Housing Stability Council

MEETING MATERIALS PACKET

Applegate Landing
Lebanon, Oregon

Nov 5, 2021

9:00 a.m. – 2:30 p.m.

Oregon Housing & Community Services

Webinar

Council Members:
Claire Hall, Chair
Sami Jo Difuntorum
Mary Ferrell
Barbara Higinbotham
Candace Jamison
Mary Li
Javier Mena
Gerard F. Sandoval, PhD
Charles Wilhoite

AGENDA

Nov 05, 2021 9:00 a.m. - 2:30p.m.
Oregon Housing and Community Services
725 Summer St NE, Salem OR 97301

Webinar Mtg Only
Public register in advance for this webinar

OREGON HOUSING & COMMUNITY SERVICES
HOUSING STABILITY COUNCIL

TIME	TOPIC	SWHP Priority	ACTION
9:00	**Meeting Called to Order**		Call Roll
9:05	**Public Comment**		
9:15	**Homeownership Division (pg. 01)** ***Emese Perfecto, Director,*** *Homeownership* • **Oregon Bond Loan Approvals:** *Kim Freeman, Single Family Program Manager*		Decision
9:30	**Affordable Rental Housing Division (pg. 03)** ***Julie Cody, Director****, Affordable Rental Housing* • **MF Housing Transactions:** o **Anna Mann:** *Brad Lawrence, Production Analyst & Tai Dunson-Strane, Interim Production Manager* o **Stillwater Crossing Apartments:** *Alan Borges, Production Analyst & Tai Dunson-Strane, Interim Production Manager* o **Timber Ridge:** *Joanne Sheehy, Production Analyst & Tai Dunson-Strane, Interim Production Manager* o **Vintage at Bend:** *Andrew Moran, Production Analyst & Tai Dunson-Strane, Interim Production Manager* • **Small Project NOFA Recommendations:** Edward Brown, *Program Analyst & Amy Cole, State Development Resources Manager*		Decisions
10:45	**15-minute Break**		
11:00	**Affordable Rental Housing Division cont. (pg. 42)** ***Julie Cody, Director****, Affordable Rental Housing* • **Qualified Allocation Plan release for public comment:** *Angela Parada, Tax Credit Program Analyst, & Roberto Franco, Assistant Director Development Resources and Production* • **Update on Funding Calendar & Programmatic Frameworks:** *Roberto Franco, Assistant Director Development Resources and Production & Natasha Detweiler-Daby, Assistant Director, Planning and Policy*		Decision Briefing
12:00	**30-minute Lunch Break**		
12:30	**2020 Wildfire Recovery (pg. 87)** ***Ryan Flynn, Assistant Director****, Disaster Recovery & Resiliency* • **Wildfire Manufactured Home Replacement:** o **Policy Discussion** o **NOFA Development Discussion**		Briefings

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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1:30	**Housing Stabilization Division (pg. 96)** ***Andrea Bell, Director***, *Housing Stabilization* • **Winter Shelter Overview:** *Mike Savara, Assistant Director of Homeless Services, Jovany Lopez, Program Analyst* • **Low Income Water Assistance Program:** *Tim Zimmer, Assistant Director of Energy Services, Dan Elliott, Senior Policy Analyst, Joy Aldrich, Program Analyst*	Briefings
2:00	**Report of the Director**	Briefing
2:15	**Report of the Chair**	
2:30	**Meeting Adjourned**	

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.

Statewide Housing Plan Policy Priorities

Equity & Racial Justice

Homelessness

Permanent Supportive Housing

Affordable Rental Housing

Homeownership

Rural Communities

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

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OREGON HOUSING and COMMUNITY SERVICES
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503-986-2000 | www.oregon.gov/OHCS

Date: 10/26/2021

To: Housing Stability Council

From: Kim Freeman, Assistant Director Homeownership Programs

Re: Residential Loan Program

Recommended Motion: Housing Stability Council approves the Consent Calendar

Background: State statutes require the Housing Stability Council to establish a single-family loan threshold for loans to be review and approved prior to purchase. The current threshold for single-family loans includes all loans equal to or greater than 95% of the applicable area program purchase price limit.

Considerations:

1. The loan(s) under consideration is greater than or equal to 95% of the applicable area program purchase.

2. Staff has reviewed all of the following loan files and concluded that the borrowers and properties meet all relevant program guidelines for the Residential Loan Program. All required documents have been properly executed, received, and the loans have been approved for purchase. In addition to being approved by staff, the loan files have been underwritten by the applicable lenders and are insured by either FHA (FB), Rural Development (RG), or Uninsured (U) with a loan-to-value of 80% or less.

	Loan Amount	Purchase Price Limit	95% of Purchase Price Limit or Max	Monthly Mortgage Payment PITI
Loan #1	$304,385	$311,979 Non-Targeted Linn	$296,380	$1,846.48

1

			Lender	LOAN DEPOT			
			Purchase Price	310,000.00	Note Amount	304,385.00	
			Cost Limit	311,979.00	Principal Balance	$ 304,385	
Property City	ALBANY	OR 97321	Appr. Value	$ 325,000			
			Year Built	1970			
Hshld. Income	$ 82,573		Living Area (Sq. Ft.)	1,200	Loan-to-Value	97%	
Income Limit	$ 93,380		Lot Size (Sq. Ft.)	3,920	Insurance Type	FB	
% of Income Limit	88.43%		Cost per Sq. Ft.	$ 258.33	Rate	3.250%	
Prior Ownership Yes (Y) or No (N)	N		New (N) or Existing (E)	E			
			Construction Style	One Story			

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DATE: November 5, 2021

TO: Housing Stability Council
Margaret Solle Salazar, Executive Director

FROM: Brad Lawrence, Production Analyst
Tai Dunson–Strane, Production Team Manager
Roberto Franco – Assistant Director of Development Resources and Production
Julie V. Cody, Director of Affordable Rental Housing

SUBJECT: Anna Mann House Tax-Exempt Conduit Bond Transaction

Motion: Move to approve Pass-Through Revenue Bond Financing in an amount up to and not to exceed $28,000,000 to Anna Mann Limited Partnership for the acquisition, rehabilitation, and construction of Anna Mann House, subject to the borrower meeting OHCS, Key Bank, and Freddie Mac's underwriting and closing criteria and documentation satisfactory to legal counsel and Treasurer approval for the bond sale.

SUMMARY			
Project Name:	Anna Mann House		
City:	Portland	County:	Multnomah
Sponsor Name:	Innovative Housing Inc. (IHI)		
Urban/Rural:	Urban	Total Units:	129
# Rent Assisted Units:	18	Units by Size & Affordability:	24 1-BR at 30% AMI 42 1-BR at 60% AMI 13 2-BR at 30% AMI 35 2-BR at 60% AMI 5 3-BR at 30% AMI 8 3-BR at 60% AMI 1 4-BR at 60% AMI 1 2-BR Exempt managers unit
Funding Request		Funding Use	
		Acquisition	$9,689,414
4% LIHTC:	$22,616,400 (aggregate allocation)	Construction	$32,053,048
Conduit Bonds:	*up to* $28,000,000	Development	$14,865,936
		Total:	$56,608,398

PROJECT DETAILS	
Project Description:	The Anna Mann House Project consists of an existing, non-residential, 4-story building that will include 39 units, and two additional buildings that will be added with an additional 90 units. The project will have a unit mix of 66 one-bedroom, 42 two-bedroom, 13 three-bedroom, 1 four-bedroom, and 1 exempt two-bedroom manager unit. The target population for the Anna Mann House is low-income families and individuals. 42 of the 129 units will be affordable to households with incomes at or below 30% median family income (MFI) and restricted for 99 years through the Bond Opportunity Solicitation (BOS) Award from the Portland Housing Bureau (PHB). The remaining 86 units will target households with incomes under 60% MFI. Of the 42 units at 30% MFI, 12 will be designated as Permanent Supportive Housing (PSH) and set aside for households leaving homelessness and will be supported with Section 8 vouchers. IHI has significant experience working with formerly homeless and PSH populations. Concurrent with the BOS project, IHI was accepted as a Qualified Vendor and brings appropriate levels of support to the PSH residents living at the Anna Mann House. In addition, IHI completed the OHCS PSH institute in the spring of 2021.
Partnerships to Serve Communities of Color:	For the Anna Mann House, IHI has established a special relationship with IRCO (Immigrant and Refugee Community Organization) which will allow them to refer their clients directly to Anna Mann House. IRCO has signed a letter of support for the project and a signed MOU is fully expected, however IRCO prefers to sign MOUs near the end of construction. IRCO's mission is to promote the integration of refugees, immigrants, and the community at large into a self-sufficient, healthy, and inclusive multi-ethnic society, and for over 40 years has provided Portland's refugee and immigrant communities with a range of culturally specific services, including interpretation and translation, outreach and engagement, assistance with housing applications, rent assistance programs and move-in transition services.
Reaching Underserved Communities:	The project will be managed by Income Property Management Co. (IPM). IPM has completed an Affirmative Fair Housing Marketing Plan for the development, which outlines a detailed strategy to engage commonly underserved communities in the area. This plan will also be used to reach out to individuals and communities which are the least likely to apply for affordable housing opportunities.

	IHI is emphatic that their services are culturally responsive and utilized by all racial demographics. To be sure that all their staff remain culturally competent, they regularly schedule trainings, collaborate with culturally specific service providers, and create opportunities for residents to teach and share their culture. They also track demographics and cross-reference their service delivery data, allowing them to adjust service delivery and outreach when it becomes clear that a particular demographic group is underserved. IHI knows that very low-income families often face obstacles to housing, especially individuals and families of color. To mitigate this, IHI has worked to develop appropriately relaxed screening criteria for individuals with criminal, credit, and rental history barriers and provide a universal appeal process and individualized assessment for every type of denial. IHI accepts Rent Well Certificates and do not require social security numbers.
MWESB Target:	**IHI** IHI consistently exceeds 30% MWESB utilization rates on the majority of their projects. Including local, minority, and women-owned contracting firms into their projects provides IHI an important opportunity to support the various communities where they work. Between 2008 and 2011, IHI's aggregated MWESB participation rate for four projects completed in partnership with the City of Portland was 31.24% (based on total contracting dollars divided by the basis for MWESB goals). More recently, The Magnolia Apartments, completed in 2013, achieved an MWESB utilization rate of 35% (22% MBE), not including second tier subs or the work of our minority-owned Co-General Contractor (Faison Construction). In 2015, IHI completed The Erickson Fritz Apartments and achieved an MWESB utilization rate of 42%. At NW 14th/Raleigh, we achieved 71% MEPFS design build participation, and 20% overall participation on the high-rise project. They are committed to continuing our focus on high DMWESB-SDV utilization rates at the Anna Mann House. IHI selected Silco Commercial Construction as general contractor for the Anna Mann House because of their strong commitment to cost containment (they came in under budget on The Erickson Fritz, a large, complex PHB-funded adaptive reuse project), their experience and expertise on historic restorations, and their demonstrated ability to achieve excellent DMWESB-SDV participation (42% on The Erickson Fritz). For the Anna Mann House, IHI's COBID Firm utilization commitment is 30%, with a stretch goal of hitting 35%. Strategies for Success IHI has achieved success in exceeding MWESB participation goals through a mix of strategies implemented both before and during construction. For the Anna Mann House,

	IHI, Silco, and Todd Construction will build on past successes and also implement new strategies to meet the City and State's Equity Contracting Goals, with a focus on D/M/WBE firms, including: • Silco & Todd Construction have relationships with many smaller minority subcontractors that have worked on a variety of their projects in the recent past. In addition, Silco has a relationship with Oregon Association of Minority Entrepreneurs (OAME); National Association of Minority Contractors (NAMC), and a track record of hiring small certified subcontractors. • Soliciting input from various groups/individuals, including State DMWESB list; Oregon Association of Minority Entrepreneurs (OAME); National Association of Minority Contractors (NAMC); HUB Zone and SBA 8 (a) firms from the Small Business Administration and Silco Construction's list of vendor contacts developed through years of experience in the local market. • Utilizing an RFP process to select design-build subcontractors including mechanical, electrical, plumbing and fire sprinkler. DMWESB-SDV participation will be one of the selection criteria. • Advertising subcontracting work and DMWESB-SDV project opportunities in local and culturally specific newspapers such as The Skanner, El Hispanic News, DJC, The Portland Observer, Asian Reporter and at the Contractor Plan Center in Milwaukie. • Contacting DMWESB-SDV firms from different sub trades directly, informing them of the bid opportunities and requesting their attendance at outreach and pre-bid meetings, providing mentoring, answering questions regarding scope of work, construction documents, and unique performance requirements. • Working with organizations such as OAME and NAMC to increase awareness on bidding opportunities. As always, we will attend OAME's monthly breakfast meetings to share information about the upcoming project and contracting opportunities. • Holding pre-bid meetings at OAME and NAMC. Silco attends all pre-bid meetings and follows up with each DMWESB-SDV firm to see if they need one-on-one assistance with their bid. • Breaking out bid packages into appropriate scope sizes to maximize DMWESB-SDV participation. • Issuing a bid solicitation letter to at least five (5) DMWESB-SDV subcontractors in each Division of Work to be subcontracted at least two (2) weeks prior to the bid submission deadline. • Calling all certified firms we asked to bid prior to the bid due date to determine if a bid will be submitted. • Working with the City's consultant and DMWESB-SDV TA provider to maximize achievement of our equity plan.

	At previous projects, IHI has found it effective to utilize a payment plan in which they pay DMWESB-SDV subcontractors twice monthly. This is in direct response to concerns and challenges voiced by small subcontractors, who have a hard time managing cash flow under our typical draw system. Projects with large construction loans usually pay construction billings once a month, and it takes approximately 30 days after a draw is submitted for the contractor to receive payment. For the Anna Mann House, they will make twice monthly payments for DMWESB-SDV subcontractors, with IHI providing advance funds for these payments until the regular once-monthly draw payments come in. For the Anna Mann House, IHI chose to use Emerick Architects for two reasons. First, they are a woman-owned firm, which seemed appropriate given the fact that Anna Mann was a pioneer and trailblazer in the early 1900's when she carried out the development of what she called an Old Folks Home for her community after the death of her husband. The Mann House (which is being renamed the Anna Mann House) is an historic testament to the power of women in development and they wanted to honor that by involving as many women as possible in its restoration and adaptive reuse. Second, Emerick Architects has a particular expertise and love for historic restoration projects. IHI has also identified a certified Landscape Architect. Redesign of the property and landscape will be a key component of the work. With all these consultants in place, they estimate that approximately 85% of their professional services team will be certified firms. IHI will continue to prioritize equity as they select additional team members and will work with Nate McCoy from NAMC, PHB and other industry professionals to help them reach out to and identify additional DMWESB-SDV professional service providers for this project.
Alignment with Statewide Housing Plan:	• Equity and Racial Justice • Homelessness • Permanent Supportive Housing • Affordable Rental Housing
This development conforms to all OHCS underwriting standards.	

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Rendering: Anna Mann House. 1021 NE 33rd Avenue.

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DATE: November 5, 2021

TO: Housing Stability Council
Margaret Solle Salazar, Executive Director

FROM: Alan Borges, Production Analyst
Tai Dunson–Strane, Production Team Manager
Roberto Franco, Assistant Director of Development Resources and Production
Julie V. Cody, Director of Affordable Rental Housing

SUBJECT: Stillwater Crossing Apartments Tax-Exempt Conduit Bond Transaction

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Motion: Move to approve an increase of Pass Through Revenue Bond Financing in an amount up to and not to exceed $3,000,000 to Stillwater Housing Associates Limited Partnership for the construction of Stillwater Crossing Apartments, subject to the borrower meeting OHCS, Citi Community Capital, and Boston Financial Investment Management's underwriting and closing criteria and documentation satisfactory to legal counsel and Treasurer approval for the bond sale.

SUMMARY			
Project Name:	Stillwater Crossing Apartments		
City:	Bend	County:	Deschutes
Sponsor Name:	Wishcamper Development Partners		
Urban/Rural:	Urban	Total Units:	240
# Rent Assisted Units:	None	Units by Size & Affordability:	42 1-BR at 60% AMI 170 2-BR at 60% AMI 28 3-BR at 60% AMI
Funding Request		**Funding Use**	
		Acquisition	$3,695,772
4% LIHTC:		Construction	$38,813,425
Conduit Bonds:	*Additional up to* $3,000,000	Development	$15,723,731
		Total:	$58,232,928

PROJECT DETAILS

Project Description:	Stillwater Crossing Apartments is a new construction project located in Southwest Bend. The site consists of three parcels, totaling 8.57 acres. There will be nine buildings, which includes seven residential buildings, one community building, and one dog/bike building. This project will provide 240 units, including 42 one-bedrooms, 170 two-bedrooms, and 28 three-bedroom units.
Background:	This non-competitive project was awarded 4% LIHTC credits in July 2020, and tax exempt bonds at the August 2020 Housing Stability Council meeting. Financial closing occurred on September 24, 2020. Due to the increased costs associated with the lumber industry, costs for construction have significantly increased causing a gap in financing. The lumber industry price increase was primarily caused by product demand and shortage of workers to produce lumber products during the pandemic. Total projected project costs were \$51,860,169 and increased to \$58,232,928, an increase of \$6,372,759 or 12%. The sponsor elected to float the LIHTC rate instead of locking at closing with the September 2020 rate of 3.07%, which was a historical low. Federal legislation signed into law on December 27, 2020, to introduce a fixed floor rate of 4% for the 4% LIHTC program for projects starting in 2021. However, in order for this affordable rental housing project to be eligible, a new tax exempt bond issuance needs to occur in 2021 or later. Per Boston Financial (Investor), and Citi Community Capital (Lender), the conduit bond request today of \$3,000,000 will help fund short term financing as well as help fund the financial gap by allowing this project to use the higher 4% LIHTC rate, adding approximately \$5.6 million in LIHTC Equity. The Investor is willing to provide the additional tax credit equity and hold pricing. The Lender has also agreed to purchase the additional bonds. The permanent loan will be increased to fund the remaining funding gap due to the increase in Deschutes County rent limits from 2020 to 2021 of approximately 5%. This is a unique scenario where the additional conduit bonds can significantly help fund the project both directly and indirectly. The effects of the pandemic weren't expected to be this excessive, and with the new fixed 4% LIHTC rate, this request will allow this to project to continue construction and provide much needed affordable rental housing in Bend.

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Alignment with Statewide Housing Plan:	• Affordable Rental Housing As approved by the Housing Stability Council in August 2020, the project sponsor maintains their commitment to further fair housing by employing partnerships and strategies that are culturally and linguistically appropriate to reach underserved populations. They also maintain their commitment to exceed the expected 20% MWSESB participation rate for the region with the aspiring goal to reach 30%.

Renderings:

Clubhouse Rendering

Apartment Building Rendering

Apartment Building Rendering

Apartment Building Rendering

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DATE: November 5, 2021

TO: Housing Stability Council
Margaret Solle Salazar, Executive Director

FROM: Joanne Sheehy, Production Analyst
Tai Dunson–Strane, Production Team Manager
Roberto Franco, Assistant Director of Development Resources and Production
Julie V. Cody, Director of Affordable Rental Housing

SUBJECT: Timber Ridge Apartments Tax-Exempt Conduit Bond Transaction

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Motion: Move to approve an increase of $6,010,000 in Pass Through Revenue Bond Financing in an amount up to and not to exceed $19,700,000 to Timber Ridge Apartments LaGrande Limited Partnership for the construction of Timber Ridge Apartments, subject to the borrower meeting OHCS, Washington Federal Bank, Citi Bank, HUD, and Hunt Capital's underwriting and closing criteria and documentation satisfactory to legal counsel and Treasurer approval for the bond sale.

SUMMARY			
Project Name:	Timber Ridge Apartments fka East Q Apartments		
City:	La Grande	County:	Union
Sponsor Name:	N.E Oregon Housing Authority and Community Development Partners		
Urban/Rural:	Rural	Total Units:	104
# Rent Assisted Units:	45	Units by Size & Affordability:	36 1-BR at 60% AMI 32 2-BR at 60% AMI 32 3-BR at 60% AMI 4 4-BR at 60% AMI
Funding Request		**Funding Use**	
		Acquisition	$318,250
4% LIHTC:		Construction	$29,352,605
Conduit Bonds:	*Additional up to $6,010,000*	Development	$9,282,942
		Total:	$38,953,797

PROJECT DETAILS	
Project Description:	Timber Ridge Apartments is a new construction project with 104 units located in La Grande, which consists of eleven two-story residential buildings and one community building. The unit mix will consist of 36 one-bedrooms, 32 two-bedrooms, and 32 three-bedroom units and 4 four-bedroom units. The community building will include offices for services and service providers, lounge, recreation area, community room, central kitchen, and a fitness center. Each unit will be provided a covered parking space.
Background:	This competitive project was originally awarded LIFT Funds July 2020, 4% LIHTC credits at Finance Committee May 2021, and Tax-exempt Conduit Bonds at the June 4, 2021 Housing Stability Council meeting. Finance Committee awarded additional LIHTC ,GHAP and LIFT funds, with a motion to increase the Conduit Bond Allocation on August 31, 2021. Due to the increased costs associated with the lumber industry and supply chain issues, costs for construction have significantly increased causing a gap in financing. The lumber industry price increase was primarily caused by product demand and shortage of workers to produce lumber products during the pandemic. Bring a rural project compounded the issue with ongoing labor shortages and having to pay a premium to attract sub-contractors. This project is also subject to Davis Bacon wages which were not included in original bids. Total projected project costs were $16,774,395 and increased to $26,140,510, an increase of $9,366,115. The Timber Ridge team have engaged a different general contractor and received an updated bid reflecting current market conditions and costs and include the Davis Bacon wages required. This request is reflective of the change. Northeast Oregon Housing Authority and Community Development Partners have mitigated many of these costs by value engineering, increasing deferred developer fee, providing an additional cash infusion, increased debt, increase in tax credits and tax credit yield offered by the investor. The mitigation attempts are insufficient against the increase in lumber and material costs, labor costs and accurate Davis Bacon wages required on the project. This is a unique scenario, where the additional conduit bonds can significantly help fund the project both directly and indirectly. The effects of the pandemic weren't expected to be this excessive. This request will allow Timber Ridge move to construction close in January 2022 and provide much needed affordable rental housing in LaGrande.
Alignment with Statewide Housing Plan:	• Affordable Rental Housing • Rural Communities Timber Ridge has been approved LIFT funding as presented at the HSC July 2020 Meeting. It will continue to meet the LIFT requirements of working with rural and communities of

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	color as well as meeting the 20% MWESB participation rate expectations for the region. The sponsors also maintain the same commitments as presented and approved at the HSC June 4, 2021 Meeting for Pass Through Revenue Bond Financing.

