

Housing Stability Council

MEETING MATERIALS PACKET



Argyle Gardens Apts
Portland, Oregon



February 4, 2022
9:00 a.m. – 1:30 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

AGENDA
 Feb 04, 2022 9:00 a.m. - 1:30 p.m.
 Oregon Housing and Community Services
 725 Summer St NE, Salem OR 97301

Webinar Mtg Only
 Public [register](#) in advance for this webinar



TIME	TOPIC	SWHP Priority	ACTION
9:00	Meeting Called to Order		Call Roll
9:05	Public Comment		
9:15	Report of the Chair		
9:30	Report of the Director (pg. 01) <ul style="list-style-type: none"> Legislative Session Emergency Rental Assistance (ERA) 3 Update HAF Update Wildfire Update 		Briefing
10:10	Homeownership Division (pg. 07) <i>Emese Perfecto, Director, Homeownership</i> <ul style="list-style-type: none"> Down Payment Assistance (DPA): Alycia Howell, HOAP Program Analyst Oregon Bond Loan Approvals: Kim Freeman, Assistant Director Homeownership Programs Oregon Bond Residential Loan Program 2021 Top Lender and Top Loan Officer: Kim Freeman, Assistant Director Homeownership Programs 		Decisions Briefing
11:00	15 min Break		
11:15	Affordable Rental Housing Division (pg. 23) <i>Natasha Detweiler-Daby, Interim Director, Affordable Rental Housing</i> <ul style="list-style-type: none"> MF Housing Transaction Recommendations: Tai Dunson-Strane, Production Manager <ul style="list-style-type: none"> Minnesota Places Good Shepherd Village The Canopy Apartments at Powell Garden Grove Apartments Nueva Esperanza Oregon 4 Apartments Fremont Manor Apartments Rent Increase Policy: Rick Ruzicka, Interim Assistant Director of Planning and Policy and James Hackett, Assistant Director of Portfolio Administration 4% LIHTC / Private Activity Bond Update: Natasha Detweiler-Daby, Interim Director Affordable Rental Housing 		Decisions Briefing

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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**Housing Stabilization Division (pg. 77)**

Andrea Bell, Director, Housing Stabilization

12:15

- **IDA Update:** Neighborhood Partnerships, Carlos David Garcia, Executive Director, Holly McGuire, Director of Economic Opportunity
- **Shelter Update:** Mike Savara, Assistant Director of Housing Stabilization, Jovany Lopez, Program Analyst, Patricia Akers, ESG CV Program Coordinator



Briefing

1:30

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.

For more information about the Housing Stability Council or the Statewide Housing Plan, please visit Oregon Housing and Community Services online at

<https://www.oregon.gov/ohcs/OSHC/Pages/index.aspx>

Statewide Housing Plan Policy Priorities



Equity & Racial Justice



Homelessness



Permanent Supportive Housing



Affordable Rental Housing



Homeownership



Rural Communities



**OREGON HOUSING *and*
COMMUNITY SERVICES**

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503-986-2000 | www.oregon.gov/OHCS

TO: Oregon Housing Stability Council

FROM: Margaret Salazar, OHCS Executive Director

DATE: February 4, 2022

Today marks my last Housing Stability Council meeting in service to you as OHCS Executive Director. This is a bittersweet moment for me, as I am excited for future endeavors to keep pushing for housing stability as part of the Biden Administration, but I am saddened to leave the incredible team at OHCS and, of course, all of you. At this moment of transition, please allow me to reflect on the incredible work we have accomplished together and to provide some advice and hopes for the future of the agency.

I joined OHCS in November 2016. In just five years, we have led a transformation at OHCS that has the organization rooted in a bold and enduring **Statewide Housing Plan**. We've instilled a culture of thought leadership and innovation within the agency, and we have made significant strides to challenge the status quo and lead on equity and racial justice. A few lasting impacts include:

- **Establishing OHCS as a bold, trusted and experienced voice to advocate for affordable housing resources.** Under the leadership of Governor Brown, OHCS has stood up time and time again to advocate for strategic and smart new investments in housing and community services. Since 2017, the state has tripled its investment in housing services. In the last biennium alone, OHCS' budget investments approved by the Legislature doubled, growing from approximately \$620 million to more than \$1.4 billion. This shows state leaders' unwavering commitment to deliver housing to Oregon families, and it also demonstrates the confidence in OHCS to deliver again, and again and again for Oregonians. I'm proud that OHCS continues to lead the conversation on housing solutions, tapping into the expertise of our team and harnessing data driven solutions from within our state and across the nation.
- **Dramatically expanding the supply of affordable housing.** We all know that the shortage of safe, decent and affordable housing is a root cause of Oregon's housing and homelessness crisis. Our Research team's work on the Statewide Housing Plan (SWHP) and the Regional Housing Needs Analysis demonstrates that this lack of housing supply impacts all of our communities, large and small. We also know that permanent housing is what is needed to move our neighbors out of homelessness. When we launched the SWHP in 2019, we had a bold vision to triple the pipeline of affordable homes and to fund 25,000 rental homes in five years. For context, prior to launching this goal, OHCS was funding approximately 1,000 per year – so this is a five-fold increase in production. At the start of year 3 of that plan, we are way ahead of schedule, with more than 18,000 homes funded, under construction or opening doors to families. One of Governor Brown's signature initiatives, LIFT, has yielded 55 new properties and more than 5,400 homes, with creative strategies to engage communities of color. In 2016, our agency closed 4 bond/LIHTC transactions, and last year we closed more than 30, with 45 in the queue to close in 2022. This is a lasting legacy of the work of OHCS over these past five years – and it is due not just to additional state funding, but the work of our Affordable Rental Housing and Debt Management teams, who have worked hard to



create a nimble, user-friendly and strategic operation that relies on sound policy and efficient execution of getting transactions from start to finish. I am so proud of this work.

- **Leading statewide solutions on Permanent Supportive Housing (PSH).** PSH is the right thing to do – it works upstream to prevent and address homelessness and brings an array of partners together for housing and service models that work. OHCS set a SWHP goal of funding 1,000 permanent supportive homes over five years. Even throughout the unprecedented last two years, we have successfully funded or created a total of 915 of these 1,000 homes. To be clear, this success is not just due to increased funding. It is because OHCS did not shy away from changing the way we do business. We’ve been working in new ways to convene developers and service providers through a PSH institute, and we are leaning into our work to provide technical assistance and our work as a convenor with a holistic vision. We are partnering differently with the health care sector and with service providers and leaning into the needs of rural communities.
- **Living our commitment to Equity and Racial Justice.** OHCS is building our capacity to fully live our values on equity and racial justice. We have much more work to do, but we also celebrate significant and enduring progress in terms of funding and policy. Under the Council’s leadership, we have driven new efforts in Minority, Women-owned and Emerging Small Business (MWESB) contracting in our housing development work. Last year alone, 24.2% of subcontracts for development projects in the pipeline or who have completed construction and issued a final report, have gone to (MWESB) firms and we are pushing for this work not just in large cities but in rural communities as well. We have embedded the expectation for culturally responsive services into many of the core programs that we fund, everything from homeownership to homeless services; and we are consistently seeking and valuing the work of culturally specific organizations across our programs. This includes forging new funding relationships with culturally specific organizations in the work to serve wildfire survivors, to provide homeless services, to engage in outreach for rental assistance programs and to develop and manage affordable housing. We have created designated funding opportunities for Tribes, and we successfully advocated for legislation in HB 2100 that writes racial equity into the state’s response to homelessness for the first time.
- **Building toward a coordinated and concerted campaign to end homelessness.** The state has tripled homeless services funding in the last few years, but we know funding alone is not enough to address this humanitarian crisis – we need strategic thinking and a focus on outcomes. Too many Oregon residents are living unsheltered. OHCS has lifted up difficult conversations to build toward a lasting and effective statewide strategy. This includes working with Councilmembers, Continuums of Care and Community Action Agencies to lay the groundwork for outcome-oriented contracts and a statewide HMIS system that will provide visibility and transparency in driving toward solutions. It includes the path forward with HB 2100 which includes an emphasis on outcome-oriented solutions, racial justice and efforts to address unsheltered homelessness. And it includes the work that OHCS led behind the scenes to create a funding package for \$100 million in the December 2021 Special Legislative Session to create a lasting infrastructure of eviction prevention work that will build a safety net to prevent homelessness long after emergency rental assistance is expended.



- **Delivering historic levels of emergency relief.** As you know, the last two years have brought tremendous challenges and trauma to Oregonians as we all weather the COVID-19 pandemic, and as we work to recover from the largest wildfire event in the state's history. OHCS is a nimble agency with a small footprint, and we've been called upon to respond in ways we never could have imagined. **We've delivered more than half a billion dollars (\$536 million as of today) in emergency rental assistance**, through an array of programs from state and federal sources. We've provided tens of millions of dollars in utility assistance even as we stand up new programs such as water assistance and mortgage assistance for needy families. We deployed \$10 million in wildfire housing relief funds and our agency is stretching in new ways to lead wildfire housing recovery. We are using flexible funding and direct purchase of land and modular housing to help communities recover from wildfires. The scale of these efforts is massive – to provide an example, there are more individuals processing rental assistance applications than the total staff employed at OHCS. The work will continue for the next several years. I am proud that OHCS has consistently stood up to fight for these programs to be administered in a manner that leads with racial equity.

Long considered a “small” agency within Oregon state government, OHCS is on a trajectory to double in size (FTE). Our impact has never been greater and the call to service has never been louder, or more insistent, than it is today. The Housing Stability Council will continue to be tapped to provide thought leadership in this unprecedented time. Your opportunity now is to continue to take the “long view” to build an equitable and resilient future in an era when so many are focused exclusively on the crises of today. The Council can make shrewd moves this year and next that can create a lasting infrastructure for a holistic recovery from this time of crisis. Here are a few parting thoughts:

- **I encourage the Council to look ahead and harness opportunities to grow OHCS' role as our state's Housing Finance Agency.** One of the guiding principles of the Statewide Housing Plan is to maximize investments in housing. This is about more than legislative investments, it is about making smart moves to create evergreen, revolving funding programs and to build OHCS' balance sheet to reinvest funds in our mission. While OHCS exists within state government, we are also Oregon's HFA. This role has been overshadowed by the tremendous public investments in OHCS in recent years. But we know that many of those public investments are “one time,” or must be re-authorized each biennium. That's where the work of HFAs is so important. Bond and mortgage finance serves low-income renters and homeowners, but it also creates revenue or assets for our agency that can be leveraged for long term investment in the mission. In lean times, HFAs in other states tap into these self-generated funds to reinvest and build housing opportunities. OHCS has not had the opportunity to fully realize our potential in this arena and we must do so. Oregon deserves a fully functioning HFA, and we have the tools to perform this service for our state. However, the focus on service delivery and urgency of legislative and public interest will continue to overshadow this effort. I implore the Council to lean in to bring this vision to fruition in a time when the agency is pulled in so many other directions.
- **The Council will need to help OHCS focus on building out the agency's infrastructure.** The incredible growth of the agency is exciting, and it also demands new staffing, functions, oversight, and project management at a time when all our staff are working beyond what is reasonable. OHCS also must fully



build out a disaster response and recovery function. Climate disasters will continue to hit our state, and our continued pandemic will be with us for some time. The agency has a new Equity, Diversity, and Inclusion Office – our first ever - and this work will also need attention and resources to fully flourish. We will need to rebuild community engagement efforts as we plan for the 23-35 biennium and embark on the next Statewide Housing Plan. OHCS will need to push for appropriate staffing and capacity in all these areas and will need attention and legislative advocacy from the Council to guide and oversee this effort.

- **Council will need to coalesce around a vision for ending homelessness.** As noted above, OHCS has worked with the Council on some fundamental changes. Through HB 2100 we have new policy drivers. HB 2100 establishes a broader table to advise the Council on homelessness; it emphasizes the work to end unsheltered homelessness; and builds racial equity into state programs. Meanwhile OHCS has inked intentions and agreements to move toward outcome-oriented contracts for state funds, and we are working to build out a statewide homelessness data system. We have new relationships with culturally specific agencies to serve those most impacted by homelessness, and we have the experience of leading veteran homelessness campaigns. Looking ahead, we know there is much, much more to do. The SWHP calls on us to build a coordinated and concerted statewide campaign to end homelessness. Under the new OHCS Executive Director, the Council will need to put these building blocks together and work at the strategic level. I encourage the Council to work with sectors beyond housing, to engage at an interagency level, to pilot innovative solutions, to learn what is working and focus on outcomes.

I am confident that OHCS is in the best possible hands moving forward under incoming Acting Director Andrea Bell. Director Bell brings a wealth of experience and expertise in homelessness, community services, energy services, racial equity policy, PSH and the intersections of health care and housing. She is a visionary leader who inspires all of us to engage in big thinking about the world we can create together, while driving toward tangible results for today.

Finally, I issue a call to action for the Council and for the many stakeholders and business partners of OHCS. In these divisive and challenging times, Oregonians need all of us to come together and focus on solutions. Our communities need us to work for common purpose and to find strategies that will serve those who need help today, while embracing changes where they are needed to focus on better outcomes for all Oregonians tomorrow. OHCS cannot do this work alone. We need committed and authentic partnership from all of you to join hands with us to continue the good work we have set in motion and forge new paths ahead.



\$400 Million Housing Package



SUPPORT OREGONIANS ACROSS THE HOUSING CONTINUUM

The Governor is proposing a \$400 million investment to address Oregon's housing crisis in light of COVID related challenges. Oregon cannot afford to lose ground on solving the housing crisis while we deliver emergency relief programs. The investments below will move the needle on ensuring all Oregonians have a safe, stable, and affordable place to call home. OHCS developed the proposal with capacity constraints in mind; the housing investment package includes no new programs and only minor modifications to existing programs.

