know the COBID market in the project's region and how they intend to maximize participation. In addition, owners and funders can include a provision in the Request for Proposal process that allows them to go back to the primes post-submittal but pre-award to ask detailed and specific questions about how that plan is going to be fulfilled.

Require the submitting primes to submit their track record of DBE utilization on previous projects over the past five years and award points based on that track record.

7. Require large subcontractors to provide a similar contracting plan. Some of the scopes in larger projects will be the size of a typical prime contract, and those large subs should have to prove that they too intend to maximize the participation of COBID firms.

8. Require proposing primes to demonstrate specifically how they can and will break up large scopes. If there are insurance or bonding challenges for COBID contractors to work on the project, require the primes to bring the subcontractors under their own bonding and insurance.

9. Require primes to demonstrate both knowledge of the project and the COBID community by showing what segments of the project in those scopes could be turned into a mini-prime where a COBID paving company, for example, could do a full segment.

10. For projects of significant size, establish a standing monthly oversight committee to include the county, prime contractors, the building and construction trades unions, workforce providers, and other stakeholders to review the status of COBID, workforce and apprentice diversity on the project. This approach proved critically successful on the South Waterfront development in Portland for both the commercial and infrastructure elements and will be utilized in the upcoming Broadway Corridor/Post Office development by Prosper Portland.

11. Require cultural competency training and anti-racism training for all general contractor personnel assigned to the project, with owner/funder pre-approval of the training required in order to fulfill this requirement. Require the same training for developer, owners and nonprofits.

12. Require the primes to demonstrate ongoing bilingual capability in Spanish, and other languages as needed, in their project team or through consultants. The top three languages in construction in Multnomah County are Spanish, Russian and Vietnamese, with others to follow. A survey of certified firms in the Portland metro region would help make the existing data more current.

OHCS Region 1 Recommendations

Regional data recommendation: OHCS Region 1 should include all of Multnomah, Clackamas, Washington and Columbia counties. Although Columbia County only has two MBE firms, its construction market draws from the Portland metropolitan region.

Minimum percentages. In the Portland metro region, establish a minimum 20 percent certified firm goal of all hard construction costs for projects funded by OHCS resources based on availability; if the public jurisdiction's percentage is higher, adopt that goal by reference.

Availability. Determine availability on a project-by-project basis with availability defined as the total dollar value of scopes of work that are or would be available to any small business. Items such as plans and permits would be exempted, as would highly specialized scopes such as elevators, for which there are not small certified businesses available. All others as determined by OHCS staff would count toward the total hard construction costs against which the 20 percent certified firm goal would be determined.

Metro framework. Align with the Metro workforce framework goals for diverse workers at the apprentice and journey levels.

Reporting. Require general contractors on OHCS-funded projects to use LCP Tracker and B2Gnow (if not already using those platforms) and require monthly reporting to OHCS for a one-year period to establish a metro region baseline for OHCS-funded projects.

In addition to regional requirements, the MWESB and Workforce Development Program Manager should have the authority to approve/disapprove requests for more than 10 percent self-performed work and to approve/disapprove requests for exemptions from apprenticeship requirements.

OHCS Regions 2-5 Recommendations

Regional data recommendation: This analysis recommends using a five-region approach similar to the ODOT model with some adjustments, including keeping counties whole.

- Keep all of Jackson County in an OHCS Region 3, and all of Klamath County in an OHCS Region 4.
- OHCS Region 1 should include all of Multnomah, Clackamas, Washington and Columbia counties. Although Columbia County only has two MBE firms, its construction market draws from the Portland metropolitan region.
- OHCS Region 2 should include Columbia (only two MBE firms), Clatsop and Tillamook as well as the other ODOT Region 2 counties. All of Lane County should be in OHCS Region 2.
- OHCS Region 4 should include all of Deschutes and Jefferson counties.

1. In Proposed OHCS Regions 2-5, transition to require all general contractors to use LCP Tracker and B2Gnow to establish a utilization baseline. (Outside of the Portland metro area, there is no baseline data at all for OHCS projects.)

2. Establish a minimum 20 percent local economic development utilization for contractors and workforce for the first year to establish the data baseline. This is a race and gender-neutral factor and can be made a requirement as opposed to a goal.

3. Establish and convene a stakeholder process for OHCS Regions 2-5 to develop permanent goals and requirements for projects with OHCS funding, with separate tracks for COBID contracting and for workforce/apprenticeship.

Workforce development resources are so relatively scarce in OHCS Regions 2-5 that only an inclusive stakeholder process will inform a strategy that can be successful. No public agency in Oregon has adopted a workforce equity policy without an extensive public process involving stakeholders, workforce providers, industry developers, nonprofits, construction companies, minority contractors, and others involved in the industry. The essential first step is to collect data and identify workforce utilization by race and gender at the apprentice and journey level, and to assist owners and developers to correctly collect and report that data.