Renderings:

Community Building

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DATE: November 5, 2021

TO: Housing Stability Council
Margaret Solle Salazar, Executive Director

FROM: Andrew Moran, Production Analyst
Tai Dunson–Strane, Production Team Manager
Roberto Franco – Assistant Director of Development Resources and Production
Julie V. Cody, Director of Affordable Rental Housing

SUBJECT: Vintage at Bend Tax-Exempt Conduit Bond Transaction

Motion: Move to approve Pass-Through Revenue Bond Financing in an amount up to and not to exceed $10,743,714 to Vintage at Bend 2 Limited Partnership for the acquisition and rehabilitation of Vintage at Bend, subject to the borrower meeting OHCS, Citi Bank and Aegon underwriting and closing criteria and documentation satisfactory to legal counsel and Treasurer approval for the bond sale.

SUMMARY			
Project Name:	Vintage at Bend		
City:	Bend	County:	Deschutes
Sponsor Name:	Vintage Housing		
Urban/Rural:	Urban	Total Units:	106
# Rent Assisted Units:	none	Units by Size & Affordability:	47 1-BR at 60% AMI 58 2-BR at 60% AMI 1 2-BR Unrestricted managers unit
Funding Request		**Funding Use**	
		Acquisition	$11,270,000
4% LIHTC:	$7,602,660 (aggregate allocation)	Construction	$5,600,000
Conduit Bonds:	*up to* $10,743,714	Development	$4,404,764
		Total:	$21,274,764

PROJECT DETAILS

Project Description:	Originally built in 2005 utilizing OHCS issued bonds and 4% LIHTC's. With this request, the sponsor aims to bring up to modern standards, improve energy efficiency of the unit and common area, improve common space amenities, and improve marketability of the project. The planned rehabilitation of the property includes a focus in four main categories: building and site exterior, unit upgrades, accessibility upgrades, and energy efficiency. A reconfiguration of the site will provide additional parking, repair, sealing and re-striping of asphalt. Additional site improvement includes new signage and replacement of fencing.
Partnerships to Serve Communities of Color:	Vintage at Bend and FPI Management are committed to employ Affirmatively Furthering Fair Housing strategies in the management and leasing of Vintage at Bend. FPI Management will serve as the onsite manager and will be responsible for implementing the resident services plan and coordinating resident service providers. Service providers will have access to the building's common spaces to conduct workshops and classes. FPI Management has engaged the following organizations to offer services to residents at Vintage at Bend: • Embrace Bend: Is a non-profit that began as a facebook support group for multiracial families in bend. Embrace bend has a stated mission to dismantle white supremacy through community support, learning opportunities and organized activism. Planned resources include Realtalk Discussion groups, book clubs, work study groups and volunteer opportunities • Latino Community Association of central Oregon: Is an organization that delivers services tailored to Latino community of central Oregon. Their stated mission is to empower Latino families to thrive by creating opportunities for advancement and building bridges that unite and strengthen us all. Planned resources include English is a second language, Free legal services and rental assistance.
Reaching Underserved Communities:	Vintage at Bend is managed by FPI Property Management. The California-based company started in 1968 and today is one of the largest full-service property management companies in the United States. FPI has 60,000 units in its portfolio including several thousand units of senior affordable housing like Vintage at Bend. FPI staff manages the property onsite with its own personnel. All employees go through a rigorous FPI training program and typically have years of experience in managing senior living communities. FPI Management will implement an

	Affirmative Fair Housing Marketing Plan (AFHMP) to identify and attract underserved populations as required by Federal Law in the housing market area. The provided AFHMP identifies underrepresented target populations who are designated as least likely to apply for housing. A review of underrepresented populations is completed by the regional portfolio manager no less than twice annually. Presently FPI is leveraging their relationship with the Latino Community Association to ensure marketing activities are reaching Latino community members. On-site management and staff receive training annually through a partnership with Gracehill and Spectrum. Staff will receive special training on reasonable accommodations, the definition of assistance animals, and guidance for handicap accessible units.
MWESB Target:	Vintage Housing Development will take all necessary steps to ensure that small and minority firms, women's business enterprises, and labor surplus area firms are used when possible. The overall stated goal is to have no less than 20% participation from MWESB. Vintage and its General Contractor, Precision General Commercial Contractors, Inc., will take the following steps to encourage these firms to apply: 1. Placing qualified small and minority businesses and women's business enterprises on solicitation lists; 2. Assuring that small minority businesses and women's business enterprises are solicited whenever they are potential sources; 3. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses and women's business enterprises; 4. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses and women's business enterprises; 5. Using the services and assistance of the Department of Consumer and Business Services, Office of Minority, Women, and Emerging Small Business Enterprises, U.S. Small Business Administration, and Small Business Development Center at the Central Oregon Community College; 6. Ensuring that all advertisements for bids include a statement that "Minority-owned, women owned, and emerging small businesses are encouraged to apply;" 7. Requiring that the prime contractor take the affirmative steps listed in paragraphs 1-6 above in getting subcontracts.

Alignment with Statewide Housing Plan:	• Equity and Racial Justice through expected MWESB participation, and partnership with local culturally specific organizations • Affordable Rental Housing
This development conforms to all OHCS underwriting standards. Risks related to the ongoing COVId-19 pandemic and global supply chain issues are primarily potential delays in material deliveries, this could extend the rehabilitation period. Construction contingency was built into the budget to mitigate risk of delay.	

Actual photo: Vintage at Bend.

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Date: November 5, 2021

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

From: Edward Brown, Program Analyst
Amy Cole, State Development Resources Manager
Roberto Franco, Assistant Director, Development Resources and Production
Julie V. Cody, Director, Affordable Rental Housing Division

Re: 2021 Small Projects NOFA Recommendations

Motion: Approve the Small Projects funding recommendations for the following projects:

- **Colonia Amistad,** $3,783,000 in state grant funds, and $2,498,962 in Agricultural Workforce Housing Tax Credits.
- **Leisure Way Too Apartments,** $1,850,000 in state grant funds
- **Kafoury Court,** $5,200,000 in state grant funds, and up to $11,317,000 in Pass-Through Revenue Bond Financing subject to final approval from the OHCS Finance Committee and Executive Director and the borrower meeting underwriting and closing criteria and documentation satisfactory to legal counsel and Treasurer approval of the bond sale.
- **Miraflores,** $2,654,795 in state grant funds
- **Plaza Los Robles,** $2,194,461 in state grant funds
- **Polk 2.0,** $1,500,000 in state grant funds

At the upcoming Housing Stability Council (Council) meeting, we will be presenting the 2021 Small Projects NOFA reservation recommendations for Council approval. These recommendations are based on the criteria laid out in the Small Projects NOFA as approved by the Council in November 2019's biennial funding calendar and also in November 2020 as part of the updated 2021 funding calendar. In this memo, we are providing you with a high-level summary of the recommended projects, more detailed information regarding each project can be found in the summaries following this memo.

Available Funding:
The Small Projects NOFA initially offered $13 million in gap resources and allowed OHCS to add resources if they become available. Due to under-subscription of gap resources in previous NOFAs and having collected more funds than anticipated to our Housing Development Grant Program (HDGP) account, OHCS staff identified the availability to add $6.6 million in HGDP funding for this NOFA without impacting future planned offerings. As such, recommendations in this memo include the use of that $6.6 million, which allowed for a total of $19.6 million to be used for funding recommendations in this NOFA.

Altogether, the 2021 Small Projects NOFA allocates $19.6 million in the form of grant funding from the General Housing Account Program (GHAP) and Housing Development Grant Program (HDGP). Collectively these sources are referred to as Gap sources.

NOFA Applications & Scoring:
OHCS received 13 applications, requesting a total of $47,657,975 in funding; eight projects were submitted for development in urban communities and five projects were submitted for development in rural communities. Requests for projects serving urban communities totaled $30,280,514, with $17,377,461 requested for projects serving rural communities.

Applications were reviewed for completeness and were required to meet minimum threshold requirements to be scored competitively. All applications met threshold requirements and scored above the minimum score threshold of 60 points. Applications were competitively scored by a group of internal and external individuals, including partners from Meyer Memorial Trust and a representative from Housing Stability Council.

Funding Recommendations:
Staff are recommending funding reservations for six projects. All together, these projects will preserve 103 units of affordable rental housing in communities around the state and create 52 units of new affordable rental housing in urban areas. The developments will provide 36 permanent supportive housing (PSH) units. The recommendations total $17,182,256.

Of note, the Kafoury Court project sponsored by PCRI will leverage 4% LIHTC / PAB, which was allowable within this NOFA. This resource use has been included in all assessments of our ongoing ability to leverage 4% LIHTC / PAB to projects and we are comfortable with making this commitment.

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Project Serving Urban Communities

Project Name	County	Total Units	PSH Units	Sponsor
Kafoury Court	Multnomah	40	30	PCRI
Miraflores	Multnomah	32	-	Hacienda CDC
Polk 2.0	Lane	12	6	Dev NW

Projects Serving Rural Communities

Project Name	County	Total Units	PSH Units	Sponsor
Colonia Amistad	Polk	38	-	FHDC
Leisure Way Too Apts.	Wallowa	10	-	Chrisman Dev. Inc.
Plaza Los Robles	Molalla	24	-	Hacienda CDC

See attached project summaries for additional information.

Policy Analysis:

This NOFA included the implementation of priority points for projects located in wildfire regions; none of the applications received were located in wildfire impacted areas, so no points were awarded in this category.

For the first time, resources for PSH rental assistance and services slots were offered in the small project NOFA and we were pleased that they were requested to support 36 units to serve chronically homeless households. While we had initially allocated just 30 PSH slots through the small projects NOFA, we were able to add the PSH slots that had been under-subscribed in the Veterans NOFA to meet the full request of 36 PSH units.

The Small Projects NOFA is designed to support several Statewide Housing Plan priorities through application requirements, scoring criteria, and funding set-asides.

- Equity and Racial Justice
  - MWESB contracting, planning and strategies were scored as part of the NOFA’s competitive process. All projects being recommended for funding scored a maximum 5 points under MWESB.
  - Diversity Equity and Inclusion agreements were required to be eligible for funding as part of the application. These agreements communicate to partners an expectation of DEI work through our partners as well as for OHCS.
  - Affirmative Fair Housing Marketing Strategies were required.

    - Resident Services scoring included scoring on the responsiveness of services to underserved communities and specifically communities of color.
- Affordable Rental Housing
    - This NOFA provides funding to preserve and construct new affordable housing units throughout the state of Oregon.
    - This NOFA added priority scoring to projects that leverage additional external funding sources which allows a greater number of units to be funded through this offering.
- Rural Communities
    - This NOFA included a 60% set-aside for projects located in rural areas (this translates to up to $11,760,000). This NOFA uses the OHCS definition of rural:

        Communities outside of the Portland Urban Growth Boundary with a population of 15,000 or less in counties within Metropolitan Statistical Areas (MSAs) (Benton, Clackamas, Columbia, Deschutes, Jackson, Josephine, Lane, Marion, Multnomah, Polk, Washington, and Yamhill Counties) and in communities with a population of 40,000 or less in the balance of the State.
    - For the first time, OHCS provided up to $2,750,000 of the Agriculture Workforce Housing Tax Credits (AWHTC) as an eligible source of funding within a NOFA. Providing this resource for the off-farm community-based projects through a NOFA creates greater structured access to this resource. This resource was awarded to Colonia Amistad, a 38 units project that will serve as an anchor community for farmworkers and immigrants within the rural city of Independence, Oregon.
- Permanent Supportive Housing (PSH)
    - This NOFA included an option for the sponsor to apply for PSH rental assistance and services funding by making ‘slots’ available for up to 30 PSH units. Staff were able to pull 6 additional underutilized PSH slots from the veterans NOFA to serve 36 PSH units in this 2021 Small Project offering.

Conclusion:
Staff recommends approving the six recommended projects. OHCS will debrief with those that were not successful to share ways in which their applications could be improved to encourage future participation.

2021 Small Project NOFA Funding Recommendations
Award up to $19,600,000

Urban Proposals Set-aside: $7,840,000

Project Name	Sponsor	City	County	Gap Request	4% LIHTC / PAB Request	AWHTC	Total Project Cost	Project Type	Units	PSH Units	Per Unit Subsidy Request	Per Unit Total Project Cost
Urban Projects Recommended for Funding Award												
Kafoury Court	Portland Cmty Reinvestment Init. (PCRI)	Portland	Multnomah	$5,200,000	*up to $11,317,000*	$ -	$16,590,730	New Construction	40	30	$130,000	$414,768
Miraflores	Hacienda CDC	Portland	Multnomah	$2,654,795		$ -	$4,834,397	Rehab	32	-	$82,962	$151,075
Polk 2.0	Corvallis N'hood Hsg Svcs dba Dev NW	Eugene	Lane	$1,500,000		$ -	$2,504,778	New Construction	12	6	$125,000	$208,732
		Total		**$9,354,795**	**$11,317,000**				**84**	**36**		
Urban Projects Not Recommended for Funding Award												
The Lucy	Metropolitan Aff Hsg Corp DBA Cornerstone Cmty Hsg	Eugene	Lane	$3,800,719			$11,460,931		35	-	$108,592	$327,455
Alberta Alive - Abbey Lot	Community Development Partners	Portland	Multnomah	$4,550,000			$11,682,915		20	-	$227,500	$584,146
Redmond Triangle Apts	Chrisman Development Inc	Redmond	Deschutes	$3,900,000			$6,084,708		24	-	$162,500	$253,530
Carson Commons	Polk CDC	Dallas	Polk	$3,550,000			$5,787,761		20	-	$177,500	$289,388
Generation Apts	Operation Generation	McMinnville	Yamhill	$5,125,000			$5,775,000		23	-	$222,826	$251,087
		Total		**$39,635,309**					**206**	**36**		

Rural Proposal Set-aside: $11,760,000

Project Name	Sponsor	Location	County	Gap Request		AWHTC	Total Project Cost	Project Type	Units	PSH Units	Per Unit Subsidy Request	Per Unit Total Project Cost
Rural Projects Recommended for Funding Award												
Plaza Los Robles	Hacienda CDC	Molalla	Clackamas	$2,194,461		$ -	$3,631,194	Rehab	24	-	$91,436	$151,300
Colonia Amistad	Farmworker Housing Development Corp	Independence	Polk	$3,783,000		$3,783,000	$5,757,222	Rehab	38	-	$99,553	$151,506
Leisure Way Too Apts	Chrisman Development Inc	Wallowa	Wallowa	$1,850,000		$ -	$1,850,000	Preservation	10	-	$185,000	$185,000
		Total		**$7,827,461**		**$3,783,000**			**72**	-		
Rural Projects Not Recommended for Funding Award												
Oak Manor Apts	Our Coastal Village Inc	Florence	Lane	$5,550,000			$8,486,500		24	-	$231,250	$353,604
The Oaks	Housing Impact LLC	Madras	Jefferson	$4,000,000			$4,765,771		16	-	$250,000	$297,861
		Total		**$17,377,461**					**112**	**0**		

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SUMMARY			
Project Name:	Colonia Amistad		
City:	Independence	**County:**	Polk
Sponsor Name:	Farmworker Housing Development Corp		
Urban/Rural:	Rural	**Total Units:**	38
Gap Request: **AWHTC:**	$3,783,000 $2,498,962	**Units by Size and Affordability:**	1 2-BR at 40% AMI 14 2-BR at 50% AMI 2 3-BR at 40% AMI 17 3-BR at 50% AMI 1 4-BR at 40% AMI 3 4-BR at 50% AMI

PROJECT DETAILS	
Project Description:	FHDC's Colonia Amistad provides affordable housing and services for 38 households (165 individuals), serving as an anchor community for farmworkers and immigrants within the rural city of Independence. Defects in the building's original construction in 2006 created lack of adequate ventilation, organic growth, and water intrusion that has damaged the building envelope. In 2019, FHDC completed litigation against the original subcontractors and was able to secure a settlement to make immediate repairs to the attics and install HVAC upgrades to remedy the organic growth. However, the settlement does not cover the full cost of the scope of work needed to prevent further deterioration. FHDC will use funds to rehabilitate the exterior envelope, fully upgrade HVAC systems, and perform other needed improvements to preserve this important affordable housing stock and ensure residents are safe and healthy in their homes for years to come.
Resident Services Summary:	FHDC's housing and supportive programs are designed to help families break the cycle of poverty through education, health and asset building support. Its collaborative service model comes from a culturally specific lens and programs at each of the properties are designed and implemented by staff members who are bilingual in English and Spanish, and have a high level of intercultural and emotional intelligence to navigate working with families facing economic, linguistic, social, cultural, health, and educational barriers. Colonia Amistad focuses on ensuring that residents have basic needs met in ways which are convenient and accessible on their terms. FHDC partners with a diverse network of community organizations that help support families at Colonia Amistad, such as: Mano a Mano, Pineros & Campesinos Unidos del Noroeste (PCUN), Oregon Latinx Leadership Network, and the Girl Scouts. These dedicated organizations provide Colonia Amistad residents with access to healthcare, education, food security and COVID-19 resources, as

	well as opportunities for leadership skills building. Close ties with these groups have helped create a web of support at Colonia Amistad.
MWESB Approach:	FHDC is dedicated to increasing diversity, equity and inclusion in all work. As articulated in the organization's equity statement, FHDC is committed to ensuring that a diverse range of qualified candidates are considered for all hiring and contracting decisions. It is the policy of FHDC to conduct its hiring and contracting processes in a manner that encourages participation from members of groups or classes that may otherwise be underrepresented, including ethnic minorities, women, and emerging small businesses. Colonia Amistad project is a key opportunity for FHDC to engage with MWESB certified or eligible firms. The FHDC development team will strive to achieve a twenty percent (20%) MWESB/SDVBE COBID certified firm participation goal for the Colonia Amistad project. The Development team worked with the General Contractor (LMC) and reviewed the cost estimate to highlight areas where MWESB COBID certified firms can participate in the project. In this review, the development team was able to highlight roughly 25-30% participation in the trades of exterior demolition, roofing, siding, drywall, painting, window coverings and site concrete. Roughly, $1 million worth of the project's construction budget was identified for MWESB/SDVBE participation. FHDC is also committed to contracting with businesses based in the Independence area and believes that these partnerships contribute to supporting the local economy while strengthening local relationships. Beyond this 20% participation on the construction side, the Architect, Salazar Architect, has also highlighted areas in which MWESB/SDVBE COBID certified firms can participate. Salazar Architects is currently registered as an MWESB firm and has highlighted areas for participation such as: civil, structural and landscaping. It is in these areas that the development team will work to reach and exceed the 20% goal of MWESB/SDVBE COBID certified participation for the Colonia Amistad project.
Alignment with Statewide Housing Plan:	• Equity and Racial Justice- In addition to a detailed MWESB, this project will use the following approaches to making the housing accessible to those groups who have historically not had equal access to affordable housing, particularly BIPOC communities: FHDC recognizes that rental history is often a barrier to housing in several ways and disenfranchises minority communities. FHDC and Evolve property management overcome these barriers by waiving requirements for rental history and landlord references. Eviction forgiveness is also extended to applicants who were evicted for hosting unauthorized residents. Language barriers prevent the farmworker community, and the Latinx/immigrant community in general, from accessing private market rate housing. FHDC and Evolve Property Management address this barrier first and foremost by hiring bilingual staff. Six out of eight of FHDC's full time employees, and all onsite managers at Evolve property management, are bilingual in English and Spanish. At Colonia Amistad, 98% of residents identify as Latinx. • Affordable Rental Housing – Rehabilitation of 38 units available to 40% and 50% AMI households.

	• Rural Communities – Proposed project is in Independence, OR which is within the NOFA's stated Rural set-aside.