Addressing the Lack of Quality, Affordable Housing - \$339.5 Million

Oregon's housing crisis is supply driven. The majority of OHCS investments address the root cause. According to Oregon's Regional Housing Needs Analysis, Oregon must build more than 140,000 affordable homes over the next twenty years and not lose any existing homes, and more than 8,000 affordable homes are at risk over the next 8 years.

- \$170M to preserve affordable housing, including resources to address operating cost increases, improving living conditions with new investments to support cooling, and extend affordability periods
- \$50M to address pricing and construction gaps outside of a development's control
- \$35M to build more affordable homes for rent
- \$30M to build more new homes for purchase
- \$29.5M to acquire at-risk Manufactured Home Parks
- \$25M to expand the Land Acquisition Program to allow funded developments to secure their land while their financing experiencing delays related to the changing financial landscape

Homeowner Support - \$25 Million

With the end of the foreclosure moratorium and the continuation of many federal protections, homeowners need help navigating available protections and resources. Additionally, there are ongoing needs for manufactured homeowners to understand replacement options and mediate issues occurring in manufacture home parks. This includes:

- Resources to ensure there are Homeownership Centers serving every county with adequate staffing
- Support to Community Dispute Resolution Centers to help with increased costs of providing services to manufactured homeowners
- Financial and homeownership counseling for manufactured homeowners participating in the Manufactured Home Replacement Program

Asset Building - \$35 Million

Invest in the successful Individual Development Account (IDA) program to support financial literacy and saving for low-income Oregonians, helping communities become more resilient for the next economic crisis. Funds may also help any IDA savers that were forced to disenroll in the program due to COVID hardships.

Homeless Infrastructure Investment - \$500,000

A modest investment in the policy structure surrounding homelessness will better support coordination and direction at the state and local level. This includes following recommendations of the legislative Task Force on Homelessness and Racial Disparities, specifically a Statewide Interagency Council on Homelessness, and expanding Built for Zero, a private/public partnership to support communities in ending homelessness.

Questions? Contact Nicole Stingh, Nicole.Stingh@hcs.oregon.gov, or Brit McLean, Brit.McLean@hcs.oregon.gov.



**OREGON HOUSING *and*
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Date: February 4, 2022

To: Housing Stability Council
Margaret Solle Salazar, Executive Director

From: Emese Perfecto, Director Homeownership
Kim Freeman, Assistant Director of Homeownership Programs
Alycia Howell, HOAP Program Coordinator

Subject: Update Framework for HOAP-Down Payment Assistance Program

Purpose: To provide a briefing on the final programmatic changes in the HOAP-DPA program in an effort to increase opportunities for communities of color.

Recommended Motion: Approval of the framework for the HOAP-Down Payment Assistance Program changes.

Summary

In December 2021, the Homeownership Programs team presented framework for the HOAP-Down Payment Assistance Program (DPA) changes to the Housing Stability Council. The topics for discussion at the December meeting were comprised of; increasing the maximum household amounts to eligible homebuyers, adding a First-Generation Homebuyer program, a pilot program for Veterans to give them the opportunity to work on getting mortgage ready and reserving funds during that time. There were other program concepts brought up and discussed with council based on the framework in the meeting [packet](#) (page 6).

Public testimony submitted to Council requested additional outreach with partnering organizations regarding the proposed changes, which program staff had anticipated and set up a discussion meeting the following week. Based on the increased amount proposed to homebuyers and the reduced number of households that could be served with these program changes, Council wanted to see data regarding the number of households the upcoming funding could serve based on amounts increased and what the needs are in the state. There was a consensus from Council that the increased amounts were needed throughout the state and not just in metropolitan high-cost areas.

Per Council request, our Data and Research Analyst has created a [dashboard](#) for you to see the difference in the number of households who can be served based on the current maximum of



\$15,000 and the increased recommended amounts of \$30,000 and \$60,000 as well as a median amount of \$45,000. Included in the link, you can also view the needs of homebuyers based on low cost and high-cost areas in the state. You can see the number of households served is significantly reduced as we increase the amount. Although we understand the importance of decreasing the homeownership gap and increasing homeownership opportunities, it is just as important to ensure these households can sustain their home once purchased. We are working hard to balance the economic resilience and meaningful investment for those served with the quantity of households attaining a home. Our dashboard also shows you on the second page of this link, there is definitely a need for a higher down payment amounts throughout our state.

For further discussion, you can take a look at our current down payment program data [here](#) (Click on #3 Down Payment Tab). As you view all the information, an additional amount of close to \$30,000 is needed from other down payment sources for all households recently receiving down payment funds (using the “average” DPA amount of \$14,742). We see this throughout the state, even with the amount homebuyers received from OHCS funding, they still needed at least one additional funding source to make their home purchase. This shows the need to increase the current maximum amount from \$15,000 to \$30,000 and \$60,000 as proposed for each program. This increase allows homebuyers to get up to 20% of their purchase price or maximum eligible (whichever is less) and retain any savings they have for future needs such as unforeseen repairs or emergency expenses. This also helps the organizations awarded this funding from having to look to other funding sources, which in some areas is limited or none, depending on the area in the state. This barrier keeps homebuyers from being successful in their purchase offers as they are typically being denied because of the limited capacity of our lower income homebuyers. Our increased funding amounts and the potential of additional funding will increase opportunities for the homebuyers needing these funds.

After exploring the data, you can see increasing the current maximum and adding specific amounts to eligible applicants, is the right thing to do for this program. In addition, we believe our maximums for each funding source would be extremely helpful when combined with one of the other funding sources as available.

Stakeholder Outreach

Program staff conducted additional partner workshops to review the framework discussed at the December council meeting. During the first meeting in December, we discussed the framework as presented to Council and received feedback on the proposed changes and in writing after the meeting. Based on this feedback, program staff re-designed the program changes and conducted a second meeting in January 2022 to review them.

Feedback on the number of additional programs proposed was a concern for partners, who thought it would be too much to try and qualify homebuyers in the program with the myriad of



eligibility criteria, plus all First Time homebuyers need a larger down payment when purchasing anywhere in the state. Based on this input, program staff determined it was best to retain the original First Time Homebuyer program and increase the maximum amount of assistance per homebuyer. Staff also found the value in continuing in the pursuit of offering larger down payment funds to those homebuyers who are First Generation Homebuyers. Focusing on first-generation home buyers can address racial inequities and boost the long-term, intergenerational economic outlook for many families who have historically been denied access to homeownership. In addition, program staff's research found no other state down payment program offering down payment assistance to First Generation Homebuyers. We see this as Oregon's opportunity to make bold investments in our state to work towards decreasing this gap and increase the generational wealth afforded by homeownership. This is aligned with conversations at the national level.

Partners also expressed concerns on the First-Generation definition previously submitted for use by this program based on actual familiar situations and households who may be unintentionally left out by the simplified version of the definition. Program staff researched further into the Build Back Better Act, currently proposed, and determined the full definition would better suit our state and remove the barriers partners saw in the previous definition.

The proposed definition for the First-Generation Homebuyer:

An individual, (a) whose living parents or legal guardians do not, to the best of the individual's knowledge, have any present fee simple ownership interest in a principal residence in any state, excluding ownership of heir property;

(b) who, if no parents or legal guardians are living upon acquisition of the eligible home to be acquired using such assistance, to the best of the individual's knowledge, their parents or legal guardians did not have any ownership interest in a principal residence in any state at the time of their death, excluding ownership of heir property; and,

*(c) whose spouse or domestic partner has not, during the three-year period ending upon acquisition of the eligible home to be acquired using such assistance had any present ownership interest in a principal residence in any state, excluding ownership of heir property, whether the individual is a co-borrower on the loan or not, **OR***

An individual who has at any time been placed in foster care or institutional care whose spouse or domestic partner has not, during the three-year period ending upon acquisition of the eligible home to be acquired using such assistance, had any ownership interest in a principal residence in any state, excluding ownership of heir property, whether such individuals are co-borrowers on the loan or not.



Additional feedback from partners during the redesigned framework meeting, was the use of a forgivable loan in a community land trust model. Organizations who offer a land trust option to homebuyers would need additional financial support when down payment funds are offered as a forgivable loan to the homebuyer versus using these funds to aid in the affordability model of their program. We met with these organizations independent of the framework meeting to obtain a better understanding of the way OHCS down payment funds are used in a land trust.

When OHCS funds are allowed to be used as a grant, the organization uses these funds to increase the affordability to the homebuyer by using the funds to reduce the purchase price and the funds are retained in the property. Upon the homebuyer selling their home in the future, these funds are retained in the property, maintaining the affordability for the next homebuyer and subsequent homebuyers thereafter. When the down payment funds are offered as a forgivable loan to the homebuyer in a land trust, when the homebuyer sells prior to the forgivable period, the funds are repaid, however, if the homebuyers sell after the forgivable period, the full amount of the down payment funds are retained by the homebuyer. In this scenario, it would require the organization to use other funding for the affordability assistance to reduce the purchase price creating the affordable price for the homebuyer.

Program staff recognize the need for organizations to use these funds for the affordability assistance and the value in how these funds maintain the affordability for current and future homebuyers, especially those lower income households these models tend to serve. Program staff also realize the intention of these funds are to aid in the homebuyer's purchase and create the generational wealth so desperately needed by these First Time and First-Generation homebuyers. With this in mind, program staff is developing a Policy Option Package for the 2023-25 OHCS Agency Request Budget to help organizations with Affordability Assistance Funding specific to aiding in affordable homeownership for current and future homebuyers. This type of funding is equally important for homeownership opportunities in our Black Indigenous People of Color (BIPOC) communities.

We are proposing in this framework, funds over \$10,000 offered to First Time and First-Generation homebuyers will be offered to homebuyers as a five-year forgivable loan using HOAP and CET funds. For funds under \$10,000 we are allowing organizations to determine how they offer the funds to homebuyers as a grant or loan, determined at the time of application for HOAP and CET funds.

We also heard from partners they would like more flexibility when offering the Construction Excise Funds (CET) funds to homebuyers as some current DPA partners have had some problems getting the funds out to eligible homebuyers. Most concerning to partners was the current maximum of \$15,000 was not enough to purchase a home in the eligible CET areas. Currently, the CET program guidelines follow the HOAP DPA program guidelines regarding the maximum household amount. Program staff have determined that based on significantly



increasing the maximum eligible per household in this proposal for the HOAP DPA funds, it is not necessary to make separate program guidelines for the CET funds. Currently, all HOAP and CET funds can be combined for a higher down payment amount which should help in those situations where a homebuyer may need more than the maximum of the specific funding source. We propose to continue allowing funding sources to be combined for a higher amount up to the stated maximums for each program.

No changes have been made in the education and counseling for eligible homebuyers, all eligible homebuyers must take the required Pre-purchase Homebuyer Education and receive homebuyer counseling prior to receiving funds for their purchase. This helps the homebuyer understand the homebuying process and aids in the budgeting process to ensure the homebuyer knows what is needed in the future for maintaining and sustaining their home after the purchase.

Culturally Responsive Funding

Some additional changes from the original framework submitted to Council in December are regarding the Culturally Responsive funding received in our budget allocation. Program staff intended for funds to be offered to homebuyers under the previous programs as a forgivable loan. Due to funding constraints of General Funds and not receiving permission from the Legislative Fiscal Office to pursue authorization to convert the funds to “other funds”, OHCS will not be able to offer loans with these funds for organizations without the capacity for providing the forgivable loans. All funds disbursed to homebuyers using the Culturally Responsive funds will be offered as a grant, no loans will be allowed. We have determined this allows the funding to go out in an equitable manner allowing all eligible organizations the opportunity to use these funds in their community.

We have reevaluated the eligibility criteria for organizations applying for the Culturally Responsive funds and made some changes based on the feedback we received from our December 2021 Partner Meeting. It was brought up, using 40% people of color served as a benchmark for receiving these funds may be too low for typical urban areas and extremely high in rural areas of Oregon. Program staff did additional research on demographics in various counties in the state and determined this criterion would leave out some rural organizations currently offering DPA funds and would not provide the statewide coverage as originally planned.

We reached out to our Diversity, Equity and Inclusion Officer to help us with the best way to determine a Culturally Responsive organization, who recommended asking applicant organizations to demonstrate they are culturally responsive using one or two sections from the definition approved in HB 2100 (below). This allows for organizations new to offering down payment funds the opportunity to apply for these specific funds in addition to the other funding sources available. In an effort to ensure we are granting funds to Culturally Responsive



organizations, we will keep OHCS “certified” Culturally Specific Organizations as an eligible organization to request these funds. This updated eligibility criteria ensures the funds are used as intended and supports our Statewide Housing Plan.

We are moving forward with using the recent 2021 Legislative approved Culturally Responsive Organization definition from [HB 2100](#):

Culturally Responsive Organization means an entity that, as determined by OHCS:

- (a) Comprehensively addresses power relationships throughout the organization by methods that include addressing conflicts and dynamics of inclusion and exclusion;
- (b) Has relationships with and is responsive to communities that the organization serves, including communities of color;
- (c) Hires, promotes, trains and supports staff who are culturally and linguistically diverse in ways that reflect the communities that the organization serves, including communities of color;
- (d) Provides culturally responsive service; and
- (e) With respect to paragraphs (a) to (d) of this subsection, has adopted governance structures, policies, and cultural norms to hold its leadership and staff accountable and to continue improvements.

