

Housing Stability Council

MEETING MATERIALS PACKET



Center Village Apartments
Portland, Oregon

April 2, 2021

9:00 a.m. – 12:30 p.m.

Oregon Housing & Community Services
Webinar

Council Members:

Claire Hall, Chair
 Sarah DeVries
 Sami Jo Difuntorum
 Mary Ferrell
 Barbara Higinbotham
 Candace Jamison
 Mary Li
 Gerard F. Sandoval, PhD
 Charles Wilhoite

AGENDA

April 2, 2021 9:00 a.m. - 12:30p.m.
 Oregon Housing and Community Services
 725 Summer St NE, Salem OR 97301

**Webinar Mtg Only**

Public register in advance for this webinar:

https://zoom.us/webinar/register/WN_uowii8KdRFyNz5LTR9jucQ

TIME	TOPIC	SWHP Priority	ACTION
9:00	Meeting Called to Order <i>Roll Call</i>		Call Roll
9:05	Public Comment		Discussion
9:25	<p>Affordable Rental Housing Division (pg. 01) <i>Julie Cody, Director, Affordable Rental Housing</i></p> <ul style="list-style-type: none"> MF Housing Transactions: <ul style="list-style-type: none"> Sunshine Apartments: Tyler Young, Production Analyst & Casey Baumann, Production Manager 85 Stories Group 7: Christopher Ibeling, Production Analyst & Casey Baumann, Production Manager CCC - Westwind Apartments: Joanne Sheehy, Production Analyst & Casey Baumann, Production Manager Tax-exempt Bond Transaction Approval Process: Julie Cody, Director, Affordable Rental Housing & Natasha Detweiler, Assistant Director, Planning & Policy Section 		Decision
10:30	Break		
10:40	<p>Housing Stabilization Division (pg. 55) <i>Andrea Bell, Director, Housing Stabilization</i></p> <ul style="list-style-type: none"> ESG Awards: Andrea Bell, Director of Housing Stabilization, Sam Kenney, Senior Homeless Services Policy Analyst, Laura Lien, Assistant Director of Homeless Services, Mike Savara, Assistant Director of Homeless Services 		Briefing
11:15	<p>Report of the Director (pg. 62)</p> <ul style="list-style-type: none"> Rental Assistance Update: Tenant- & Landlord-based: Andrea Bell, Director of Housing Stabilization, Laura Lien, Assistant Director of Homeless Services, Mike Savara, Assistant Director of Homeless Services, Sam Kenney, Senior Homeless Services Policy Analyst; and Julie Cody, Director of Affordable Rental Housing, Natasha Detweiler-Daby, Assistant Director of Planning and Policy, Rick Ruzicka, Senior Operations & Policy Analyst 		Briefing
12:15	Report of the Chair		
12:30	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



**OREGON HOUSING *and*
COMMUNITY SERVICES**

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

Date: April 2, 2021

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

From: Tyler Young – Production Analyst
Casey Baumann – Production Manager
Roberto Franco – Assistant Director, Development Resources and Production
Julie V. Cody – Director, Affordable Rental Housing Division

RE: WDP Sunshine Park Apartments – Roseburg, OR

MOTION: Move to approve Pass-Through Revenue Bonds in an amount up to and not to exceed \$18,372,547 to Sunshine Housing Associates Limited Partnership for the new construction of the project known as Sunshine Park Apartments, subject to the borrower meeting OHCS and Citi Community Capital’s underwriting and closing criteria, documentation satisfactory to legal counsel and State Treasurer approval of the bond sale.

Overview and Location:

Sunshine Park Apartments is a new construction project with 144 units to be located in Roseburg, which consists of four three-story residential buildings and two community buildings. The unit mix will consist of 24 one-bedrooms, 84 two-bedrooms, and 36 three-bedroom units. The community buildings will include a leasing office, lounge, recreation area, community room, central kitchen, laundry facilities, and a fitness center.

Population Served:

The population to be served are families and individuals earning at or below 60% of the Area Median Income (AMI).

Funding Context:

Sunshine Park Apartments will use state issued non-competitive 4% Low Income Housing Tax Credits and Tax-Exempt Bond resources, which require the developer to comply with federal regulations and requirements. In addition, this project received reservations in July 2020 of \$221,760 in OMEP funds and \$9,800,000 in competitive LIFT funds in the 2020NOFA round.

Project Sponsor:

The sponsor is Wishcamper Development Partners LLC (WDP). The principals of WDP have ownership in, and are principals of, their sister company, Wishrock and Ray. Combined, WDP



have over 80 years of development experience across 23 states; having developed or redeveloped over 15,000 units of affordable housing since the early 1970's.

Management Agent:

Guardian Real Estate Services (GRES) will be providing the Project's property management and tenanting services. GRES has been providing property management services to the region for over 40 years and has extensive experience managing both market rate and affordable housing projects. GRES manages over 120 income-restricted projects and over 4,700 units throughout Oregon, Washington, and Arizona.

With over 400 employees, GRES has 26.5% of employees self-identifying as a member of an ethnic minority, 56% of their workforce is female. Contributions of senior executives has played an important role in the development of a college preparatory education program that affords primarily minority and lower-income high school students' access to high quality education and a conduit to post-secondary studies. GRES takes pride in the demographic of their employees and their residents. GRES will employ Affirmatively Furthering Fair Housing strategies in the management and leasing of the property.

Resident Services:

Provider: Cornerstone Community Housing (Mission)

Since 1992 Cornerstone Community Housing has been committed to building quality, affordable housing for people living on limited incomes while offering services that promote opportunities for personal growth and economic independence.

The following services will be offered:

- Food & Nutrition:
 - Extra Helping: On-site delivery of fresh produce, bread, and dairy.
 - Summer Cereal/Lunch: Feeds youth during summer months.
 - Breadbasket: Fresh bread offered on-site.
 - Senior Grocer: Delivery of groceries to seniors.

- Health & Wellness:
 - Get Motivated: Links adult residents to health and wellness services.
 - Taste of Wellness: On-site visits from local health organizations such as YMCA and PeaceHealth.
 - Wellness Coaching: One-on-one wellness support and coaching helps resident achieve health goals and manage chronic illness.

- Youth Development:
 - Active Kids: Offers education, movement, and art programs.
 - Active Teens: Recreational activities.
 - Rising Star: Motivates youth to excel in school and life through reward incentives.
 - Homework Club: Kids' complete homework while having a healthy snack in a safe setting.

- Financial Stability:
 - Resident Referrals: One-on-one help connects residents to local resources.
 - Saving Programs: Teaching the basics of budgeting and saving.
 - Financial Wellness: Connection to financial institutions to promote financial growth.

- Community Development:
 - Volunteerism: Opportunities for community members to support resident programs.
 - Symphony Connects: A collaboration with local symphonies to bring music on-site.

- Network Connections:

Connecting residents in need with service provider networks for healthcare, health insurance, prescription drugs, navigating insurance claims, legal services, credit counseling, domestic abuse, drug and alcohol abuse, depression, childcare, employment and job training and placement opportunities, eviction prevention, and education.

OHCS Policy Priorities:

This project meets key OHCS policy priorities as outlined in the Statewide housing Plan.

- **Equity and Racial Justice:**
 - Community Demographics:

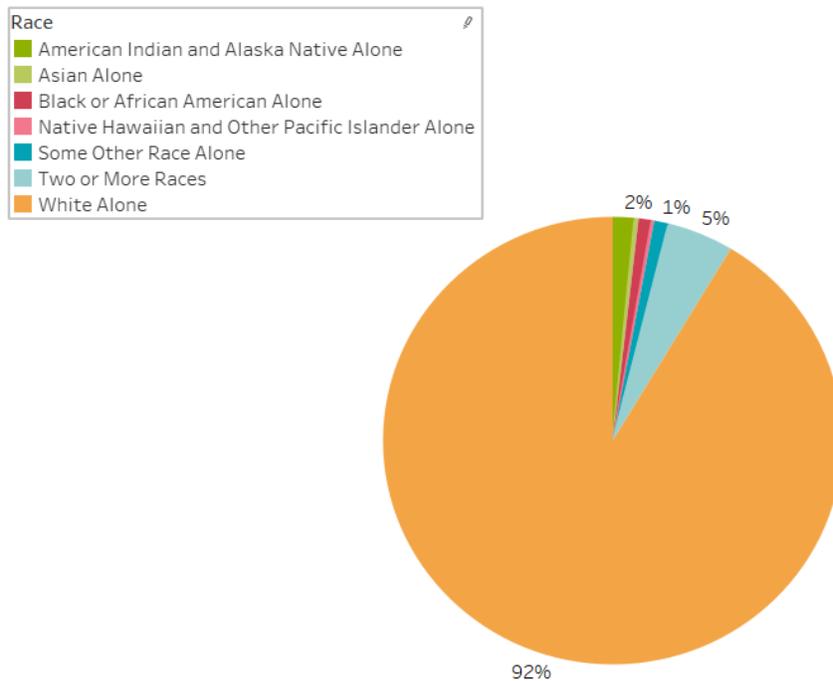
This project is a 144-unit multifamily affordable housing project located in Douglas County, within the City of Roseburg. This project, which has an affordability term of 30 years, has a target population of individuals and families earning 60% or less of the AMI.

This project is located in a "Difficult to Development Area" Census Tract, indicating that there are high land, construction and utility costs relative to the area median income; this highlights a need for projects like this, that can leverage different sources of funding to provide affordable units for residents

whose needs are not being met by current market-rate stock. Demographic information was collected for census tracts within a 1-mile radius of this project, and the racial and ethnic composition of these three census tracts is described below:

- 92% White Alone
- 8% People of Color
 - 4.7% two or more races
 - 1.5% American Indian/Alaskan Native Alone
 - 6.1% Hispanic/Latino
- All other racial/ethnic categories are at or below 1%

Racial Composition of Census Tracts within 1 Mile of Project



This demographic data becomes more significant when it is viewed in conjunction with housing data for the tracts within a 1 mile of the project. This area has relatively high rates of homeownership (60%) but this number drastically decreases for non-white homeowners (only 9%.) This data indicates that homeownership options may be inaccessible for surrounding communities of color, highlighting the need for affordable rental options.

The need for the affordable units that this project would provide becomes even more apparent when looking at income and poverty data. Within a 1 mile of the project, 44% of renters and 31% of homeowners are either cost burdened or severely cost burdened, meaning they pay at least 30% of their income on rent or homeownership expenses. Even more, 17% of individuals have incomes below the poverty line, and the Median Household Income is \$44,267. This project could provide a difficult to develop area with a significant number of affordable units that may help low-income renters who cannot currently access homeownership opportunities.

➤ Affirmative Fair Housing Marketing Strategies:

Guardian has a clear mandate to selectively override screening criteria and will maintain relationships with local community action organizations to assist residents in crisis and prevent eviction. Further, on-site management and staff need to understand the goals of, and be representative of, the community they serve. Effort will be taken to hire on-site staff that are racially and culturally representative of the resident community. The on-site management and staff receive diversity, equity, and inclusion training as an ongoing, developmental process to support their professional development.

At the core of all leasing activities is a commitment to furthering fair housing. Several strategies will be employed at the project to provide equitable access to marginalized communities, including targeted outreach to priority populations at lease-up, linguistically appropriate materials, and translation services that reflect community demographics.

Outreach Platforms:

- Thrive Central Oregon – Direct contact & Social Media
- The Latino Community Association: This organization can help provide inroads into the local Latino community.
- El Latino De Hoy: (Weekly Newspaper)
- Local Cultural Consultants – Direct contact
- Social Media Management (Union Culture, Roseburg OR)
- KRDM Radio (Regional Mexican Radio, Roseburg OR)
- Volunteers in Medicine – Leave Promo Materials
- Plaza Comunitaria – Leave Promo Materials

Marketing Beyond Lease-Up:

- Management will keep the cultural consultants on retainer

- Outreach, Services, and the Management Team will meet twice a year to evaluate if marketing needs to be refreshed, augmented, or changed.

➤ Contracting, Diversity, Equity & Inclusion:

This project is expected to exceed 20% MWESB participation with an aspiring goal to reach 30% participation for both professional services and contracting.