SUMMARY			
Project Name:	Leisure Way Too Apartments		
City:	Wallowa	**County:**	Wallowa
Sponsor Name:	Chrisman Development Inc.		
Urban/Rural:	Rural	**Total Units:**	10
Gap Request:	$1,850,000	**Units by Size and Affordability:**	8 1-BR at 60% AMI 2 2-BR at 60% AMI

PROJECT DETAILS	
Project Description:	Leisure Way Too is a 10-unit development serving persons who are seniors and persons who are living with a disability, located in Wallowa, Oregon. The property was developed in 1996 and currently has a HOME affordability restriction which expires in January 2022 and has applied for funds to preserve the project. Currently, 80% of the households living at the property have incomes at or below 40% of AMI. The rehabilitation cost is estimated at $802,197 for an average cost of $80,288 per unit. Rehab work includes repairs to the walkways and accessibility, replace wooden apartment decks, removal of encroaching trees, landscaping, siding repair, and paint including improvements in weatherability, new energy star LED lighting, and signage. Preserving this project now provides an additional 60 years of affordability.
Resident Services Summary:	Chrisman Development, Inc. (CDI) has developed a resident service plan and Affirmative Fair Housing Marketing outreach strategies to emphasize increased access to resources that directly assist seniors, persons with disabilities, and Latino community members to improve access to resources such as housing, healthy food, financial management skills training, and opportunities to engage with the community. To accomplish this, they have formed partnerships with area service agencies. In addition, these partners will help reach Communities of Color to provide low-barrier access to affordable housing and culturally responsive services that are inclusive and welcoming to BIPOC residents. The project has a Memorandum of Understanding with Wallowa Valley Center of Wellness (WVCW) to eliminate barriers to mental, medical, and holistic health services for rural residents, and to promote tenant access to a robust system of integrated care that is available through a network of partnering service providers which offer free to low-cost services. WVCW will provide a health van onsite at the property at least twice a year to provide residents with easier access to preventative medical services and health screenings.

	Community Connection of Northeast Oregon (CCNO) will help residents achieve and maintain housing stability and financial security by providing asset building and financial management opportunities at least annually for Leisure Way Too residents and other senior and/or disabled residents of the City of Wallowa, and assist households to meet savings goals by providing Individual Development Account (IDA) program information to save for a vehicle or home purchase. The Bank of Eastern Oregon (BEO) has agreed to help Leisure Way Too residents achieve and maintain housing stability and financial security by providing asset-building and financial management opportunities for Leisure Way Too residents and other senior and/or disabled residents of the City of Wallowa. Trinity Development Alliance Inc. (TDA) will provide resident service information and referral via a Teleservice program to residents of Leisure Way Too that are directly supportive of the residents. It will assist with Affirmative Fair Housing outreach to historically underrepresented populations to promote equitable access to Leisure Way Too by providing culturally relevant marketing materials and information to community contacts.
MWESB Approach:	To help determine the target and strategy, the developer considered the location of the projects and the availability of certified MWESB businesses in the area. In Wallowa County, CDI identified two businesses across all relevant industries listed in the COBID registry that will be relevant to this project. When broadening the search to include the surrounding areas of Baker, Umatilla, and Union counties the project identified 16 additional businesses (across all relevant industries). Based on CDI's experience and the high demand for subcontractors at this time, the project assumes that efforts to recruit certified businesses from other areas of Oregon will have limited success. Out-of-area MWESB subcontractors bidding on rural projects face the additional challenge of pricing their bids competitively due to travel costs not incurred by local firms. With these factors in mind, CDI has committed to achieving a minimum target for 20% of subcontracts to be awarded to COBID-certified businesses and anticipates to exceed 30% MWESB targets with the inclusion of COBID-eligible subcontractors.
Alignment with Statewide Housing Plan:	• Equity and Racial Justice- While this project meets programmatic requirements of Equity and Racial Justice, we have determined it is not a transaction that will <u>further</u> Equity and Racial Justice. To meet requirements, the project will use MWESB contractors, include linguistically appropriate services to accomplish affirmative marketing strategies and provide a Low-Barrier Housing Access Plan to reduce barriers that applicants commonly face to ensure broader access of the low-income community members, especially those from underrepresented demographic groups, access to safe and affordable housing. However, despite the community demographics there are currently no Latino serving culturally specific organizations in this county or financial partnerships.

	• Affordable Rental Housing – Preservation of 10 units available to 60%AMI households. • Rural Communities – Proposed project in Wallowa City, OR which is within the NOFA's stated Rural set-aside.

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SUMMARY			
Project Name:	Kafoury Court		
City:	Portland	**County:**	Multnomah
Sponsor Name:	Portland Community Reinvestment Initiatives Inc. (PCRI)		
Urban/Rural:	Urban	**Total Units:**	40
Gap Request:	$5,200,000	**Units by Size and Affordability:**	4 0-BR at 30% AMI PSH Supported 1 0-BR at 30% AMI 26 1-BR at 30% AMI PSH Supported 9 1-BR at 60% AMI

PROJECT DETAILS	
Project Description:	PCRI proposes 40 units of newly constructed affordable rental housing. Kafoury Court will provide a total of 30 permanent supportive housing (PSH) units. The project provides a PSH administrative office and private counseling room, large common balconies and a rooftop garden area. PCRI is the site owner, sponsor, developer, and property manager. NW Pilot Project, a culturally responsive provider of PSH services, will provide PSH services for seniors on-site.
Resident Services Summary:	The resident service plan includes resident services provided by PCRI to all residents and PSH case management contractually provided by NW Pilot Project. PSH-specific resident services prioritize vulnerable older adults on the Coordinated Access list, as well as applicants meeting the criteria of the City of Portland's N/NE Preference Policy. PCRI and NW Pilot Project believe that the people it serves are best-suited to understand and communicate their needs. This resident services team identifies resident needs by going directly to residents, listening to them, and working with them and PCRI's other community partners to access available services. Asset-building programs and services aim to provide low-income individuals and families with the resources and culturally-specific guidance to make their dreams of educational attainment and economic opportunity happen. When individuals or families enter PCRI's housing, they have a safe, healthy, affordable home and access to a host of programs and services to support them in breaking the cycle of generational and situational poverty. These include Homeownership Education and Counseling, Money Management and Budgeting (financial planning) workshops and classes, access to workforce training services, and matched savings through Individual Development Accounts (IDAs). The programs are designed to address the culturally-specific needs of African American/Black community members.

	PSH services provided by NW Pilot Project include: Case management or service coordination; Regular meetings with tenants and continued engagement efforts with tenants who may require additional support or alternative engagement strategies to maintain housing stability; Connection to health care; Relapse prevention and recovery planning; Peer mentoring/support; Support via referrals and/or direct service to tenants and management in responding to tenant crises that may impact their own or others' health, safety, or housing stability; Referrals to representative payees; Referrals for legal assistance; Individualized service planning; Furnishings; Transportation; Benefits counseling and application assistance in accessing medical, mental health, and substance use treatment services; Connections to in-home care, socialization, recreation, health promotion, job search, free or reduced-price legal services, food assistance, linguistically appropriate services, and education activities that address each client's individual needs; Housing stabilization services to tenants, including developing skills and/or receiving assistance in budgeting, housekeeping, and communication assistance with the building management and neighbors.
MWESB Approach:	PCRI's COBID firm participation goal is 60% or greater. Racial equity is integral to the history and mission of PCRI. PCRI is one of only two N/NE Portland community development organizations created in the 1990s and the largest to still operate in the same neighborhoods it was founded to serve. PCRI's board and staff are reflective of the historically African-American community it serves and are active advocates for the services and grassroots opportunities needed for economic success. As part of its commitment to this redevelopment project, PCRI and its project team have created an equitable, exceptional, and achievable plan to engage and build capacity among MWESB firms throughout the development's design, construction, and operation. This commitment is evidenced in selecting certified minority-owned firm Colas Construction as the Prime Contractor for the project. The MWESB/SDVBE COBID-Certified firm participation goal for within Colas Construction is 30% (with 20% targeted towards firms owned by Black, Indigenous, and People of Color, known as BIPOC-owned firms). The economic strength and interest determine these goals that equitable practices provide for marginalized firms. Historically, Colas Construction projects have a participation of 30% and higher. In addition to selecting a BIPOC Prime Contractor, the project aims to subcontract with businesses registered with the Certification Office for Business Inclusion and Diversity. Together, these efforts will ensure equity and inclusion for the owner, developer, and project teams (including subcontractors, vendors, and suppliers).
Alignment with Statewide Housing Plan:	• Equity and Racial Justice- this project will use the following approaches to making the housing accessible to those groups who have historically not had equal access to affordable housing, particularly BIPOC communities: Northwest Pilot Project (NWPP) will work with PCRI to develop a low-barrier screening criterion for the property that minimizes obstacles to housing that disproportionately impact communities of color, including legal history, eviction history, and credit history. NWPP will assist 30 households eligible to move into PSH housing at Kafoury Court, with a minimum of 50% identifying as BIPOC. Of this original cohort of 30 residents,

	90% will remain successfully housed during the first year of the project. They anticipate a rolling long-term housing success rate of 85 percent. PCRI expects BIPOC participants to have an equal housing success rate of 85 percent. NWPP focuses only on older adults and has demonstrated success in serving communities of color. • Affordable Rental Housing – Addition of 40 new units available to 30% and 60%AMI households. • Homelessness – 30 units will be set-aside for persons experiencing chronic homelessness. • Permanent Supportive Housing – The 30 units set-aside for person experiencing chronic homelessness and will receive project-based rental assistance and supportive services funding through the OHCS PSH program to ensure residents' long-term housing stabilization.

SUMMARY			
Project Name:	Miraflores		
City:	Portland	**County:**	Multnomah
Sponsor Name:	Hacienda CDC		
Urban/Rural:	Urban	**Total Units:**	32
Gap Request:	$2,654,795	**Units by Size and Affordability:**	1 2-BR at 30% AMI 11 2-BR at 50% AMI 5 3-BR at 30% AMI 10 3-BR at 50% AMI 2 4-BR at 30% AMI 2 4-BR at 50% AMI 1 3-BR Manager Unit

PROJECT DETAILS	
Project Description:	The project is the preservation of the existing building and grounds of Miraflores, a 32-unit affordable apartment development in the St John's neighborhood of Portland. The proposed improvements will address safety, energy efficiency, and livability for residents and preserve the real estate asset as long-term affordable housing. Built in 2009, the buildings exhibited signs of water intrusion through the envelope of the building. Hacienda pursued legal remedy for claims of damages against the original development team and there was a financial settlement. This project will address the envelope and other problems that have been documented in recent years. Miraflores includes four 4-BR, sixteen 3-BR, twelve 2 BR, and community space with offices, computer room, 2 multi-purpose rooms and laundry. The site is built around a courtyard with gathering spaces and play equipment for children and includes parking.
Resident Services Summary:	Hacienda provides a robust resident services program at Miraflores. This includes a resident services coordinator who provides navigation and assistance with external programs and partners. Hacienda provides services that serve the needs of families with young children and after school programming, access to financial fitness and first-time homebuyer training programs, access to Hacienda's entrepreneurs program at the Portland Mercado. Resident service coordinators provide navigation to services according to the needs of each resident, such as direct access to rent assistance. Hacienda's service programs are designed to acknowledge and address inequities experienced by low income families and people of color in their housing and life outcomes.

MWESB Approach:	GSI Builders, Inc. is Latino/a Owned and Oregon COBID Certified General Contractor. GSI Builders is committed to meeting a 30% MWESB goal above and beyond its own participation. The owners are fluent in Spanish and English, as are the majority of its key employees. Equity is addressed intentionally in a very culturally specific way by constantly communicating with, involving and continually educating MWESB subcontractors regarding their work with GSI Builders. The 30% goal is a realistic one and is based on prior experience on similar projects. They have examined the skillsets of their existing pool of subcontractors and vendors that align with the scope(s) of work at Miraflores and have determined that the 30% goal is achievable and will enhance the experience and capabilities of MWESBs in the construction industry so they can continue to grow. GSI Builders has faced many of the same challenges experienced by MWESBs and recognize that collective success to improve the inequities that exist goes beyond percentages.
Alignment with Statewide Housing Plan:	• Equity and Racial Justice- This project will use the following approaches to making the housing accessible to those groups who have historically not had equal access to affordable housing, particularly BIPOC communities: 95% of Hacienda's direct services staff are bilingual members of BIPOC communities with invaluable lived experience, who have been well-trained in best practices of trauma-informed care. Provide low barrier screening processes. All of Hacienda's paperwork is available both in English and Spanish, and all counselors are bilingual (Spanish). Hacienda partners regularly long-time partner organizations like Immigrant Refugee Community Organization (IRCO) and Asian Pacific American Network of Oregon (APANO) to provide translation and sign language. The project has also partnered with SUMA; an initiative created to help end digital literacy inequalities in BIPOC (Black, Indigenous, people of color) communities. Currently the Resident Services Coordinator is a part of the sub-team for the Digital Divide Initiative, which is working towards funding several local organizations that are fighting to address and end digital inequalities. • Affordable Rental Housing – Rehabilitation and preservation of 32 new units available to 30% and 50% AMI households.

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SUMMARY			
Project Name:	Plaza Los Robles		
City:	Molalla	**County:**	Clackamas
Sponsor Name:	Hacienda CDC		
Urban/Rural:	Rural	**Total Units:**	24
Gap Request:	$2,194,461	**Units by Size and Affordability:**	2 2-BR at 30% AMI 1 2-BR at 50% AMI 2 2-BR at 80% AMI 9 3-BR at 30% AMI 1 3-BR at 50% AMI 3 3-BR at 80% AMI 3 4-BR at 30% AMI 1 4-BR at 50% AMI

PROJECT DETAILS	
Project Description:	The project proposed is the repair and rehabilitation of the existing building and grounds of Plaza Los Robles, a 24-unit affordable apartment development built specifically for agricultural workers in Molalla. The proposed improvements will address safety, energy efficiency and livability for residents and preserve the real estate asset as long-term affordable housing. Built in 2007, the buildings exhibited signs of water intrusion through the envelope of the building. Hacienda pursued legal remedy for claims of damages against the original development team and there was a financial settlement. This project will address the envelope and other problems that have been documented in recent years.
Resident Services Summary:	Hacienda provides a robust resident services program at Plaza Los Robles, as in its other properties. The organization uses the same successful approach to serve residents. This includes a resident services coordinator who provides navigation and assistance with external programs and partners. Hacienda provides services to residents that serve the needs of families with young children and after school programming; access to financial fitness and first-time homebuyer training programs, access to Hacienda's entrepreneurs program at the Portland Mercado. Resident service coordinators provide navigation to services according to the needs of each resident, such as direct access to rent assistance. Hacienda's service programs are designed to acknowledge and address inequities experienced by low income families and people of color in their housing and life outcomes.

MWESB Approach:	GSI Builders, Inc. is Latino/a Owned and Oregon COBID Certified General Contractor. GSI Builders is committed to meeting a 30% MWESB goal above and beyond its own participation. The owners are fluent in Spanish and English, as are the majority of its key employees. Equity is addressed intentionally in a very culturally specific way by constantly communicating with, involving and continually educating MWESB subcontractors regarding their work with GSI Builders. The 30% goal is a realistic one and is based on prior experience on similar projects. They have examined the skillsets of their existing pool of subcontractors and vendors that align with the scope(s) of work at Miraflores and have determined that the 30% goal is achievable and will enhance the experience and capabilities of MWESBs in the construction industry so they can continue to grow. GSI Builders has faced many of the same challenges experienced by MWESBs and recognize that collective success to improve the inequities that exist goes beyond percentages.
Alignment with Statewide Housing Plan:	• Equity and Racial Justice- This project will use the following approaches to making the housing accessible to those groups who have historically not had equal access to affordable housing, particularly BIPOC communities: 95% of Hacienda's direct services staff are bilingual members of BIPOC communities with invaluable lived experience, who have been well-trained in best practices of trauma-informed care. Provide low barrier screening processes. All of Hacienda's paperwork is available both in English and Spanish, and all counselors are bilingual (Spanish). Hacienda partners regularly long-time partner organizations like Immigrant Refugee Community Organization (IRCO) and Asian Pacific American Network of Oregon (APANO) to provide translation and sign language. • Affordable Rental Housing – Rehabilitation and preservation of 24 new units available to 30% 50% and 80%AMI households. • Rural Communities – Proposed project is in Molalla, OR which is within the NOFA's stated Rural set-aside.

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SUMMARY			
Project Name:	Polk 2.0		
City:	Eugene	**County:**	Lane
Sponsor Name:	Corvallis Neighborhood Housing Services dba DevNW		
Urban/Rural:	Urban	**Total Units:**	12
Gap Request:	$1,500,000	**Units by Size and Affordability:**	6 0-BR at 30% AMI PSH 1 0-BR at 60% AMI 5 0-BR at 30% AMI

PROJECT DETAILS	
Project Description:	Polk 2.0 will serve youth age 16-24 who are homeless or at risk of homelessness, with a priority for youth aging out of foster care or other residential care systems. The project is a new 2-story building with 12 SROs (6 PSH units), a manager's unit, and common areas. Each SRO unit is setup for independent living, with a sleeping / living room, a full bathroom, and a kitchenette. Interior shared spaces are designed for casual interactions, group activities, and individual use. An entry lobby leads to a common room for dining, meetings, and social gatherings. A communal full kitchen is provided along with a 2nd-floor flex area for relaxation and study. Site improvements include new outdoor recreation areas, gazebo and community garden, and open spaces that connect these new units to 12 existing units in a separate building on the site. The project is integrated into the surrounding neighborhood adjacent to parks, public transit, workplaces, and cultural venues.
Resident Services Summary:	DevNW understands resident services are an important piece to any housing development and has a long history of providing resident services and program offerings that are responsive to individual participants needs and designed to maximize residents' quality of life. DevNW concentrates on educational programs and support services that help youth get the tools they need to move toward self-sufficiency and stability. For this project, DevNW is taking a multi-tiered approach that splits services into three categories: 24-hour onsite management to handle day-to-day issues; in-house support services provided by DevNW staff under a variety of program banners; and partnerships with a multitude of community organizations. There will be an onsite manager to assist with tenant needs and building operations. With a focus on providing culturally competent, equitable, and trauma-informed resident services to transition age youth, in-house services will focus on the following: eviction prevention, financial management education, and health navigation. Tenants will have access to DevNW's specialty youth financial education curriculum (and all other financial

	education offerings) and coaching, as well as asset building programs, including Individual Development Accounts, microenterprise, and credit building services. All services are free-of-charge and offered in English and Spanish. If funding is received, a new Polk Case Manager will provide more intensive case management to the residents of 6 PSH units. DevNW works with a variety of local organization providing youth services. For this proposal in particular, they have MOUs with 15th Night, Community LendingWorks, DevNW Financial Wellbeing Program, Food for Lane County, Lane County, Looking Glass Community Services, and Oregon Department of Human Services. The combination of on-site management, extensive in-house services and educational programming, and a multitude of community partners provides unprecedented support to a vulnerable population that is too often overlooked and underserved.
MWESB Approach:	DevNW's MWESB/SDVBE COBID certified firm participation goal for this project is 20%. DevNW arrived at this goal by first analyzing MWESB/SDVBE participation in previous projects. Next, DevNW identified specific areas of strength and weakness in the current development bench to identify potential areas of diversification. Lastly, DevNW conducted preliminary outreach to MWESB/SDVBE COBID certified firms in the potential areas of diversification to gauge active interest/partnership potential in the project. Lastly, DevNW selected Meili Constructions specifically because of their commitment to hire MWESB/SDVBE COBID certified subcontractors. While DevNW would always prefer a MWESB/SDVBE COBID certified participation rate much higher than 20%, they believe 20% to be a realistic and attainable goal for a project of this size in this location.
Alignment with Statewide Housing Plan:	• Equity and Racial Justice- This project will use the following approaches to making the housing accessible to those groups who have historically not had equal access to affordable housing, particularly BIPOC communities: All DevNW staff who provide resident services at Polk are trained in culturally-responsive, trauma informed service provision – recognizing that former foster youth are disproportionately BIPOC and LGBTQIA+, and that they have PTSD equivalent to the rates of war veterans. All services, including case management, are available in English and Spanish. Organizational and marketing materials are accessible and appealing to clients across cultural backgrounds. DevNW also work with translation and American Sign Language services for clients with language needs beyond English and Spanish. 64% of direct service staff are bilingual and bicultural. To best address the needs of vulnerable youth, especially youth of color, and ensure that barriers are proactively removed for these underserved populations, DevNW will operate a multi-pronged Housing First model, providing stable housing, financial education, and wraparound and holistic supportive services. DevNW know that youth aging out of the foster care system and homeless youth / young adults are disproportionately BIPOC and LGBQTIA+. DevNW is intentional in its approach to offering culturally competent, equitable, and trauma-informed services to clients, which reduce barriers to entry and promote both short- and long-term success.

	• Affordable Rental Housing – Addition of 12 new units available to 30% and 60%AMI households. • Homelessness – 6 units will be set-aside for persons experiencing chronic homelessness • Permanent Supportive Housing – The 6 units set-aside for persons experiencing chronic homelessness will receive project-based rental assistance and supportive services funding through the OHCS PSH program to ensure residents' long-term housing stabilization

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Date: November 5, 2021

To: Housing Stability Council
Margaret Solle Salazar, Executive Director

From: Angela Parada, Sr. Tax Credit Programs Manager
Roberto Franco, Assistant Director of ARH Development Resources and Production
Mitch Hannoosh and Trinity Kerr, ARH Operation and Policy Analysts
Lee Guekguezian, Affordable Housing Research Analyst of OHCS Research and Analysis
Megan Bolton, Assistant Director of OHCS Research and Analysis
Natasha Detweiler-Daby, Assistant Director of ARH Planning and Policy
Julie V. Cody, Director of Affordable Rental Housing

RE: Qualified Allocation Plan (QAP) Update

Motion: Housing Stability Council to approve the release of the draft 2022 Qualified Allocation Plan, as presented [or with noted revisions] for formal public comment period.