Funding Sources

The upcoming RFA will have a combination of funding sources: HOAP General, HOAP Veterans, Construction Excise Tax and funds for Culturally Responsive Organizations to increase homeownership opportunities. The program changes proposed would apply to all funding sources.

Partners requested an increase in the maximum available per eligible organization on each of the funding sources, and potentially allocating funds to specific regions in the state. Program staff discussed the request and determined, to ensure an equitable reach throughout the state, the maximums would remain the same. We based our decision on the current program from the time of application, the HOAP general funds was significantly over subscribed requiring us to reduce most awarded application requests. Also, any funding source not fully subscribed, program staff will conduct outreach to eligible organizations during the award negotiation period to offer and allocate additional funding to organizations wanting additional funds. However, to allow organizations the opportunity to have sufficient funds for the program term, organizations applying for only one funding source may apply for \$500,000 in HOAP funding and up to \$750,000 in Culturally Responsive funding.

The current maximum per organization is \$300,000 for HOAP General and Veterans, and CET or the amount available in CET, whichever is less. Eligible organizations serving more than four counties may request an amount over the \$300,000 limit to allow for OHCS to target



populations or areas of the state with the greatest need. Organizations eligible for the Culturally Responsive funds can apply for up to \$500,000, to allow for a broader disbursement to eligible homebuyers and to ensure Culturally Responsive/General Funds are expended in a timely manner.

Eligibility

Eligible organizations for these funds are non-profits, housing authorities, government entities and federally recognized Indian tribes that owns land in this state who sponsor and manage homeownership programs.

Final Program Description

Revised First Time Homebuyer

- \$30,000 maximum per household or 20% of purchase price, whichever is less
- 100% forgivable after 5 years owner occupancy
- Pre-purchase education within 24 months of purchase (increased from 18 for consistency of other programs available)
- 2 Counseling Sessions prior to purchase
- 1 post-purchase counseling session within 6 months of purchase
- Qualified Mortgage
- Eligibility criteria: income eligible and First Time Homebuyer

Revised First Generation Homebuyer

- \$60,000 maximum per household or 20% of purchase price, whichever is less
- 100% forgivable after 5 years owner occupancy
- Pre-purchase education within 24 months of purchase
- 2 Counseling sessions prior to purchase
- 1 post-purchase counseling session within 6 months of purchase
- Qualified Mortgage
- Eligibility criteria: income eligible and First-Generation Homebuyer (self-attestation)

In addition to aligning our First-Generation definition with the federal government program to allow for additional funding when the funds become available, we plan on following the self-attestation for these homebuyers. By doing this, we can remove the barriers created by requiring additional documentation to prove they are a First-Generation homebuyer by following suit in the self-attestation.

To reduce the additional programs and complicated eligibility criteria, we are no longer seeking to move forward with the previously discussed Mortgage Ready program. Feedback from



partners indicated too many programs and complicated eligibility criteria would make it difficult for them to manage these programs.

We originally proposed the First Generation and Mortgage Ready programs will be the only DPA programs available to use with the Culturally Responsive funds received in the 2021 Legislation. Because we have reduced the number of programs available, we will be allowing the First Time and First-Generation homebuyer programs to be used with the Culturally Responsive funding. We believe, the First-Generation program will still increase the homeownership opportunities for the communities of color noted to serve.

We did not receive any feedback for additional program changes related to the proposed changes for our Veteran funds. The additional income received by some Veterans will still be excluded when calculating for income eligibility.

If approved by the Council, we will seek a temporary rule change to allow for spouses of deceased Veterans to also be included as eligible for the Veteran specific HOAP funds.

If approved by Council, we will move forward with the following new pilot program:

Veterans Build Your Future

- \$30,000 maximum reserved for purchase per Veteran household
- \$10,000 reserved after 12 months of ongoing coaching/counseling, up to 36 months
- Financial Literacy and/or Pre-purchase counseling with Counselor contact every 90-120 days, counseling or check-in during each 12-month period
- Pre-purchase education required within 24 months of purchase
- 1 post-purchase counseling session within 6 months of purchase
- 100% forgivable after 5 years owner occupancy
- Qualified Mortgage
- Eligibility criteria: income eligible and Veteran First Time Homebuyer

This program aligns with Veterans choosing to use the Oregon State or Federal VA Loan program. Veterans receiving these funds can reduce their monthly payment by approximately \$150 per month when receiving the full amount available in this program and combined with the Federal VA Loan program.

It was recommended in our meeting with the Programmatic Policy Review Committee (PPRC) at OHCS to determine a longer forgiveness period when funds are combined. Program staff recommend any funds offered to homebuyers which are combined HOAP and CET, the timeline should be 10 years. Culturally Responsive funds would be a grant and when combined with HOAP or CET funds, it would remain the same and the 5-year period would remain.



Equity and Racial Justice. This framework was designed around our Statewide Housing Plan to increase homeownership opportunities for communities of color. All research leads us to the inequities posed on people of color throughout the state for generations. To help us move forward and stop these inequities, the proposed First-Generation Homebuyer program will provide these deserving families the opportunity to purchase a home and maintain a lifestyle white households have had for generations. We can reduce the homeownership gap, aid in generational wealth, and make a bold statement in Oregon by offering higher down payment funds so families can purchase in the areas they want to live, in homes they want to live in, and not just settle on what they can afford with limited resources.

Throughout this memo, we have shared all program changes and new ideas are based on seeking racial equity in our state. The time is now to “start where we are” to move forward and make these program changes, which will fulfill the goals we set out to achieve.

Housing Stability Council Feedback

We look to the Housing Stability Council for approval of our DPA Framework. The key areas outlined are as follows:

- Increase from \$15,000 to \$30,000 maximum per household First Time Homebuyer
- New First-Generation Homebuyer \$60,000 maximum per household
- HOAP funds can be combined with CET or Culturally Responsive (up to maximums or 20% purchase price of total combined funds)
- *Veteran Build Your Future* pilot, reserving funds up to \$30,000
- All three programs 5-year forgivable loan (HOAP, CET funds only)
- Culturally Responsive funds, grant to homebuyer only
- HOAP, CET funds amounts under \$10,000 organization can determine grant or loan
- First-Generation definition
- Veteran “additional” income excluded from eligibility calculation
- Add spouses of deceased Veteran’s as an eligible Veteran (done by temporary ruling initially because of RFA timeline, then in permanent)

Program Next Times

Because of the program timeline to get these funds into a new RFA as soon as possible, program staff received some ideas we feel need to be fully researched and vetted to ensure program intentions. We are sharing our list of program changes for our next RFA:

- Offering additional funding for homebuyers reserves for repairs and emergencies
- Offering funds for repairs at time of purchase
- Offering these funds for manufactured homes in parks





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

Date: 1/25/2022

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	\$391,773	\$402,709 Non-Targeted Deschutes	\$382,574	\$2,239.23



1				<u>Lender</u>	LOAN DEPOT		
				<u>Purchase Price</u>	399,000.00	<u>Note Amount</u>	391,773.00
				<u>Cost Limit</u>	402,709.00	<u>Principal Balance</u>	\$ 391,773
<u>Property City</u>	REDMOND	OR	97756	<u>Appr. Value</u>	\$ 420,000		
				<u>Year Built</u>	2001		
<u>Hshld. Income</u>	\$ 60,000			<u>Living Area (Sq. Ft.)</u>	1,361	<u>Loan-to-Value</u>	97%
<u>Income Limit</u>	\$ 91,638			<u>Lot Size (Sq. Ft.)</u>	6,534	<u>Insurance Type</u>	FB
<u>% of Income Limit</u>	65.48%			<u>Cost per Sq. Ft.</u>	\$ 293.17	<u>Rate</u>	3.000%
<u>Prior Ownership Yes (Y) or No (N)</u>	N			<u>New (N) or Existing (E)</u>	E		
				<u>Construction Style</u>	One Story		



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February 4, 2022

To: Housing Stability Council
Margaret Solle Salazar, Director

From: Kim Freeman, Assistant Director Homeownership Programs
Emese Perfecto, Director of Homeownership

RE: Oregon Bond Residential Loan Program
2021 Highlights

We started 2021 with the hopes of putting closure to the COVID 19 pandemic, however the pandemic has persisted. Remaining flexible and in the interest of safety, staff remote work requirements have been extended. Having staff offsite highlighted an efficiency we were excited to capitalize upon. Our bottleneck had become paper mortgage loan files, and with no staff onsite, a transition to an electronic process was necessary. Beginning in early January 2021 we developed internal processes and formalized training materials for each of our lenders. We worked individually with each lenders' closing and shipping departments during deployment, developing an individual electronic file storage solution for each lender and by March of 2021 we achieved full implementation.

Demographic data collection has continued to be a focus. Striving to capture complete and accurate demographic data, in 2020, we developed a demographic data document to accompany the mortgage loan documents to be completed at closing by the homebuyer. However, complications produced by the pandemic delayed implementation. While the demographic data document mirrors the information borrowers complete on the URLA (Uniform Residential Loan Application), we find borrowers have a tendency to opt out of completing these fields, however, by introducing this as a separate document at closing our goal was to achieve increased borrower participation in providing demographic information.

Starting 2021 the demographic data document was implemented, accompanying the mortgage loan documents. As a result, we received 259 completed demographic data documents of the 434 loans originated. Our goal was that we would be able to show that by implementing this form we could track the demographic data from the mortgage loan application or our demographic data from the form. For 2021 we can only report on the number of demographic data documents received.



In 2021 the URLA (Uniform Residential Loan Application) completed a redesign, and the demographic data election information was moved from the last page of the application to the middle of the application. As a result of this change, we have a significant increase in demographic data completion on the application and on our demographic form. The rate of “Unknown” demographic data has decreased to 12%, the lowest we have experienced since 2017.

In 2022 we will track the source of demographic data in our loan system determining if it originates from the mortgage loan application or our demographic data document presented at loan closing.

2021 Program Highlights

- 434 Loans Originated
- \$116,777,427
- 29 Counties served
- Electronic Loan Package Submission
- All Loan Documents Stored Electronic
- Mortgage Interest Rates
 - 2.250% Rate Advantage
 - 3.00% Cash Advantage
 - This product allows for 3% grant for closing cost assistance
- Average Loan Amount increased to \$269,072
- 2 Lender Training Programs offered
- 9 Closing / Shipping Department trainings for Electronic Loan Package Submission

Demographics

- Our lender network provides language access in 11 Spoken Languages as well as Sign Language
- With 434 loans
 - 27% POC served in 2021 down from 29% in 2020
 - Decrease in Black, Asian and Hispanics served
 - 12% unknown – this is the lowest rate since 2017

Next Steps

Affordability will continue to be an obstacle for low-moderate income and BIPOC communities in Oregon as we go forward. In order to achieve success, it is evident that an increase to both the availability of down payment assistance (DPA) funds, as well as an increase the amount of funds available to each homebuyer is needed. We are actively collaborating with multiple homeownership programs internally and with our Homeownership partners to determine the appropriate amount of increase required to meet this need.



As the Council is aware, we are also looking “big picture” at opportunities to expand the reach of OHCS lending to reach more borrowers, and more borrowers of color, with new mortgage products. The scarcity of Private Activity Bonds has pushed this conversation to the forefront, because the Oregon Bond Residential Loan Program relies upon PAB proceeds for OHCS to purchase these loans. As we continue to execute on our existing loans, we are hard at work behind the scenes to create the financial structure that will allow us to launch a new Flex Lending platform that will provide new mortgage options. Our vision is to stand up a robust, flexible mortgage lending platform and to engage additional lenders in this work. This is tied to our recent staffing to enhance the community outreach needed to reach a more diverse array of borrowers and lenders to drive a more equitable mortgage lending program. This work is integral to our Statewide Housing Plan homeownership goals – in terms of the number of households served and the work to address racial disparities in homeownership.



Dear Homeowner,

First, we want to congratulate you on your new home purchase! This is a very exciting time for you and your family!

At OHCS we care about our communities, and as part of our Statewide Housing Plan we are striving to serve a more diverse Oregon. In order to ensure we have accurately collected your information please fill out the section below.

If you would like to see how we are doing check us out here:

www.public.tableau.com/oregon.housing.and.community.services

Thank you in advance, Oregon Housing and Community Services, Homeownership division.