WDP has engaged Professional Business Development Group (“PBDG”) as the official MWESB Coordinator and to provide a Mentorship Program for successful subs. PBDG’s role is expansive and includes key elements of outreach, bid review and assistance, reporting, and training. WDP’s construction process augments the work of PBDG and furthers MWESB participation. WDP procures the bulk of a project’s materials and begins soliciting estimates from subcontractors much earlier in the process than is typical to ensure the cost of the development is continually and reliably updated with costing from subs, not the architect, engineer, or developer.

Headwaters Construction is the General Contractor for the project and has been successful in meeting 20% MWESB participation for both construction and professional. For example, an affordable housing project in Bend named Stillwater Crossing Apartments achieved 31% for contracting and greater than 50% on professional services.

Below describes the outreach efforts to MWESB sub-contractors to ensure significant participation for this project.

- *Trade Associations:* The construction team presented the project at trade association group meetings, including Professional Business Development Group, LatinoBuilt, National Association of Minority Contractors, and Oregon Association of Minority Entrepreneurs.
- *Direct Contact:* CDK Enterprises (developer’s construction representative) contacted all applicable companies that are COBID-registered. PBDG analyzed work scopes to match opportunities to MWESB firm’s experience.
- *Pre-Bid Outreach Meetings:* Consultants hosted two pre-bid outreach meetings to provide interested sub-contractors the opportunity to learn more about the project, the bid deadline, and answer specific questions.

- **Homelessness:** N/A

- **Permanent Supportive Housing:** N/A
- **Affordable Rental Housing:** Provides 144 new units of affordable housing
- **Homeownership:** N/A
- **Rural Communities:** This project is located in the rural city of Roseburg.

Risks and Mitigating Factors:

This development conforms to all 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 risk of delay.

Rendering



The pages that follow will provide more technical details on the proposed project.



Project Detail: Sunshine Park Apartments

Project Sponsors: **Wishcamper Development Partners**

Property: Sunshine Park Apartments
152 Sunshine Road
Roseburg, Oregon 97470

Owner: Sunshine Housing Associates Limited Partnership

Description: This is a new construction project located in Roseburg. It will consist of 6 buildings (4 residential and 2 community) with 144 units comprised of 24 one-bedrooms, 84 two-bedrooms, and 36 three-bedroom units.

Affordability:

Funding Source	# Units	% Income	% Rents	# Years
LIHTC/BOND	144	60	60	30
LIFT	144	60	60	30
OMEPA	144	80	80	10

Target Population: Families and individuals at or below 60% AMI.

Environmental Review: A Phase I ESA was completed on February 23, 2021. This assessment identified no evidence of recognized environmental conditions at the subject property.

Finance Committee Approval: OHCS Finance Committee reviewed and approved this Project to be recommended to the OHCS Director and the Housing Stability Council on March 23, 2021.

Summary:

Sunshine Park Apartments is a new construction project with 144 units to be located in Roseburg, which consists of four three-story residential buildings and two community buildings. The unit mix is 24 one-bedrooms, 84 two-bedrooms, and 36 three-bedroom units. The community buildings will include a leasing office, lounge, recreation area, community room, central kitchen, laundry facilities, and a fitness center.

Financing Structure and Partners

Management Agent: Guardian Real Estate Services
Architect: Otak Inc.
General Contractor: Headwaters Construction LLC
Construction Lender: Citi Community Capital
Permanent Lender: Citi Community Capital
Syndicator/Investor: Affordable Housing Partners, Inc.

Project Financing:

SOURCES:		USES:	
OHCS Sources:			
Tax Exempt Bonds (Long Term)	\$10,945,821	Acquisition	\$890,720
Tax Exempt Bonds (Short Term)	\$7,426,726	Construction	\$26,248,497
Short Term Use of Bonds	(\$7,426,726)	Development	\$9,348,274
4% LIHTC Equity	\$13,905,670		
OMEP	\$221,760		
LIFT	\$9,800,000		
Non-OHCS Sources:			
Deferred Development Fee	\$1,614,240		

TOTAL Sources and Uses: \$36,487,491

Bond Structure:

The total tax-exempt conduit bond amount is \$18,372,547, of which \$7,426,726 will be short-term, used for the construction of the project and the remaining \$10,945,821 will be long-term debt.

Scope of Work: New Construction

Developer Fee:

Total Developer fee: \$3,631,100; 12% per the OHCS developer fee calculation. This is below the OHCS maximum of 14%.

- Deferred Developer fee: \$1,614,240; Deferred fee will be repaid within the first 15 years of operation
- Cash Developer fee: \$2,016,860

Tenant Relocation: Not applicable

Operating Budget:

- All 144 units will be restricted to 60% AMI or below for 30 years per LIHTC restrictions.
- The annual operating expenses of \$4,415/unit are reasonable and supported by the appraiser.

Debt Service Coverage Ratio:

- First full year of operations: 1.16
- DCR at year 15: 1.34
- DCR at year 20: 1.39
- DCR at year 30: 1.47

Project Schedule:

- Target construction close date: April 29, 2021
- Construction completion: October 2022
- Construction period estimate: 18 months

Location Amenities:

The site consists of one parcel, totaling 9.07 acres. East of the project is Sunshine Road and further East is a large recreational ballpark facility that also serves as an established pick-up/drop-off location for the school district. The regional transportation system has agreed to extend service to the project. To the West and North of the site is vacant land. The North Umpqua Highway 138 is to the South of the site.

Location Amenities:

- | | | | |
|-----------------------|-----------|---------------------|-----------|
| • Public Bus/ U-Trans | 0 miles | • Employment Center | 3.5 miles |
| • Park | 0 miles | • Police Station | 3.6 miles |
| • Sporting Complex | 0 miles | • Fire Station | 3.6 miles |
| • Grocery | 2.0 miles | • High School | 4.4 miles |
| • Elementary | 3.2 miles | • Hospital | 7.6 miles |

Project Amenities:

- | | |
|------------------------------|--------------------------|
| • Community Room | • Common laundry |
| • Splash deck | • Common Kitchen |
| • Community gardens | • Grilling stations |
| • Playground | • On-site leasing office |
| • Fireplace clubhouse lounge | • Fitness center |

Unit Amenities:

- | | |
|-------------------------------|-------------------------------------|
| • Electric range/oven | • Vinyl Flooring |
| • Garbage disposal | • Tub/shower w/ fiberglass surround |
| • Refrigerator | • Laundry hook ups |
| • Dishwasher | • Microwave |
| • Individual Unit Ventilation | • Balcony or patio area |

Renderings: Communities Buildings



AERIAL LOOKING EAST

Aerial Site View





Date: April 2, 2021

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

From: Christopher Ibeling – Production Analyst
Casey Baumann – Production Manager
Roberto Franco – Assistant Director, Development Resources and Production
Julie V. Cody – Director, Affordable Rental Housing Division

RE: Home Forward 85 Stories Group 7 – Portland & Gresham, OR

MOTION: Move to approve Pass Through Revenue Bond in an amount up to and not to exceed \$45,850,000 to Central Group Limited Partnership for the acquisition and rehabilitation of the project known as 85 Stories Group 7, subject to the borrower meeting OHCS, lend and investor (JP Morgan Chase Bank and U.S. Bancorp CDC) underwriting and closing criteria, documentation satisfactory to legal counsel and State Treasurer approval of the bond sale.

Overview and Location:

85 Stories Group 7 is the latest stage of Home Forward’s significant preservation initiative to restore and preserve much-needed affordable housing within the Housing Authority’s public housing portfolio by way of RAD Conversion and Section-18 Disposition. The 85 Stories Initiative will allow Home Forward to leverage both public resources as well as private capital investment in order to address deferred capital needs that have accrued as a result of diminished federal financial support. The improvements from this initiative encompasses a broad range of renovation items, including new roofs and new windows, new heating systems and electrical work, hot water heaters and storage systems, ventilation systems, seismic upgrades, green building features, and cosmetic upgrades to community rooms and public areas. By improving the physical condition of the buildings, Home Forward will be able to reduce annual operating costs on these properties as well as ensure the stability of these affordable housing community assets going forward.

85 Stories Group 7 includes the following four properties:

- **Dahlke Manor** is a 115-unit public housing development located in the historic Irvington neighborhood of NE Portland. It is a 9-story building that was constructed in 1970 and contains 115 one-bedroom apartments for low-income individuals and couples for elderly households or individuals living with a disability. Dahlke Manor contains 26 parking spaces, a community room with a kitchen, on-site laundry facilities, and a



courtyard within the development. Given its central location, Dahlke Manor is well-served by public transportation, as it is near the #6, #17, and #77 bus lines as well as the public streetcar. The surrounding area supports a considerable amount of commercial activity including the Lloyd Center shopping mall which is within walking distance from the building. The development is additionally within close proximity to a number of schools and parks. **It should be noted that Salazar Architect, Inc. acted as a consultant to the architectural firm of record for Dahlke Manor, creating a possible conflict of interest with the Department's Executive Director.**

- **Eastwood Court** is a public housing townhome community located in the Rockwood neighborhood of Gresham. It includes 20 two-bedroom and 12 three-bedroom units for low-income families. Eastwood Court contains 41 parking spaces, in-unit washer/dryer, a shared courtyard, community room, and an on-site playground. It is in close proximity to several schools, parks, commercial centers, and it is well-served by public transportation as it is within 400 feet from the #20 and #87 bus stops.
- **Fir Acres** is a public housing townhome community located in the Rockwood neighborhood of Gresham with a Portland address and Gresham zoning. It includes 20 two-bedroom units and 12 three-bedroom units for low-income families. Fir Acres contains 45 parking spaces. It is located in close proximity to several schools and commercial centers, and it is well-served by public transportation as it is near a MAX train station.
- **Stark Manor** is a public housing townhome community located in the Twelvemile Corner neighborhood of Gresham. It includes 18 two-bedroom units and 12 three-bedroom units for low-income families. It was renovated in 2010 to include more energy-efficient appliances and increase accessibility to amenities for persons living with a physical disability. The development includes 47 parking spaces, in-unit washer/dryer, playground, and a basketball court. Stark Manor is located within close proximity to several schools, grocery stores, parks and near the #20 bus line.

Funding History:

All four of the project's sites are currently public housing developments which the housing authority intends to convert entirely to project-based vouchers. Home Forward received HUD approval for Section-18 Disposition for Dahlke Manor in April 2018. Eastwood Court, Fir Acres, and Stark Manor are all currently in process of RAD Conversation approval from HUD. Through the Section-18 Disposition and RAD Conversion processes, Home Forward will be able to devote 209 project-based vouchers to ensure that all 209 of the project's units remain affordable.

Funding Context:

The project uses non-competitive 4% Low-Income Housing Tax Credit and tax-exempt bond resources, which require the developer to comply with federal regulations and requirements. The project also has been awarded an OAHTC loan amount of \$21,000,000 which covers the full permanent loan amount.

Project Sponsor and Partnership:

Initially established as the Housing Authority of Portland in 1941, for seven decades Home Forward has been an integral partner in developing and maintaining affordable housing for households across the Portland metro area. OHCS has worked closely with the Home Forward team throughout the years on several successful affordable housing projects. Most recently, OHCS provided funding on the Home Forward 85 Stories Group 5 and 6 projects which similarly were structured as scattered-site rehabilitation projects. Group 5 included seven properties and 350 units being converted from public housing to project-based vouchers. Group 6 included nine properties and 315 units and similarly underwent RAD Conversion. OHCS staff is currently working on several other projects sponsored by Home Forward in our pipeline and will continue to maintain our productive and successful partnership to further affordable housing resources across Multnomah County.

General Contractor:

Given the contrasting scope of rehabilitation and location of the properties, Home Forward has contracted one general contractor for the Dahlke Manor site and another general contractor for the remaining three eastern Multnomah County properties. Walsh Construction has been contracted to address the substantial internal unit/building repairs/updates as well as exterior rehabilitation and site work at the Dahlke Manor development. LMC will provide work on Eastwood Court, Fir Acres, and Stark Manor townhome community properties.

Management Agent:

On all four of the project's sites, Home Forward Property Management will act as the management agency. Home Forward Property Management is the housing authority's internal property-management team. They have over twenty years of experience overseeing the properties' day-to-day operations, provide residential services, and coordinate with community-based organizations to provide linkages to community resources. Home Forward Property Management has the capacity to maintain a robust management team of 87 employees, which allows the Home Forward to effectively provide property management to all of the properties within the housing authority's extensive affordable housing portfolio.