Overview

This memo serves to provide an overview of the changes in this year's update to the QAP. These updates are informed by administrative necessity, feedback from our NOFA applicants and sponsors, stakeholders who participated in our *Affordable Rental Housing Program Policy and Planning Survey* or submitted written feedback, stakeholders that participated in our engagement series throughout September, individualized outreach with our culturally specific developers, a preliminary conversation with our Tribal Housing Work Group, alignment conversations with the Department of Land Conservation and Development, a series of meetings with the Network for Oregon Affordable Housing lead Preservation Work Group and many internal discussions among our program, policy, compliance, asset management, research and leadership staff.

Beyond the extensive current engagement, we've crafted follow-up on the critical work identified as needing ongoing emphasis from the last update. There were four areas identified back in 2019:

- Finding ways to affirmatively further fair housing in every community through a lens of racial justice and equity,
- Producing more units of permanent supportive housing,
- Prioritizing preservation projects, and
- Being responsive to the unique housing supply needs of rural communities.

We would like to extend a full measure of sincere gratitude to all who've contributed to this QAP update without the thoughtful, considered, and critical input we would not be able to continue to meet the update goals as they've been outlined below.

Regretfully, we did not have sufficient understanding of the limitations of the Private Activity Bond resources paired with the 2021 legislative resources prior to soliciting public input. As a result, we've paused accepting 4% Low Income Housing Tax Credits (LIHTC) and Bond pre-applications effective October 28, 2021. Pausing applications will allow OHCS to manage our existing pipeline, wait for a Congressional resolution through the Build Back Better Act (which may impact PAB limits), and finalize the changes proposed in this memo. The ARH team anticipates opening new sessions of engagement specific to our 4% LIHTCs and soliciting stakeholder input before more significant changes are implemented.

We will be requesting at November's Housing Stability Council meeting to release the current draft of the QAP for an official 30-day public comment period.

Our goal is to close the comment period in December, return to Housing Stability Council in January for final recommendation for Governor approval, and have the QAP signed and authorized by the Governor in advance of our anticipated early February 2022 9% LIHTC NOFA release date.

Guiding principles for this QAP update

1. Endeavor more boldly to address equity and racial justice through the adoption of changes based on lessons learned since the last update, important work done nationally by our HFA counterparts, and ideas from our stakeholders.
2. Implement practical changes to the QAP that will assure our continued ability to move toward application process and project selection transparency.
3. Acknowledge the limited time between the potential implementation of the new QAP and the next NOFA, assure that changes are feasible for professionals on the ground whose projects will be impacted by any changes in our criteria.

QAP Policy Updates

Based on public input, feedback and follow up from the last QAP update, this memo is organized into five general topics of updates:

- Addressing Equity and Racial Justice
- Solidifying the Right of First Refusal
- Changes to projects that qualify for HERA State Basis Boost
- Location Factor Scoring
- Administratively Necessary Updates

For convenience, following this memo you will find a detailed at-a-glance document has been prepared summarizing the page number, reason for change, and amended language.

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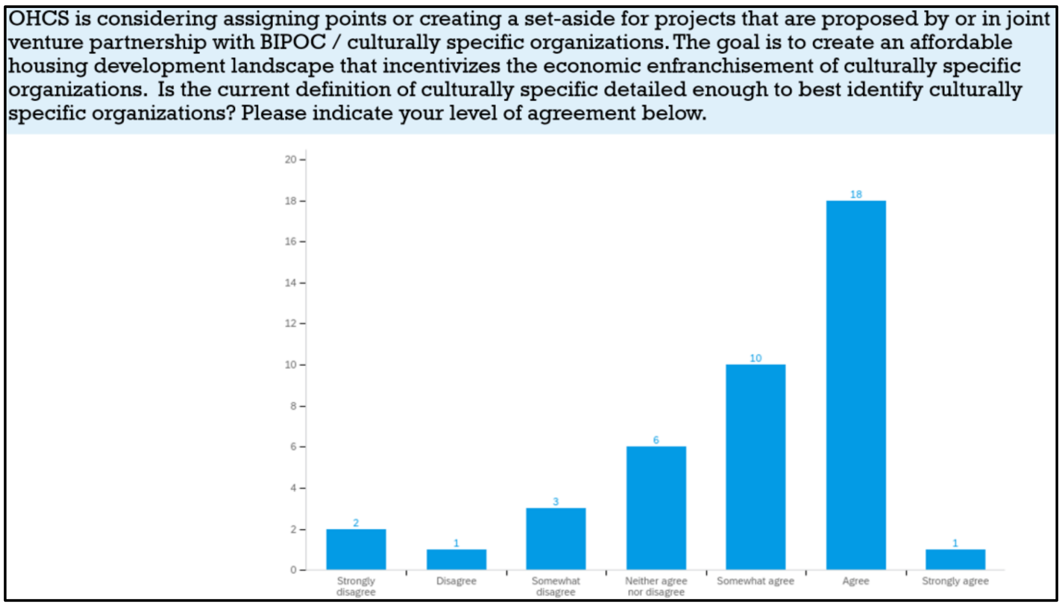
- **Updates Addressing Equity and Racial Justice:** Creation of new QAP language or tailoring of current QAP language to address equity and racial justice in more direct and bold ways anticipating both long- and short-term goals and strategies supplemented by other departmental investments like other competitive funding set-asides and capacity building funding investments. Through the *Affordable Rental Housing Program Policy and Planning Survey*, we learned that approximately 41% of participants agreed that we should do more to address the gap in resources available to our culturally specific development partners.[1] This figure increased nearly one and three quarter (1 ¾) fold to 70% when we include those participants that were on the fence about how best to do this, hence, driving our stakeholder engagement conversation.



1. The creation of a new across all categories set-aside for Culturally Specific Organizations/Developers.

   i. Outreach for this idea was met with favor at our general stakeholder engagement but was originally proposed with the definition that the ownership structure reflect a 50% ownership structure by individuals identifying as persons of color. Other ideas from stakeholders included: a farm worker housing set-aside, public housing authority owned set-aside, and culturally responsive set-aside. Given that the response to the definition was mixed, we drafted a new definition to mirror our tribal set-aside. The only other idea offered that met the ERJ goal was farm worker specific, but we need more time to discuss fund offering strategies and timing among program managers and leadership.

   ii. Through our direct outreach with Culturally Specific Organizations/developers, we got more a more nuanced favorable response to this proposal. There was

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concern that we would remove the tribal set-aside in favor for this updated set-side, but the division doesn't intend to do that.

1. We had the opportunity to attend the first Tribal Housing Work Group and found that we have a lot of work to do to make sure that we are making our resources accessible; not only in terms of timing and notification but engaging for the sake of capacity and connection.

iii. Our culturally specific development partners shared additional vulnerable truths about the often-imbalanced power dynamics between them and larger, more resourced, and often white-lead development firms that approach them to be "partners." These partnership proposals are often fraught with inequality – with issues spanning uneven developer fee splits to project close ownership structure that leaves culturally specific developers without any rights to the final project.

1. Participants in this direct outreach asked OHCS to dictate the partnership structure and developer split required between co-applicants.
    a. OHCS has decided that while 50% seems reasonable, there are many potential variables influencing the dynamics between project partners. We've elected instead to include in the QAP language that requires that the projects selected under the Culturally Specific or Tribal set-aside to be of "mutual financial benefit." This gives us the opportunity and flexibility to check in with project teams.

iv. Additional feedback about the set-aside included the concern that there are not a lot of culturally specific developers in the field and that the best way to build up organizations would be to address capacity. We agreed to set up quarterly meetings with our culturally specific development partners to address barrier reduction, application cost analysis, and possible supports from our Capacity Building Analyst, Kimie Ueoka and HOME/HTF Program Manager, Andrea Matthiessen.

2. <u>Inclusion of the Equity and Racial Justice lens on the completion of components 4% LIHTC Applications</u>. In the last iteration of the QAP, 4% LIHTCs only required a signed DEI agreement and a completed management packet. The department has decided to create additional threshold requirements for these applications.

i. All 4% LIHTC applicants must agree to the new terms of the DEI agreement and registration process as outlined on page 19 of the QAP.

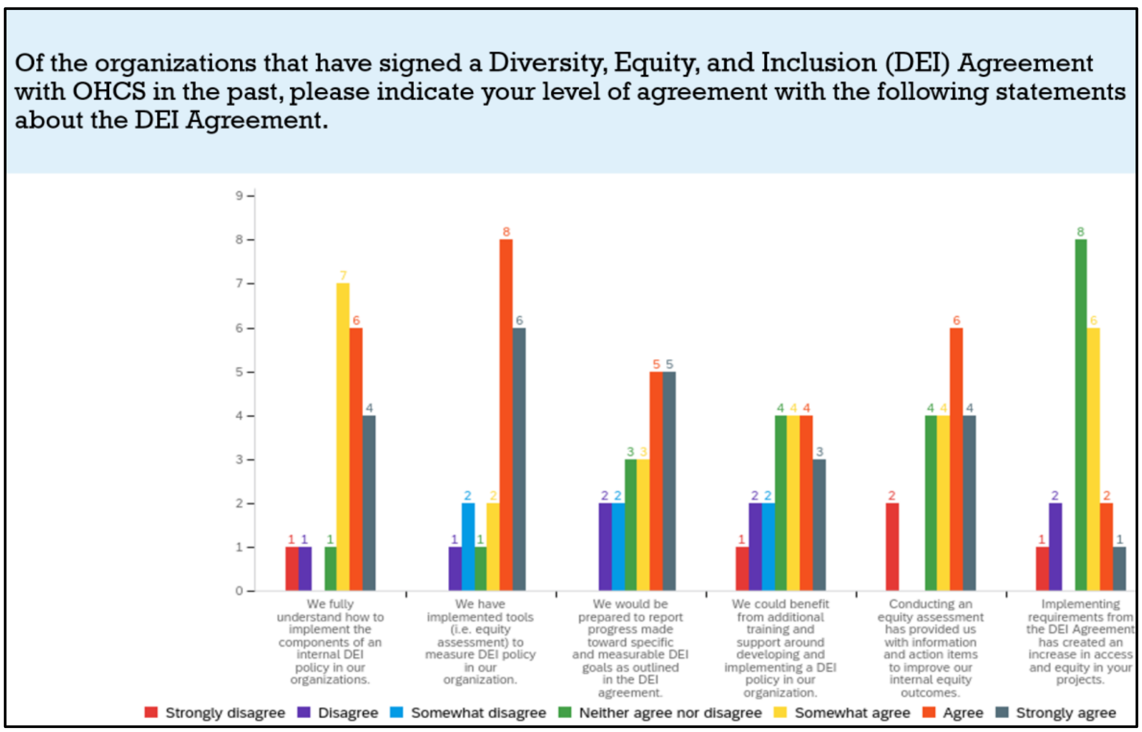
1. The DEI agreement update was the subject of an entire session of stakeholder engagement and will receive further elaboration later in the memo.

ii. All 4% LIHTC applicants must meet the Minority, Women, and Emerging Small Business regional targets as outlined on page 20 of the QAP.

1. As the requirements continue to become standard practice and we get more robust engagement with our partners, we are better understanding the work ahead in overcoming the barriers the last year have imposed on our workforce, supply chain, and

iii. The management agent packet and resident services plan must be completed with a demonstrable commitment to departments Equity and Racial Justice goal in mind.

3. <u>Updated the components of the Diversity Equity and Inclusion Agreement</u>. Through our survey we discovered that there were varying levels of agreement[2] with the implementation, success, and follow up needed to continuing improving upon the work of the DEI agreement. In its current iteration, the DEI agreement[3] is a document listing out a series of important standards an applicant commits to implementing in their organization. To follow up on this topic, we decided to have a stakeholder engagement session dedicated to the topic.



i. Through our general stakeholder engagement, we found that there was an overwhelming consensus from stakeholders to see capacity building integrated in this work in the form of DEI trainings, not only for developers but for development team members more generally including design and construction.

[2] The chart references questions posed to survey participants, who had signed a DEI agreement in the past.
[3] See end of memo attachment for the 2021 9% LIHTC NOFA version of the DEI agreement.

   ii. Important consensus also formed around the inherent bias of prioritizing experience, questioning a thread of the conversation that followed the logic, DEI could possibly inform our development experience scoring.
      1. Many argued that this would not be reasonable as many culturally specific organizations/developers were excluded intentionally or systematically and could be negatively impacted by this potential connection.
         a. We did not propose and are not advocating for this, but it highlighted an important feature of the equity and racial justice lens made clearer in our direct outreach with culturally specific developers.,
      2. Through our conversation with culturally specific developers, we heard loudly that the tools must be different for organizations that are already reflective of our communities of color. The expectations must adapt and reflect where an organization can still grow and appreciate where an organization does exemplary.
         a. In this effort, we intend to continue to separate DEI work from scoring and leave it as a threshold item. We also have started the process of formalizing a process by which we create a relationship with OHCS' new Equity, Diversity, and Inclusion office to assist us in this work by creating a registry. The specifics haven't been ironed out yet, but we are confident that we are moving at holding ourselves and our sponsors to a higher level of trust.

- **Update Solidifying the Right of First Refusal:** New language in the threshold criteria applicable to both the 4% and 9% LIHTCs outlining the department's commitment to preserving our non-profit sponsor's Right to First Refusal as outlined at Section 42(i)(7) of the Internal Revenue Code. This effort is critical as there has been a national trend of firms seeking to compromise the code and rights of non-profits by interfering in this process. We plan on coupling this work with stricter NOFA language in the upcoming funding cycles.

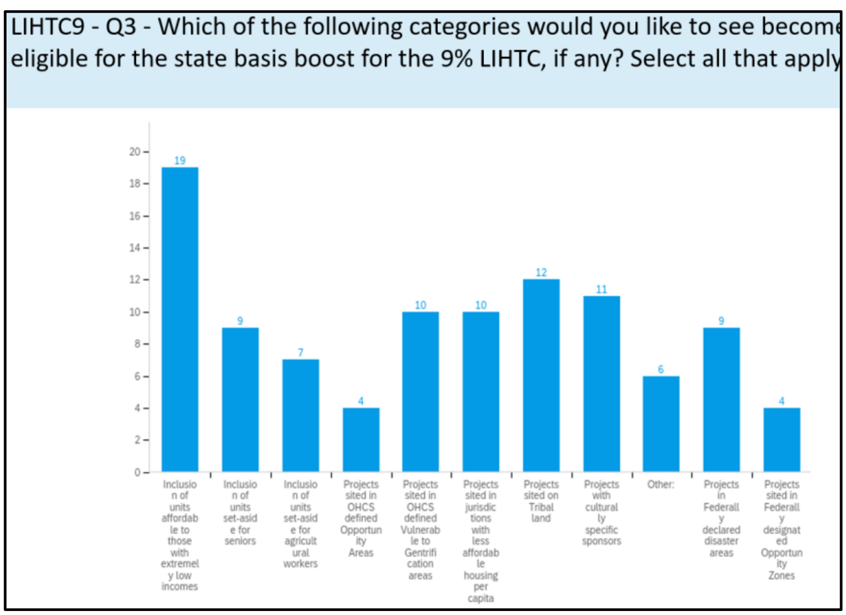
  The language incorporated is adapted from best practice research compiled by and advocated for by our incredible stakeholder groups. Many thanks to Rob Prasch of the Network of Oregon Affordable Housing, The Preservation Work Group Participants, Brian Hoop of Housing Oregon, and the dedicated Metro and Rural Policy Councils that advocated for their advocacy.

  Not only does this update help us to continue on in our commitment to preserving the affordable housing already in place, it also addresses the issue of bad actors known as "aggregators" known for their role in purchasing out limited partner interests and then circumventing the code and non-profit's right of first refusal by either attempting to sell the project at the end of the 15 year compliance period or squeeze unsuitable amounts of money out of the non-profit general partners, who are allowed in the code to purchase the project at a below market price. Important language added includes:

1. Organizational documents must include limiting transfers or other actions that could be detrimental to the continued provision of affordable housing
2. Letter of intent from tax credit investors that grants the right of first refusal purchase price
3. Terms of the extended use agreement that require notice and approval by OHCS of transfers of partnerships or member interests.
4. Debarment from the program of project sponsors, investors, syndicators, or lenders that have a demonstrated history of conduct detrimental to long-term compliance with extended used agreements in Oregon or another state.

- **Updates to the State Basis Boost eligible projects list:** Resulting from the Housing and Economic Recovery Act of 2008, the priority projects detailed on this list are eligible for an additional 30% increase in the amount of low-income housing tax credits that the project can claim. Typically, this increase is stipulated by code via location within a qualified census tract or difficult to develop area (QCT or DDA). This list allows the state of Oregon to prioritize other projects within the 9% LIHTC offering. There is currently federal legislation under consideration that would include 4% LIHTCs, yet they are not eligible.

  The list was up for review, as it was dated with old models of economic revitalization and reinvestment. The question was posed to stakeholders through our survey and the responses were overwhelming.[4] We balanced our approach to those with the highest scores with those that had other approaches within the program for prioritization.



[4] Chart available in the ARH PP Survey Report090121

a. Given this overwhelming response, we included projects with at least 20% of the units are set to LIHTC extremely low rents and income limits. To continue to incentivize the utilization of our tribal lands set-aside and in suit with our surveyed stakeholders, we also added projects sited on tribal lands as eligible for the basis boost.
b. To make sure that we are concise in the use of this tool, the QAP has been updated to remove projects within economic development regions and enterprise zones.
c. The complete list is available on page 29 of the [draft QAP] and includes: qualified rural projects, preservation projects, projects with PSH (aligning with our ongoing commitment to make PSH projects a priority throughout the QAP), projects located in Transit Oriented Districts as designated by local governments, projects that deconcentrate poverty (census tracts where 10% or less of the population lives below the poverty level.)

- **Location Scoring Updates:** Under the 2019 QAP, there were three components to the location scoring. One of the sections, Location Preferences, was an either/or for Opportunity Areas and Areas Vulnerable to Gentrification. This posed several issues for projects that were in areas that both had the hallmarks of early gentrification and displacement risk as well as the characteristics and amenities that would deconcentrate poverty and are correlated with positive resident outcomes that made them attractive for multifamily housing. The alterations to the scoring are relatively modest and seek to incorporate a more balanced approach while utilizing most of the same data and removing some data sources that were identified as problematic internally or in collaboration with stakeholders. During our stakeholder engagement we got a lot of written feedback around how we developed this scoring section and around specific criteria or data points, and we did our best to respond to those concerns with these updates.

  The reworking of these sections is intended to address issues identified in the written feedback and in conversation during our feedback session. [5] We committed to ensuring these updated methods utilize as reliable and empirically sound data and research as available that will help us to further incorporate equity, environmental and anti-displacement metrics into this work. With these new methodologies, we have performed scenario analyses for a variety of geographies across to state to ensure that (1) these new metrics support and account for the wide range of communities we serve as a state agency, and (2) do not unintentionally give preference to certain geographies. We are confident that this will go a long way to addressing the frequently expressed concerns that data is insufficient in rural communities and have baked into our modeling scaling that reflects whatever geography is under consideration.

[5] Chart is direct from an easy retro board and has direct quote from participants at location scoring engagement session. It can be found at https://www.oregon.gov/ohcs/development/Pages/capacity-partner-engagement.aspx

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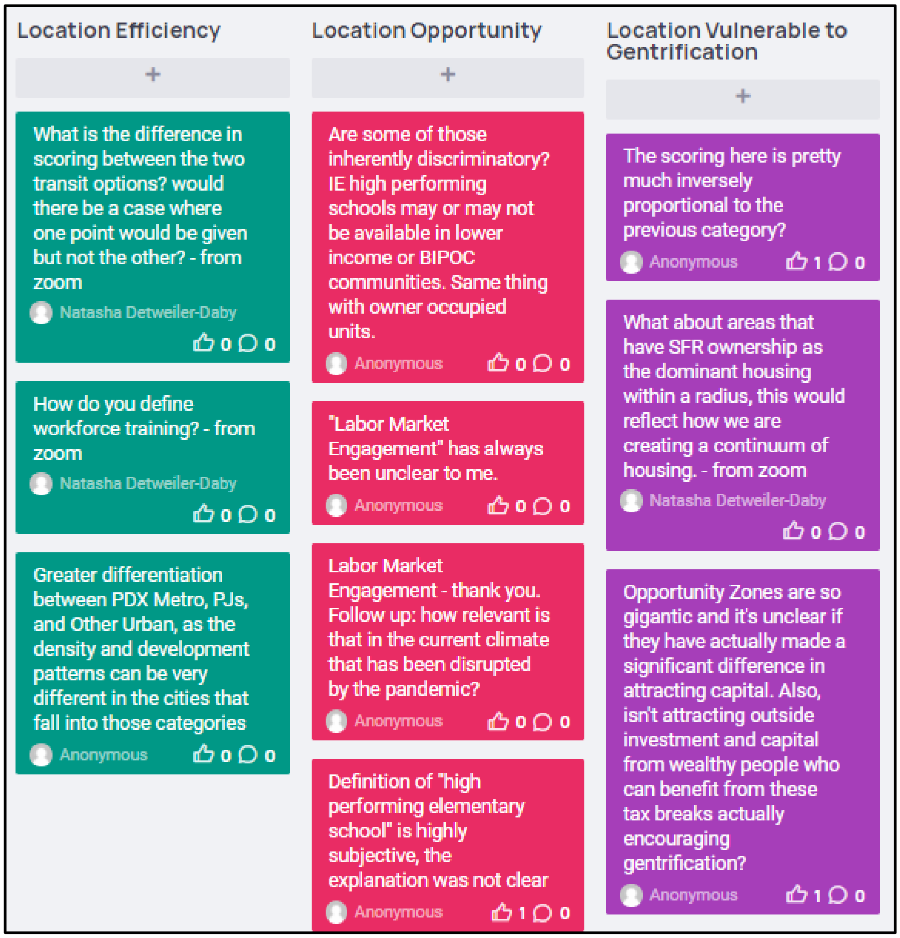

a. Location Need has been rebranded Location Need Severity

i) The CoStar data we were utilizing to calculate rent escalation and vacancy has been deemed unreliable by the Research Team and stakeholders, due to a lack of transparent methodology and issues of accuracy. Instead, we will be performing a “gap analysis” that looks at the ratio of low-income renters to the available low-income housing stock in geography and compares this value to that of a larger region. This method more acutely addresses need while also capturing a misalignment of income and rents. It is important to note that rent escalation is now incorporated into the anti-displacement index, and will be pulled from the American Community Survey, which is a highly reliable data source.

ii) Additionally, we’ve removed the high market vacancy rate, which is a particularly volatile point-in-time measurement that does not directly identify areas of need. Instead, we will be identifying if a project is within a Qualified Census Tract and had a concerted revitalization plan, which was previously located in the Vulnerable to Gentrification section

iii) Total points available for this section is now 4.