Borrower

Ethnicity: Check one or more

<input type="checkbox"/> Hispanic or Latino	
<input type="checkbox"/> Mexican	<input type="checkbox"/> Puerto Rican
<input type="checkbox"/> Cuban	
<input type="checkbox"/> Other Hispanic or Latino <i>Print Origin</i> _____ For example: Argentinean, Colombian, Dominican, Nicaraguan, Salvadoran, Spaniard, and so on.	
<input type="checkbox"/> Not Hispanic or Latino	
<input type="checkbox"/> I do not wish to provide this information	

Sex

<input type="checkbox"/>	Female
<input type="checkbox"/>	Male
<input type="checkbox"/>	Non-Binary
<input type="checkbox"/>	I do not wish to provide this information

Race: Check one or more

<input type="checkbox"/> American Indian or Alaska Native <i>Print name of enrolled or principle tribe:</i> _____		
<input type="checkbox"/> Asian		
<input type="checkbox"/> Asian Indian	<input type="checkbox"/> Chinese	<input type="checkbox"/> Filipino
<input type="checkbox"/> Japanese	<input type="checkbox"/> Korean	<input type="checkbox"/> Vietnamese
<input type="checkbox"/> Other Asian <i>Print Race:</i> _____ For example: Hmong, Laotian, Thai, Pakistani, Cambodian, and so on.		
<input type="checkbox"/> Black or African American		
<input type="checkbox"/> Native Hawaiian or Other Pacific Islander		
<input type="checkbox"/> Native Hawaiian	<input type="checkbox"/> Guamanian or Chamorro	<input type="checkbox"/> Samoan
<input type="checkbox"/> Other Pacific Islander <i>Print Race:</i> _____ For example: Fijian, Tongan, and so on.		
<input type="checkbox"/> White		
<input type="checkbox"/> Latin American		
<input type="checkbox"/> I do not wish to provide this information		

Borrower

Date



Co-Borrower

Ethnicity: Check one or more

<input type="checkbox"/> Hispanic or Latino	
<input type="checkbox"/> Mexican	<input type="checkbox"/> Puerto Rican
<input type="checkbox"/> Cuban	
<input type="checkbox"/> Other Hispanic or Latino <i>Print Origin</i> _____ For example: <i>Argentinean, Colombian, Dominican, Nicaraguan, Salvadoran, Spaniard, and so on.</i>	
<input type="checkbox"/> Not Hispanic or Latino	
<input type="checkbox"/> I do not wish to provide this information	

Sex

	<input type="checkbox"/> Female
	<input type="checkbox"/> Male
	<input type="checkbox"/> Non-Binary
	<input type="checkbox"/> I do not wish to provide this information
	<input type="checkbox"/>

Race: Check one or more

<input type="checkbox"/> American Indian or Alaska Native <i>Print name of enrolled or principle tribe:</i> _____		
<input type="checkbox"/> Asian		
<input type="checkbox"/> Asian Indian	<input type="checkbox"/> Chinese	<input type="checkbox"/> Filipino
<input type="checkbox"/> Japanese	<input type="checkbox"/> Korean	<input type="checkbox"/> Vietnamese
<input type="checkbox"/> Other Asian <i>Print Race:</i> _____ For example: <i>Hmong, Laotian, Thai, Pakistani, Cambodian, and so on.</i>		
<input type="checkbox"/> Black or African American		
<input type="checkbox"/> Native Hawaiian or Other Pacific Islander		
<input type="checkbox"/> Native Hawaiian	<input type="checkbox"/> Guamanian or Chamorro	<input type="checkbox"/> Samoan
<input type="checkbox"/> Other Pacific Islander <i>Print Race:</i> _____ For example: <i>Fijian, Tongan, and so on.</i>		
<input type="checkbox"/> White		
<input type="checkbox"/> Latin American		
<input type="checkbox"/> I do not wish to provide this information		

Co-Borrower

Date



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

Date: February 4, 2022

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

From: Tai Dunson-Strane, Production Manager
Roberto Franco, Assistant Director, Development Resources and Production
Natasha Detweiler-Daby, Interim Director, Affordable Rental Housing

Re: 4% LIHTC/Conduit Bond Funding Recommendations - updated

Motion: Approve the 4% LIHTC/Conduit Bond funding recommendations for the following projects:

1. Move to approve Pass-Through Revenue Bond Financing in an amount up to and not to exceed \$11,889,824 to Minnesota Places LLC for the construction of Minnesota Places, subject to the borrower meeting OHCS, CREA, and Stern's Bank underwriting and closing criteria and documentation satisfactory to legal counsel and Treasurer approval for the bond sale.
2. Move to approve Pass-Through Revenue Bond Financing in an amount up to and not to exceed \$35,000,000 to Good Shepherd Limited Partnership for the construction of Good Shepherd Village, subject to the borrower meeting OHCS, U.S. Bank, and Banner's Bank underwriting and closing criteria and documentation satisfactory to legal counsel and Treasurer approval for the bond sale.
3. Move to approve Pass-Through Revenue Bond Financing in an amount up to and not to exceed \$32,500,000 (tax-exempt bonds) and \$4,000,000 (taxable bonds) to Powell 686 Limited Partnership for the construction of The Canopy Apartments at Powell, subject to the borrower meeting OHCS, WNC, and JPMorgan Chase's Bank underwriting and closing criteria and documentation satisfactory to legal counsel and Treasurer approval for the bond sale.
4. Move to approve Pass-Through Revenue Bond Financing in an amount up to and not to exceed \$6,450,000 to Garden Grove LCC for the acquisition and rehabilitation of Garden Grove Apartments, subject to the borrower meeting OHCS, PNC, NOAH and Umpqua's Bank underwriting and closing criteria and documentation satisfactory to legal counsel and Treasurer approval for the bond sale.



5. Move to approve Pass-Through Revenue Bond Financing in an amount up to and not to exceed \$26,359,717 to Nueva Esperanza Limited Partnership for the construction of Nueva Esperanza, subject to the borrower meeting OHCS, Chase, and Citibank's underwriting and closing criteria and documentation satisfactory to legal counsel and Treasurer approval for the bond sale.
6. Move to approve Pass-Through Revenue Bond Financing in an amount up to and not to exceed \$23,895,104 to Oregon 4 Apartments LLC for the rehabilitation of Oregon 4 Apartments, a scattered site project consisting of *Lincoln Village*, *Park Manor*, *Pine Tree*, *Willamalane*, and *Covey Run Apartments*, subject to the borrower meeting OHCS, PNC Real Estate and CitiBank's underwriting and closing criteria and documentation satisfactory to legal counsel and Treasurer approval for the bond sale.
7. Move to approve Pass-Through Revenue Bond Financing in an amount up to and not to exceed \$5,400,000 to o Fremont Manor Community Partners, LP for the acquisition and rehabilitation of Fremont Manor Apartments, subject to the borrower meeting OHCS, and Key Bank's underwriting and closing criteria and documentation satisfactory to legal counsel and Treasurer approval for the bond sale.

At the upcoming Housing Stability Council meeting, we will be presenting seven (7) 4% LIHTC/Conduit Bond Recommendations for Council approval. These projects all were approved by the OHCS Finance Committee or are scheduled for an approval by Finance Committee. 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 individual project summaries following this cover memo. We will provide a more detailed discussion of the overall funding landscape and where these projects fit into it during the Housing Stability Council meeting.

4% LIHTC Applications

As a non-competitive resource, the 4% LIHTC program has focused primarily on helping OHCS meet its unit production goals. All applications that are submitted and conform to OHCS's underwriting guidelines and the baseline policy standards established across programs are brought to OHCS's Finance Committee for review and approval.

All applications are subject to underwriting and programmatic requirements established under the Qualified Allocation Plan, General Policy and Guideline Manual (GPGM) and MWESB/SDVBE Compliance Manual were eligible to be considered for funding. All applications proposed a percentage target of MWESB contractors and subcontractors above the minimum standards set forth in the OHCS MWESB Compliance Policy, and all have an Affirmatively Furthering Fair



Housing Marketing Plan including a Tenant Selection Plan that will market to those least likely to apply. All projects sponsored have signed our Diversity Equity and Inclusion (DEI) Agreement.

These 4% LIHTC projects with accepted applications and funding commitments fall into three primary categories of funding:

1. 4% LIHTC project with other OHCS funding already approved (LIFT project);
2. 4% LIHTC project accessing Metro Bond resources;
3. 4% LIHTC project without OHCS or Metro resource.

Statewide Housing Plan Priorities

The 4% LIHTC program's primary focus has been on unit production, as such some of these projects are not actively or intentionally achieving the range of policy goals in OHCS's Statewide Housing Plan. The value of building and preserving housing in the ongoing housing crisis is critical, but OHCS staff have acknowledged a need to incorporate more than just baseline policy priorities within these projects moving forward to ensure they are keeping up with the higher standards incorporated into other projects, particularly around service to BIPOC communities.

With that discrepancy between future goals and the program as it exists today in mind, we present these projects in three buckets:

1. **Working Towards:** those that are meeting MWESB requirements but are not actively furthering equity and racial justice. Production staff will continue to engage these developers in furthering connections in alignment with upcoming capacity offerings for culturally specific service providers;
2. **Meeting:** Those that are meeting agency standards of MWESB and Equity Racial Justice through partnerships, and;
3. **Furthering:** Those that are furthering Equity and Racial Justice through more dynamic engagement and alignment of equity and racial justice priorities.

OHCS staff will work with partners who are both in need of improvement and meeting minimum standards on strategies to ensure their projects are providing equitable access to BIPOC communities and culturally competent services to the extent possible.

Funding Recommendation:

We are recommending a funding reservation for three projects. Together, these projects will create 739 units of new affordable housing and preserve 266 units of affordable housing in communities across the state. The recommendations are for awards totaling over \$141 million.



Projects with Other Funding

Project Name	County	Total Units	ERJ Spectrum	Sponsor	Underwriting Stage
Minnesota Places	Multnomah	72	Furthering	PDX Signature Properties	Approved by HSC for -LIFT 2020 and by FC
Good Shepherd Village	Clackamas	142	Furthering	Catholic Charities	Approved by HSC for -PSH 2021/ Scheduled for FC meeting
The Canopy Apartments at Powell	Multnomah	169	Furthering	USA Properties Fund/Northwest Housing Alternatives	Approved by HSC for -LIFT 2020 and by FC
Garden Grove	Josephine	60	Working Towards	Chrisman Development	Approved by HSC for - Preservation Gap 2020 and by FC

Total 443**Projects with (or seeking) Metro Bond Funding**

Project Name	County	Total Units	ERJ Spectrum	Sponsor	Underwriting Stage
Nueva Esperanza	Washington	150	Furthering	Bienestar, Inc./Housing Development Center	Approved by FC

Total 150**4% LIHTC Only Project**

Project Name	County	Total Units	ERJ Spectrum	Sponsor	Underwriting Stage
Oregon 4 Apartments	Multiple	206	Working Towards	Oregon 4 Manager LLC	Approved by FC
Fremont Manor	Multnomah	28	Working Towards	Community Development Partners	Approved by FC

Total 234

February 4, 2021

4% LIHTC/Conduit Bond Funding Recommendations

See attached project summaries for additional information.





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SUMMARY

Project Name:	Minnesota Places		
City:	Portland	County:	Multnomah
Sponsor Name:	PDX Signature Properties		
Urban/Rural :	Urban	Total Units	72
# Rent Assisted Units:	none	Units by Size & Affordability:	16 1-BR at 60% AMI 28 2-BR at 60% AMI 28 3-BR at 60% AMI
Funding Request		Funding Use	
LIFT Awarded:	\$3,537,499	Acquisition	\$1,512,000
4% LIHTC:	\$8,786,605	Construction	\$14,866,456
Conduit Bonds:	up to 11,889,824	Development	\$6,692,595
		Total:	\$23,071,051

PROJECT DETAILS

Project Description:	Minnesota Places is a new construction development with 72 affordable housing units located in the Overlook neighborhood of Portland. It will consist of a single 8 story elevator building with a mix of one-, two- and three-bedroom units. Community amenities will include secured entries, community rooms, trash chute, bicycle storage, courtyards, and laundry rooms. The units will feature a microwave, plank flooring, mini blinds, solid surface countertops, refrigerator and led lighting. Located within walking distance of public transportation, shops, restaurants, and entertainment, this will be a walkable, transit-oriented community.
Partnerships to Serve Communities of Color:	PDX Signature Properties has signed an MOUs with YWCA of Greater Portland and Multnomah County Department of Human Service to provide culturally responsive and culturally specific to African American community displaced by gentrification directly or indirectly via each organizations extensive network of partnerships. The MOUs will allow the resident service manager to refer residents on an as needed basis. The YWCA has historically served the Albina/Humboldt community. From 1919-1945 it maintained a YWCA club in this area that was built at the request of the African American community



	<p>and closed at the African American community's request following WWII. Today Over half of those individuals and families served by YWCA are BIPOC families of color (Indigenous, black, people of color). YWCA has several resident services relationships nurtured among many years: County Health and Mental Health centers, Blazer Boys & Girls Club, Salvation Army, St. Andrews Legal Clinic, Urban League, St. Andrew Nativity School, Self Enhancement, POIC/Rosemary Anderson, PCC Cascade and Jefferson High School, to name a few. In addition, the YWCA and Cascade Management are acquainted with area faith communities led by and embedded in the neighborhood's Black/African American communities. Coordination of services may include but not limited to:</p> <ul style="list-style-type: none"> • Referrals for Housing assistance • Referrals for Medical/Mental Health services • Resources for childcare needs • Job training, financial education classes and coaching • Education assistance
Reaching Underserved Communities:	<p>Cascade Management will provide management services. Marketing and advertising will be conducted using various internet media to target those least likely to apply. Print advertising and physical outreach will be conducted throughout local surrounding areas to reach all populations. Annual outreach efforts will be made to Urban League of Portland, Mano a Mano, Asian Health & Service Center, native American Youth and Family Center, Asian Pacific American Chamber of Commerce of Oregon and SW Washington, Northwest Pilot Project and the Department of Diversity and Equity from Multnomah County. The Affirmative Fair Housing Marketing Plan will be re-evaluated and updated if the outreach is not reaching the communities, it is targeting successfully.</p>
MWESB Target:	<p>This project is expected to exceed 20% MWESB participation, but the sponsor and general contractor are determined to reach the goal of 30% participation for both professional services and contracting.</p> <p>Construction will be performed by Lorentz Brunn Construction (LBC). LBC has committed to a 30% COBID participation goal. This goal was determined based on their evaluation of the available qualified BIPOC and COBID sub-contractors. Having an expansive list of local COBID-certified firms gives them a large pool to approach and select from. In addition to looking at COBID primary subs they also look to help them identify COBID second-tier subs. Current potential COBID subs have been identified for the following work: Electrical, plumbing, roofing, framing, waterproofing, painting, concrete, and steel.</p> <p>Equity strategies implemented by Cascade Management as it relates to direct and indirect initiatives, include affirmative hiring to ensure staff can best meet the needs of every community. Demographic information is collected and tracked specific to MWESB, through NetVendor, they are currently associated with over 500 diverse vendors. Cascade also</p>

	survey its employees on their own demographic information and collect demographic data within their management units. Roughly 40% of their employees are minorities. Cascade has made social equity and diversity a priority and is committed to being the leader in the housing industry in terms of providing equal access to all with regard to employment, vendor relationships and contracting opportunities.
Alignment with Statewide Housing Plan:	<ul style="list-style-type: none"> • Equity and Racial Justice • Affordable Rental Housing
The LIFT program requires that all project sponsors sign a Diversity, Equity, and Inclusion (DEI) agreement and engage MWESB organizations.	
This development conforms to all OHCS underwriting standards. The primary risk related to the ongoing COVID-19 pandemic and global supply chain issues are primarily potential delays in material deliveries this could extend the construction period. Construction contingency has been built into the budget to mitigate risk of delay.	