OHCS Policy Priorities:

This project meets key OHCS policy priorities as outlined in the Statewide housing Plan.

- **Equity and Racial Justice:**

- Community Demographics:

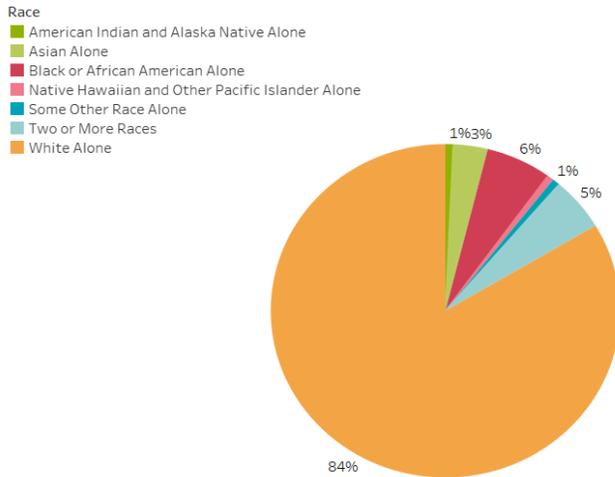
Fundamental to understanding the impact of this project within the communities they are located is an understanding of community composition and housing need. 85 Stories Group 7 is an acquisition/rehab deal on four of Home Forward's public housing developments. All of the units in the project (209) are affordable to low-income households at or below 60% MFI. Beyond low-income households, the project's target population includes elderly heads of households, individuals with physical disabilities, and individuals with developmental disabilities. This section will summarize surrounding community demographics for Dahlke Manor located in Portland, and the three sites located in eastern Multnomah County.

Dahlke Manor (115 units): 915 NE Schuyler St. Portland, OR. 97212

Dahlke Manor is located in NE Portland's Irvington neighborhood, just east of the Willamette River. This project is located in a Difficult Development Area (DDA), indicating that there are high land, construction, and utility costs relative to the area median income; this highlights a need for projects like Dahlke Manor that can leverage different sources of funding to provide affordable units for residents whose needs are not being met by current market-rate stock. Demographic information was collected for census tracts within a ½ mile radius of this project, and the racial and ethnic composition of these 7 census tracts is described below:

- 84% White Alone
- 16% People of Color
 - 6.1% Black Alone
 - 5.2% two or more races
 - 3.2% Asian Alone
 - 5% Hispanic/Latino
- Other, AIAN, and Native Hawaiian/Pacific Islander percentages are at or below 1%

Racial Composition of Census Tracts within 1/2 Mile of Dahlke Manor



When viewed in conjunction with housing data for this area, these data underscore how the area’s rental housing need particularly impacts non-white households. This area has relatively low rates of homeownership (40%). However, the rate of homeownership drastically decreases for non-white homeowners (only 9%.) The disparity in rates of homeownership for non-white households relative to the overall population indicates that people of color are renting at disproportionately higher levels. The need for affordable rental housing options, then, are particularly critical for non-white individuals and families in this area.

Eastwood Court (32 units): 18206 - 18268 SE Yamhill St. Gresham, OR. 97233
Fir Acres (32 units): 19401 - 19563 SE Yamhill St. Portland, OR. 97233
Stark Manor (30 units) 600 – 658 SE 217 Ave. Gresham, OR. 97030

Eastwood Court, Fir Acres, and Stark Manor are located in eastern Multnomah County. The map below shows their individual locations and proximity to one another, and the demographic data summarized in this section will include census tracts within one mile of Fir Acres.

Eastern Multnomah County Properties Map

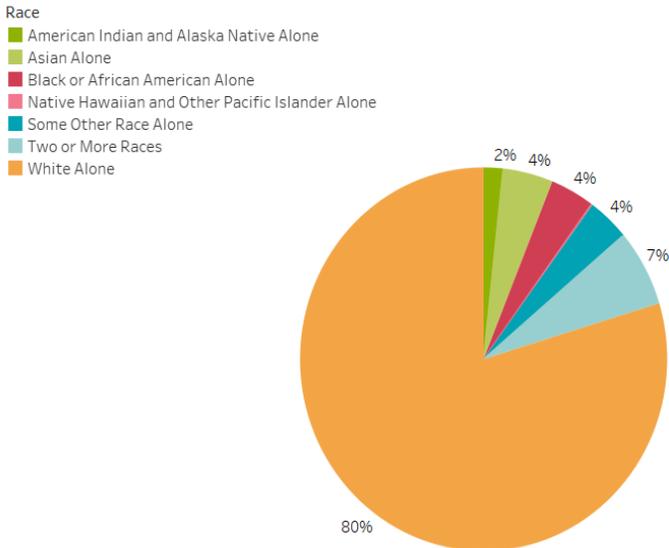


-  19461 SE Yamhill St
-  18208 SE Yamhill St
-  658 SE 217th Ave

Fir Acres is located in a HUD Qualified Census Tract (QCT), meaning that at least 50% of households have incomes below 60% of the Area Median Gross income, and/or the census tract’s poverty rate is at least 25%. This highlights a need for affordable units in this area, as residents may not be able to afford market rate options. Demographic information was collected for census tracts within a 1-mile radius of this project, and the racial and ethnic composition of these 8 census tracts is described below:

- 80% White Alone
- 20% People of Color
 - 6.5% two or more races
 - 4.4% Asian Alone
 - 4% Black or African American Alone
 - 3.7% Other Alone
 - 1.7% AIAN Alone
 - .1% Native Hawaiian Pacific Islander Alone
 - 15% Hispanic or Latino
 - ✓ Of this population, 19% identify as Mexican.

Racial Composition of Census Tracts within 1 Mile of Fir Acres



Once again, when paired with housing data for this area, the areas demographics highlight how rental housing need is especially acute for non-white households. This area has a homeownership rate of 46%, but this number drastically decreases for non-white homeowners (only 18%.) This disparity in rates of homeownership for non-white households relative to the rates of homeownership for the overall population indicate that people of color rent at disproportionately higher levels. Preserving and expanding affordable rental housing options, once again, would be particularly impactful for non-white households in eastern Multnomah County.

➤ **Affirmative Fair Housing Marketing Strategies:**

As the housing authority for Multnomah County, Home Forward charges itself with the mission of addressing barriers to housing and assuring that members of the community are sheltered. In advancing that mission, Home Forward has taken steps to help further fair housing marketing practices. They have conducted a fair housing assessment and developed an affirmative fair housing marketing plan. The housing authority has designated multiple staff within their property-management team as responsible for affirmative marketing for their developments. Additionally, they have actively implemented measures to be able to evaluate and monitor the effectiveness of their affirmative fair housing marketing efforts. Home Forward contracts Fair Housing Council of Oregon to

conduct annual trainings on fair housing for affirmative marketing staff leads. The housing authority also draws on several methods to assess affirmative marketing compliance including using “secret shoppers” and internal program analysis.

➤ Resident Services:

Providing housing for a tenant population with a wide range of health, housing, and financial needs, Home Forward identifies the role comprehensive resident services play in ensuring housing stability. The housing authority maintains a resident services team which is a joint effort between internal Home Forward staff and contracted Community Service Coordinators. Home Forward determines that provided services are appropriate and well-targeted through internally conducted needs assessment, which included several components: resident survey, property survey, interviews with resident services coordinators and interviews with community services partners.

The Resident Services teams have identified the following residential services for the residents at the four developments included in the 85 Stories Group 7 Project:

- Employment and education services
- Assets development services
- Financial literacy
- Health and wellness education
- Housing stability services
- Youth services
- Connection to Benefits

➤ Contracting, Diversity, Equity & Inclusion:

In an effort to actively ensure high and meaningful equity participation rates, Home Forward maintains its own internal MWESB policy which it approved in 2006. Its MWESB policy sets a goal of 20% participation of target businesses, on professional services, and construction contracts over \$200,000. Last fiscal year 28% of Home Forward’s professional service, personal services and public improvement contracts used COBID vendors.

85 Stories Group 7 bidding has the following MWESB targets:

- Section 3 Certified Firms: 10%
- MBE/WBE/ESB Participation: 20%

The 85 Stories Group 7 project will contract with two general contractors: Walsh Construction Co. (Dahlke) and LMC, Inc. (Eastwood, Fir Acres, and Stark Manor). The MWESB participation plan for the project's general contracts are as follows:

Walsh Construction has a community participation plans which focus on three major areas: contracting, hiring and apprenticeship. The MWESB outreach program that Walsh aims to implement for the Group 7 project include:

- Consistently high participation of minority and women-owned businesses who complete, on average, 26% of the subcontracted work on our publicly funded projects.
- Section 3 hiring results that consistently exceed targets - an average of 60% above goals.
- 40.5% of Walsh's employees are women or minorities.

LMC has outlined the following core actions for the 85 Stories Group 7 properties to maximize MWESB participation:

- Provide **pre-bid outreach** to the community to prepare interested firms for the upcoming bid opportunities and offer support to any firms interested in getting involved.
 - Partner with local **membership groups** including MCIP and NAMCO to include their resources and networking opportunities.
 - Utilize LMC's **network of qualified MWESB & Section 3 firms** that have experience in similar work.
 - Work with Home Forward staff to pool resources and provide opportunities to their communities
 - Create opportunities for **sub-tier contracts** by teaming up smaller contracting firms with larger.
 - Provide **cash-flow assistance** through an expedited payment process ahead of monthly project draws.
 - Provide **prevailing wage, Section 3, workforce-training** support, and reporting guidance.
 - Actively advertise and search for women, minority, Section 3 and apprentice workers to fill any hiring needs
-
- **Homelessness:** N/A
 - **Permanent Supportive Housing:** N/A
 - **Affordable Rental Housing:** Three of the four developments within 85 Stories Group 7 are located either in a Difficult Development Area or a Qualified Census Tract (Dahlke Manor: DDA 97212; Eastwood Court & Fir Acres: QCT 98.01). By restructuring these

developments as LIHTC projects, Home Forward ensures that these valuable affordable housing options remain affordable to households at or below 60% AMI in areas where the affordable housing need is particularly acute. In the area just ½ mile around the Dahlke Manor site 45% of renters are either rent-burdened or severely rent-burdened. Similarly, in the 1-mile area surrounding the Fir Acres site, 60% of renters are either rent-burdened or severely rent-burdened. Also, this project will rehab and preserve 208 units of affordable housing stock in the Portland Metropolitan and East Multnomah County communities.

- **Homeownership Priority:** N/A
- **Rural Communities Priority:** N/A

Risks and Mitigating Factors:

These developments conform to all 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 the potential risk of delay.

Figure 1 – Dahlke Building



Figure 2 – Eastwood Court Townhomes



Figure 3 – Fir Acres Townhomes



Figure 4 – Stark Manor Townhomes



The pages that follow will provide more technical details on the proposed project.



Project Detail: 85 Stories Group 7

Project Sponsor: Home Forward
Properties:

Dahlke Manor
915 NE Schuyler St.
Portland, OR. 97212

Eastwood Court
18206 - 18268 SE Yamhill St.
Gresham, OR. 97233

Fir Acres
19401 -19463 SE Yamhill St.
Portland, OR. 97233

Stark Manor
600 – 658 SE 217 Ave
Gresham, OR. 97030

Owner: Central Group Limited Partnership
Description: 85 Stories Group 7 is an acquisition/rehabilitation preservation project that includes four separate properties totaling 209 units.

Affordability:

Funding Source	# Units	% Income	% Rents	# Years
LIHTC/Bond	209	60	60	30

Target Population: **Dahlke Manor:** Individuals or couples who are age 65 or older or living with one or more disabilities at or below 60% AMI.
Eastwood Court: Families at or below 60% AMI
Fir Acres: Families at or below 60% AMI
Stark Manor: Families at or below 60% AMI

Environmental Review: A Phase 1 Environmental Site Assessment was conducted at each of the four developments. None of the assessments found evidence of recognized environmental conditions.