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b. Location Efficiency has been rebranded Location Opportunity and Environmental Factors

i) The rebrand was to more intentionally reflect the goals of the points contained within this section.

ii) We've removed the point for employment opportunity and services connections as it has not proven to be very impactful, and our partnerships sections does an excellent job capturing a project's service connections for tenants. We've decided instead to replace it with a point that is primarily incentivizing the de-concentration of poverty.

(1) Projects will be eligible for 1 point if they are in a census tract in which 50% or more of the households earn 100% of the average median income in the last three consecutive years for which data is available and the poverty rate is less than or equal to 20% during the same period.

iii) Lastly, we've updated the negative points possible in this section to reflect potential environmental health impacts through indicators extensively researched and developed by the U.S. Environmental Protection Agency (EPA). These environmental indicators cover a wide range of potential hazards, capturing proximity to and the numbers of certain types of potential sources of exposure to environmental pollutants, as well as estimates of air toxicity and pollutants and their impact on health. By using these indicators, we get a much more holistic picture of where these projects are proposed to be built and the potential future environmental health impacts on tenants who will live there. The 11 indicators the EPA tool uses are:

(1) National Scale Air Toxics Assessment Air Toxics Cancer Risk
(2) National Scale Air Toxics Assessment Respiratory Hazard Index
(3) National Scale Air Toxics Assessment Diesel PM (DPM)
(4) Particulate Matter (PM2.5)
(5) Ozone
(6) Lead Paint Indicator
(7) Traffic Proximity and Volume
(8) Proximity to Risk Management Plan Sites
(9) Proximity to Treatment Storage and Disposal Facilities
(10) Proximity to National Priorities List Sites
(11) Wastewater Discharge Indicator

Our previous methodology of point reduction was rendered moot both by most zoning codes, as well as a flexible definition of variables that allowed applicants to self-report no point reduction without a reliable means for OHCS staff to confirm their reporting. As our conversations around climate equity and housing evolve, it will be increasingly important to utilize well-researched, empirically sound tools like the EPA's Environmental Justice Screening and Mapping Tool to ensure that we are making informed and holistic decisions around geographic location, climate impact, and health outcomes

(a) We've capped point reduction for projects in Balance of State regions to 2 points and in Metro/PJs regions to 3 points.

iv) Total points available for this section is now 5.

c. Vulnerable to Gentrification Area is no longer an either/or criteria. The new scoring will compile a variety of demographic and housing variables into an index and award points based on a neighborhood typology that identifies what stage of gentrification a tract is in, based on a comparison to its county. The typologies are part of the "Anti-Displacement and Gentrification Toolkit Project" and is made available through the research of Dr. Lisa Bates, Dr. Marisa Zapata and Seyoung Sung of Portland State University's Toulan School of Urban Studies and Planning as it was prepared for the Department of Land Conversation and Development.
   i) More specifically, the index functions by compiling variables under the broader headings of Income, Vulnerable People, Housing, and Neighborhood Demographic Change, and performing a prescribed analysis that results in a gentrification typology. These typologies of neighborhoods range from affordable and vulnerable, to active gentrification, to exclusive and gentrified. There are seven typologies total including one that is unassigned.
   ii) The QAP outlines the data variables so that sponsors can be aware that it includes much of the same data we were using before, but now utilizes a corresponding robust methodology that is more empirically sound and well-researched and is funneled through a lens of anti-displacement. Details are available on page 34 of the QAP draft.
   iii) Total points available for this section is now 8.

- **Administratively Necessary Updates** – these updates are due to changes in processes. A lot of the small alterations to the language were due of feedback from applicants and sponsors moving through the process and bumping into issues. Additionally, there were so many unforeseen impacts to the affordable housing field, the people we serve, and economic conditions that make our work possible over the last two years; so much so that it became apparent that we must start to prepare for future disruptions and continued fluctuations.

   a. Removal of remaining vestiges from the old paper NOFA applications.

   b. Additional language in response to the unexpended and unprecedented changes brought about by the pandemic, wildfires, and market disruptions that have impacted construction supply chains, labor force availability, and housing more generally.

   c. Change of the carryover application deadline to November 1 from December 1.

   d. Update references from Project Development Manual to Core Development Manual

   e. Cost Effectiveness Scoring Update – now applicable to lowest half instead of lowest third.

   f. Removal of the 4% pro forma requirement for 9% LIHTC requests over 10% of the total annual allocation

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g. Changes in the 4% LIHTC credit language in response to the pending over subscription of this resource and the need to prioritize it for the first time.

   a. Since the 2019 update to the QAP, federal and state legislative updates have bolstered production creating a new strain on a formerly abundant resource, Private Activity Bonds (PAB). Current forecasting makes it necessary to signal to stakeholders and potential applicants that we are making programmatic adjustments to address the disproportionate number of 4% LIHTC applications, to the available amount of tax-exempt bonds. New language is as follows:

      i. All projects requesting to be financed with tax-exempt private activity bonds will be subject to their availability and the following prioritization schedule outlined by the department.
         1. Pairing 4% LIHTCs with competitive fund offerings in Notice of Funding Availabilities (NOFAs).
         2. Rental Assistance Demonstration, HUD Section 18, and significant funding commitment from local jurisdictions such as the Portland/Metro Bond fund applications.
         3. 4% LIHTC applications will be prioritized based on key factors supporting alignment with the Statewide Housing Plan. Additional details will be included in a future update to the Qualified Allocation Plan as needed.

      ii. When OHCS is accepting applications for 4% LIHTCs a two-part process has been established in an effort to clarify and expedite the processing of bond and/or 4% LIHTC transactions.

      OHCS reserves the right to waive, change or alter any timelines, processing and other QAP requirements, as its sole discretion, to encourage and /or facilitate the financing of tax-exempt and 4% financed projects.

- **Changes proposed and not adopted:** There were several changes that were proposed to stakeholders that either did not gain traction or needed additional analysis before it could be recommended for implementation.

  Geographic Set-Aside Updates – we elected instead to implement tweaks to our location scoring to see if we could address some of the concerns. Additionally, we did not have time to do stakeholder engagement with our participation jurisdictions and balance of state urban communities to get their input. Prior to any changes, we'd like to do more targeted outreach our general outreach participants were not reflective enough of local governments.

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LIHTC Effectiveness Scoring – there was a robust conversation with our stakeholders at the September engagement series regarding this point category. Unfortunately, there wasn't much consensus. The concern highlighted by sponsors was a worry that "like" projects weren't necessarily "like" enough. Since stakeholder outreach was all over the place, we had many internal conversations about additional project characteristics that could breakdown the pools of "like" projects, but through scenario analysis there was a continuing issue in applicability and having numerous pools that only contained one project: or no comparable projects. Instead of updating this scoring section, we've elected instead to include this work in our transparency endeavors and will make public the like projects split points upon the release of recommendations.

Development Team Capacity – a part of the scoring is looking at an applicant's current portfolio of properties. There were several issues raised including a skewing toward larger portfolios, issues with cycles for compliance review, and the inability to estimate a self-score for the section. After much conversation and a proposal to the stakeholders to convert this scoring section into a performance based pointing criteria (shelved until the next update), we agreed that we could do more to make the information accessible and provide a space for narrative response. Essentially, providing a NOFA response instead of addressing it in a QAP update. These stakeholder suggestions were taken to the sections managers of compliance and asset management; each agreed that small tweaks to our application process to facilitate a more expedited turn around on the scoring at pre-app to address concerns without changing the QAP language in this update.

Preservation Project Definitions – the QAP has historically prioritized 9% criteria for preservation of projects with federal resources. Given the amazing advocacy of our stakeholder and advocacy groups. We've decided to leave the definition as is for this update and track the other invests made available by the Oregon legislature in this biennium. We will evaluate that work and incorporate changes as they make sense in the next update.

Next Steps: The complete draft QAP is posted on the OHCS website here:
https://www.oregon.gov/ohcs/for-providers/Documents/11-05-2021-QAP-DRAFT-2022.pdf

We are requesting that Housing Stability Council approve a motion to release this current draft QAP for public comment. During this time, we would anticipate getting additional public comments. It is our hope that public engagement done to-date has raised all issues with the changes proposed in this QAP. If so, following public comment period, we would address issues raised during public comment period and finalize the QAP if we are only making non-substantial changes from the draft.

Diversity, Equity and Inclusion (DEI) Agreement

As the contractual agent for the applicant organization (Name of Organization Here)

I, (Name of Authorized Agent Here), hereby agree to commit our organization to the following diversity, equity and inclusionary ideals and standards:

- Develop a communication strategy to inform diverse populations of the organization's activities and invite them to participate.

- Work to build effective informal partnerships with organizations and leaders representing communities and populations facing disparities.

- Develop formal partnership agreements with organizations representing communities and populations facing disparities.

- Share resources with partners from communities and populations facing disparities.

- Work to engage communities and populations facing disparities in the organization's decisions (e.g. board, committees, advisory groups, community listening sessions, etc.).

- Develop strategies to remove barriers and create opportunities to participation of communities and population facing disparities (e.g. time and location of meetings, availability of childcare, meeting style, stipends, language, etc.).

- Develop and implement strategies to increase workforce diversity (e.g. recruitment and interviewing processes, retention strategies, professional development, etc.).

- Review organizational contracting policies, vendor selection, resource allocation, etc. from a DEI perspective.

- Increase contracting or procurement opportunities for Minority, Women and Emerging Small Businesses.

- Develop strategies to actively include diverse staff and board in decision-making processes.

- Create DEI staff and management accountability mechanisms (e.g. incorporate DEI into staff work plans, incorporate DEI into performance evaluations, etc.).

By my signature below, I commit our organization to this DEI agreement.

Signature

Date

QAP Page	Reason	Proposed Language
title	Updated revised date	Thursday, January 20, 2022
2	Updated approval statement date	Reflective of 2022 date
2	Additional information as it relates to OHCS being a fair housing compliant oganization	Oregon Housing and Community Services does not discriminate on the basis of race, color, creed, national origin, sex, religion, marital status, status with regard to public assistance, disability, familial status, gender identity, or sexual orientation in the provision of services. An equal opportunity employer. Information will be made available in alternative format upon request.
8	Acknowledgement of the unforeseeable challenges of the last two years and the exemptions necessary to navigate them.	Additionally, OHCS reserves the right to amend, modify, or withdraw provisions contained in this Plan that are inconsistent or in conflict with state or federal laws or regulations. In the event of a major: natural disaster, pandemic / epidemic, disruption in the financial markets, or reduction in subsidy resources available, including tax credits the Agency may disregard any section of the Plan, including point scoring and evaluation criteria, that interferes with an appropriate response.
9	Necessary adjustments to the administration of the 4% tax credit program given the reality of tax-exempt bond limitations.	The State of Oregon is provided with access to tax credits that are only available to Projects that are financed using tax-exempt bond proceeds which are associated with Oregon's Private Activity Bond Authority. The tax-exempt bonds are subject to the volume cap limitations in Section 146 of the Code as further detailed in Section 42(h)(4)(A)and(B) of the Code. The 4% LIHTC commitments will be made competitively. All projects requesting to be financed with tax-exempt private activity bonds will be subject to their availability and the following prioritization schedule outlined by the department. 1. Pairing 4% LIHTCs with competitive fund offerings in Notice of Funding Availabilities (NOFAs). 2. Rental Assistance Demonstration, HUD Section 18, and significant funding commitment from local jurisdictions such as the Portland/Metro Bond fund applications. 3. 4% LIHTC applications will be prioritized based on key factors supporting alignment with the Statewide Housing Plan. Additional details will be included in a future update to the Qualified Allocation Plan as needed. All applicants for 4% tax credits must meet Section 42 statutory preferences including those required for allocation and persuant to IRS Code Section 42 (m)(1)(D) and must meet the threshold requirements described below. (i) Standards of financial feasibility and viability; (ii) Project monitoring procedures; (iii) Program specific requirements of OHCS with a demonstrable comitment to complete the following work of the department's Equity and Racial Justice goal in mind: a. Diversity Equity and Inclusion Agreement (see page 19 for additional details); b. Minority, Women, and Emerging Small Business regional targets (see page 20 for additional details); c. Completion of the Management Agent Packet (MAP) which includes the Resident Servies Plan (RSP).

QAP Page	Reason	Proposed Language
10	Inclusion of a culturally specific organizations as a cut across set-aside from all categories.	Defined as being a project application sponsored or co-sponsored by sponsored by and of financial benefit to an organization with the following characteistics characteristics: A) majority of members and/or clients are from a particular community of color; B) organizational environment is culturally focused and the community being served recognizes it as culturally-specific entitiy; C) the majority of staff are from the community being served, and/or the majority of the leadership are from the community being served; D) the entity has a track record of successful community engagement and involvement with the community being served; E) the community being served recognizes the entity as advancing the best interests of the community and engaging in policy advocacy on behalf of the community being served. Set-aside interpreted in accordance with 13 CFR § 142.103.
11	Tribal Lands Set-Aside clarification that it can be applicant or co-applicant and that it must be of financial benefit to the tribal entity.	Defined as being an application sponsored or co-sponsored and of financial benefit to a tribal government, tribally designated housing entities or tribal corporate entities on tribal trust land. If this set-aside is not fully utilized, the balance of resources will revert to the Preservation Project Set-Aside.
13	Inclusion of the reservation fee into the project charges list.	When applying for or receiving any Program funds, the Applicant must pay applicable charges, as adopted by the Oregon Housing Stability Council. These charges include, but are not limited to, application charges, recipient charges, reservation fee and compliance charges. The Housing Stability Council adopted charges will be posted on any development application website.
13	4% LIHTCs / Conduit Bond Application Language Update	When OHCS is accepting applications for 4% LIHTCs a two-part process has been established to clarify and expedite the processing of bond and/or 4% LIHTC transactions. (i)A preliminary assessment application is required in the process, to accomplish do the following: a.Identify any potential deficiencies within the application early. b.Set an Intent Resolution (if using OHCS bonds). c.Determine a specified due diligence need lists to submit along with materials required for the part two application. d.Set a due date for the part two submission application materials. (ii)A complete 4% LIHTC application along with the specified due diligence needs list items identified at the preliminary assessment stage must be submitted to OHCS prior to approval of the funding request. a.The Project must close on the construction financing within 180 days of the 4% LIHTC application acceptance letter issuance date. OHCS reserves the right to waive, change or alter any timelines, processing and other QAP requirements, as its sole discretion, to encourage and /or facilitate the financiaing of tax-exempt and 4% financed projects including, but not limited to: implementing application pauses and blackout dates.
14	Pass/Fail Criteria of NOFA process	Removal of the "NOFA Cover Sheet submitted by due date and time;"
15	Referencing the NOFA to establish a minimum for project scoring.	If Applications within a set-aside do not score well enough to be funded (as prescribed in the applicable Notice of Funding Availability - NOFA), or if there are no projects to fund within a set-aside category, the set-aside category funds will be put back into the statewide pool, with the exception of the Tribal Set-Aside which will first be directed to the Preservation Set-Aside before returning to statewide availability.
18	Diversity, Equity, and Inclusion Agreement	All Applicants are required to enter into an agreement to commit their organizations to doing work and reflection to enhance diversity, equity and inclusion practices throughout their organizations. Tthe signing of an OHCS Diversity, Equity and Inclusion (DEI) Agreement will now include an annual informal conversation with the OHCS' Equity, Diversity and Inclusion Office to discuss the implemented to approaches to this work.

QAP Page	Reason	Proposed Language
19	MWESB moved from the 9% only program item to a threshold items for both the 4% and 9% LIHTC programs	All Applicants will be required to identify ways and/or targets they will use to contract with MWESB contractors/subcontractors in the construction and operation of the proposed Project. OHCS MWESB Manual can be located at: https://www.oregon.gov/ohcs/development/Pages/mwesb-sdvbe-rental-housing.aspx Below is a timeline for submission of OHCS MWESB Equity reports for all OHCS funded projects: Reporting: • Initial MWESB Equity report (4% LIHTC projects tier two requirement) • Housing Stability Council Report • MWESB Equity quarterly report • Final MWESB Equity Report (Final application) Awardees will be required to submit a report to OHCS demonstrating outcomes of their efforts to contract with MWESB contractors/subcontractors, using state registry, in their final application prior to the issuance of the Form 8609. Minority, Women, and / or Emerging Small Businesses (MWESB) contractors are those registered with the State. (http://www.oregon4biz.com/How-We-Can-Help/OMWESB/)
22	Provided some clarity to uncited quotations in the Extended Use Agreement (REUA) subsection of the threshold requirements	clarified that the quoted materials are from the restrictive use agreements that go into effect after the intital 15 year compliance period.
21	Added a "Right of First Refusal" subsection of the threshold requirements for 4s and 9s	OHCS hereby reserves the right to require any and/or all the following with respect to applications: (i) provisions to be included in the applicant's organizational documents limiting transfers of partnership or member interests or other actions detrimental to the continued provision of affordable housing. (ii) a letter of intent from a tax credit investor that clearly grants to a qualified not-for-profit organization a right of first refusal to purchase the project for a below-market purchase price (the "ROFR Purchase Price"), following the expiration of the tax credit compliance period, in accordance with Section 42(i)(7) of the Code (the "ROFR") (iii) terms in the extended use agreement requiring notice and approval by OHCS of transfers of partnership or member interests. (v) debarment from the program of project sponsors, investors, syndicators, or lenders having demonstrated a history of conduct detrimental to long-term compliance with extended use agreements, whether in Oregon or another state, and the provision of affordable tax credit units; and (vi) provisions to implement any amendment to the IRC or implementation of any future federal or state legislation, regulations, or administrative guidance. The decision whether to institute, and the terms of, any such requirements shall be made by the department as reasonably determined to be necessary or appropriate to achieve the goals stated in this paragraph and in the best interest of the plan.
25	Updating the name of the Development Manual	Core Development Manual and url link.

QAP Page	Reason	Proposed Language
27	Removes the requirement for 4%/bond applications with the request for over 10% of the 9% LIHTC Allocation	complete removal of genearl criteria - (ii) or the requirement to submit a 4% application with a 9% LIHTC allocation ask over 10% of the annual total.
28	Updates to the priorities of the HERA State Basis Boost Priorities	Adds to the list projects sited on tribal lands, Projects with at least twenty percent(20%) of the units set to LIHTC Extremely Low (30%) rents and income limits
32	Very modest changes to the language given the changing pipeline of available project coming from the PSH institutes and addressing some confusion in the last cycle.	1 point for having participated in OHCS provided PSH training and technical assistance and 1 point for commitment of supportive tenancy service resources. Additional specificity to come in the NOFAs.
32	Location Need has been renamed Location Need Severity and Data has been updated to reflect a more updated approach to identifying unit scarity in the state.	1 point if Severe Rent Burden higher than state/region, 1 point if there is a higher percentage of low-income renters in a geography than available low-income housing stock available, 1 point for location in a Qualified Census Tract with a Concerted Revitalization Plan; demonstrated through investment of public resources into capital improvements of residential, commercial, or infrastructure, 1 point for ratio of Affordable Housing Inventory To 60% AMI Households
32	Location Efficiency has been relabled Location Opportunity & Environmental Factor to better reflect the nature of the scoring category. Some changes to the scoring and possible negative points.	1 point if not in a USDA food desert, 1 point if has access to Parks & Public Space, 1 point if project is in a census tract which 50% or more of households earn more than 100% of the area median income in the last three consecutive years for which data is available, and the poverty rate is less than or equal to 20% during the same period, 1 point for access to School / Education / Library / Workforce Training, 1 point in Urban Areas for being in a TOD or being within 0.25 miles of fixed transit stop., 1 point in Rural Areas for access to transit options, Max -2 points for Projects sited in Balance of State – Urban and Rural that are in tracts with greater health risks due to environmental factors compared to the rest of the state, as defined by the Environmental Protection Agency's Environmental Justice Screening and Mapping Tool, Max -3 points for projects sited in Metro and Non-Metro HOME PJs that are in tracts with greater health risks due to environmental factors compared to the rest of the state, as defined by the Environmental Protection Agency's Environmental Justice Screening and Mapping Tool
33	Removal of the either/or option between location opportunity or location vulnerable gentrification. The new scoring will compile various data points and award points based on a neighborhood typology. The typologies are part of the "Anti-Displacement and Gentrification Toolkit Project" and is made available through the research of Dr. Lisa Bates, Dr. Marisa Zapata and Seyoung Sung of Portland State University's Toulan School of Urban Studies and Planning as it was prepared for the Department of Land Conversation and Development.	This scoring will compile data considering various aspects of a neighborhood including its income profile, vulnerable people, precarious housing location, housing market activity, and neighborhood demographic change. Through these factors we can arrive at a neighborhood gentrification typology. This typology will be the basis of an assigned score. Data Considered for Income: Low Income Households and Household Income Data Considered for Vulnerable People: BIPOC demographics, Limited language proficiency figures, persons with disabilities, female-headed households, individuals 65 years and older. Data Considered for Housing: Multifamily Units, Housing build before the 1970s, Median Rent, Rent Change, Median Home Values, Home Value Change Data Considered for Neighborhood Demographic Change: Change in BIPOC, Change in educational attainment, change in homeownership, change in household income
34	Update the language to reflect the development standards rebrand.	Core Development Manual.
35	Cost Effectiveness update to specify the applicable points now count to the lowest half and not the lowest third.	Up to 1 point: Total Development Cost, excluding acquisition costs, per bedroom that are in the lowest half of the applicants in the set-aside or regional pool. Projects competing in the same allocation round region will be grouped together based on building type to determine the average per bedroom total cost per unit basis and tax credit per bedroom (only counting bedrooms in Program assisted units according to following).