Rendering: Minnesota Places





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SUMMARY

Project Name:	Good Shepherd Village		
City:	Happy Valley	County:	Clackamas
Sponsor Name:	Caritas Community Housing Corp./Catholic Charities		
Urban/Rural :	Urban	Total Units/Total PSH Units	142/35
# Rent Assisted Units:	35	Units by Size & Affordability:	8 0-BR at 30% AMI 5 0-BR at 60% AMI 22 1-BR at 30% AMI 28 1-BR at 60% AMI 19 2-BR at 30% AMI 40 2-BR at 60% AMI 9 3-BR at 30% AMI 11 3-BR at 60% AMI
Funding Request		Funding Use	
PSH Capital Request:	\$ 3,500,000	Acquisition	\$2,925,000
Annual 4% LIHTC:	\$2,418,411	Construction	\$45,475,064
Conduit Bonds:	Up to \$35,000,000	Development	\$18,353,497
Federal Housing Trust Fund:	\$ 0	Good Shepherd Village is using non-OHCS PBRA and Services funding for their PSH units.	
PSH Rental Assistance and Services:	0 slots	Total:	\$66,753,561
OMEF:	\$166,495		

PROJECT DETAILS

Project Description:	<p>In 2012, the Brockamp family donated 11 acres to Catholic Charities of Oregon (CCO) to be developed as affordable housing. CCO's dedicated housing entity—Caritas Community Housing Corporation—will build the first affordable housing development within the city limits of Happy Valley. This new development—Good Shepherd Village—is walking distance from groceries, healthcare, transit and parks.</p> <p>The property has a 4-acre natural area in its northeast quadrant, focusing the development's 143 units, including 35 as PSH, serving single adults, families, and Veterans, within the 7 developable acres. Most of the family-sized (2- / 3-bedroom) units will be focused in 2 walk-up buildings, each surrounding a courtyard. A third, 4-story building will</p>
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	have studios, 1- and some 2-bedrooms, plus management and supportive service offices, indoor and outdoor gathering spaces and play areas. Trauma-informed design of units and amenities was further refined by robust community feedback, including from culturally-specific partners and their clients.
Partnerships to Serve Communities of Color:	<p>As the housing arm of Catholic Charities of Oregon (CCO), Caritas Housing will leverage CCO's great depth of services and multi-cultural programs at Good Shepherd Village alongside culturally-specific services provided by partner organizations including the Asian Pacific American Network of Oregon (APANO), El Programa Hispano, Familias en Acción, and services for senior and Veteran populations offered by the Department of Human Services and Veterans Affairs. These organizations have been involved in predevelopment community engagement and design input, will be involved in marketing to reach diverse households, and will have programming on site during operations. Specific to Catholic Charities' services that will be available to residents, Case Managers, Peer Support Specialists, and the Resident Services Coordinator (RSC) will collaborate with CCO's other programming, including culturally-responsive services such as the Immigration Legal Services program, Multi-Cultural Counseling Center, and Cultural Orientation training through CCO's Migration Services program (which also includes Refugee Resettlement).</p> <p>Catholic Charities will focus on reaching Asian and Hispanic/Latinx communities for this property. Specific to the populations recognized as having a high barrier to housing or those who disproportionately experience poverty and homelessness, culturally specific organizations (APANO, El Programa Hispano, and Familias en Acción) and their clients have participated in engagement regarding design, site amenities, and other attributes, and will help ensure the intended communities successfully become residents of the completed property.</p>
Reaching Underserved Communities:	Partnerships with Veterans Affairs and the Department of Human Services in Clackamas County will help ensure that Good Shepherd Village is also accessible to Veterans and seniors. The project has recently begun to establish a partnership with Easter Seals of Oregon, who will offer robust connections to employment and volunteer opportunities for residents and will help connect their existing clients to this housing, especially their focus populations of people with disabilities, seniors and Veterans. These partners complement CCO's existing experience and model of providing resident services that are responsive to the population, geography, and other needs of each property's residents.
MWESB Target:	Good Shepherd Village plans to exceed 25% participation for COBID-certified professional services firms.
Alignment with Statewide Housing Plan:	<ul style="list-style-type: none"> • Permanent Supportive Housing • Affordable Rental Housing



	<ul style="list-style-type: none"> • Homelessness • Equity and Racial Justice
The PSH program requires that all project sponsors sign a Diversity, Equity, and Inclusion (DEI) agreement and engage MWESB organizations.	
This development conforms to all OHCS underwriting standards. The primary risk is with the current unknown environment relating to COVID-19 and whether it will affect the construction period or delay any material deliveries necessary for the project. Upon Housing Stability Council approval of the established conduit bond funding limit, ultimate approval will be based on conformance with OHCS underwriting standards and due diligence, and is delegated to OHCS Finance Committee and the Executive Director.	

Rendering: Communities Buildings





**OREGON HOUSING and
COMMUNITY SERVICES**

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SUMMARY

Project Name:	The Canopy Apartments at Powell		
City:	Portland	County:	Multnomah
Sponsor Name:	USA Properties Fund/Northwest Housing Alternatives		
Urban/Rural :	Urban	Total Units	169
# Rent Assisted Units:	none	Units by Size & Affordability:	71 1-BR at 60% AMI 18 2-BR at 60% AMI 80 3-BR at 60% AMI
Funding Request		Funding Use	
LIFT Request:	\$15,200,000	Acquisition	\$3,818,494
4% LIHTC:	\$2,889,407 (aggregate allocation)	Construction	\$43,900,634
Conduit Bonds:	<i>up to \$32,500,000 (tax-exempt bonds) and \$4,000,000 (taxable bonds)</i>	Development	\$15,623,367
OMEP:		Total:	\$63,342,495

PROJECT DETAILS

Project Description:	The Canopy Apartments at Powell is a new construction project with 169 units located in Portland, which consists of two separate three-story and four-story residential buildings and two community buildings. The unit mix will consist of 71 one-bedrooms, 18 two-bedrooms (including 2 manager's units), and 80 three-bedroom units. Each unit will contain a refrigerator, range/oven, garbage disposal, dishwasher, carpet and vinyl floor coverings, blinds, and ceiling fans. Project amenities will include a clubhouse, meeting room, playground, business center, computer room, courtyard, laundry facility, on-site management, on-site maintenance, perimeter fencing, video surveillance, common area wi-fi, bicycle parking and parking lot. Located near the NS/EW major mass transit streets of SE 122nd and SE Powell, the project is close to services and amenities, with direct access to regional light rail. The project is in a rapidly gentrifying neighborhood that is home to a high percentage of Latinos needing housing opportunities.
Partnerships to Serve Communities of Color:	USA Properties Fund/Northwest Housing Alternatives (NHA) have signed an MOU with Hacienda CDC to provide culturally specific services to Latinx tenants. The services plan will ensure housing stability and enhance opportunities for community building, while bilingual academic support for grades k-8 with culturally appropriate enrichment activities, summer



Canopy Powell Apartments – Housing Stability Council

	<p>programming, and parental involvement activities through Hacienda CDC's Expresiones program. The project sponsors will contract with Hacienda CDC to provide funding for a 1.0 FTE After School Program Coordinator to work in conjunction with USA Powell's Resident Services Coordinator and a team of volunteers. 99% of Hacienda's direct services staff are bilingual and bicultural, with invaluable lived experience who have been well-trained in best practices of trauma-informed care.</p>
Reaching Underserved Communities:	<p>Initial marketing will be conducted through newspaper ads, websites (Cascade's website and Craigslist), bulletin boards, and brochures. Targeted populations that were identified as the least likely to apply include Native or Alaskan American, Native Hawaiian or Pacific Islander and Black or African American. To supplement the initial marketing efforts, the project sponsors will also conduct additional outreach to the Urban League of Portland, Mano a Mano, Asian Health & Service Center, Native American Youth and Family Center, Asian Pacific American Chamber of Commerce of Oregon and SW Washington, Northwest Pilot Project and the Department of Diversity and Equity from Multnomah County. If the outreach is not reaching the communities, it is targeting successfully, the Affirmative Fair Housing Marketing Plan will be re-evaluated and updated if necessary.</p>
MWESB Target:	<p>Professional Services: The project will have as a goal to achieve a minimum of 20% DMWESB-SDV professional services contracting. The Architect has a proven track record of reaching this level in their subconsultant contracting. In addition, NHA will prioritize meeting or exceeding the same percentage for the other professional service organizations under its direct contracting control.</p> <p>Property Management Services: NHA will work with Cascade Management Inc to achieve a minimum of 20% DMWESB-SDV property management services contracting on this project. Cascade Management Inc believes community success and importantly resident success stems from their ability to integrate into such communities by affirmative recruitment/hiring and training with a focus on advancement within the organization. Cascade Management collect demographic information on vendors electronically specific to MWESB information. MWESB information is obtained and tracked through our partnership with NetVendor. Cascade Management further reports on MWESB utilization to several of our clients, therefore, meeting our client's diversity goals as well. Roughly 40% of Cascade employees are minorities.</p> <p>Construction Contracting: NHA will work with the General Contractor, Walsh Construction, to achieve a minimum of 30% DMWESB-SDV construction contracting on this project. Walsh Construction Company has a long history of meaningful outreach to DMWESB subcontractors and has an in-house Community Outreach Director, Afton Walsh. Ashton is diligent with outreach and team coordination. The service provides a more personal experience to the DMWESB subcontracting community. The Outreach Strategy is</p>



Canopy Powell Apartments – Housing Stability Council

	implemented from the beginning of preconstruction through final occupancy. Walsh long-standing relationships in the area bring interest in projects due to their consistent and fair project management, business practices and concern for DMWESB subcontractor success and continued growth.
Alignment with Statewide Housing Plan:	<ul style="list-style-type: none">• Equity and Racial Justice• Affordable Rental Housing
The LIFT program requires that all project sponsors sign a Diversity, Equity, and Inclusion (DEI) agreement and engage MWESB organizations.	
This development conforms to all OHCS underwriting standards. The primary risk is with the current unknown environment relating to COVID-19 and whether it will affect the construction period or delay any material deliveries necessary for the project. Enough contingency was built into the budget to mitigate risk of delay.	

Rendering: Communities Buildings





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SUMMARY

Project Name:	Garden Grove Apartments		
City:	Grants Pass	County:	Josephine
Sponsor Name:	Chrisman Development Inc.		
Urban/Rural :	Rural	Total Units	60
# Rent Assisted Units:	44	Units by Size & Affordability:	1 1-BR at 60% AMI 57 2-BR at 60% AMI 2 3-BR at 60% AMI
Funding Request		Funding Use	
GHAP:	\$5,000,000	Acquisition	\$3,036,864
4% LIHTC:	\$5,633,740	Construction	\$6,273,803
Conduit Bonds:	up to \$6,450,000	Development	\$3,908,103
OAHTC	\$500,000		
OMEF:	\$151,095	Total:	\$13,218,770

PROJECT DETAILS

Project Description:	Garden Grove Apartments is an acquisition rehabilitation project with 60 units located in Grants Pass, which consists of eleven residential buildings and two community buildings. The unit mix will consist of 1 one-bedroom, 57 two-bedrooms, and 2 three-bedroom units. The community buildings will include a leasing office and laundry facilities. This project will preserve 44 units of USDA rental subsidy where the tenants will pay a maximum of 30% of their income towards rent.
Partnerships to Serve Communities of Color:	USDA/RD currently does not allow for resident services to be included in the budget of the project. However, the developer of the property CDI, along with the property manager, Viridian Management Inc., will endeavor to develop partnerships and long-term relationships with existing agencies in the community to help provide effective referral resources to the current and future tenants of the property. Some of agencies that will be approached are UCAN, DHS, Josephine County Food Bank, Rogue Community College , Headstart, The Salvation Army and St Vincent de Paul.
Reaching Underserved Communities:	The property is currently leased with an extensive waiting list. However, Viridian Management Inc., the property manager, has surveyed the market area and the current tenants and identified the under-represented in the property and waiting lists as



Garden Grove Apartments – Housing Stability Council

	American Indian/Alaskan Native, Asian and Persons with Disabilities. Marketing strategies will be to agencies and community contacts representing the identified populations. At the core of all leasing activities is a commitment to furthering fair housing. Several strategies will be employed at the project to provide equitable access to the marginalized communities, including targeted outreach, linguistically appropriate materials, and translation services that reflect community demographics.
MWESB Target:	Being a rural property, this project is expected to exceed 10% MWESB participation with an aspiring goal to reach 20% participation for both professional services and contracting.
Alignment with Statewide Housing Plan:	<ul style="list-style-type: none">• Affordable Rental Housing• Rural Communities
This development conforms to all OHCS underwriting standards. The primary risk is with the current unknown environment relating to COVID-19 and whether it will affect the construction period or delay any material deliveries necessary for the project. Enough contingency was built into the budget to mitigate risk of delay.	