Finance Committee Approval: OHCS Finance Committee Reviewed and Approved this project to be Recommended to the OHCS Director and the Housing Stability Council on March 16, 2021

Financing Structure:

Construction Lender: JP Morgan Chase, NA.
Permanent Lender: JP Morgan Chase, NA.
General Contractor: Walsh Construction CO. (Dahlke Manor)
 LMC Inc. (Eastwood Court, Fir Acres, & Stark Manor)
Equity Investor: U.S. Bancorp CDC

<u>SOURCES</u>		<u>USES:</u>	
OHCS Sources:			
Tax Exempt Bonds (Long Term)	\$21,000,000		
Tax Exempt Bonds (Short Term)	\$24,845,000	Acquisition	\$30,750,000
Short Term Use of Bonds	(\$24,845,000)	Construction	\$32,335,266
4% LIHTC Equity	\$30,208,174	Development	\$20,265,621
OAHTC	\$21,000,000		
Non-OHCS Sources:			
Permanent Loan	\$21,000,000		
Cash	\$100		
Deferred Developer's Fee	\$2,153,000		
Seller Loan	\$14,455,000		
Omnibus Loan	\$10,484,613		
Land Lease Financing	\$5,050,000		
	TOTALS: \$83,350,887		

Bond Structure:

The total tax-exempt conduit bond amount is \$45,845,000, of which \$24,845,000 will be short-term, used for the rehabilitation of the project and the remaining \$21,000,000 will be long-term debt, fully supported by OAHTCs. JP Morgan Chase will act as both the construction and permanent lender.

Scope of Work:

Total number of buildings: 28
 Total number of units: 209

Rehabilitation Scope of Work:

Dahlke Manor

Exterior Work – Site: replace waste lines, transformer relocation, landscaping and parking lot Improvements, main sanitary line replacement,

Exterior Work – Building: roof replacement, replace electrical paneling, new access control and sliding entry doors, exterior load-bearing masonry wall restoration,

Interior Work –Buildings: replace fire-sprinkler heads and cages, ground floor re-programming, ground floor addition, interior paint, elevator modernization, new fire alarm wire, trim, head-in equipment, new access control and sliding entry doors, new security camera wire, trim and dead in equipment, new generator and screen, new corridor lighting and ceilings, new corridor flooring and paint, new stairwell doors, new stairwell lighting, new interior signage.

Interior Work – Units: replace kitchen cabinets, replace kitchen sinks and countertops, in-unit bike racks, replace unit electrical panels, upgrade 6 units to ADA compliance, replacement of bathroom fans, upgrade bathroom finishes, new unit appliances (range), unit floor asbestos abatement (107 units), New flooring (107 units), new unit entry doors.

Eastwood Court

Exterior Work – Site: upgrade to landscaping, repaving of parking lot

Exterior Work – Building: exterior lighting improvements

Interior Work –Buildings: interior lighting improvements, new community building, new leasing office, and service space

Interior Work – Units: improved ventilation

Fir Acres

Exterior Work – Site: upgrade to landscaping, repaving of parking lot

Exterior Work – Building: exterior lighting improvements, new siding, and new windows

Interior Work –Buildings: interior lighting improvements

Interior Work – Units: improved ventilation

Stark Manor

Exterior Work – Site: upgrade to landscaping, repaving of parking lot

Exterior Work – Building: exterior lighting improvements, new siding, and new windows

Interior Work –Buildings: interior lighting improvements

Interior Work – Units: improved ventilation

Total construction costs: \$32,335,266 (\$154,714 per unit)

Although the project's per-unit construction costs are higher than that of previous 85 Stories projects, the per-unit rehabilitation costs are very reasonable given the project's scope of work. The appraisal ordered for the project additionally supported that the rehabilitation

costs fall well within the bounds of cost reasonableness for a rehabilitation of this scale.

Project Schedule:

- Closing is targeted for April 22, 2021
- Completion is anticipated to be June 2022
- Construction period is 13 months.

Developer Fee:

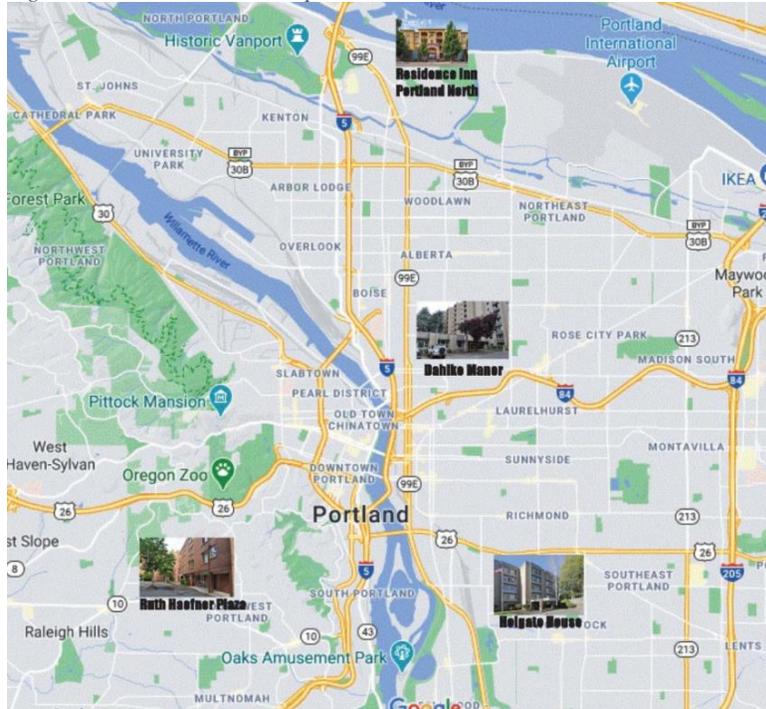
Total Developer fee: \$6,820,500; 15.62% of total project costs. This is below the OHCS maximum of 16%.

- Deferred Developer fees: \$2,153,000; Deferred fee will be repaid within the first 11 years of operation
- Cash Developer fee: \$4,667,500

Tenant Relocation:

Due to the substantial renovations that will be performed at the Dahlke Manor building, tenants within the development will be temporarily relocated to suitable housing. In preparation for the renovation period, Home Forward has submitted a tenant relocation plan that adheres to the federal Uniform Relocation Act which mandates the housing authority to secure suitable and equivalent housing options for relocated tenants. Home Forward has staged the renovations by select floors. The staged renovation approach minimizes the amount of time tenants will be relocated from their apartments, which the housing authority projects at a maximum of eight to ten weeks. Home Forward will draw on unit availability within two nearby Home Forward developments (Holgate House & Ruth Haefner Plaza) as well as short term stays at a nearby hotel (see map below for context). Home Forward has adequately budgeted for the relocation costs and the tenant relocation plans are acceptable to OHCS. None of the three eastern Multnomah County developments require relocation.

Figure 5 – Relocation Plan Map



Affordability Restrictions:

Unit Type:	# Units	Income AMI%	Rent AMI %
1 BR	115	60%	60%
2 BR	58	60%	60%
3 BR	36	60%	60%

- 4% LIHTC restrictions with an affordability period of 30 years.

Operating Expenses:

Total annual operating expenses: \$1,954,037

Per-unit annual operating: \$9,349

Operating expenses are estimated to be \$9,349 PUPA, of which residential services account for \$704. Although the project’s PUPA operating expenses are projected higher than previous 85 Story projects, the higher than average per-unit annual operating is largely a factor of two expenses: higher property management expenses (both on and off-site) as well as repairs and maintenance expenses. Given the scattered-site nature of the project, however, the added

difficulty of managing multiple properties expectedly places upward pressure on these expenses. The property management expenses fall within a reasonable range for a project of this nature. Additionally, the repairs and maintenance expenses are reasonable considering the extensive common areas and elevator maintenance expenses at the Dahlke property. An operating expense analysis was conducted as part of the deal's appraisal which similarly concluded that the project's operating expenses are aligned with comparable properties and well supported given the split-site nature and scale of the project.

Debt Coverage Ratio:

The DCR presented to OHCS is within OHCS guidelines and conforms with OHCS, lender and investor underwriting principles. OHCS anticipates Home Forward will refinance the debt after year 20, when OAHTCs have been fully exercised.

Debt Service Coverage Ratio (with OAHTC):

DCR at first full year of operations: 1.20

DCR at year 15: 1.23

DCR at year 20: 1.20

DCR at year 30: 1.03

Location Amenities:

All four site of the project are located in favorable neighborhoods which all well-serviced by public transportation services. Additionally, the four project sites are well located in relation to necessary amenities. The properties are within close proximity to the following amenities:

Dahlke Manor:

Commercial Services

- Safeway (Grocery) 630 feet
- Green Zebra (Grocery) 1,700 feet
- Lloyd Center (Shopping Center) 1,584 feet

Educational Facilities

- Irvington Elementary School 2,000 feet
- Vernon Elementary School 4,300 feet
- Da Vinci Middle School 4,744 feet
- Benson High School 2,777 feet

Parks and Recreational Centers

- Nature Park 4,200 feet
- Community Center 1.6 miles

Emergency Services

- Police Station 2.4 miles

- Fire Station 1.37 miles
- Emergency Medical 4,500 feet
- Hospital 4,500 feet

Eastwood Court:

Commercial Services

- Albertsons (Grocery) 3,900 feet
- Gresham Station (Shopping Mall) 2.1 miles

Educational Facilities

- Oliver Elementary School 1.2 miles
- Glenfair Elementary School 1.35 miles
- Centennial Middle School 1.5 miles
- Rosemary High School 3,696 feet

Parks and Recreational Centers

- Powell Butte Nature Park 1.9 miles
- Community Center 2.6 miles

Emergency Services

- Police Station 1.89 miles
- Fire Station 1.37 miles
- Hospital 3.4 miles

Fir Acres:

Commercial Services

- Safeway (Grocery) 1.87 miles
- Gresham Station (shopping mall) 1.5 miles

Educational Facilities

- Lincoln Park Elementary School 2,800 feet
- West Powellhurst Elementary 4,700 feet
- Ron Russell Middle School 1.27 miles
- David Douglas High School 1.04 miles

Parks and Recreational Centers

- Powell Butte Nature Park 2.5 miles
- East Portland Community Center 4.3 miles

Emergency Services

- Police Station 1.47 miles
- Fire Station 3.5 miles
- Hospital 4.48 miles

Stark Manor:

Commercial Services

- Fred Meyer (Grocery) 4,600 feet
- Gresham Station (shopping mall) 1 mile

Educational Facilities

- North Gresham Elementary School 600 feet
- Highland Elementary School 2,900 feet
- Clear Creek Middle School 2,300 feet
- Gresham High School 4,800 feet