As a result, this report recommends a thorough and inclusive stakeholder process in OHCS Regions 2-5 as part of the development of a workforce equity policy to provide comparisons of processes used by other public agencies and identify options for the department. Also recommended is a reconvening of the stakeholder process at the end of FY 2020-2021 to assess

data collection, outcomes, projects and lessons learned that can be applied to subsequent fiscal years.

4. Allow applications for line-item project dollars to assist owners, developers and general contractors in the first two years with developing the capacity to comply with the new equity policy.

5. Provide in-region technical assistance and training for funding applicants, developers and general contractors. This can be made mandatory for funding applicants.

OHCS-Specific Recommendations

The greatest strength of this effort has been the vision and commitment of the department to move forward on a path to racial justice in contracting and workforce on OHCS-funded projects. Leadership and staff are experts in all aspects of affordable housing finance, support and program management. In order to develop and enforce a racial justice contracting and workforce policy, the department will need a similar level of skill and training in all aspects of the hands-on construction of affordable housing: planning, permitting, estimating, bidding, submissions and award, contract management and execution, including change orders; inspections, final cleanup and closeout, and more. Additional knowledge and skills include contract compliance, certified payroll, and other aspects of construction and workforce oversight processes.

1. Actual Construction. Leadership and staff need training in the hands-on, actual construction of affordable housing, not just the financing and equity policy elements. This includes compliance aspects such as the LCP Tracker and B2Gnow platforms and how, step-by-step in the field, construction projects actually get built from the ground up, scope by scope and trade by trade. This knowledge will be critical to determine the applicability of project-by-project goals based on availability.

2. Workforce. Leadership and staff need training in construction workforce issues and functions, especially on how compliance systems function throughout the contracting and workforce ecosystem in Oregon. Engage a stakeholder process to inform whether to expand acceptable certifications beyond state COBID.

3. Communications. This report recommends that OHCS develop a communications and involvement plan for the rollout of this policy and processes, with different focus areas for the Portland metro area and the rest of the state.

Messaging framework for the Portland metro area:

- OHCS needs to start collecting race and gender data for contracting and workforce on department-funded projects as part of its new MWESB and workforce policy process.
- For the 2020-2021 fiscal year, we will align the basics of our policy with the Metro framework with other additional requirements as directed by the Housing Stability Council.

Messaging framework for rural Oregon recognizes local factors:

- OHCS understands the differences in demographics, availability and resources.
- We need to start collecting race and gender data for contracting and workforce this fiscal year.
- We will use Excel to minimize cost and complexity to owners and developers.
- OHCS will soon engage a stakeholder process to examine policies, procedures, and longer-term issues and challenges and to ensure that all stakeholders participate in finding solutions. (See sample schedule on next page.)
- The 2020-2021 fiscal year will have an aspirational goal of 20 percent utilization of certified small businesses based on availability and excluding items such as plans, permits, and scopes beyond the reach of any small business.
- Working together through the stakeholder process, the department will set project-by-project goals based on local demographics and availability.
- Technical assistance will be available to help owners, developers, general contractors and stakeholders understand the new policy and to assist with reporting and compliance.

VII. Personal Interviews

Personal interviews were conducted in coordination with the department. While most of the information and data obtained in the interviews revolved around questions of strategy and recommendations for Deliverable 3 under this contract, the following is an overview and summary of the common themes, concerns, recommendations and observations.

Overview Summary of the Personal Interviews

- Build on the experience and lessons learned from the jurisdictions in the Portland metro area.
- Use OHCS funding leverage to close gaps and increase goals/requirements.
- Although not unanimous, most interviewees recommended that the department focus on contracting equity —not because it was more important, but because creating a workforce system where none previously existed would be a massive undertaking and more likely one that the department could not do alone.
- Data is decisive. Most interviewees recommended the collection of contracting and workforce data on OHCS-funded projects as a vital first step in order to be able to see what utilization currently exists, especially outside the Portland metro region. Tracking and monitoring to create a baseline is essential.
- New barriers, especially in technology, are preventing COBID firms from obtaining the information they need to be successful.
- Develop policies and requirements to use more local workers, especially in larger projects. The industry is getting too dependent on out-of-state workers.
- Require real-time reporting on progress at each stage of the funding and development stream.
- Increase incentives for large firms and developers to use more COBID firms.
- Owner responsibility is the key.
- OHCS should meet with developers and contractors in rural areas to figure out how to make it work for them.
- Are there other ways to recognize firms beyond the MWESB designation? Can businesses or developers self-certify?
- How can OHCS support developers and contractors in rural Oregon?
- It will be essential to bring the entire affordable housing community together to figure out how to implement in the rural areas, possibly with a collaborative design model. Stakeholder engagement at every step will be critical.
- For funding opportunities, identify some percentage of a request that can be a racial and economic justice line item that OHCS would pay for.
- Any contracting and workforce policy should be part of a larger local economic development effort.
- Consider changes to the current OHCS point system for awarding funding that reflects the best value and community factor approaches used by the Portland Housing Bureau and others so that racial equity – and the track record of applicants and proposers – can be used in the selection process.

Appendix A