Garden Grove Apartment Buildings





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SUMMARY

Project Name:	Nueva Esperanza		
City:	Hillsboro	County:	Washington
Sponsor Name:	Bienestar, Inc. & Housing Development Center		
Single Asset Entity:	Nueva Esperanza Limited Partnership		
Urban/Rural:	Urban	Total Units:	150
# Rent Assisted Units:	8 - Section 8 PBV (HAP Contract) <ul style="list-style-type: none"> • 4 – One BR units • 4 – Two BR units 	Units by Size & Affordability:	24 – One BR units at 30% 20 – One BR units at 60% 28 – Two BR units at 30% 27 – Two BR units at 60% 8 – Three BR units at 30% 38 – Three BR units at 60% 4 – Four BR units at 60% 1 – MGR Two BR unit
Funding Request		Funding Use	
		Acquisition	\$10,000
4% LIHTC:	\$24,921,910 (aggregate allocation)	Construction	\$38,904,208
Conduit Bonds:	up to \$26,359,717	Development	\$14,840,087
		Total:	\$53,754,295

PROJECT DETAILS

Project Description:	Nueva Esperanza is a new construction project with 150 units to be located in Hillsboro, which consists of twelve three-story residential buildings and one community buildings. The community buildings will include leasing offices, common laundry, community room, and a kitchen. Outside will have a raised bed community garden, pet area, picnic area with BBQ, children play area, and walkways. The site consists of one parcel, totaling 6.12 acres. South of the subject is 53rd Avenue Park with tennis court and basketball courts. Southwest is Hidden Creek Community Center with features such as an indoor basketball court. The Hawthorn Farm Station for the TriMet blue line that serves Hillsboro is about one quarter mile North. East of the site are artificial turf multi-sport fields.
Partnerships to Serve Communities of Color:	Bienestar, a culturally specific organization, is a co-owner with Housing Development Center. Bienestar will become full owner of the project after three years post completion



of construction. A joint venture agreement has been developed to describe responsibilities.

Bienestar empowers its residents (90% Latinx, majority immigrant-headed households) to act as community representatives and changemakers through recruitment, training, and deployment of Promotores, Bienestar residents who act as both leaders and community connectors. Bienestar centers its community work through the Promotores to improve resident services, wellbeing, and asset-building and to provide Bienestar staff and Board with valuable insight into resident needs, challenges, and overall quality of life. This model also empowers residents to become civically engaged and increase the diversity of voices in public forums in Washington County. Based on the success of the Promotores, Bienestar recently partnered with the Welcome Home Coalition and the Somali Empowerment Circle to implement the Culturally Specific Housing Advocacy Project (CSHAP), a new iteration of the program that leverages a train-the-trainer model to identify and coach community members of color to become leaders in affordable housing advocacy and civic engagement. These leaders will advocate with policymakers and educate and mobilize their communities around housing issues to ensure that local governments follow through on racial equity commitments. Through CSHAP, Bienestar leaders have trained dozens of other residents on affordable housing, testified to Metro, the City of Hillsboro, and in other forums, and convened a Spanish language policy forum with Metro Councilor Juan Carlos Gonzalez. Stable housing and a rich sense of community while aspiring to a better future is the framework for the resident services plan at Nueva Esperanza. Bienestar's flagship Promotores Program is the cornerstone of Bienestar resident services model. This program recruits and empowers resident leaders (Promotores) who act as "community connectors," doing home visits and providing residents with referrals to relevant services. Bienestar's services are collaborative, bringing in more than 10 partner organizations to provide financial capabilities services, youth enrichment, and leadership development for residents.

Nueva Esperanza's design is the result of many community engagement sessions with communities of color, including the Latinx and Somali immigrant communities. It is heavily influenced by a Project Advisory Committee made up of 100% Latinx community leaders who have drawn from Hillsboro's rich Latinx history to define and guide the project. Bienestar's Housing Development/Asset Management team is 100% Latinx and bilingual, and Bienestar's leadership is also majority Latinx, with immigrant and farmworker perspectives represented. Bienestar and HDC are also leveraging many partnerships with other culturally specific organizations throughout the development process. Partners include the Somali Empowerment Circle, Adelante Mujeres, APANO, IRCO, Family Promise, Community Action Agency and others. Bienestar, HDC, and Property Management will conduct a robust affirmative marketing campaign, leveraging Bienestar's connections to local communities of color as well as partnerships, to ensure there are minimal to no barriers to housing for these communities. About Bienestar: A Culturally Specific CDC Bienestar is a culturally specific organization and all Bienestar housing developments, Community Services programs, or other projects are culturally specific and targeted to communities of color. Bienestar maintains a robust and equitable connection with the approximately 2000 residents (90% Latinx, majority immigrant-headed households) who live in Bienestar housing. This connection with the community



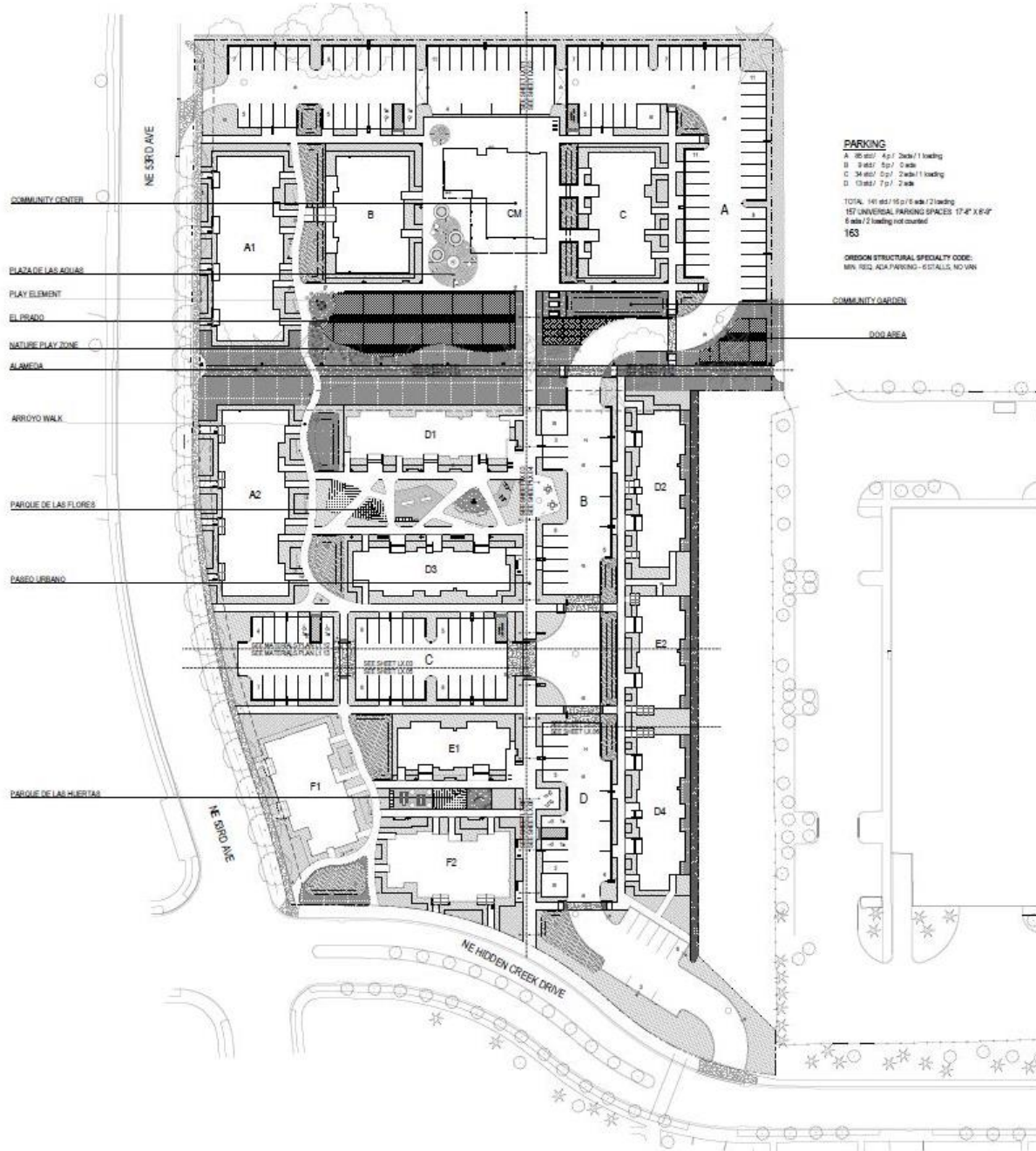
	has allowed us to serve hard-to-reach households with health information and direct assistance during COVID, prevent evictions, and raise up leaders of color to advocate for and support their community. Since inception in 1981, Bienestar has unwaveringly promoted racial equity as an essential component of our community building work in support of the wellbeing of Washington County Latinxs, farmworkers, and diverse low-income families. Bienestar's deep commitment to the Hillsboro Latinx community and the ideals of Diversity, Equity and Inclusion (DEI) are reflected in its mission, its organizational composition, its culturally/linguistically competent programming and its properties themselves.
Reaching Underserved Communities:	Northwest Real Estate Capital Corp. (NWRECC) will provide management services and has been providing management services since 1999. An affirmative fair housing market plan will be put in place and will be re-evaluated and updated as needed to ensure the least likely to apply are represented. Bienestar, HDC, and partners will create and carry out a comprehensive, multi-lingual marketing and lease-up plan that ensures racial and economic equity is achieved, that all classes of disadvantaged populations will have equal and fair access to rent units at Nueva Esperanza, and that the project is furthering affordable housing choice in Hillsboro. For almost 40 years Bienestar has internally created and disseminated English and Spanish language advertising, instruction, counseling, and general communication to lease up, educate and inform disadvantaged populations in Hillsboro. The result is a thriving Latinx community within each Bienestar owned property. Bienestar will work with established partners such as APANO, the Somali Empowerment Circle, and others to ensure that information is distributed to other communities of color in the area and will produce leasing and other informative materials in other languages as needed, including Somali, Arabic, Slavic, Vietnamese, and Tagalog. NWRECC utilizes the Affirmative Fair Housing Marketing Plan (AFHMP) to identify populations that would be the least likely to apply. Utilizing census data, they are able to identify minority populations in the housing market area to determine where advertising should be directed. Depending upon the location of the property, an expanded housing market area would be used in more rural areas. NWRECC is extremely confident in its ability (at the direction of Bienestar) to develop marketing materials that reach lower-income predominantly monolingual and limited-English Spanish-speaking households and lower-income African and other immigrant populations in and around eastern Hillsboro to ensure that they are aware and informed of Nueva Esperanza leasing availability. Bienestar is currently working with partners in the Racial Equity Collaborative, the Hillsboro School District, the Immigrant Solidarity Collaborative, the Somali Empowerment Circle, Adelante Mujeres, IRCO, Washington County Developmental Disabilities, Washington County Disability, Aging and Veteran Services, Asian Health and Services, APANO and others to ensure that information is distributed to other communities of color in the area and will produce leasing and other informative materials.
MWESB Target:	The project is committed to meeting the Metro 30% MWESB Participation goal.
Alignment with Statewide Housing Plan:	<ul style="list-style-type: none"> Affordable Rental Housing



• Equity and Racial Justice

This development conforms to all OHCS underwriting standards. The primary risk related to the ongoing COVID-19 pandemic and global supply chain issues are primarily potential delays in material deliveries this could extend the construction period. Construction contingency has been built into the budget to mitigate risk of delay.