Parks and Recreational Centers

- North Gresham Park 2,112
- Community Center 1.1 miles

Emergency Services

- Police Station 1.89 miles
- Fire Station 3,800 feet
- Hospital 1.5 miles

Figure 6 - Dahlke Site

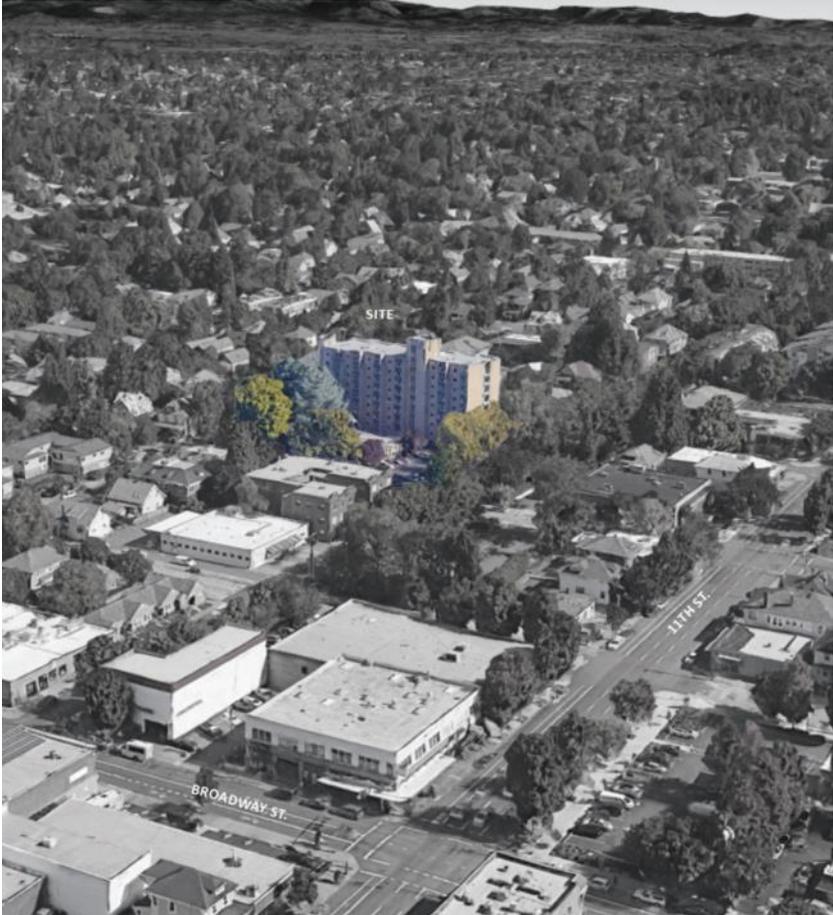


Figure 7 - Rendering of Dahlke Site Renovation



Figure 8 - Dahlke Addition Architectural Drawing

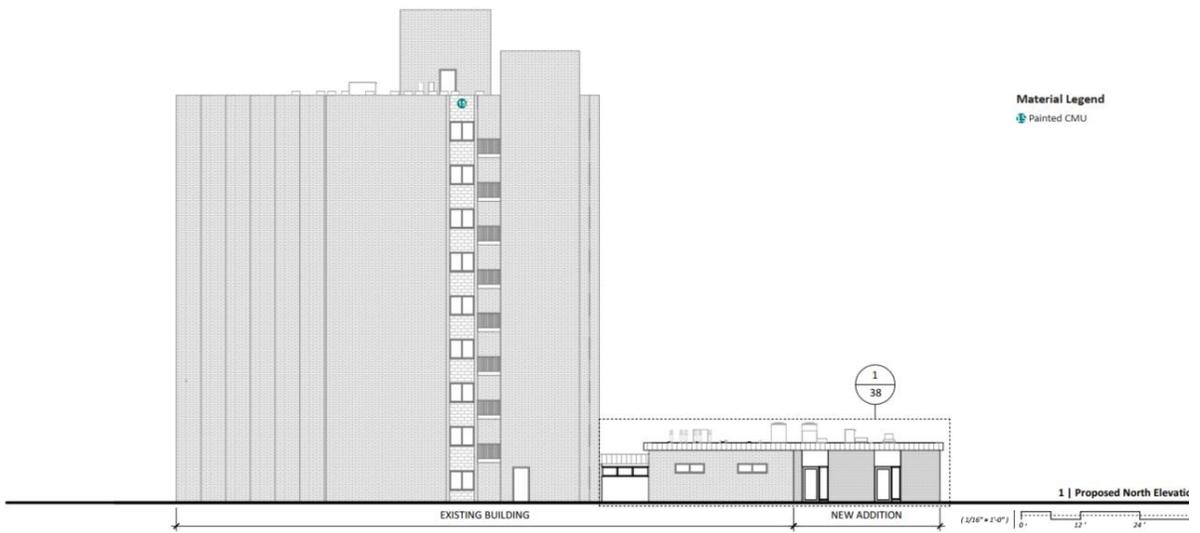


Figure 9 - Eastwood Court Patio



Figure 10 - Eastwood Court Kitchen



Figure 11 - Fir Acres Townhome



Figure 12 - Stark Manor Unit Entries





Date: April 2, 2021

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

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

RE: **CCC-Westwind Apartments – Portland, OR**

MOTION: Move to approve Pass-Through Revenue Bond in an amount up to and not to exceed \$16,000,000 to CCC-Westwind Apartments Limited Partnership for the new construction of the project known as CCC-Westwind Apartments, subject to the borrower meeting OHCS, Lender (US Bank) & Investor (US Bank), HUD and PHB’s underwriting and closing criteria, documentation satisfactory to legal counsel and State Treasurer approval of the bond sale.

Overview and Location:

Central City Concern’s development, CCC-Westwind Apartments, is a new construction project located in NW Portland’s Old Town District. The project will consist of one, seven-story building which will provide 100 total units comprised of 28 studios and 72 SRO’s. Seventy of the SRO units will be designated as Permanent Supportive Housing (PSH) units.

Population Served:

The population served will be Homeless and Chronically Mentally Ill earning 60% of the Area Median Income (AMI) and below, where 70 of the 100 units will be designated as PSH units.

Funding History:

CCC-Westwind Apartments received a reservation of Multifamily Energy Program (MEP) funds in the amount of \$78,750 on January 14, 2021.

Funding Context:

This project uses non-competitive 4% LIHTC and Tax-Exempt Conduit Bond resources, which require the developer to comply with federal regulations and requirements.

Project Sponsor and Partnership:

The project is being developed by Central City Concern (CCC). OHCS has extensive experience and history with CCC and their Permanent Supportive Housing model. CCC Housing Portfolio serves over 2,500 people yearly who are homeless or risk of homelessness and provides a wide range of services for homeless and marginalized populations. They have long established relationships with the investor, Portland Housing Bureau (PHB), service provider, and healthcare communities.

General Contractor:

Incorporated in 1949, Walsh Construction is one of the largest and well respected general contracting and construction management constructions in North America. They have a strong local presence in the Portland market and have worked on numerous Affordable Housing Apartments in the OHCS portfolio.

Management Agent:

CCC is the property manager of CCC-Westwind Apartments. They have vast experience managing their properties and are familiar with the various program requirements of the OHCS funding sources and the various Federal and State requirements. They have extensive knowledge and history managing PSH units specifically.

Notable Features:

The project amenities were carefully chosen with the client base in mind. Each SRO level (floors 3-5) will have 4 standing showers, storage space for the tenants and a large common kitchen with lounge area. The project will have more office and management space than typically seen on LIHTC projects. This is appropriate given the substantial level of on-site residential services serving the proposed tenant demographic. The project also offers a safe outdoor space for which tenants will have access.

OHCS Statewide Housing Policy Priorities:

The CCC-Westwind project furthers multiple Statewide Housing Plan Priorities. OHCS has outlined six policy priorities, this project aligns with four of the six key OHCS policies priorities.

EQUITY AND RACIAL JUSTICE PRIORITY

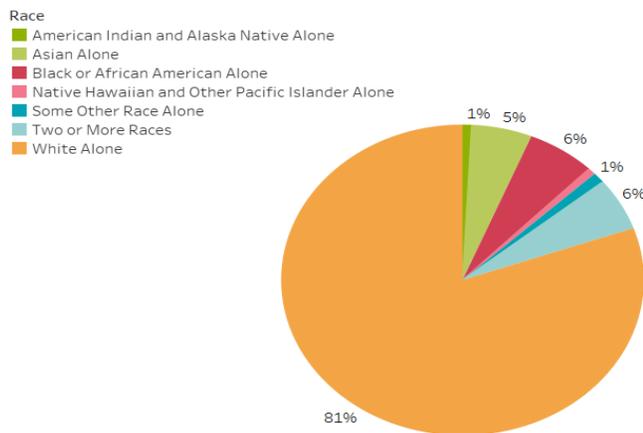
Community Demographics:

CCC-Westwind Apartments is a 100-unit multifamily affordable housing project located in Multnomah County, in Portland's Old Town neighborhood. Seventy units will be set aside as PSH and will utilize 70 project-based vouchers. Similar PSH units are located nearby, along with Central City Concern's supportive services and offices. This project is located in a

“Difficult to Development” Census Tract, indicating that there are high land, construction and utility costs relative to the area median income; this highlights a need for projects like CCC-Westwind Apartments, that can leverage different sources of funding to provide affordable units for residents whose needs are not being met by current market-rate stock. Demographic information was collected for census tracts within a ½ mile radius of this project, and the racial and ethnic composition of these 6 census tracts is described below:

- 80% White Alone
- 20% People of Color
 - 6.1% Black or African American Alone
 - 5.5% two or more races
 - 5.4% Asian Alone
 - 6.7% Hispanic/Latino
- Other Alone, AIAN, and Native Hawaiian/Pacific Islander percentages are at or below 1%

Demographic Composition of Census Tracts Within 1/2 Mile of CCC-Westwind Apartments:



This demographic data becomes more significant when it is viewed in conjunction with housing data for the tracts within a ½ mile of the project. This area has relatively low rates of homeownership (19%) and this number drastically decreases for non-white homeowners (only 10%.) This data indicates that homeownership options may be inaccessible for surrounding communities of color, highlighting the need for affordable rental options.

The need for the affordable units that CCC-Westwind Apartments would provide becomes even more apparent when looking at income and poverty data. Within a ½ mile of the project, 46% of renters and 54% of homeowners are either cost burdened or severely cost burdened, meaning they pay at least 30% of their income on rent or homeownership expenses. Even more, 22% of individuals have incomes below the poverty line (7% higher than the Multnomah County average,) and the MHI is \$47,000 (\$17,000 lower than the Multnomah County Median.) This project could provide a difficult to develop area with a significant number of affordable units that may help low-income renters who cannot currently access homeownership opportunities.

Affirmative Fair Housing Marketing Strategies:

The sponsor and the property manager, Central City Concern, ensure equal Housing Opportunities for all and do not discriminate based on race, color, religion, sex, age national origin, disability or familial status. The property manager, CCC, will identify additional racial or ethnic groups which may be less likely to apply for residency. This property will have very low barrier requirements. Additionally, the sponsor will be partnering with the Native American Rehabilitation Association (NARA) to provide outreach and services to communities of color and the various subpopulations and cultures in the demographic area. As a result of the PSH funding, the property manager will be coordinating with Multnomah County, City of Portland, Joint Office of Homeless Services and MHASD to provide additional outreach and support.

Resident Services:

CCC-Westwind Apartments is a recipient of the Portland Housing Bureau's PSH and BOS (Bond Offering) NOFA, receiving capital funding in the amount \$17,037,075. They were awarded an annual operating subsidy of \$688,450 for the PSH Units. Additionally, seventy (70) of the units received project-based vouchers from the local Housing Authority, Home Forward. The annual operating subsidy is funded by the City of Portland and County of Multnomah in connection with the Multnomah County Mental Health and Addictions Services Westwind (MHASD) and the Joint Office of Homeless Services (JOHS) specifically to provide housing services for 70 regulated Permanent Supportive Housing Units. CCC is partnering with MHASD and JOHS to deliver services and programs to the vulnerable residents. The goal of the joint venture is to expand access to services and quality supportive housing for residents with prolonged periods of homelessness who have disabling conditions. The project is designed with space allocated to support individual staff and the related services. They are also partnering with the Native American Rehabilitation Association (NARA) to provide culturally specific services to residents at the building.

Central City Concern operates numerous successful projects that work with this vulnerable population and have resources, programs, healthcare, staff, and services in place. CCC

recognizes the specific needs of each individual and brings programming to meet those needs. CCC-Westwind Apartments is also located within a few blocks from CCC’s own network of medical , addiction recovery and support, employment services and other social services within the Old Town neighborhood of Portland. Central City Concern’s approach is often cast as a national model among organizations working with the homeless.

Contracting, Diversity, Equity & Inclusion:

The general contractor, Walsh Construction has both experience and success in MWESB participation. As this project is a recipient of PHB funding, there is a mandatory requirement of 30% Minimum DMWESB participation. Walsh’s community participation plans focus on three major areas: Contracting, Hiring and Apprenticeship.

The following is a result of their participation when the requirement was 20%. They will meet or exceed the PHB requirement of 30% participation.

DMWESB UTILIZATION WITH PROJECT GOALS OF 20%	
NHA Campus	32%
Argyle Apartments	30%
New Meadows	33%
Hollywood East/ Sellwood Center	25.7%
The Bronaugh	26%
PCC Southeast Student Commons	40%
Mercy Corps	26%
Eastgate Station	26%
Miracles Club	30%
Bud Clark Commons	26%
Gray’s Landing	29%
The Magnolia	40%
Easton Ridge	40%
The Abigail	29.5%

The results of their Outreach Program include:

- Consistently high participation of minority and women-owned businesses, who complete on average 30% of the subcontracted work on their projects.
- Section 3 hiring results that exceed targets. Section 3 is a HUD requirement of certain financial assistance (housing as an example) where opportunities, to the greatest extent possible, provide training, employment and contracting opportunities to low and very low- income persons. The last two years average

was at 78% which reflects the success of their in-house Community Outreach Coordinator and reputation of the Company.