QAP Page	Reason	Proposed Language
40	Location scoring updated to reflect need severity; mirroring the update in NC/AqRehab portion of the scoring.	Up to 2 points if Severe Rent Burden higher than state/region, 1 point if there is a higher percentage of low-income renters than available low-income housing stock available in geography compared state/region.
42	Cost Effectiveness update to specify the parameters of "like" projects for groups to determine points for Preservation.	Up to 1 point: Total Development Cost, excluding acquisition costs , per bedroom that are in the lowest half of the applicants in the set-aside or regional pool. Projects competing in the same allocation round region will be grouped together based on building and services typetype to determine the average per bedroom total cost per unit basis and tax credit per bedroom (only counting bedrooms in Program assisted units according to following).
47	Carryover application deadline update to November 1 to create consistency between various interpretations of internal policy	Applicants, on or before November 1st of the LIHTC Allocation Authority Year, must submit either an Application for LIHTC Carryover Allocation (if the Project is still in the construction phase), or a Final Application indicating the Project is placed-in-service. All LIHTC Carryover Allocations will be made on a per Project basis. The LIHTC amount that qualifies for a Reservation to any Project is the lump sum amount of that available to each qualified building in the Project. The actual amount of LIHTCs available for any specific building will be apportioned from the lump sum Carryover Allocation of Credit and determined when that building satisfies the placed-in-service Allocation requirements

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DATE: November 5, 2021

TO: Housing Stability Council
Margaret Solle Salazar, Executive Director

FROM: Affordable Rental Housing Division; Program and Policy Staff
Roberto Franco, Assistant Director Development Resources and Production
Natasha Detweiler-Daby, Assistant Director Planning and Policy
Julie V. Cody, Director Affordable Rental Housing

SUBJECT: Update & Reintroduction of the 2022-23 Affordable Rental Housing Funding Calendar and Frameworks

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This month the Affordable Rental Housing Division is providing an important update on our draft development resources funding calendar for 2022 and 2023 with additional consideration to the availability of Private Activity Bond (PAB) cap. These new constraints will restrict how our funding sources intentionally target and leverage 4% Low Income Housing Tax Credit (LIHTC). We appreciate the thoughtful feedback provided by stakeholders during funding calendar engagement over the past several months and regret that OHCS did not have sufficient understanding of the limitations of the Private Activity Bond resources paired with the 2021 legislative resources prior to inviting public input. Following Housing Stability Council meeting in November, we will re-engage our partners to ensure that we can be responsive to feedback on these new recommendations.

Just a few years ago the 4% LIHTC / PAB was a relatively un-tapped resource and now we find ourselves reaching the cap on availability. While the constraint on PAB will require that we re-consider some of our planned strategies, it is also a tribute to the success of our partners in using 4% LIHTC to expand housing supply statewide. This memo lays out some background of the use of the 4% LIHTC / Private Activity Bonds; at the November Housing Stability Council Deputy Director Caleb Yant will walk through further details of the PAB resource as well as its historic and future use.

In this memo, we review:

- Background of the 4% LIHTC Program & Resource Leverage
- Proposed updates to the 2022-2023 Funding Calendar
- Proposed 2022-2023 Funding Calendar
- Next Steps
- Specific NOFA Framework Updates

Background of the 4% LIHTC program & Resource Leverage

The Low Income Housing Tax Credit (LIHTC) is a federal subsidy that serves as incentive for private investors to provide funding for the creation of affordable rental housing. In exchange for providing up-front funding (equity) for the development of affordable housing, the LIHTC gives the investor a dollar-for-dollar reduction in federal tax liability over a ten-year period.

In the case of the 9% LIHTC, which is designed to cover approximately 70 percent of a project's costs, the federal government allocates a certain number of credits to make available in each state annually based on population. In Oregon this 9% LIHTC tends to fund between 8-10 projects annually.

The 4% LIHTC on the other hand, is designed to cover approximately 30 percent of a project's cost, and is created when 50% or more of the project costs are financed with tax exempt private activity bonds.

Given the relative constriction of the 9% LIHTC program, Oregon has largely focused its production and preservation strategies on leveraging the non-competitive 4% LIHTC program which is dependent on the use of private activity bond volume cap. So, as program initiatives like LIFT, Permanent Supportive Housing and Preservation have seen continued Oregon Legislative investments, we have focused on leveraging these state "gap" resources with the federal 4% LIHTC.

As the state has continued its investment, and we've seen communities such as Portland and Metro Regional Government issue their own Housing Bond measures we have peaked the use of this program and obligated a substantial portion of available private activity bond volume cap. As is detailed in the agency's recent memo to the Private Activity Bond Committee which lays out the details of both historic use and the current demand for PAB, *"In 2021, OHCS fully utilized all of its remaining 2019 Carryforward by the first of June, totaling more than $236 million on 14 Multi-Family Conduit projects. OHCS has, in this same year, utilized almost $150 million of its 2020 Carryforward allocation on 9 projects, with a remaining 10 projects totaling*

Volume Cap Tax-Exempt Bond Funding[1]

Under federal law, states can approve a prescribed amount of tax-exempt bond funding for activities that are determined to have a public benefit.

In Oregon these "Private Activity Bonds" (PAB) are allocated by the Private Activity Bond Committee (PABC). While OHCS has traditionally managed our tax-exempt financing needs using resources "carried forward' from prior year allocations, we are now in a place where we are using more of this authority and are having to commit resources as we get access to them.

The PABC has been supportive of using the PAB for housing investments, but even in the best situation of having the majority of these resources set-aside for housing, we are at a point in time where we will not be able to commit to an unlimited pipeline of 4% LIHTC transactions.

1- Novogradac has a published Tax-Exempt Housing Bond Basics here

$161 million set to close by December 31. OHCS is projecting the need for $749 million in volume cap for projects closing in 2022, and in 2023 could utilize over $719 million on volume cap."

So, in light of these additional resources and ongoing success of several state programs we are now in an environment where we are operating closer to our cap of private activity tax-exempt bond funding than ever before– and therefore need to limit the degree to which we plan on leveraging our gap resources with the 4% LIHTC in our funding calendar. This should not artificially limit the amount of gap resources needed by the department, but rather provide predictability and encourage us to get creative how else we can deploy resources to close the housing needs gap throughout Oregon.

In the near-term we have paused our acceptance of independent 4% LIHTC applications which had previously been continually available on a non-competitive basis. We felt that this was important to do as we work to evaluate the current pipeline, track the potential for federal regulation changes about this program restriction, ensure we have the information we need about the needs for Housing Authority RAD and Section 18 conversions along with those with significant funding from local jurisdictions such as Metro and PHB Housing Bonds, and make deliberate updates to our 2022-2023 Funding Calendar and update our Qualified Allocation Plan.

While we do foresee the need to be thoughtful and intentional about our 4% LIHTC obligations, we feel sure that there is a way to balance need and timing to ensure continued partnership with our Public Housing Authority Partners and other public funders to prioritize needs to serve Oregonians and leverage this important resource to serve as many Oregonians as possible with safe, stable affordable housing. To be clear, the funding for those projects with applications that have been accepted by OHCS is secure.

One impact of removing this federal funding source leverage will be lessening dependance on that resource to lower our gap subsidy investments. Fewer units will be funded and developed than if this were an unlimited resource; we will work to maximize the reach of our resources nonetheless. At a time where extreme housing need persists, we need to look to solutions and pathways to continue to expand housing opportunities statewide. It is our hope that the updates to our 2022-2023 Funding Calendar are the next step in doing just that. Going forward, we will be seeking to be more creative, partner with others, and develop alternatives to continue to maximize the number of units that can be created and preserved with the funding that we have.

Proposed updates to the 2022-2023 Funding Calendar

In order to align our funding calendar resources with our ability to leverage the 4% LIHTC, we have made several impactful recommendations:

LIFT Rental Resources:
The Local Innovation and Fast Track funding has been a significant driver for the use of the 4% LIHTC program. In this next biennial funding calendar, we have over $240 million in LIFT Article XI-Q bond funding to support the development of new Affordable Rental Housing units. This funding source, by statute, prioritizes low subsidy, service to communities of color and rural areas, and innovation. To-date, given the low subsidy caps on the program we have seen the majority of the LIFT transactions paired with 4% LIHTC. In fact, in feedback we have heard that this specific program component has served to de-prioritize smaller projects. The demand for small projects statewide, and in particular for rural Oregon, was demonstrated by the increased number of applicants we saw submission in our 2021 Small Project NOFA.

A key part of scaling our 4% LIHTC / PAB leverage is to <u>reduce the portion of LIFT resources that will be designed to leverage tax credits</u>. In our revised funding calendar, we assume that approximately half of the LIFT rental resources can be paired with 4% LIHTC / PAB. The remaining half of LIFT rental resources will be offered with slightly higher subsidy caps (which will remain below other NOFA caps) and be targeted to projects that do not require a 4% LIHTC / PAB leverage.

This is likely to be a fit for small projects in rural communities as well as those with other available funding, such as PHB or Metro Bond funded projects. Despite this revision, the LIFT non-LIHTC projects will be expected to meet the same core objectives of LIFT projects, including:

- Preference for lower subsidy limits
- Service to communities of color
- Rural set-asides
- Innovation & Replicability

Housing Stability Council Question:
While the 4% credit has been a reliable source of leverage to pair with the LIFT resources, we are currently in a position where it is not possible to continue to offer all of the allocated resources with that leverage assumption. Are you comfortable with the strategy of extending a path for LIFT project funding that relies on slightly higher funding caps?

A secondary consideration regarding LIFT is the question of what to do with LIFT resources in any of the activities (LIFT Homeownership, LIFT Rental with 4% LIHTC, and LIFT Rental without 4% LIHTC) if they are not fully subscribed. These are Article XI-Q bond resources, the bonds are only sold, and the resources only provided if we are able to identify the housing that they will be used to fund. Ordinarily, we are able to program all of the funding by re-allocating un-used resources to over-subscribed LIFT Rental with 4% LIHTC NOFAs. Given the limits of our ability to leverage 4% LIHTC / PAB, this will no longer be a reliable solution. As such, we are going to need to make sure that if resources are under-subscribed in the first year that we are able to transfer the anticipated bond authority to the second year.

In considering alternatives that would allow the LIFT resources to be fully programed to fund net-new units, if under subscribed through planned offerings, we have looked back on the needs identified throughout partner outreach. Within the preservation conversations, there was expressed a strong need to include resources that can help to fund net-new units as part of comprehensive redevelopment of existing project sites that had under-utilized space and could serve additional households. While we were able to allocate $10 million in funds to the preservation offering to support new units, it is probable that the demand will far exceed the resources currently attributed to this. As such, we are recommending that in the “waterfall” of where potential under-subscribed LIFT resources go, we would include allowing them to be added to a Preservation offering where they would specifically be attributed to fund net-new units within larger preservation transactions.

Housing Stability Council Question:
LIFT has not previously been offered within NOFAs with other state resources; is Housing Stability Council comfortable allowing LIFT resources to be funded to support the creation of net-new units in preservation / rebuilding efforts?

Permanent Supportive Housing:
With occasional exception the projects that have been funded with the state’s Permanent Supportive Housing development resources have chosen to pair with the 4% LIHTC / PAB. In order to bring our leverage of this resource within availability we recommend that we reduce the reliance on 4% LIHTC / PAB leverage and have at least 20 percent of the available Permanent Supportive Housing development resources be directed to projects that are not leveraging the 4% credit.

Preservation:
The 2021 Oregon Legislature allocated $100 million to support the state’s preservation need. Twenty-five million of these resources are flagged to be offered within the Manufactured Home Park preservation NOFA, which by design does not leverage the 4% LIHTC / PAB resources. The remaining resources targeting Affordable Rental Housing preservation have the potential to utilize 4% LIHTC / PAB. Given the scale of preservation need, the importance of these limited resources can not be over-stated.

The key updates made with these resources to align with our anticipated PAB availability while supporting impact are as follows:

- Reduce the portion of the Preservation NOFA resources that is able to leverage 4% LIHTC / PAB to approximately $40 million in resources. The balance of resources offered within the NOFA will need to be utilized without the 4% credit; this will hopefully be a fit for smaller preservation transactions, which had also been raised as a need through our public engagement processes.
- Removing 4% LIHTC leverage for the Preservation PuSH Pool resources. These are resources designed to support the purchase of preservation properties that are being purchased through the regulations right of first refusal process, either by local government or an OHCS designee. As these resources will need to respond to market opportunity, it is reasonable that applicants may use this loaned resources without federal tax credits to stabilize the property while pursuing long term financing.
- Removing 4% LIHTC leverage for the Preservation Pool resources. These are resources intended to be offered on a first-come first-served basis to cover a potential broad list of scenarios where low subsidy investment could help to stabilize properties. For some this could have meant leveraging a tax credit -however for others, we are hopeful that providing modest resources to support needed rehab that extends the life and future viability of the project without comprehensive re-syndication. If these resources are not fully subscribed, they will be moved into the general Preservation NOFA.

Housing Stability Council Question:
It is imperative that we balance the need for resources like the 4% LIHTC / PAB; our strategy presented aims to balance the need for creating new units as well as preserving the existing affordable housing supply. Does Council feel that we hit the mark appropriately; or are there areas where we could better prioritize the resource leverage?

Draft 2022-23 Funding Calendar
On the next page, you will find an updated draft funding calendar that implements the strategies outlined above.

November 5, 2021

Updated 2022-23 Affordable Rental Housing Funding Calendar and Frameworks

UPDATES	Fund Offering	2022 Resources*	2023 Resources*	2022 Jan - March	2022 April - June	2022 July - Sept	2022 Oct - Dec	2023 Jan - March	2023 April - June	2023 July - Sept	2023 Oct - Dec
No change, does not leverage 4% LIHTC/PAB	**9% LIHTC NOFA**	$10MM 9% LIHTC $5.5 MM HOME $5 MM Gap OAHTC	$10MM 9% LIHTC $5.5 MM HOME $5 MM Gap OAHTC	Jan release		Aug decision		Jan release		Aug decision	
LIFT NOFA split in two, with half of the resources being deployed to not leverage 4% LIHTC; this is presumably a fit for smaller projects but could potentially also be used as needed gap filler for other funded projects. Moved funding recommendations to August	**LIFT Rental with 4%s NOFA**	$60.7 MM LIFT OAHTC ~$170 MM PAB	$60.7 MM LIFT OAHTC ~$170 MM PAB	Jan release		Aug decision		Jan release		Aug decision	
	LIFT Rental without 4%s NOFA	$30.35 MM LIFT OAHTC	$60.7 MM LIFT OAHTC	Jan release		Aug decision		Jan release		Aug decision	
	LIFT Rental Wildfire Direct Awards	$30.35 MM LIFT OAHTC	--	Jan open; commit by June or re-allocate in 22 NOFA							
No change, does not leverage 4% LIHTC/PAB; unutilized funds will go toward the LIFT without 4%s / PAB use or Preservation NOFA to fund net-new units.	**LIFT Homeownership NOFA**	$15 MM LIFT	$30.35 MM LIFT	Jan release		July/Aug decision		Jan release		July/Aug decision	
	LIFT Homeownership Wildfire Direct Awards	$15.35 MM LIFT	--	Jan open; commit by June or re-allocate in 22 NOFA							
Approx. $20 million in PSH project funding will be allowed to leverage 4% LIHTC/PAB. Remaining resources will need to be used without this leverage. Moved funding recommendations to August.	**Permanent Supportive Housing (PSH) NOFA**	$25 MM PSH; $16.5 MM HTF; OAHTC; $5 MM Gap ~$100 MM PAB	$25 MM PSH; $9.5 MM HTF; OAHTC; $5 MM Gap ~$100 MM PAB	Jan release		Aug decision		Jan release		Aug decision	
Will not allow 4% LIHTC / PAB leverage	**Gap Wildfire Direct Awards**	$20 MM GHAP & HDGP	--	Jan open; commit by Sept or they will roll over to small project NOFA							
Approx. $40 million will be able to to leverage 4% LIHTC / PAB (note this offering includes listed amounts as well as remaining funds from below pools). Remaining resources will need to fund projects without the 4% / PAB leverage. Moved funding recommendation to April.	**Preservation NOFA**	$42.5 MM Pres; OAHTC; $10 MM Gap ~$65 MM PAB	--			Sept Release			April decision		
No change, does not leverage 4% LIHTC/PAB	**Preservation Wildfire Direct Awards**	$2.5 MM Pres		Jan open; commit by Feb or they will roll over to Preservation NOFA							
Will not allow 4% LIHTC / PAB leverage	**Preservation PuSH Pool Resources**	$10 MM Pres		Jan open; commit by Feb or they will roll over to Preservation NOFA							
Will not allow 4% LIHTC / PAB leverage	**Preservation Pool Resources**	$20 MM Pres		Jan open; commit by Feb or they will roll over to Preservation NOFA							
No change, does not leverage 4% LIHTC/PAB	**OAHTC Pool**	$250 MM OAHTC		Jan release	open til used						
*Less likely to be utilized	**OAHTC Pool for Wildfire**	$200 MM OAHTC		Jan release							
Will not allow 4% LIHTC / PAB leverage	**Manufactured Park Preservation NOFA**	$25 MM Pres; OAHTC		Jan release	open til used						
Will not allow 4% LIHTC / PAB leverage	**Veterans NOFA**	$15 MM Vets GHAP; OAHTC	$15 MM Vets GHAP; $4 MM OAHTC		June release		Nov decision		June release		Nov decision
Will not allow 4% LIHTC / PAB leverage	**Ag Worker Housing Tax Credits (AgWHTC)**	$6.7 MM - community $1.67 MM on farm	$1.67 MM on farm	Jan open first-come first served through Sept or they go into the 2023 NOFA				Jan open first-come first served through July or they go into the 2023 NOFA			
Will not allow 4% LIHTC / PAB leverage	**Small Projects NOFA**	--	$20 MM Gap; $13.4 MM AgWHTC; OAHTC						June release		Nov decision
No change, does not leverage 4% LIHTC/PAB	**Land Acquisition Program**	$20 MM		Jan release	open til used						

*** These are approximate resources; if resource availability changes to allow for more resources they will be added to the NOFA.**

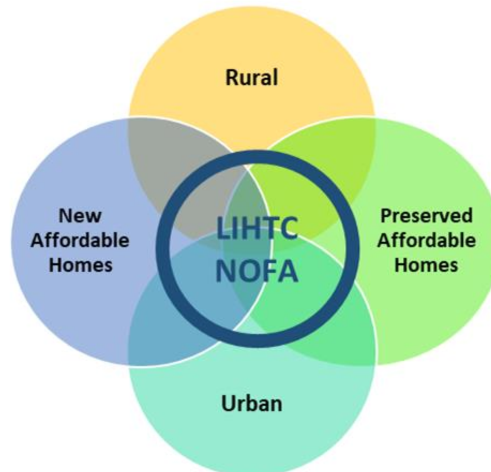
Frameworks:
Following this memo (Exhibit A) are high level funding frameworks for each of the offerings listed above. Noted within each page are the major updates that have been made to align with the summary of changes presented in this memo.

Next Steps
It is our hope to get additional input from Housing Stability Council in the November 5, 2021 meeting. We will also be reaching back out to our stakeholder community for additional input on these needed calendar revisions.

After incorporating this feedback, we aim to bring back to Housing Stability Council the final 2022-2023 funding calendar at the December meeting.