Site Plan





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SUMMARY

Project Name:	Oregon 4 Apartments		
City:	Lincoln City, Lebanon, Winston, Milwaukie, and Forest Grove	County:	Lincoln, Linn, Douglas, Clackamas, and Washington
Sponsor Name:	Oregon 4 Manager LLC		
Single Asset Entity:	Oregon 4 Apartments LLC		
Urban/Rural:	Urban and Rural	Total Units:	206
# Rent Assisted Units:	134 (HAP Contract)	Units by Size & Affordability:	Lincoln City: 18 1-BR at 60% 10 2-BR at 60% 9 3-BR at 60% and 1 MGR Unit Park Manor: 10 1-BR at 60% 19 2-BR at 60% and 1 MGR Unit 10 3-BR at 60% Pine Tree: 6 1-BR at 60% 18 2-BR at 60% 12 3-BR at 60% Willamalane: 16 1-BR at 60% 24 2-BR at 60% 12 3-BR at 60% Covey Run: 25 3-BR at 50% and 1 MGR Unit 14 4-BR at 50%
Funding Request		Funding Use	
		Acquisition	\$23,230,000
4% LIHTC:	\$17,785,110 (aggregate allocation)	Construction	\$13,802,755
Conduit Bonds:	up to \$23,895,104	Development	\$8,901,342
		Total:	\$45,934,097



PROJECT DETAILS	
Project Description:	<p>Oregon 4 Apartments is a scattered site project that includes the rehabilitation and preservation of 5 properties in the existing OHCS portfolio. The properties are:</p> <ul style="list-style-type: none"> - Lincoln Village – a 38-unit development located in Lincoln City, in Lincoln County. The property is supported by current HAP contracts and existing LIHTC restrictions at 60% through 2035. The site includes five two-story garden style and townhome buildings. - Park Manor – a 40-unit development located in Lebanon, in Linn County. The property is supported by current HAP contracts and existing LIHTC restrictions at 60% through 2035. The site includes nine one and two-story residential buildings. - Pine Tree – a 36-unit development located in Winston, in Douglas County. The property is supported by current HAP contracts and existing LIHTC restrictions at 60% through 2035. The site includes eleven one and two-story townhome residential buildings. - Willamalane – a 52-unit development located in Milwaukie, in Clackamas County. The property is supported by current HAP contracts for 34 units and existing LIHTC restrictions at 60% through 2035. The site includes ten one and two-story garden-style buildings. - Covey Run – a 40-unit development located in Forest Grove, in Washington County. Units at the property are currently restricted at 50% under existing LIHTC through 2051. The site includes 20 townhome-style duplex buildings. Covey Run also has 5 HOME units restricted at 50% with a participating jurisdiction. <p>The acquisition and rehabilitation of these properties will help to ensure their continued operation as affordable rental housing for the foreseeable future. All five properties are currently fully occupied and some tenants will be relocated during the rehabilitation of the units. Cascade Management and DDV Consulting have engaged with tenants and will be assisting tenants with temporary relocation.</p> <p>The rehabilitation of the units will include repair and maintenance of items identified in the physical needs assessments completed for each property. Exterior items identified for all five properties include: repair of siding, sidewalk repairs, painting and trim repairs. Due to the age of the properties, a remediation plan is in place for the property handling and disposal of potential hazardous materials such as lead based paint and asbestos. The following items are being upgraded or provided at each location: new cabinets and countertops, new energy efficient appliances, plumbing upgrades and new LED lighting.</p>
Partnerships to Serve Communities of Color:	<p>The local market areas for these five properties are unique and the developer has identified several community organizations to support the residents of each location in the AFHMP for each property.</p>



	<p>Lincoln Village – Centro de Ayuda, Confederated Tribe of Siletz Indians, Newport Community Services Consortium, Lincoln County Senior & Disability Services</p> <p>Park Manor – NAACP Corvallis/Albany Area Branch, Casa Latinos Unidos de Benton County, Willamette Chinese School, Native American Longhouse Eena Haws, Corvallis Multicultural Literacy Center, Home Life</p> <p>Pine Tree – Roseburg Rescue Mission, La Clinica del Valle, Southern Oregon Chinese Cultural Association, Cow Creek Bank of Umpqua Indians, Douglas County Senior Services</p> <p>Willamalane – Urban League of Portland, Mano a Mano, Asian Health and Service Center, Native American Youth and Family Center, Asian Pacific American Chamber of Commerce, Northwest Pilot Project</p> <p>Covey Run – Centro Cultural, Forest Grove Senior and Community Center, Adelante Mujeres, Native American Youth and Family Center, Asian Health and Services Center</p>
Reaching Underserved Communities:	An Affirmative Fair Housing Marketing Plan will be implemented for each property to identify and attract underserved populations. Marketing and advertising will be conducted using a variety of methods including internet postings, distributing flyers and physical outreach in the local communities to reach those least likely to apply.
MWESB Target:	The project is committed to meeting the Rural 20% MWESB Participation goal.
Alignment with Statewide Housing Plan:	<ul style="list-style-type: none"> • Affordable Rental Housing • Rural Communities
<p>This development conforms to all OHCS underwriting standards. The primary risk related to the ongoing COVID-19 pandemic and global supply chain issues are primarily potential delays in material deliveries this could extend the construction period. Construction contingency has been built into the budget to mitigate risk of delay.</p>	

Project Pictures:



Covey Run



Park Manor



Lincoln Village



Willamalane



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SUMMARY

Project Name:	Fremont Manor Apartments		
City:	Portland	County:	Multnomah
Sponsor Name:	Community Preservation Partners		
Urban/Rural :	Urban	Total Units	28
# Rent Assisted Units:	28	Units by Size & Affordability:	18 1-BR at 60% AMI 9 2-BR at 60% AMI 1 3 BR at 60% AMI
Funding Request		Funding Use	
LIFT Request:	N/A	Acquisition	\$5,000,000
4% LIHTC:	\$4,241,060	Construction	\$2,328,884
Conduit Bonds:	up to \$5,400,000	Development	\$3,213,889
OMEP:	N/A	Total:	\$10,542,773

PROJECT DETAILS

Project Description:	Fremont Manor Apartments is an acquisition and rehabilitation project with 28 units located in Portland, which consists of four two-story and garden style residential buildings. The unit mix consists of 18 one-bedrooms, 9 two-bedrooms, and 1 three-bedroom units. Fremont Manor currently operated under a section 8 HAP contract that OHCS administers for all the units. The contract restricts the tenants to pay no more than 30% of their income for rent. At the time of the sale and financial closing, the HAP contract will be transferred to the new owner, Fremont Manor Community Partners, LP and renewed for an additional 20 years.
Partnerships to Serve Communities of Color:	The project will offer the partnership and MOU in place with Volunteers of America at a sister property located two miles away for the residents at Fremont Manor at no cost. Transportation will be provided free of charge to the Plaza Townhomes if tenants decide to take advantage of the services. Services provided are reflective of the needs of the current tenants.
Reaching Underserved Communities:	Fremont Manor is currently fully leased with an extensive waiting list. The property manager, Arrowhead Housing Inc., will make efforts post- closing to develop relationships with local community action organizations to assist residents in crisis and prevent



Fremont Manor Apartments – Housing Stability Council

	<p>eviction. They will offer the services available at their sister property and will provide the transportation to the property along with the supporting staff and services offered.</p> <p>The management and staff receive diversity, equity, and inclusion training as an ongoing, developmental process to support their professional development.</p> <p>At the core of all leasing activities is a commitment to furthering fair housing. Several strategies to be employed at the projects are to provide equitable access to marginalized communities, including linguistically appropriate materials, and translation services that reflect community demographics.</p>
MWESB Target:	This project is expected to exceed 20% MWESB participation with an aspiring goal to reach 30% participation for both professional services and contracting.
Alignment with Statewide Housing Plan:	<ul style="list-style-type: none">• Affordable Rental Housing
This development conforms to all OHCS underwriting standards. The primary risk is with the current unknown environment relating to COVID-19 and whether it will affect the construction period or delay any material deliveries necessary for the project. Enough contingency was built into the budget to mitigate risk of delay.	

Buildings:



Date: February 4, 2022

To: Housing Stability Council
Margaret Solle Salazar, Executive Director

From: James Hackett, Assistant Director Portfolio Administration
Rick Ruzicka, Interim Assistant Director Planning & Policy
Natasha Detweiler-Daby, Interim Director Affordable Rental Housing

RE: OHCS Rent Increase Policy – Housing Stability Council Deliberation

Deliberation – This information is intended to inform a Housing Stability Council conversation regarding the future of the OHCS Rent Increase Policy.

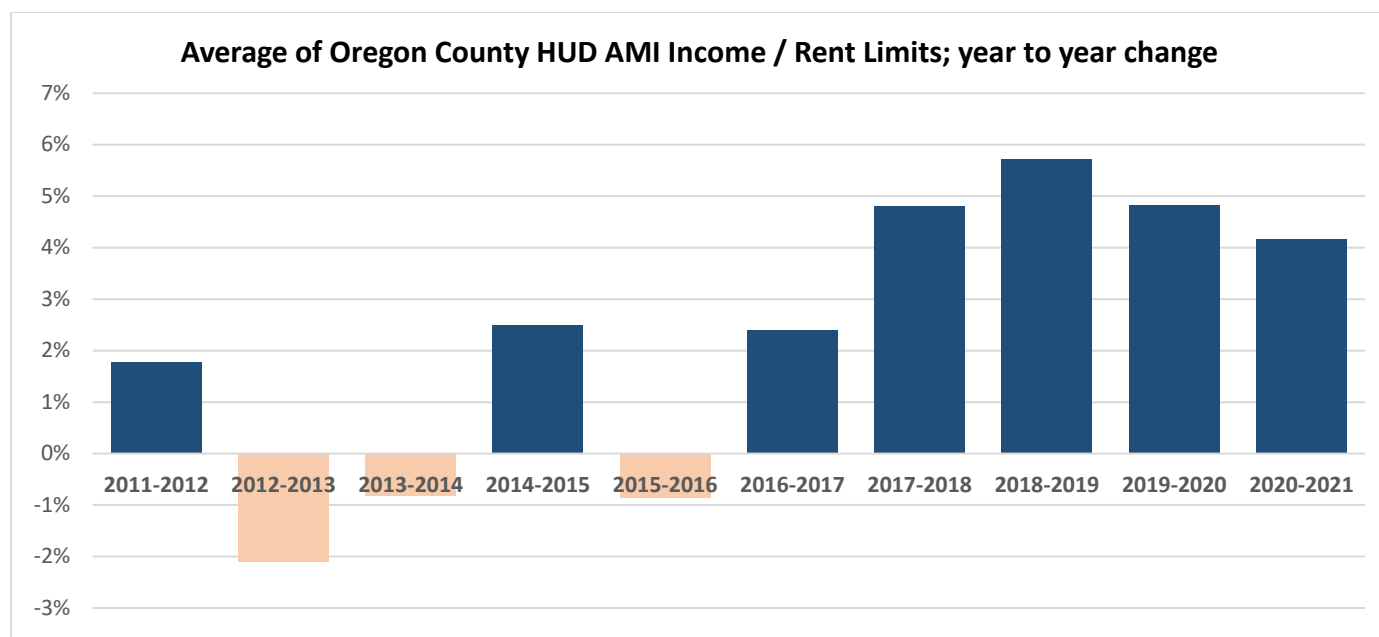
OVERVIEW

At the February 2022 Housing Stability Council (HSC) meeting, we will be discussing the future of the OHCS Rent Increase Policy. Though no motion will come before the HSC in February, the aim for this agenda item is for the HSC to debate the merits of modifying the current policy, sunseting the policy, or some other option as determined appropriate by the Council.

The Rent Increase Policy was approved by the HSC in April of 2018 and was created in response to large increases in rents that resulted from rapid economic expansion that occurred after recovery from the “great recession”. In June of 2020 changes were made to the Rent Increase Policy, in part, to align with [SB 608](#) which implemented a statewide rent increase cap for market housing. SB 608 specifically excluded affordable housing from the Legislation creating a continued role for the policy. With the passage of [HB 3113](#), affordable housing is no longer exempt from the states statutory rent increase limitations initiating renewed dialog around the continued need for this policy.

DATA

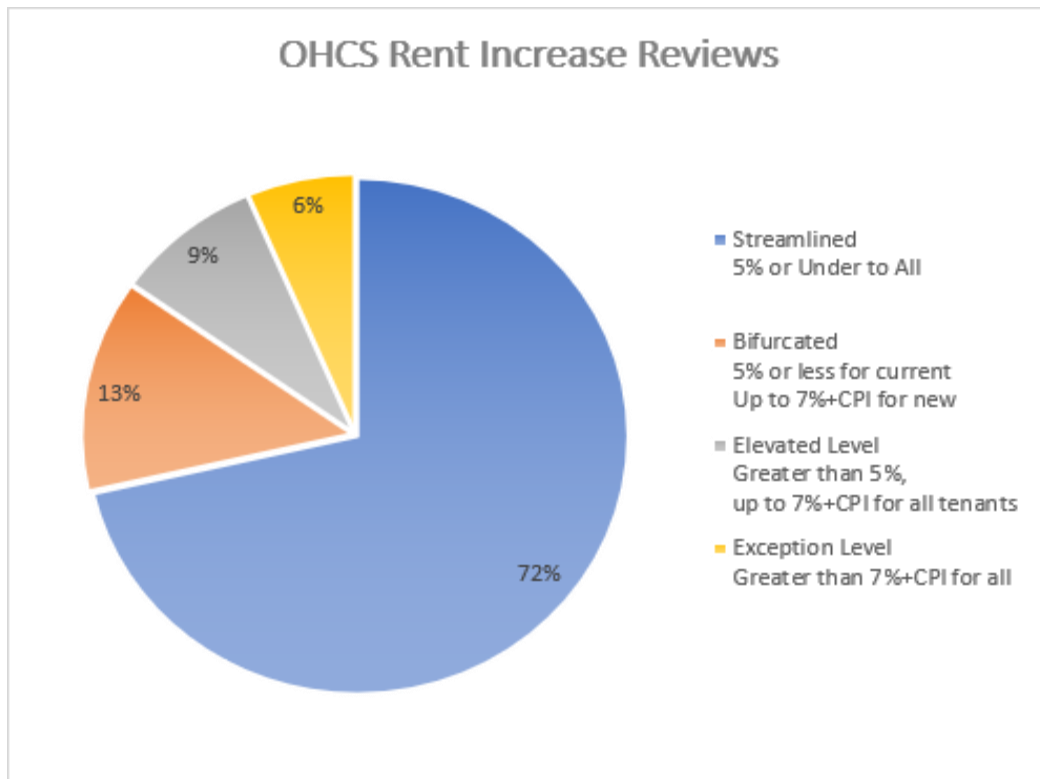
Some important data points to consider. Rents in affordable housing are already limited by either recorded use restrictions or based on a percentage of tenant income or both. Regulated rents have rental caps or ceilings that change from year to year based on income data analyzed by HUD. The chart below provides a history of maximum rent changes as allowable by HUD since 2011. The chart clearly shows rent increase limit acceleration as Oregon recovered from the “great recession”.