- 40% of Walsh's employees are women or minorities.

HOMELESSNESS PRIORITY

This development will set aside units designated for chronically homeless individuals.

PERMANENT SUPPORTIVE HOUSING PRIORITY

Seventy units will be designated as PSH units serving homeless and chronically mentally ill individuals.

AFFORDABLE RENTAL HOUSING PRIORITY

The project will be providing 100 new units of affordable rental housing.

HOMEOWNERSHIP PRIORITY

Not Applicable – The project does not provide homeownership opportunity

RURAL COMMUNITIES PRIORITY

Not Applicable – The project is located in the Portland Metro Area.

Risks and Mitigating Factors:

The development conforms to OHCS underwriting standards. The primary risk is with the current unknown environment relating to the Coronavirus 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 potential risks.

Photos

CCC Westwind Drawings of Exterior from the North



Exterior Terrace 2nd Floor



The pages that follow will provide more technical details on the proposed project.

Project Detail: CCC-Westwind Apartments

Project Sponsor: Central City Concern

Property: CCC-Westwind Apartments
323-327 NW 6th Ave
Portland, Oregon 97209

Owner: CCC-Westwind Apartments Limited Partnership

CCC-Westwind Apartments is a new construction project located in Portland. It will consist of one seven-story building with 100 units comprised of 72 SRO's and 28 Studios.

Affordability:

Funding Source	# Units	% Income	% Rents	# Years
LIHTC/BOND	100	60	60	30
MEP	100	80	80	10

Target Population: Homeless and Chronically Mentally Ill at or below 60%

Environmental Review: A Phase I was completed and is acceptable. They have a CMMP (Contaminated Materials Management Plan) in place, which has been approved and will be monitored by Walsh Constructions for compliance.

Finance Committee Approval: OHCS Finance Committee Reviewed and Approved this Project to be recommended to the OHCS Director and the Housing Stability Council on March 16, 2021.

Summary:

CCC-Westwind Apartments is a new construction project, located in Northwest Portland. It is a one, seven story building which will provide 100 total units of very low barrier housing. Seventy (70) of the 72 SRO units will be designated as PSH units for people who are chronically homeless or diagnosed with a Severe and Persistent Mental Illness (SMI) and are homeless or at risk of becoming homeless. Additionally, there will be 28 studio units.

The project is scheduled to close in April 2021 with an anticipated completion date of April 2023. The project is supported by 70 project-based vouchers as well as PSH Service Funding through the City of Portland’s Joint Office of Homeless Services (JOHS).

Construction cost per unit is \$330,202 or \$655 per square foot. Construction costs are reasonable given the type of property, two elevators and service support amenities. The project is subject to Davis-Bacon and BOLI wages.

Financing Structure and Partners

Management Agent: Central City Concern
Architect: Work Progress Architecture
General Contractor: Walsh Construction
Construction Lender: US Bank
Permanent Lender: N/A
Syndicator/Investor: US Bank

Project Financing:

SOURCES:		USES:	
OHCS Sources		Acquisition	\$15,000
Tax Exempt Bonds (Short Term)	\$16,000,000	Construction	\$22,541,161
Short Term Use of Bonds	(\$16,000,000)	Development	\$10,464,055
4% LIHTC Equity	\$13,467,651		
MEP	\$78,750		
Non-OHCS Sources			
PHB PSH BOS Bond	\$17,037,075		
Deferred Developer Fee/Cash	\$2,380,100		
ETO Grant	\$21,640		
Solar Tax Credits	\$45,000		

TOTAL Sources and Uses: \$33,020,216

Bond Structure:

The total tax-exempt conduit bond amount is \$16,000,000 of which \$16,000,000 will be short-term used for the construction of the project. US Bank will be construction lender.

Scope of Work: N/A – New Construction

Developer Fee:

Total Developer fee: \$3,400,000; 11.62% of total project costs less acquisition, developer fee and capitalized reserves. This is below the OHCS maximum of 16%.

- Deferred Developer Fee: \$2,380,000; deferred fee will be repaid within the first 7 years of operation
- Cash Developer Fee: \$1,020,000

Tenant Relocation:

N/A – New Construction

Income:

4% LIHTC will be at 60% AMI for 30 years. Seventy of the PSH units are designated to receive project-based vouchers.

Operating Expenses:

Annual operating expenses are \$6,351 (without resident services) per unit or \$635,141 annually. The total expenses for the subject property are within OHCS guidelines and supported by the Market Analysis.

Debt Coverage Ratio:

N/A- The project will not carry any long-term debt on the property.

The Deferred Developer Fee will be paid off by year 7. The PHB debt in the amount of \$17,037,075 is considered soft debt and not included in the DCR ratios. However, 50% of excess cash flow is split between the project and PHB for debt reduction after the deferred developer fee is paid.

Project Schedule:

- Anticipated Construction Close – April 2021
- Anticipated Certificate of Occupancy – April 2023
- Total Construction Period - 24 months

Location Amenities:

The property is located in the Northwest Downtown neighborhood known as Old Town of Portland and Multnomah County. It is located on NW 6th Avenue, which also along a MAX track and Bus line. A bus station is located directly north of the property. The property is located near the Old Town CCC (Central City Concern) facilities that support addiction treatment, medical services, employment services and specific cultural programming.

The following location amenities are:

Bus Stop/Bus Transfer Station	2 blocks
Max Stop	2 blocks
Grocery Store /Shopping Center	0.5 miles
CCC Old Town Support Facilities	0.1 miles
Good Samaritan and Emmanuel Hospitals	1.5 miles
Waterfront Park	0.1 miles

Resident Services

CCC-Westwind Apartments is a recipient of the PHB General Obligation Bond NOFA, receiving capital funding in the amount of \$17,037,075. They also were awarded an annual operating subsidy of \$688,469 for the PSH Units. The annual subsidy is funded by the City of Portland and County of Multnomah in connection with the Multnomah County Mental Health and Addictions Services Westwind (MHASD) and the Joint Office of Homeless Services (JOHS) specifically to provide housing services for 70 regulated Permanent Supportive Housing Units. The project is partnering with MHASD and JOH to deliver services and programs to the vulnerable residents. The goal of the joint venture is to expand access to services and quality supportive housing for residents with prolonged periods of homelessness who have disabling conditions.

An additional community partner for this project will be the Native American Rehabilitation Association (NARA) .

Services provided will include:

- Securing Financial Benefits
- Addiction Support/Services
- Mental Health Services and Support
- Nutrition Training
- Health Care Services

Amenities:

The project is a 7-story, elevator-served property with service provider space. There will be 72 Single Room Occupancy (SRO) primarily designated as permanent supportive housing (PSH) and 28 studio units.

Project amenities will feature two elevators, a garage for loading/unloading (no parking), bike storage room, bed bug treatment room, large conference room, management/resident services

offices, an art/tenant amenity space, common laundry room and an outdoor courtyard/ area on the second floor.

The SRO units will be outfitted as “Sleeping Units” and will include a half bathroom with sink and toilet. The SRO units will also have two electric burner stoves and a kitchen sink. Each SRO level in the building will have four standing showers, a large common kitchen with lounge area and supply storage area with individual storage lockers for each tenant to keep their kitchen/food supplies. The studio units will include a kitchen appliance package as well as a shower in the bathroom.

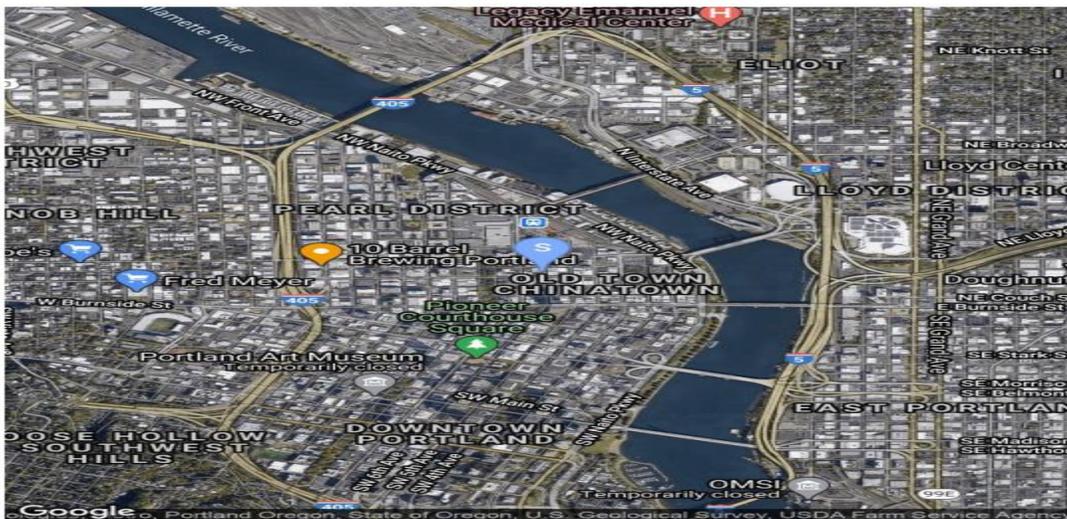
Parking, by code, is not required for this development and will not be offered. There is a garage, but primarily used for deliveries. There will be bike storage facilities provided.

View of CCC Westwind Apartments from the South



LOCAL AREA MAP

PDX200855







OREGON HOUSING *and*
COMMUNITY SERVICES

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

Date: April 2, 2021

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

From: Natasha Detweiler-Daby, Assistant Director, ARH Policy and Planning
Julie V. Cody, Director, Affordable Rental Housing Division

Re: Affordable Rental Housing Policy Oversight and Transactions

MOTION: Housing Stability Council approves aligning the approval authority for Tax-Exempt Bond funded loans with established Oregon Administrative Rule 813-001-0007. Further, Housing Stability Council shall review and approve a not-to-exceed dollar value for Tax-Exempt Bond funded loans at NOFA or pre-construction closing timelines, as applicable, and delegate final oversight to the OHCS Finance Committee and ultimate approval to the OHCS Executive Director. In making this change, Housing Stability Council will also receive regular reporting on the NOFA and construction pipeline.

Summary:

At the February 2021 Housing Stability Council (HSC) meeting, staff sought feedback on how we can ensure that HSC can inform and guide the policy levers of our affordable rental housing funding efforts. Specifically, we sought input on how the approval of transactions could be streamlined in a way that better aligns with opportunities to inform the character and impacts of proposed projects earlier in the process.

Staff have taken the feedback obtained in February and are presenting a recommendation for consideration and approval at the April HSC meeting of the streamlined transaction process that keeps HSC focused on policy and delegates final transaction approval to the Executive Director as long as there are no material changes from the initial application.

Background:

Over the years Housing Stability Council has made substantial updates to the scope and focus of engagement with the variety of OHCS programmatic efforts. What was once seen largely as an advisory body with a transactional lens has evolved into a deliberate policymaking body, as reflected in updated statutory language. In response, we have worked to ensure that HSC is



providing guidance over the policy elements imbedded in our competitive funding efforts as well as our programmatic guidance such as the Qualified Allocation Plan and HUD Consolidated Plan.

In order to grow along with Council, the Affordable Rental Housing Division has tried to evolve where Council has a specific role in approving transactions, to allow for a focus on policy impacts of our work rather than emphasizing the Council's role in reviewing and approving transaction underwriting. In 2017 we worked with Housing Stability Council to update our Oregon Administrative [Rules](#) guiding this work. At the time, together we made substantial revisions to the funds and limits that needed the Council to vote and provide deliberate approval from OHCS issued grants and loans. The update implemented in 2017 allowed for the Council to focus its attention on the highest-risk transactions, to ensure good governance and financial risk management to the state.

This was accomplished by updating the rules to have Council focus on two areas of direct oversight:

- 1) those projects proposing significant state investment (defined as having more than \$1 million in OHCS grants or loans per project or where OHCS is providing 50% or more of the total development budget of at least \$1 million); as well as
- 2) those projects with funding requests that fall outside of Housing Stability Council adopted policy parameters.