EXHIBIT A
Draft Funding Framework Summaries

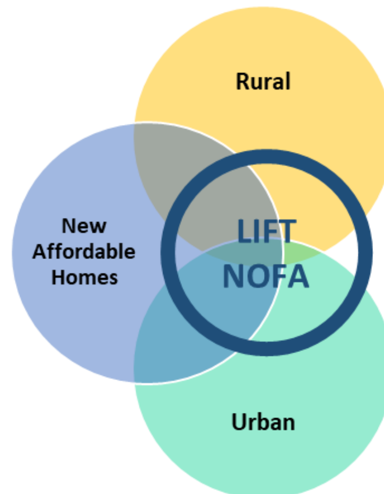
Fund Offering	9% LIHTC NOFA
Development Type	New; Acq/Rehab; Federal Rent Assistance Preservation
Geography	Statewide; allocated to regions
Subsidy Limits	9% LIHTC - QAP defined HOME - $1,000,000 min request for new construction only Gap - $500,000 per project max OAHTC
Scoring Principles	QAP determined
Equity	- Affirmative Fair Housing Marketing - MWESB Construction Workforce Engagement reporting - Tribal Set-Aside; Culturally Specific Set-Aside - Resident Services; culturally responsive partnerships with resources - Opportunity Area and Vulnerable Gentrification Area preference, points - Diversity, Equity and Inclusion (DEI) agreement, reporting - 9% LIHTC Regional Allocation formula; inclusion of communities of color



Primary Updates:

- *Creation of a Culturally Specific Set-Aside*
- *Inclusion of HOME for new construction*
- *Increased minimum for HOME funds*
- *Planned clarification and technical fixes*

<table>
<tr><th>Fund Offering</th><th>LIFT Rental with 4% LIHTC NOFA</th></tr>
<tr><td>Development Type</td><td>New Housing Units</td></tr>
<tr><td>Geography</td><td>Split between Rural 50% and Small Urban 25% and Large Urban 25%; 15% of resources must go to Culturally Specific Developers</td></tr>
<tr><td>Subsidy Limits</td><td>
<table>
<tr><th>Unit Type</th><th>Urban</th><th>Mid-Sized Urban</th><th>Rural</th></tr>
<tr><td>Studio</td><td>$60,000</td><td>$75,000</td><td>$90,000</td></tr>
<tr><td>1 Bd</td><td>$100,000</td><td>$125,000</td><td>$150,000</td></tr>
<tr><td>2 Bd</td><td>$130,000</td><td>$165,000</td><td>$200,000</td></tr>
<tr><td>3 Bd</td><td>$160,000</td><td>$205,000</td><td>$250,000</td></tr>
</table>
</td></tr>
<tr><td>Scoring Principles</td><td>Detailed LIFT framework Draft
generally Communities of Color / Costs / Partnerships / Equity</td></tr>
<tr><td>Equity</td><td>- Affirmative Fair Housing Marketing
- MWESB Construction Workforce Engagement
- Resident Services; culturally responsive partnerships
- Location Accessibility
- Diversity, Equity and Inclusion (DEI) agreement, requirement</td></tr>
</table>



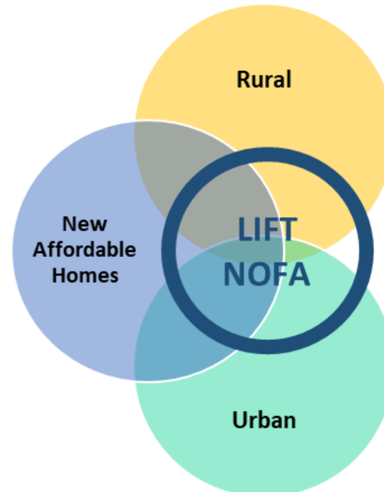
Primary Updates:

- *Expansion of geographic set-asides for Large vs Small Urban areas*
- *Inclusion of a 15 percent set-aside of resources for culturally specific developers*
- *Updated subsidy caps broken out by region and bedroom size.*

Fund Offering	LIFT Rental non-4% NOFA
Development Type	New Housing Units
Geography	Split between Rural 50% and Small Urban 25% and Large Urban 25%; 15% of resources must go to Culturally Specific Developers
Subsidy Limits	(see table below)
Minimum Thresholds	-Detailed LIFT framework Draft generally Communities of Color / Costs / Partnerships / Equity
Equity	- Affirmative Fair Housing Marketing - MWESB Construction Workforce Engagement - Resident Services; culturally responsive partnerships - Location Accessibility - Diversity, Equity and Inclusion (DEI) agreement, requirement

Subsidy Limits:

Unit Type	Urban	Mid-Sized Urban	Rural
Studio	$75,000	$90,000	$110,000
1 Bd	$120,000	$150,000	$170,000
2 Bd	$160,000	$200,000	$230,000
3 Bd	$200,000	$250,000	$290,000



Primary Updates:

- *New offering approach that does not rely on leverage of 4% LIHTC*
- *Updated funding caps; broken out by region and unit size.*

<table>
<tr><th>Fund Offering</th><th>LIFT Rental non-4% Wildfire Direct Awards</th></tr>
<tr><td>Development Type</td><td>New Housing Units</td></tr>
<tr><td>Geography</td><td>60% to Lane, Lincoln, & Marion Counties
30% to Clackamas, Douglas, Klamath, & Linn Counties
10% to Jackson County
Set-asides held until June 1st 2022; excess applications will be prioritized first-come first-served. Any resources not used by June 30th 2022 would be made available through LIFT Rental NOFA.</td></tr>
<tr><td>Subsidy Limits</td><td>
<table>
<tr><th>Unit Type</th><th>Urban</th><th>Mid-Sized Urban</th><th>Rural</th></tr>
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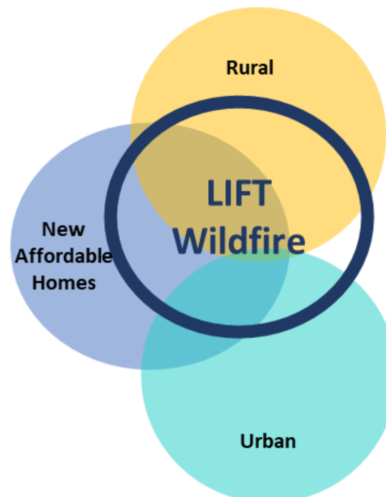
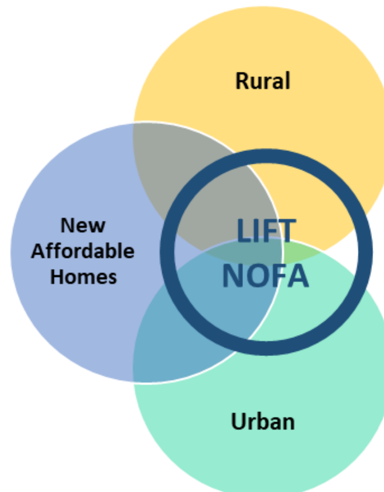
</table>
</td></tr>
<tr><td>Minimum Thresholds</td><td>-Must serve communities of color and/or rural communities;
-Must include engagement of culturally specific or responsive partners in project design, outreach;
-Must incorporate disaster resiliency in placement and construction
-Must provide explanation of cost-cutting strategies;
-Must prioritize those impacted by wildfires</td></tr>
<tr><td>Equity</td><td>- Affirmative Fair Housing Marketing
- MWESB Construction Workforce Engagement
- Resident Services; culturally responsive partnerships
- Location Accessibility
- Diversity, Equity and Inclusion (DEI) agreement, requirement</td></tr>
</table>



Rationale for Direct Awards for Wildfire Recovery:

- *Opportunity to get housing built faster*
- *Any project that is not ready can come through regular NOFA*
- *Focusing resources on federally identified Most Impacted & Distressed Counties though limiting funds to Jackson county due to Disaster Credit investment*
- *Will not leverage the 4% LIHTC*
- *Updated funding caps and broke down by unit size*

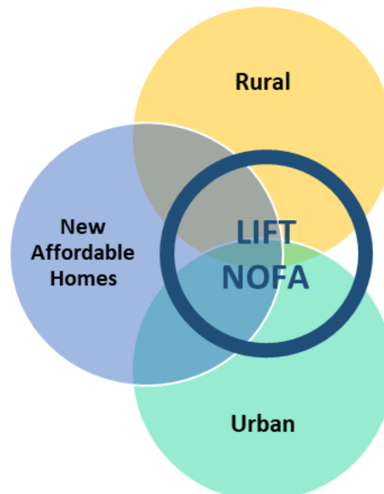
Fund Offering	LIFT Homeownership NOFA
Development Type	New Housing Units; Potential to allow for use for New Manufactured Home Parks or Spaces
Geography	Split between Rural 50% and Small Urban 25% and Large Urban 25%; 15% of resources must go to Culturally Specific Developers
Subsidy Limits	LIFT: land value, max $115k/unit
Scoring Principles	Detailed LIFT Program Draft: Communities of Color / Costs / Partnerships / Equity
Equity	- Affirmative Fair Housing Marketing - DMWESB Construction Workforce Engagement - Resident Services; culturally responsive partnerships - Location Accessibility - Diversity, Equity and Inclusion (DEI) agreement, requirement



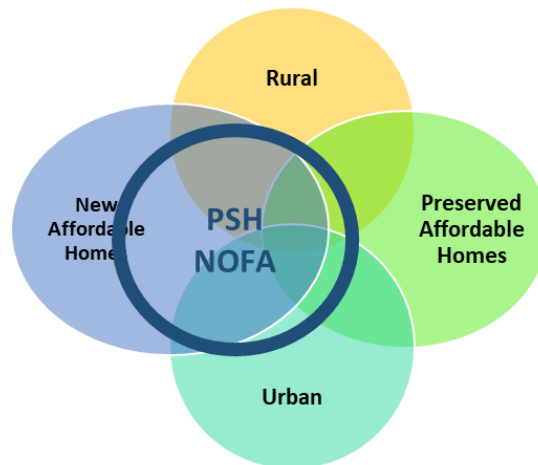
Primary Updates:

- *Expansion of geographic set-asides for Large vs Small Urban areas*
- *Inclusion of a 15 percent set-aside of resources for culturally specific developers*
- *Increased subsidy limits by 15%*
- *Consideration for use for new Manufactured Home Parks or Spaces*

Fund Offering	LIFT Homeownership Wildfire Direct Awards
Development Type	New Housing Units; Potential to allow for use for Net-New Manufactured Home Parks/Spaces
Geography & Set-Asides	60% to Lane, Lincoln, & Marion Counties 30% to Clackamas, Douglas, Klamath, & Linn Counties 10% to Jackson County Set-asides held until June 1st 2022; excess applications will be prioritized first-come first-served. Any resources not used by June 30th 2022 would be made available through LIFT Rental NOFA.
Subsidy Limits	LIFT: land value, max $115k/unit
Minimum Thresholds	-Must include engagement of culturally specific or responsive partners in project design, outreach; -Must provide explanation of cost-cutting strategies; -Funding limited to land value and proportion of units with affordability restrictions; -Homes must be held affordable upon resale; -Must prioritize those impacted by wildfires
Equity	- Affirmative Fair Housing Marketing - DMWESB Construction Workforce Engagement - Resident Services; culturally responsive partnerships - Location Accessibility - Diversity, Equity and Inclusion (DEI) agreement, requirement



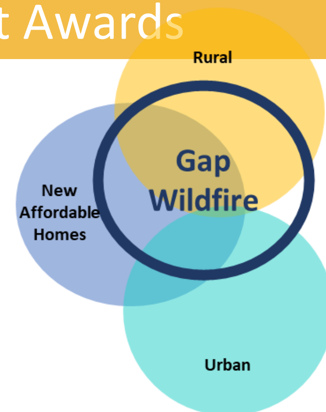
Fund Offering	Permanent Supportive Housing (PSH) NOFA
Development Type	PSH units in New / Acq/Rehab or Existing
Geography & Eligibility	Split between Urban & Rural; eligibility based on prior attendance at a PSH Institute with a preference for PSH Institute Projects
Subsidy Limits	Preference for less than $300k per unit of PSH or HTF; Integrated projects may request an additional $750k in gap per project.
Scoring Principles	Service to Communities of Color; Need addressed; Housing First and Service Partnerships; Coordination with homelessness system in region
Equity	- Affirmative Fair Housing Marketing - MWESB Construction Workforce Engagement - Resident Services; culturally responsive partnerships - Location Accessibility - Diversity, Equity and Inclusion (DEI) agreement, reporting



Primary Updates:

- *Increased subsidy limits*
- *Gap resources for integrated projects*
- *Allowing Institute Developers to apply for projects that have different teams*
- *Only approx. 80% of resources will be able to pair with 4% LIHTC / PAB*

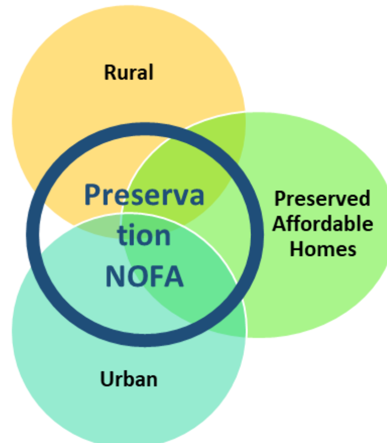
Fund Offering	Gap Wildfire Direct Awards
Development Type	New Construction / Rehab of Affordable Rental Housing in Wildfire Impacted Areas
Geography	60% to Lane, Lincoln, & Marion Counties 30% to Clackamas, Douglas, Klamath, & Linn Counties 10% to Jackson County Set-asides held until June 1st 2022; excess applications will be prioritized first-come first-served. Any resources not used by June 30th 2022 would be made available through LIFT Rental NOFA.
Subsidy Target	studio: $150k/unit 1 bdrm: $210k/unit 2 bdrm: $265k/unit 3 bdrm: $325k/unit can leverage 4% LIHTC **split subsidy
Threshold	80% AMI and below 60 year affordability Must address Local Need Must prioritize those impacted by Wildfire
Equity	- Affirmative Fair Housing Marketing - MWESB Construction Workforce Engagement - Resident Services; culturally responsive partnerships - Location Accessibility - Diversity, Equity and Inclusion (DEI) agreement, requirement



Primary Updates:

- *Will not be able to leverage 4% LIHTC*

Fund Offering	Preservation NOFA
Development Type	Federal Rent Assisted at Risk; Portfolio Preservation; Physical Condition Risk of Loss
Geography & Set-Asides	Split between Urban & Rural - 30% for federal rent assisted at risk of expiration - 40% for portfolio at risk of expiration - 30% for physical condition at risk of loss
Subsidy Limits	Preservation funding to be loaned due at earlier of maturity, sale or refinance: cost must be justified by capital needs assessment Gap for including net-new units; use LIFT Limits OAHTC
Scoring Principles	Criteria to be specific to each set-aside and vary based on project size; to include: Risk of Loss; Impact to tenants; Physical condition needs; Community supply / need; Family sized units; Compliance Risk Points for Culturally Specific Organizations
Equity	- Affirmative Fair Housing Marketing - MWESB Construction Workforce Engagement - Resident Services; culturally responsive partnerships - Diversity, Equity and Inclusion (DEI) agreement, requirement

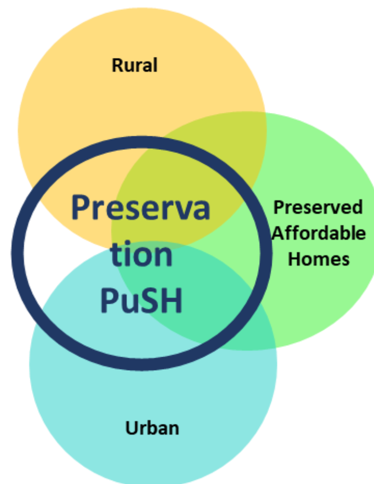


Primary Updates:

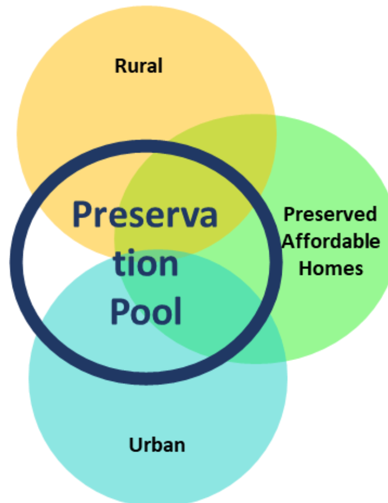
- *Established Set-Asides;*
- *Points for Culturally Specific Developers*
- *To scale scoring based on project size*
- *Funding must be loaned to project; no interest due at earlier of maturity, sale or refinance*
- *Limit the ability to leverage 4% LIHTC / PAB to approx. $40 M.*

Fund Offering	Preservation Wildfire Direct Awards
Development Type	Wildfire impacted Affordable Rental Housing
Geography & Set-Asides	- Wildfire Impacted Counties
Subsidy Limits	Preservation funding to be loaned: cost must be justified by capital needs assessment OAHTC
Minimum Thresholds	Must address wildfire impacted portfolio property physical rehab or rebuilding needs
Equity	- Affirmative Fair Housing Marketing - MWESB Construction Workforce Engagement - Resident Services; culturally responsive partnerships - Diversity, Equity and Inclusion (DEI) agreement, requirement

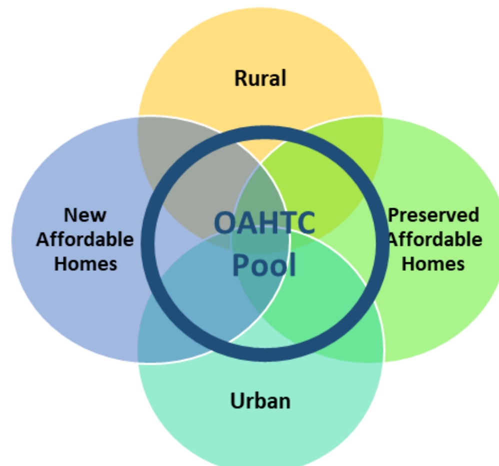
Fund Offering	Preservation PuSH Pool Resources
Development Type	Preservation of project at risk of loss and noticed through the PuSH regulations; must be local government with ROFR rights or the state's designee
Geography & Set-Asides	- statewide
Subsidy Limits	Demonstrated Need; leverage OAHTC as-needed. 4% LIHTC Leverage not allowed.
Minimum Thresholds	Must address life / health / safety concerns and accept 60 year affordability extension
Equity	- Affirmative Fair Housing Marketing - MWESB Construction Workforce Engagement - Resident Services; culturally responsive partnerships - Diversity, Equity and Inclusion (DEI) agreement, requirement



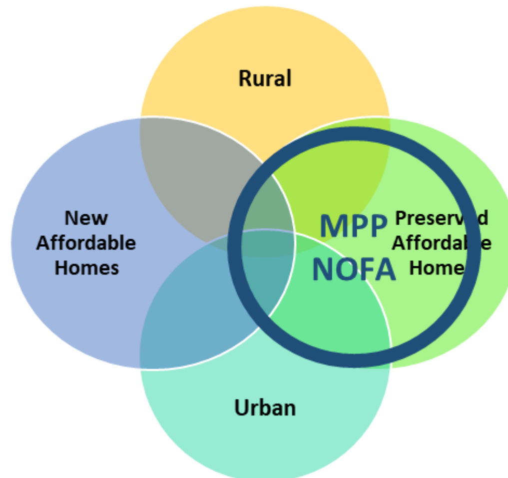
Fund Offering	Preservation Pool Resources
Development Type	Preservation of existing affordable rental housing; may include at risk through expiry, or physical condition need.
Geography & Set-Asides	- statewide
Subsidy Limits	Up to $20,000 per unit; may be used with or without OAHTC. 4% LIHTC leverage not permitted.
Minimum Thresholds	Must address life / health / safety concerns and accept 60 year affordability extension
Equity	- Affirmative Fair Housing Marketing - MWESB Construction Workforce Engagement - Resident Services; culturally responsive partnerships - Diversity, Equity and Inclusion (DEI) agreement, requirement



Fund Offering	OAHTC Pool
Development Type	for projects without OHCS competitive resources: New; Acq/Rehab; Federal Rent Assistance and Publicly Supported Preservation; Manufactured Home Park Preservation
Geography	Statewide
Subsidy Limits	OAHTC
Scoring Principles	Statewide Housing Plan Alignment; projects must serve Very Low Income Households
Equity	- Affirmative Fair Housing Marketing - DMWESB Construction Workforce Engagement - Diversity, Equity and Inclusion (DEI) agreement, requirement



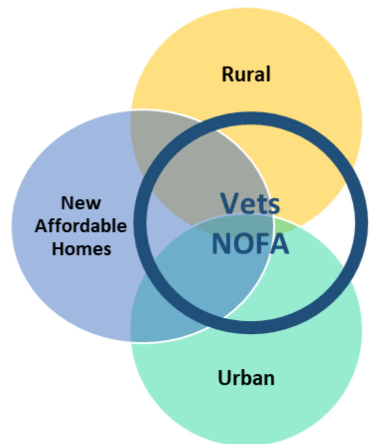
Fund Offering	Manufactured Home Park Preservation NOFA
Development Type	Preservation of existing Manufactured Home Parks
Geography	Statewide
Subsidy Limits	Gap: $40,000 cap per space in gap funding for parks with 51 spaces or more $50,000 cap per space in gap funding for parks with 50 spaces or less; OAHTC no cap
Scoring Principles	First Come First Served
Equity	- Diversity, Equity and Inclusion (DEI) agreement, requirement - Community engagement / representation



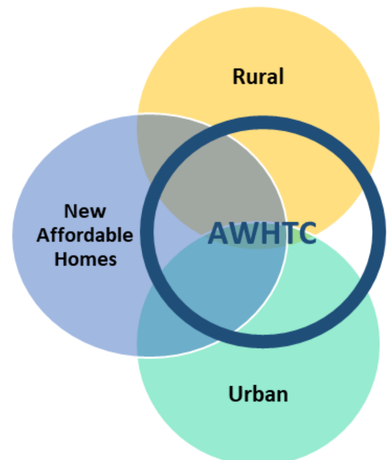
Primary Updates:

- *$5k subsidy increase*
- *To be offered first-come first-served in the first year; will close whenever resources are obligated*