Meanwhile, in an effort to continue to mitigate financial risk, we committed to expand and empower our internal Finance Committee comprised of agency leadership and key policy and program experts inside the agency. The Finance Committee makes recommendations to the Executive Director who is the ultimate decision maker. In these meetings, which are held every week, participants are provided with comprehensive details on the transaction as well as a production analyst narrative overview of the project, its financial standings, and any concerns identified. The group discusses each project being proposed and can engage the production analyst in conversation to clarify any needed information before voting and making final recommendation to the OHCS Executive Director. This is a robust group, with a deliberate role on financial oversight.

While we have made these significant changes through Rulemaking to the way we have incorporated Housing Stability Council oversight over our grants and loans (which includes state "gap" financing such as GHAP, lottery bonds and LIFT funds) – we have never made such an adjustment to our 4% LIHTC / Tax-exempt Conduit Bond transactions.

Tax-Exempt Conduit Bond Transactions:

Every month, you are likely to see one to many 4% LIHTC / Tax-exempt Conduit Bond Transactions. This month you will see three of them. This work is exciting, as we are producing and funding housing at record levels.



This scale of production for these projects is due, in large part, to gap funding programs like LIFT that provide the needed gap funding to pair with 4% LIHTCs; even just four years ago this federal tax credit resource was largely undersubscribed. Tax-exempt bond financing (which we provide through conduit bonds) is a key federal requirement of the 4% LIHTC program. The ability to utilize tax-exempt bonds to finance these projects is limited and the Oregon capacity for it is managed through our debt management team as well as the state’s Private Activity Bond Committee chaired by the Department of Treasury.

While the Housing Stability Council charter includes a role for fiduciary oversight and our Oregon Administrative [Rules](#) cover the HSC role in approving OHCS loans and grants, they do not deliberately address the role of oversight regarding this Tax-Exempt Bond lending authority which is what we are obligating when we allow for projects to access tax-exempt private activity bond resources through our conduit bond program. As a result, we have continued to bring these complex financial transactions at the most critical time for them to be approved just prior to all financial parties funding their portion of the project financing (often referred to as the project “closing”).

Given the increased focus of HSC on policy and outcomes, as well as the increased production level, this process is not serving the constituents of Oregon and it is time to streamline the process. We can do this while still providing HSC members and members of the public with insight into policy drivers in our funding opportunities that incentivize policy outcomes; and we can also provide on-going reporting that evaluates how the developments are meeting the stated objectives at the time of funding reservations.

Recommendation:

Our recommendation for updating and streamlining these processes is two-fold:

- 1- Align our processes for funding approvals of the 4% LIHTC Projects with those of our other funding sources covered within our adopted Oregon Administrative [Rules](#), and align with our NOFA funded practices to approve transactions well in advance of reaching construction closing.

This will mean that we bring projects for Housing Stability Council for approval of a not-to-exceed tax exempt loan amount in the same way we currently bring all projects selected for funding through a competitive NOFA. This approval occurs before final financing and includes project narrative to be able to understand the project concept, partnerships, populations, and areas of alignment with the Statewide Housing Plan.

- A project that is getting awarded through a competitive NOFA and is using both gap funds and the tax-exempt bond funded loans would now come one time to Housing Stability Council for approval at the time of the NOFA reservation. Previously this type of project would have had to come twice.
- A 4% LIHTC conduit bond funded project with a loan greater than one million dollars (or more than half of the development budget) where other OHCS resources are not used, which is less common, would also come to Housing Stability Council one time. However, with this change that one time would be earlier in it's funding process and provide Housing Stability Council with the same type of information they receive about NOFA funded projects.
- A 4% LIHTC conduit bond funded project with a loan less than one million dollars (and less than half of the development budget) where other OHCS resources are not used, which would be incredibly uncommon, would not need to come to Housing Stability Council though would continue to be subject to the OHCS Finance Committee oversight.

With the approval of these transactions gap funding and not-to-exceed Tax-Exempt Bond Authority, in all of these cases Housing Stability Council would delegate final approval to the OHCS Finance Committee and ultimately the OHCS Executive Director.

- 2- At regular intervals, staff will make available a report detailing the Affordable Rental Housing Division's Production Pipeline so that Housing Stability Council can be apprised of how our production and goals are progressing over time. This will be a written report that will include metrics of location, population served, and phase of the development



April 2, 2021

Affordable Rental Housing Policy Oversight and Transactions

process, as well as alignment with Statewide Housing Plan priorities. The report will cover projects that are in pre-closing status, in addition to those currently under construction, being placed in service and leased up. As we create and provide this report to Housing Stability Council on a planned quarterly basis, we will seek feedback on the content as well as the frequency of the updates to ensure we are meeting the need appropriately.





Date: April 2, 2021

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

From: Andrea Bell, Director of Housing Stabilization
Mike Savara, Assistant Director of Homeless Services

Re: Emergency Solutions Grant (ESG-CV2) Allocation Update

Purpose: To provide a briefing on ESG-CV2 competitive allocation process. No HSC decision to be made.

Background

On March 27, 2020, Congress passed the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The Act identified additional funding for the Emergency Solutions Grant (ESG) program to be utilized to prevent, prepare for, and respond to coronavirus among individuals and families who are experiencing homelessness or receiving homelessness assistance.

ESG CARES Act funds were released in two phases. In August 2020, OHCS received \$6.7 million in the first phase (ESG-CV1), which was rapidly deployed to Community Action Agencies (CAAs). ESG-CV1 has been fully allocated to the CAA network and services are in process with funding being spent down. The intent of getting these funds out as quickly as possible during Fall 2020 was to ensure that agencies were able to adequately plan and prepare for their winter sheltering needs – sheltering that necessarily must pivot due to the ongoing pandemic and increasing health and safety needs of both clients and staff.

In October 2020, OHCS received \$49.4 million dollars in the second phase (ESG-CV2), which necessitated a new funding approach to meet the unprecedented need. Knowing that Oregon’s communities of color have been disproportionately impacted by the dual crises of both housing instability and COVID-19, the flexibility allowed in [HB 4304](#) provided OHCS an opportunity to expand its reach in the midst of new challenges. ESG-CV2 included a partial allocation of \$7 million to the CAA network. The remaining approximately \$42 million was earmarked for our new competitive process that has just been completed and will be detailed later in this memo.

ESG-CV2 State Priorities

The new flexibility for ESG-CV2 funds has allowed OHCS to run a competitive grant process with the intent of increasing capacity of providers delivering homeless services, investing in locally



driven strategies in alignment with best practice, and ensuring highest and best use of funds. In particular, this historic provision allows for increasing inclusivity and access to grant funds for culturally-specific and responsive organizations.

OHCS aims to foster an equity and racial justice-oriented response under which ESG-CV2 funds are leveraged. The state priorities and goals are focused on the prevention, preparation, and response to COVID-19 – and specifically to meet the needs of Oregon’s unsheltered and high needs populations first to overcome the disproportionate effects on communities of color. Part of this strategy includes the incorporation of culturally-specific organizations and culturally-responsive services to broaden the scope of resources and supports. Importantly, OHCS’ goals also seek to maintain connection and continuity across the system by encouraging partnerships and collaboration between service delivery entities to ensure Oregon’s shelter system can rapidly and effectively incorporate a non-congregate framework that ensures the safety and health of those experiencing homelessness.

ESG CV Awards

Excitingly, OHCS received many applications from providers that cover every corner of the state, which is a significant response for our first competitive process in the Homeless Services Section (HSS). Applications encompass proposals for serving multiple population groups, including communities of color, Veterans, women and families, youth, and include both community-based organizations and state government/local jurisdiction entities. Several of these applications are considered culturally-specific providers, and many others provide culturally-responsive services per the definitions provided in the application. Applications range from urban cities to rural areas in both geography and reach. Our internal evaluation team followed our pre-determined procedures for reviewing and assessing applications within each funding region, as well as ensuring system connection and coordination across the state for all program activities allowable by ESG-CV2. This information on successful applicants and their award amounts are also available on OHCS’s procurement page and is publicly available [here](#).

Below is the list of the successful applicants that we have issued Intent to Award letters to. Pending finalization of grant agreements, we plan to have these agreements executed by early April. We are thankful for all of the applicants who took so much time to thoughtfully respond and we look forward to additional opportunities to engage with Homeless Services providers across the state.



**Continuum of Care Region OR-500 (Eugene/Springfield/Lane)
Competitive Allocation Available: \$6,758,209**

<i>Applicant Name</i>
Lane County

**Continuum of Care Region OR-501 (Portland/Gresham/Multnomah)
Competitive Allocation Available: \$3,082,591**

<i>Applicant Name</i>
Do Good Multnomah
NAYA Family Center
NARA Northwest
WorkSystems
Human Solutions

**Continuum of Care Region OR-502 (Medford/Ashland/Jackson)
Competitive Allocation Available: \$2,777,195**

<i>Applicant Name</i>
Options for Helping Residents of Ashland (OHRA)
Hearts with a Mission
Maslow Project
City of Ashland
Community Alliance of Tenants

**Continuum of Care Region OR-503 (Central Oregon)
Competitive Allocation Available: \$2,396,376**

<i>Applicant Name</i>
Bethlehem Inn
J Bar J
Thrive Central Oregon
Square One Villages



NeighborImpact
St Vincent de Paul

**Continuum of Care Region OR-504 (Salem/Marion/Polk)
Competitive Allocation Available: \$5,519,336**

<i>Applicant Name</i>
Mid-Willamette Valley Homeless Alliances
Easter Seals of Oregon

**Continuum of Care Region OR-505 (Balance of State)
Competitive Allocation Available: \$15,623,148**

<i>Applicant Name</i>
Mid-Columbia Community Action Council
Community Services Consortium
Yamhill Community Action Partnership
Community Action Partnership of East Central Oregon
Jackson Street Youth Services
Peace at Home
NW Coastal Housing
Albany Helping Hands
Operation Rebuild Hope
Onward Roseburg

**Continuum of Care Region OR-506 (Hillsboro/Beaverton/Washington)
Competitive Allocation Available: \$2,992,498**

<i>Applicant Name</i>
Community Action Organization
Home Plate Youth
Boys and Girls Aid
Family Promise of Tualatin Valley



**Continuum of Care Region OR-507 (Clackamas)
Competitive Allocation Available: \$1,159,283**

<i>Applicant Name</i>
Clackamas Women’s Services
Clackamas Service Center
NW Housing Alternatives

Lessons Learned

As this was the first Homeless Services Section (HSS) competitive process, there are elements that went well and elements we would consider doing differently if given the opportunity.

Successes:

- High community participation and interest – many new providers indicated interest and capacity to engage in this federal funding opportunity;
- Specific and intentional outreach for webinars/touchpoints and providing goals and guidance for a highly technical federal program;
- Large number of applications – many from applicants who have not had access to OHCS funding previously.
- Powerful examples of community collaborative applicants shows that there is provider capacity even amongst smaller organizations
- Diverse sets of services in each region – helping people through a continuum of services from street outreach, shelter, rapid re-housing and homelessness prevention.

Challenges:

- Need for adequate planning time to ensure process is well thought out;
- Conduct even deeper and more wide-ranging engagement;
- Ensure adequate time for applicants to submit applications – work around holidays and other constraining events that can create extra barriers for entities with few staff or staff taking time off.
- Application materials need to be more user friendly
- Ensure a robust onboarding process to meet the needs of all grantees.
- Building in more time to ensure negotiations and specific project questions are adequately addressed after award notifications
- A “deep bench” of different kinds of Technical Assistance is paramount to successful launch and implementation of projects, especially for newer providers



Alignment with the Statewide Housing Plan

Priority: Equity and Racial Justice

Creating a homeless services system in Oregon that reaches those historically underserved and/or disproportionately impacted by housing instability requires us to examine the status quo and push for solutions that lead with equity. The ESG-CV funds provide an opportunity to implement changes to the existing system. As outlined in our ESG-CV goals, OHCS is working to integrate equity into the state's COVID-19 response and recovery efforts. COVID-19 does not affect all communities equally, and it is well documented that people of color are experiencing disparate effects of the pandemic. The new funding flexibility for ESG-CV2 funds afforded through HB 4304 will allow OHCS—through community based and culturally specific organizations—to better address disparities by directing resources for an equitable response and recovery that includes culturally-specific organizations and services.

Priority: Homelessness

ESG-CV funds are directly aligned with providing critical services for people experiencing homelessness. These specific waves of funding are intended to prevent, prepare for, and respond to the Coronavirus pandemic – particularly the necessary planning and implementation of actions and activities within the homelessness system that ensure the safety and health of both clients and staff. The primary goals for this fund source include a focus on serving unsheltered populations, creating safe environments for emergency sheltering, and connecting people experiencing homelessness with the resources and support to exit homelessness. While other activities—such as homeless prevention—are allowable, in conjunction with HUD guidance, OHCS has listened to community feedback, observed statewide needs, and made the decision to target these resources for people experiencing homelessness.

Priority: Permanent Supportive Housing

N/A

Priority: Affordable Rental Housing

N/A

Priority: Homeownership

N/A

Priority: Rural Communities

Homelessness can and does look different across geography. For rural communities, the hidden nature of homelessness, large distances between supportive services/resources, a shortage of shelter infrastructure and/or affordable housing, and fewer economic and employment opportunities can all challenges to stabilizing an individual or household. ESG-CV2 competitive funds will be distributed by geographic Continuum of Care (CoC) region to ensure that projects meeting the state goals and priorities are funded adequately throughout the state. For example,



this funding allows for investments in street outreach programs to connect with and serve people experiencing homelessness, which in rural communities means often crossing large distances with additional needed staff and resources.

Housing Stability Council Involvement and Next Steps:

No HSC decision needs to be made at this time.





Date: April 2, 2021

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

From: Andrea Bell, Director of Housing Stability Division
Julie Cody, Director of Affordable Rental Housing, ARH Division
Laura Lien, Assistant Director of Homeless Services
Mike Savara, Assistant Director of Homeless Services
Natasha Detweiler-Daby, Assistant Director of Planning and Policy, ARH Division
Sam Kenney, Senior Homeless Services Policy Analyst
Rick Ruzicka, Senior Operations & Policy Analyst, ARH Division

Re: COVID-19 Rent Assistance Programs Update

Purpose: To provide a briefing on the COVID-19 Rent Assistance Programs. No HSC decision to be made.

Background

Since early 2020, housing stability and affordability for communities and households has been greatly challenged by the multitude of impacts due to the COVID-19 pandemic. These impacts have hit renters and their landlords especially hard, with an even greater and disproportionate impact on communities of color across the state.

Several one-time COVID-19 response and recovery funding resources focused on rent assistance have and are being administered by OHCS, reaffirming the role of housing as part of the broader system of care. With the Coronavirus Relief Fund (CRF) rent assistance dollars winding down, both the state legislature and the federal government have passed subsequent relief bills that are concurrently supporting additional housing stability programs across the state including the \$200M passed in the Oregon legislature in December 2020 (\$150M for Landlord Compensation Fund [LCF]; \$50M for Supporting Tenants Accessing Rent Relief [STARR]) and the new federal Emergency Rental Assistance program passed in January 2021 (\$204M to OHCS for Oregon Emergency Rental Assistance Program [OERAP]). These new resources will allow OHCS to continue efforts toward addressing housing and health disparities by directing resources and supports that include culturally-specific and responsive services, localized outreach, and accessibility solutions for households seeking assistance.

Building a more equitable Oregon requires explicit action from all of state government, including OHCS, to ensure that equity and racial justice is integrated into every aspect of the state's COVID-19 response and recovery efforts. As a state agency, we have an obligation to examine how we can most responsibly and constructively serve all communities with these programs.



Landlord Compensation Fund (LCF)

Though housing security has been bolstered through the state's Eviction Moratorium, households continue to accrue financial obligations from unpaid rent that will need to be cleared to stay stably housed in the long run. Further, non-payment of rent does not just impact the resident, it impacts the project owners as well. During the time of the Eviction Moratorium, property owners have had to get by while accumulating increased expenses and lost revenue (i.e., unpaid rent). As the months go by, the ability for these landlords to continue to pay their debt and operating expenses declines, as the risk for foreclosure and eviction increases. Foreclosed multifamily properties will create ongoing economic hardship in the state. These outcomes are fundamentally in opposition with ensuring housing stability during the COVID-19 pandemic.

While many efforts have focused on reaching those tenants in direct need of rent assistance, we are well too aware that the available resources are insufficient to meet the need and may have income restrictions that leave households without assistance. In December 2020, the Oregon Legislature enacted an eviction moratorium and established the Landlord Compensation Fund (LCF) via HB 4401. Oregon's Landlord Compensation Program is designed to provide relief to residential landlords who have been unable to collect tenant rent due to tenant hardships. The Oregon Legislature provided \$150 million in one-time funds for this program to assist landlords in securing resources to meet their financial needs while keeping financially stressed residents in their homes without racking up future financial obligations.

This program was launched through the Affordable Rental Housing (ARH) Division, with a priority on a quick implementation and minimal barriers to participation. The program allows landlords to directly apply for resources through an online application portal; successful applications will pay 80 cents for every dollar of eligible uncollected rent. Tenant obligations from unpaid rent from April 2020 through the application date can be covered for tenants that complete the state Declaration of Financial Hardship. By signing a Declaration of Financial Hardship, the tenant also gains additional protections from the Eviction Moratorium through June 30, 2021.

The first round of LCF funding (Round One) was originally anticipated to open mid-January 2021 but was delayed until February 17th and was initially slated to close two weeks later on March 2nd. Standing up a program so quickly, using a one-of-a-kind application portal system, resulted in some technical difficulties manifesting themselves in problems for some users in uploading required documentation to the system. Round One applicants will now have until Wednesday, March 30th to submit their applications.

A total of \$50M of the \$150M is available in Round One of the LCF program for rent arrears accrued by existing tenants. The ARH Division will review applications and associated funding requested in early April. OHCS has also given the opportunity to applicants to wait until Round Two opens to submit their application, which will open upon announcement in April 2021 and



will include an additional \$50 million in assistance covering the rent arrears accrued from April 1, 2020 through April 30, 2021.

Supporting Tenants Accessing Rent Relief (STARR) Program

We know that providing direct assistance to tenants is critical to ensuring accessibility of stable rental assistance by households most in need. The STARR program is a \$50M dollar investment designed to pair with the LCF program as the tenant-focused portion of funds from HB4401, to ensure that eligible tenants can reach out for assistance paying their rental obligations. STARR requires tenants be under 80% AMI, have been impacted by COVID-19, and demonstrate risk of housing instability. We used what we learned from the 2020 COVID-19 Rent Relief Programs to create this new program operated statewide through the Community Action Agency (CAA) network. We know that accessible program requirements such as self-certification processes, clear, understandable program eligibility, and flexible program allowable activities were key to rapid and equitable distribution of funds.

STARR was launched in Mid-February 2021 and will be online until the end of the current biennium (6/30/2021). Funds from this program are quickly going out into the community. We also learned that many tenants struggled to know where to go for rental assistance in their community in 2020, so to alleviate some of that confusion we required CAA's to submit details about how these funds could be accessed. We created a website on OHCS's page that helps people locate their CAA's information based on their County of residence. We also shared this information with 211 Info to further get the word out about available rental assistance. We continue to learn how best to get the word out about these critical programs so that tenants can quickly find the best place in their community for getting help.

We have allocated the first \$40M dollars of rental assistance through STARR as of this writing. We are working to understand the potential to leverage these STARR resources by pairing them with our federal Emergency Rental Assistance program, thereby ensuring more expedient and effective delivery of both programs. We know how vital it is for non-profits and local governments to have adequate administration and program delivery dollars to meet the diverse needs of those they serve. The remaining \$10 Million dollars can also be utilized to fill gaps where some agencies deplete their initial allocations before the Oregon ERA program is online.

Emergency Rental Assistance (ERA) Program

On January 5, 2021, the U.S. Treasury launched the \$25 billion Emergency Rental Assistance (ERA) Program established by the Consolidated Appropriations Act. The funds will be made available for rental and utility assistance for households impacted by the Coronavirus pandemic, with \$204M allocated directly to OHCS at the statewide level. In addition, Portland, metro area counties, Lane, and Marion counties received their own allocations adding up to \$76 million.

In line with U.S. Treasury guidance, we are prioritizing area median income (AMI; under 50%) as well as days unemployed to closely focus our efforts on households most disproportionately



EQUAL HOUSING
OPPORTUNITY

impacted by COVID-19 and unstably housed due to reductions in income and/or employment and back-owed rent arrearages. OHCS will utilize a hybrid eligibility schema as a paramount in ensuring household that are the most at risk are prioritized for resources.

Oregon's ERA program will include a centralized and streamlined application process (through a software solution called Allita) that will ensure greater and more equitable access to rent and utility assistance applications across the state. This includes improving the experience for households seeking assistance and being trauma informed. In this way, all Community Action Agencies (CAAs) that are serving as lead entities will be using the same Allita application portal that will prioritize applications accordingly. Alternative methods for application support (e.g., paper, in-person) will be made available to tenants statewide through the CAA network and their partner sub-recipients. It is OHCS' expectation that CAAs work closely with their local organizations, particularly those who provide culturally-specific and responsive services, to both plan for and implement ERA locally with attention to the disproportionate impacts of COVID-19 and housing instability on particular households in need.

OHCS understands the many challenges of timing for this ERA program and is committed to a thoughtful planning process that will ensure the overall success of the program in helping keep Oregonians in need housed across the state. As such, we anticipate launching the Oregon ERA program in May 2021. With STARR and LCF dollars already on the ground, the resources currently available to renters and their landlords will provide the opportunity to build a centralized process and platform and ensure an equitable response and recovery effort for households impacted by COVID-19.

Next Steps

With the multiple moving pieces of these rent assistance programs, OHCS is dedicated to being transparent with our decision-making and subsequent communication. As such, we anticipate a number of ongoing opportunities for partners, interested parties, and members of the public to engage on these programs.

As we continue to both plan and implement within OHCS and alongside key partners, we are committed to improving our communications framework and structure to ensure that tenants and landlords are connected to services in ways that are accessible and streamlined. Additionally, we will continue to update our respective OHCS webpages with the most recent and relevant information for each of these programs:

- [STARR program webpage](#)
- [LCF program webpage](#)
- [OHCS ERA webpage](#)

Alignment with the Statewide Housing Plan



Priority: Equity and Racial Justice

Creating a homeless services system in Oregon that reaches those historically underserved and/or disproportionately impacted by housing instability requires us to examine the status quo and push for solutions that lead with equity. The current rent assistance funds provide an opportunity to implement changes to the existing system and to ensure we are leading with intent and expediency to mitigate the disproportionate effects of both COVID-19 and housing instability on our communities of color. As outlined in our goals, OHCS is working to integrate equity into the state’s COVID-19 response and recovery efforts. COVID-19 does not affect all communities equally, and it is well documented that people of color are experiencing disparate effects of the pandemic. Our ability to set expectations around the use of funds through a partnership approach will continue to allow us to better address disparities by directing resources that includes culturally-specific organizations and services.

Priority: Homelessness

Rent and utility assistance dollars are aligned with providing critical resources and assistance to households at risk of losing their housing and entering homelessness. The primary goals for these rent assistance programs include a focus on eviction prevention and connecting households experiencing housing instability on account of COVID-19 with the resources and support to remain housed that mitigates barriers and provides greater accessibility.

Priority: Permanent Supportive Housing

N/A

Priority: Affordable Rental Housing

The LCF program provides additional and ongoing support to landlords who operate housing developments and affordable rental options to tenants across the state. With the COVID-19 pandemic (and subsequent eviction moratorium) also directly impacting landlords with respect to overdue rent, it is challenging for landlords to pay mortgages on their rental properties and keep rents reasonable and affordable in communities across the state. Since LCF is landlord-focused, it directly provides stability for the rental housing market, which in turn provides stability for renters.

Priority: Homeownership

N/A

Priority: Rural Communities

Housing instability can and does look different across geography. For rural communities, the hidden nature of instability, large distances between supportive services/resources, a shortage of affordable housing, and fewer economic and employment opportunities are all challenges to stabilizing an individual or household. These rent assistance program funds are available statewide, ensuring geographic coverage of assistance to meet state goals and state/federal priorities. The method that rural communities best access rental assistance resources can also be



drastically different than in urban communities due to limited internet capacity in some areas, thus the need to have flexible processes to ensure nobody is left out due to the digital divide.

Housing Stability Council Involvement and Next Steps:

No HSC decision needs to be made at this time.