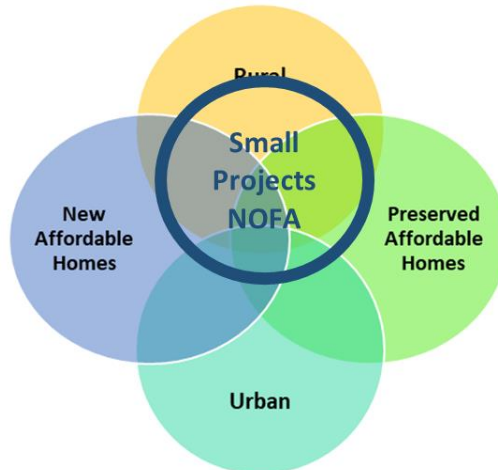
Fund Offering	Veterans NOFA
Development Type	New Units for Veterans in any New Construction or Conversion of Existing non-Residential; excludes Preservation
Geography	Split between Urban & Rural
Subsidy Limits	Vets GHAP; studio: $172,500/unit 1 bdrm: $241,500/unit 2 bdrm: $304,750/unit 3 bdrm: $373,750/unit OAHTC
Scoring Principles	Service connections; Location accessibility; Family sized units; AMI served; Low Subsidy; Homelessness
Equity	- Affirmative Fair Housing Marketing - MWESB Construction Workforce Engagement - Resident Services; culturally responsive partnerships - Location Accessibility - Diversity, Equity and Inclusion (DEI) agreement, requirement



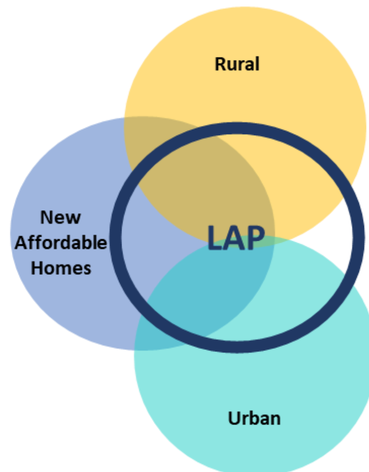
Fund Offering	Agricultural Workforce Housing Tax Credit (AWHTC)
Development Type	New or Acq/Rehab of housing that serves Agricultural Workers
Geography	Statewide
Subsidy Limits	AWHTC: no cap/50% eligible costs On farm must demonstrate readiness to proceed (pending RD resources)
Scoring Principles	Currently First-Come First-Served; in 2022 for both on-farm and community; if resources are not fully subscribed by September the credits will roll over to the 2023 Small Project NOFA; 2023 will offer on-farm
Equity	- Affirmative Fair Housing Marketing - DMWESB Construction Workforce Engagement - Resident Services; culturally responsive partnerships - Location Accessibility - Diversity, Equity and Inclusion (DEI) agreement, requirement



Fund Offering	Small Projects NOFA
Development Type	New Small Projects 40 units or less Ag Project set-aside
Geography	Majority Rural
Subsidy Limits	studio: $145k/unit 1 bdrm: $200k/unit 2 bdrm: $250k/unit 3 bdrm: $300k/unit OAHTC AWHTC: no cap
Scoring Principles	Service connections; Location accessibility; Family sized units; AMI served; Low subsidy; Asset building partnerships / service
Equity	- Affirmative Fair Housing Marketing - DMWESB Construction Workforce Engagement - Resident Services; culturally responsive partnerships - Location Accessibility - Diversity, Equity and Inclusion (DEI) agreement, requirement



Fund Offering	Land Acquisition Program
Development Type	Land banking for 5-8 years to be used for affordable homeownership or rental development
Geography & Set-Asides	Statewide; urban / rural regional set-asides; Ownership vs rental use to be held in set-aside regions for six months
Subsidy Limits	90% LTV
Scoring Principles	First Come First Served Loan
Equity	- Affirmative Fair Housing Marketing - Diversity, Equity and Inclusion (DEI) agreement, requirement



OHCS Manufactured and Modular Housing Programs

Ryan Flynn, OHCS Assistant Director of Disaster Recovery
October 28, 2021

OREGON HOUSING and COMMUNITY SERVICES

Topics

- **Funding Availability and Budget**
- **Manufactured Housing Replacement Program**
- **Manufactured Housing Park Development Program**

OREGON HOUSING and COMMUNITY SERVICES

Funding Available and Source

- Oregon Legislature allocated $150 million in HB 5006 for wildfire recovery to OHCS.
- OHCS has planned for the use of these funds to include $20 million in land acquisition and $54.125 million in Manufactured Housing activities. $26 million of that Manufactured Housing obligation has gone towards the acquisition of 140 modular units leaving *roughly* $28 million reserved for Manufactured Housing.
- Combined, Land Acquisition and Manufactured Housing is roughly $74 million.

OREGON HOUSING and COMMUNITY SERVICES

New Programs: MHRP and MHPD

- OHCS will be launching two programs to support residents impacted by the 2020 wildfires and needing permanent housing in manufactured housing. These three programs are:
- **Manufactured Housing Replacement Program (MHRP)** – provides gap funding through grants for eligible homeowners whose manufactured housing was damaged or destroyed in the 2020 wildfires. Program assistance can be used for such unmet needs as transportation, site preparations, purchase of the unit, installation, and to help meet other park improvement requirements. Funding will be initially prioritized to households with incomes at or below 50% of the area median income, adjusted for household size.
- **Manufactured Housing Park Development (MHPD**)– funding under this program expands the availability of preserved affordable sites within manufactured housing parks in the wildfire-impacted areas, by funding the development of new parks or rehabilitation of damaged parks. Through this program, OHCS will also provide for the acquisition and installation of new manufactured housing units within the new or improved parks.
- These programs will focus on equity and accessibility to reach disaster survivors and will require concrete equity plans containing formal agreements and requirements from any developers we partner with.

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Manufactured Housing Replacement Program

- Initial Eligibility and Prioritization:
  - Have experienced a verified impact from the 2020 wildfires. Evidence of impact from the wildfires may include: FEMA Inspection, State Inspection, Local Inspection, Attestation from qualified local recovery agency.
  - Have owned and occupied a mobile or manufactured home as your primary residence in Clackamas, Douglas, Jackson, Klamath, Lane, Lincoln, Linn, or Marion County at the time of the disaster
  - Agree to occupy the replacement home as your primary residence for at least one year after occupancy of the replaced unit
  - Have a household income that is less than 50 percent of local area median income adjusted for household size.

Manufactured Housing Replacement Program

- **Eligible Uses of Funds:**
  - Buying a replacement home, which includes: Buying a new unit from a dealer, Buying an existing eligible unit on fee-simple land, Buying an existing eligible unit in a park, Costs to transport the unit to the permanent site,
  - Costs to install the housing unit, per federal, state, local codes and park or HOA requirements. These costs include such items as: Installation of the housing unit, Siting, infrastructure and site prep work, Skirting, Park package elements required by the park (e.g., carport, deck, etc.), Costs to comply with floodplain and other disaster mitigation local, state, and/or federal requirements.
  - Elevation requirements when a unit is located in the Special Flood Hazard Area (SFHA) or the 100-year floodplain, which requires properties to be elevated the greater of 2 feet above base flood elevation or to levels required by local building codes.
- **Ineligible Uses of Funds:**
  - Repairs to damaged units, Land acquisition when not part of the acquisition of an existing unit, Replacement and installation of a unit in a floodway, when mitigation improvements (e.g., elevation) are not required by local, state, and/or federal requirements, those costs are not currently eligible.

OREGON HOUSING and COMMUNITY SERVICES

Manufactured Housing Park Development Program

- **Who is eligible to develop a manufactured housing park?**
  - For-profit and non-profit developers and public housing authorities (PHAs) are eligible to apply for assistance to develop or rehabilitate a manufactured housing park under this program. All awarded developers will be required to agree to the program affordability requirements.
- **How will awards be issued?**
  - OHCS will issue notices of funding availability (NOFAs) for this program to accept applications from eligible developers.
  - The awards will be issued based on scoring criteria such as location, project readiness, developer qualifications, feasibility, diversity, equity, and inclusion (DEI) commitments, available leveraged funds and the overall per space subsidy.
  - Awards may be issued in the form of grants, loans, or forgivable loans, based on the features of the applications submitted.
  - OHCS may also work directly with PHAs and qualified non-profits to identify a suitable site.

OREGON HOUSING and COMMUNITY SERVICES

Manufactured Housing Park Development Program

- **How can program funds be used?**
  - This program will fund unmet needs to build or rehabilitate manufactured housing parks that agree to preserve affordability for an extensive amount of time on all or a majority of the spaces. Park owners will be required to provide the right of first refusal to eligible MHRP applicants who cannot access an alternative site. Eligible developer costs include:
    - Land acquisition, Architect and engineering, Site development and preparations, Costs to comply with floodplain and other disaster mitigation local, state, and/or federal requirements. Examples include, but are not limited to: Elevation requirements when a unit is located in the Special Flood Hazard Area (SFHA) or the 100-year floodplain, which requires properties to be elevated the greater of 2 feet above based flood elevation or to levels required by local building codes. Fire proofing.

- **What kind of requirements will apply to these parks post-development?**
  - The detailed terms and conditions will be announced in a public-facing NOFA. Some of the requirements will include:
    - Preserved affordability: Covenants respect to the ongoing use and operation of the real property and leasehold interest for affordable housing acceptable to OHCS
  - DEI and accessibility requirements
  - Fire control and other mitigation measures
  - This program will not displace current residents

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THANK YOU

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Date: November 5th, 2021

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

From: Andrea Bell, Director, Housing Stabilization Division
Mike Savara, Assistant Director of Homeless Service
Jovany Lopez, Homeless Services Section Program Analyst

Re: Winter Shelter Investment – Out of the Cold

Purpose: To provide a briefing on winter shelter resources to support people experiencing homelessness this winter. No HSC decision to be made.

Background:

Winter shelter resources are a vital part of a high functioning homeless services system. Every year, hundreds of people in Oregon who are living outside die because of homelessness. Unfortunately, even prior to the pandemic, Oregon had one of the nation's highest rates of unsheltered homelessness. Too many of our neighbors are living outside and in need of sheltering.

The way we operate shelter and provide support services to people continues to be impacted. We have less space available for people to stay when needed, people who are high risk choose not to enter the shelter space for fear of being infected by the virus. Additionally, the cost of delivering vital shelter resources has increased as a result of the pandemic – from staffing to supplies, the need is both urgent and vital to ensure ongoing shelter resources are available across the state. These funds are dedicated to those that we have lost over the years due to the ravages of homelessness – the human toll that is incalculable. As the Executive Director of Street Roots, Kaia Sand, says in the 2019 Domicile Unknown Report regarding the lives lost due to homelessness, "Too many people do die in anonymity, many enumerated in this report, but let us memorialize them in the work we do for the living."

Existing Shelter Resources:

OHCS Homeless Services Section administers the Emergency Housing Assistance (EHA), State Homeless Assistance Program (SHAP) and Emergency Solutions Grant (ESG) programs which have existing resources that have been allocated to CAAs as part of normal biennial funding streams. These funds provide an important bulwark against increased need for sheltering during pre-crisis response. However, these funds have never been sufficient to meet the need and they are certainly not enough during COVID-19 where shelter need and costs have increased due to required social distancing and additional infrastructure demanded by the pandemic.

Winter Shelter Investment – Out of the Cold

OHCS has received $25 Million dollars in Shelter operations and infrastructure dollars through House Bill 5011. This funding is vital to ensuring that Oregon's most vulnerable residents can have a place to rest their heads while they pursue housing and supports. OHCS is working with a variety of stakeholders this Fall to create a plan for delivering these funds in a way that is consistent with our values, upholds the urgency in ensuring vital resources are out on the streets as soon as possible and is also available for many different types of providers, including Culturally Specific Organizations. Because of the urgency and need to deliver resources to the State to help keep people experiencing homelessness safe from the elements, OHCS has decided to use a balanced approach similar to our approach in prior years, to obligate a portion of funds quickly to winter shelter, in this case to include $10 Million dollars of this $25 Million dollar investment to a program called, *Out of the Cold.* The remaining $15 Million dollars will be allocated to other critical shelter needs across the state that are currently under development. These funds will be inclusive of but not limited to winter shelter. This may include funding specific projects that are in alignment with our Statewide Housing Plan goals as well as utilizing this opportunity to run a competitive process to ensure all homeless service providers gain access to these funds for vital support. These frameworks will be brought to the Housing Stability Council in the coming months, likely in the first quarter of 2022.

Framework

Out of the Cold is modeled after the $10 Million dollar investment OHCS received in October 2020 for winter shelter needs. The program will be delivered to Community Action Agencies through a formula allocation as part of the Master Grant Agreement process to ensure expedient delivery of the funds to the State. The program can pay for shelter infrastructure like renovations, retrofits, conversions, and new models of shelter such as Conestoga Huts or Pallet Shelters. The program can also pay for the very human needs that shelter operations represent, such as staffing, services for rental assistance to move out of shelter and critical resources to keep people alive while living outside such as tents and other equipment for people living outside in the elements.

Any funds unspent by 4/30/2022 will be returned to OHCS for a future competitive process focused on Shelter Infrastructure and Operations investments. This will allow OHCS to meet both the immediate shelter needs, as well as make sustainable shelter efforts in the long run. We know that across the state, shelter needs vary greatly between our rural communities and larger urban regions – it is imperative to continue to ensure that shelter resources work for each of the communities they are impacting.

Culturally Specific Organization and Tribe Partnership Requirement

OHCS has also chosen to require that the program is delivered in collaborative partnership with Culturally Specific Organizations or Federally Recognized Tribal Governments. We must focus on those who far too often have not had access to housing and shelter resources and are vastly over-represented in our datasets on who experiences homelessness, namely, people of color. OHCS will not release funding to Community Action Agencies without a dedicated plan to partner with specific agencies who represent these communities. The partnership must also involve a funding relationship, to ensure that those who are offering their expertise and wisdom are appropriately compensated for their time. The roles that Culturally Specific Organizations or Tribes play will vary greatly across the State, and we look forward to hearing the creative, innovative strategies that our partners on the ground will bring forward.

Looking forward

Grappling with the ongoing homelessness crisis will take massive investment and innovation. We deeply appreciate the role that the Housing Stability Council has in supporting OHCS with making wise decisions about the investments and strategies we need to pursue to support more people with finding a path to home. Shelter resources alone are not going to end homelessness, but investments in shelter systems help ensure that people are able to stay alive during extreme weather events such as those caused by climate change. These investments are a critical part of our strategy to eliminate disparities in homelessness through concerted investments in partners with the knowledge and expertise about their community members who need services and support.

Alignment with the Statewide Housing Plan

Priority: Equity and Racial Justice

Homelessness affects BIPOC and LBGTQ+ populations disproportionately and a key component of the winter and severe shelter response is to lead with equity and racial justice. The Winter Shelter Investment -Out of the Cold contains a *requirement* to utilize Culturally Specific Organizations and Federally Recognized Tribal Governments as partners in delivering these shelter and support dollars. This means that if an organization is not a Culturally Specific Organization, OHCS will require active partnerships that reflect a funding relationship between the CAA and the Culturally Specific Organization or Tribe. This is a critical and concrete step to incorporate equity and racial justice into the execution of shelter response throughout the state.

OHCS also recognizes that this kind of a relationship is not the best option for all types of organizations. Therefore, a part of our strategy for the larger package of these funds is to ensure an open, competitive process in 2022 that will enable all organizations to directly apply for the resources. This will also be paired with focused outreach to key stakeholders such as Tribes and Culturally Specific Organizations to ensure they have the information they need to apply and succeed.

Priority: Homelessness

Winter and severe weather shelter provide critical and lifesaving services for people experiencing homelessness. Experiencing homelessness at any time and in any situation is detrimental to health and well-being but this is particularly true for people experiencing unsheltered homelessness during the winter and during the Coronavirus pandemic. The shelter resources and services described above dovetail with the broader goals to address and end homelessness articulated in the statewide housing plan. By increasing resources to the shelter system providers are able better meet the needs of people experiencing homelessness. Furthermore, by strengthening partnerships between state and local governments, as well as other service providers, the shelter system becomes more integrated with public health and other essential services providing broader support to people experiencing homelessness.

Priority: Permanent Supportive Housing
N/A

Priority: Affordable Rental Housing
N/A

Priority: Homeownership
N/A

Priority: Rural Communities
Rural communities often lack historic infrastructure investments into their shelter systems necessary to support and serve people experiencing homelessness in their communities. The additional resources and partnership described above are critical to making improvements into the rural shelter system. According to available we know that rural communities have high numbers of people experiencing homelessness and need additional resources to invest in support systems. Furthermore, OHCS has worked with to make the purchase of free-standing temporary shelter structures and allowable expense with additional shelter resources. This provides an important opportunity for rural communities to build up their shelter infrastructure to meet the immediate needs of their communities during the pandemic and provide safe social distancing shelter options where previously none may have existed.

Housing Stability Council Involvement and Next Steps:
No HSC decision needs to be made at this time.

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Date: October 22, 2021

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

From: Andrea Bell, Director, Housing Stabilization Division
Tim Zimmer, Assistant Director, Energy Services
Dan Elliott, Senior Energy Policy Analyst
Joy Aldrich, LIHWA & SHOW Programs Analyst

Re: Low-Income Household Water Assistance (LIHWA) Program

Purpose: Briefing to update the Housing Stability Council regarding the progression of standing up the Low-Income Household Water Assistance (LIHWA) Program.

Background

This last September, the Energy Services Team at OHCS presented the Housing Stability Council with information about the new federal Low-Income Household Water Assistance (LIHWA) Program. We discussed our stakeholder outreach and engagement processes as well as program stipulations and Oregon's approach for implementation. At that point in time, OHCS had successfully met the required state plan deadline of August 9th and was awaiting for federal approval. We had conducted a historically greater level of stakeholder engagement because of the anticipated scale of the program.

Approval of the LIHWA State Plan for Oregon

On September 13th, OHCS received final approval for our LIHWA State Plan for Oregon. With a request for clarification, the U.S. Health and Human Services' Office of Community Services (OCS) approved OHCS to allocate each Community Action Agency (CAA) a total of 10% of LIHWA funding for administration and 10% for outreach and program delivery costs. OCS proceeded in the following weeks to provide release of Oregon's entire allocation of funding based upon this approval.

Master Grant Agreement (MGA) Amendments

OHCS has continued to coordinate efforts with the Oregon Department of Justice (DOJ) to receive legal sufficiency and prepare all required documents for the MGA amendment process. Once OHCS receives full legal sufficiency from DOJ, the Procurement Department will release the MGA amendments to the CAA network for completion. We anticipate this release to occur by the end of October.

Ensuring Equitable Access for Historically Underserved Communities

The Energy Services Team is preparing a scoring tool to assist in the review and approval process of the MGA amendments, which includes a community engagement plan. This tool will incorporate elements from the Racial Equity Analysis Tools (REAT) of both the City of Madison, Wisconsin, and the Government Alliance on Race and Equity (GARE). By using this tool, the Energy Services Team can review all reports in a unified, equitable manner. This review process will not only align with the value-based approach for the LIHWA Program, as indicated previously, but it will also ensure OHCS and the CAA network are making the greatest efforts to conduct outreach and disseminate program information and access to those historically underserved communities.

Continued Stakeholder Outreach

As OHCS has continued to collaborate with LIHWA Program stakeholders, we have strengthened our relationships with water and wastewater utilities. We have continued to host information-gathering webinars and network with the Oregon Association of Clean Water Agencies. Additionally, the League of Oregon Cities has stepped up to provide a swell of publication efforts. Because of these interactions, utility buy-in has increased dramatically. One statement from a coastal utility was highly impactful: “Why wouldn’t we have a vendor agreement in place? Even if just one of our customers is seeking assistance, they should get it.”

Specific efforts have been focused on the situation related to master meters, or single water meters that service more than one household (i.e., multifamily complexes). After consultation with other states, the CAA network, and DOJ, OHCS is planning to authorize payment of property water and wastewater arrearages if 51% or more of the households at that property apply and qualify for LIHWA assistance. Targeted outreach will focus on those income-eligible Section 8 and OHCS-funded properties. This approach falls within OHCS’ statutory authority and ensures payment of water and wastewater arrearages without blurring into rental payments.

Alignment with the Statewide Housing Plan

Priority: Equity and Racial Justice

Water burden, especially within the low-income population, is becoming more prevalent. This burden is accentuated in the culturally specific communities. By conducting outreach prior to even sending dollars out to the CAAs, OHCS is setting the example by which we expect CAAs to serve all eligible populations in an equitable manner.

Priority: Homelessness

N/A

Priority: Permanent Supportive Housing

N/A

Priority: Affordable Rental Housing

N/A

Priority: Homeownership
N/A

Priority: Rural Communities
There are a vast number of water and wastewater utilities in Oregon. To ensure that OHCS makes every attempt to engage with those both in urban and rural areas, we have conducted and will continue to outreach to utility associations in addition to the utilities themselves. It is imperative to provide equitable service across the state, regardless of the size of the utility.

Next Steps Towards Program Implementation

After reviewing the project management timeline, OHCS anticipates to have the LIHWA Program live to the public sometime in January 2022. Once the MGA amendment process is completed, the CAA network will carry much of the load. They will distribute the vendor agreements and conduct hiring as needed for program operations. Additionally, OHCS anticipates beginning the rulemaking process sometime in November.

We appreciate your time to review and considerations and perspectives surrounding the LIHWA Program.