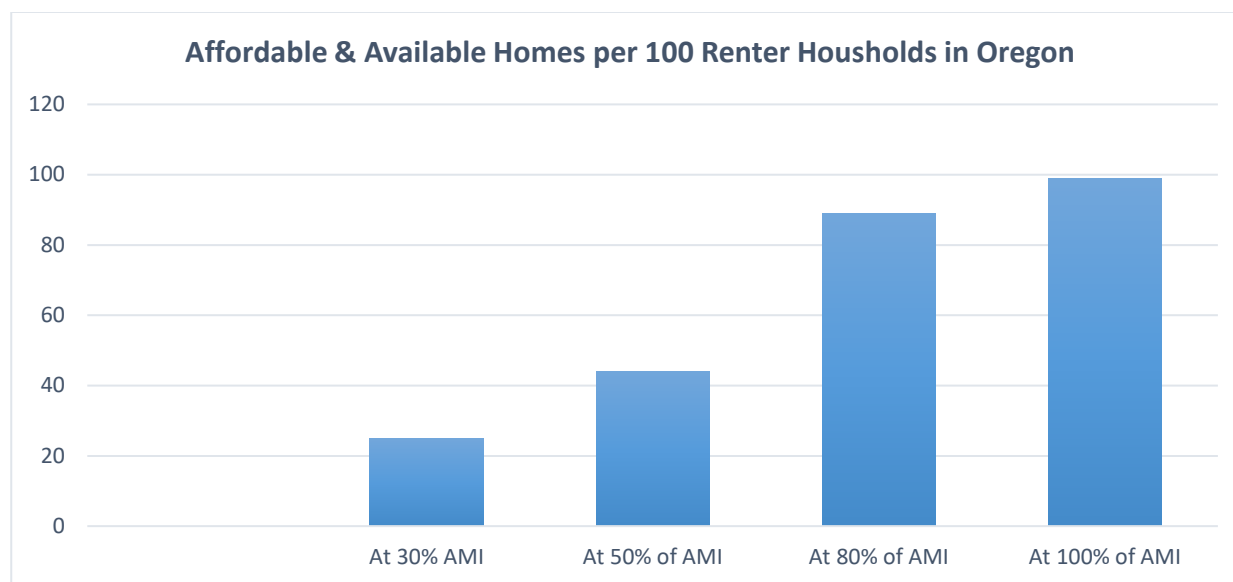
The chart above seems to indicate a rental increase peak in 2018-2019 at nearly 6% and a gradual reduction on the percentage rate of increase of program rent caps over the last two years. The allowable cap increase in 2020-2021 was just over 4%. At no time in the past 10 years has the cap increase more than 6% meaning that a restricted affordable housing property at the highest rent allowable is already limited to the HUD increase cap the following year. However, if properties do not increase their rents annually large increases are possible and even likely. Coming out of the recovery period, properties were not habitually increasing rents annually resulting in abnormally high multi-year requests.

Since the point when the policy was updated, June of 2020, to align with SB 608 OHCS has tracked 420 rent increase requests. 85% of these increased the rents of current tenants at a rate of 5% or less. Another 9% requested increases below the market cap but above the 5% level that most residents believe is reasonable. The remaining 6% received approvals to increase tenant rates above the maximum 7% + CPI levels likely indicating either a) a property in severe financial distress or b) a property with abnormally low rental levels with future maintenance needs.





The next chart (below) indicates that for every 100 renters that are very low income (50% AMI) in Oregon, there are only 44 homes available for those families meeting their affordability needs. For renters considered extremely low income, there are only 25 affordable units available per 100 families. This would indicate a severe shortage in affordable housing units for these families. As most restricted properties have 60% restrictions, deeper subsidy or rent assistance are needed for these families to be able to afford housing, even within the affordable housing inventory. A Rent Increase Policy may lessen the degree of unaffordability but deeper subsidy units are needed to serve lower incomes and only rent assistance will actually provide these families with housing units that they can rent spending just thirty percent of their income for the long term.



Data from the [National Low Income Housing Coalition](#)

SB 608 and HB 3113 restrict rent increases on a percentage vs. a dollar basis. This is an important distinction as the percentage increases are progressive in nature; meaning a 9.2% increase to restricted rents is smaller than when applied to higher, market, rent rates. This is little comfort to a family on a fixed income who are already burdened. Further, from an equity standpoint, communities of color are disproportionately rent burdened making these communities more impacted by rent increases.

2 Bedroom 2021 Rent Increase Comparison

<u>County</u>	<u>60% Rent Level</u>	<u>9.2% Increase</u>	<u>Increase Amount</u>	<u>Market Rent*</u>	<u>9.2% Increase</u>	<u>Increase Amount</u>
Multnomah	\$1,306	\$1,426	\$120	\$1,920	\$2,097	\$177
Marion	\$955	\$1,043	\$88	\$1,366	\$1,492	\$126
Deschutes	\$1,086	\$1,186	\$100	\$1,585	\$1,731	\$146
Josephine	\$879	\$960	\$81	\$1,383	\$1,510	\$127
Hood River	\$1,015	\$1,108	\$93	\$1,509	\$1,648	\$139
Wallowa	\$889	\$971	\$82	\$1,025	\$1,119	\$94

* Calculated as HUD FMR rates divided by .8

Note: affordable restricted rent caps have not incorporated year-to-year rent increases above 6 percent so this rate of increase would only be possible if cumulative years of rent increases had not been applied by property ownership

Though the chart above is designed to reveal that not all 9.2% increases are the same, it's also important to consider that lower income families generally see potential income increases on a percentage scale as well (such as Social Security increases) that are below 7% +CPI.



STAKEHOLDER INPUT

When HB 3113 removed the exemption of affordable housing from the statewide rent increase cap, OHCS signaled to lawmakers that it would sunset the OHCS Rent Increase Policy. Many affordable housing owners and property managers have communicated to OHCS that they consider the policy burdensome as they work to implement needed increases to sustain project operations; our revision of the policy in 2020 was designed to align with the provisions of SB608 (now affordable housing is covered under those provisions) and as previously noted, our properties already have either a regulatory rental cap associated with the development or the rents are restricted based on a percentage of tenant income (or both). However, as OHCS began informing partners of our plan to sunset the policy, tenants and tenant advocacy groups were very vocal in their desire to keep this added layer of tenant protection. These meetings produced some suggestions regarding how to further streamline the policy, but the key component was the desire to incent increases of 5% or less annually for the affordable rental portfolio.

Following these engagements, OHCS conducted a survey which included both partners and tenant groups. The survey results were as expected, with tenant and tenant groups largely in support of maintaining the policy while ownership and management groups were less inclined to be supportive. Some important takeaways from the survey include owners and managers indicating that tenant affordability is one of many considerations that they factor into their rent increase determination annually and a majority of tenants believing rent increases of 5% or less are reasonable.

In January, OHCS reached out to a consulting firm that represents the financial industry to determine if added layers of rent increase requirements and restrictions gives them pause in pursuing investment in Oregon. The response was that this was likely not a concern from these groups; but that having layers of policy and restrictions around increases would be reflected in financial modeling and increased resource needs to sustain projects. As the Council knows, periodic increases in project income from rents are important to cover increases in operating costs to keep projects on solid financial footing.

SUMMARY

The question before OHCS, for which we seek Housing Stability Council guidance, is whether OHCS should maintain a policy aimed to restrict rent increases among affordable rental housing properties that is more restrictive than that imposed by the state law.

- Rent increases are a necessary factor of operating rental housing; in particular within a subsidized portfolio where rents are restricted and there is a careful subsidy analysis that assures public funders that we are not providing “too much” funding (debt coverage ratios in affordable housing are much lower than seen in the market arena).



Affordable Rental Housing is restricted by both the state rent increase limitations along with programmatic rent caps, which do not tend to fluctuate dramatically.

- At the same time, low- and fixed-income residents of affordable rental housing face housing burdens that make it difficult to cover additional costs of rent. In the absence of rent assistance that ensures a tenant only has to pay thirty percent of their income toward housing, restricting the amount that the rent can increase in a unit provides some degree of tenant protections.

These are complex dynamics, and bring to question what role Oregon Housing and Community Services plays in both sustaining affordable rental housing operations and centering our work to community need.

Does maintaining a rent increase policy provide sufficient tenant benefit?

Are there other ways for OHCS to center and prioritize tenants in affordable rental housing?

What role does OHCS have in supporting project operations?

At the February Housing Stability Council meeting we expect to hear additional testimony from affordable housing providers and tenants; and hope for Housing Stability Council to engage in dialogue to inform OHCS staff about what action to recommend at the March Housing Stability Council meeting.





**OREGON HOUSING *and*
COMMUNITY SERVICES**

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

Date: February 4, 2022

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

From: Natasha Detweiler-Daby, Interim Director, Affordable Rental Housing

Re: 4% LIHTC / Private Activity Bond Update

At the upcoming Housing Stability Council meeting, we will provide an update on our approach to engagement surrounding a re-casting of our 4% LIHTC program under a competitive structure given the full subscription of Private Activity Bonds needed to generate the federal tax credit. This is work that will be prioritized over the next several months as we carve out a deliberate path that prioritizes housing investment, partnership with other public funders, equity and racial justice, and geographic coverage.

Following this memo is a copy of the presentation with contextual information about our current funding situation that was used to kick off this public conversation during a January 28th, 2022 meeting with stakeholders representing Housing Authorities, Public Funders, Non-Profit and for-Profit Developers.



4% LIHTC / PAB Kick Off

Affordable Rental Housing Division
January 28, 2022

February 4, 2022 HSC Material



Overview



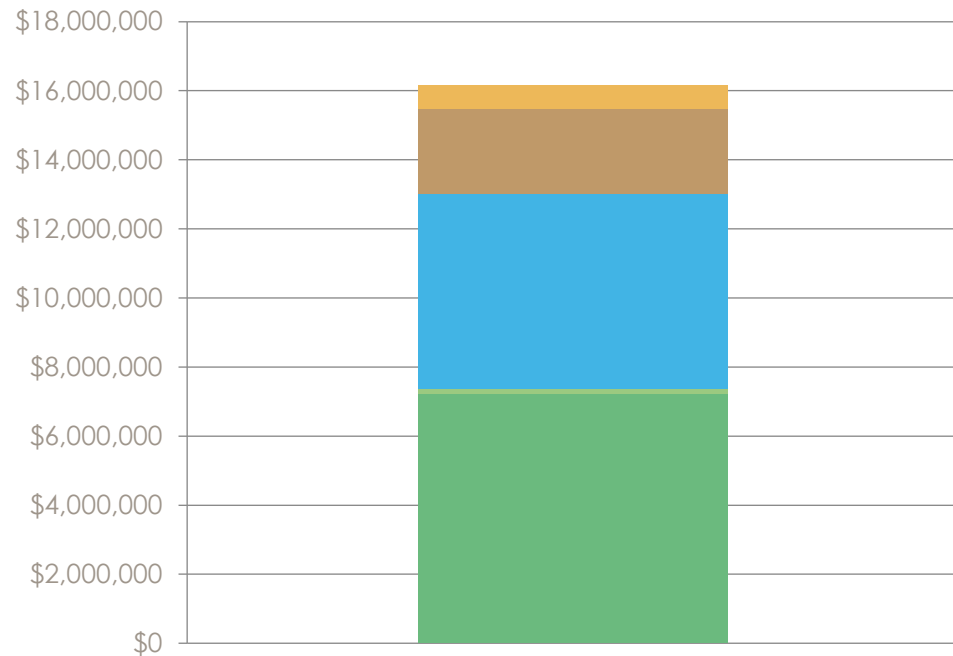
- Introductions / Kick Off!
- Foundation Setting:
 - 4% LIHTC Program Overview / Private Activity Bond
 - Current Pipeline
 - Private Activity Bond Supply vs Demand
- Reflection & Next Steps
- Key Questions
- Workgroup Structure and Interest

Chat for Questions; also record thoughts and recommendations on our board here: <https://bit.ly/34hklfa>

February 4, 2022 HSC Material



4% LIHTC / Private Activity Bond Leverage



- Deferred Developer Fee
- Permanent Debt
- 4% Tax Credit Equity
- MEP
- LIFT funds

Sunrise
Vista in
Klamath
Falls

- PAB use generates 4% LIHTCs
 - If a Housing Project uses PAB Tax-Exempt Financing for 50% or more of the project costs then it can also leverage 4% LIHTC
- 4% LIHTC designed to cover 30% of project costs
 - Most situations additional gap resources are needed

February 4, 2022 HSC Material

Private Activity Bond (PAB) Overview

- State is allocated \$467,077,050 million in PAB annually;
 - OHCS in statute receives \$250 million in current year allocation
 - Previously split use between Affordable Rental Housing and Homeownership Program (Oregon Bond Residential Loan Program); currently dedicating all PAB to Rental Housing.
 - Business Oregon in statute receives \$41 million in current year allocation
- State allocations are made by the Private Activity Bond Committee; meet quarterly

Private Activity Bond (PAB) Overview

- **Carry Forward:** current year PAB allocations that are not used in the current year can be used for up to three years, subject to award by Private Activity Bond Committee and are called “Carry Forward” allocations.
- Traditionally, OHCS has had adequate Carry Forward to cover needs and has rarely needed to use the current year allocation of PAB.
- In addition to OHCS, Housing Authorities can conduct the bond sales to utilize PAB allocations directly
- OHCS is the LIHTC allocator and by policy allows others to do the private activity bond issuance where OHCS does not have any other gap funding resources in the project

4% LIHTC History

<https://tabsoft.co/3G5Slbs>

<https://public.tableau.com/app/profile/oregon.housing.and.community.services/viz/AffordableRentalHousingDraftDashboard/16154170714140/Story1>

Majority investment in Portland Metro Counties; 67% of the Private Activity Bond resources over the past three years of approved projects

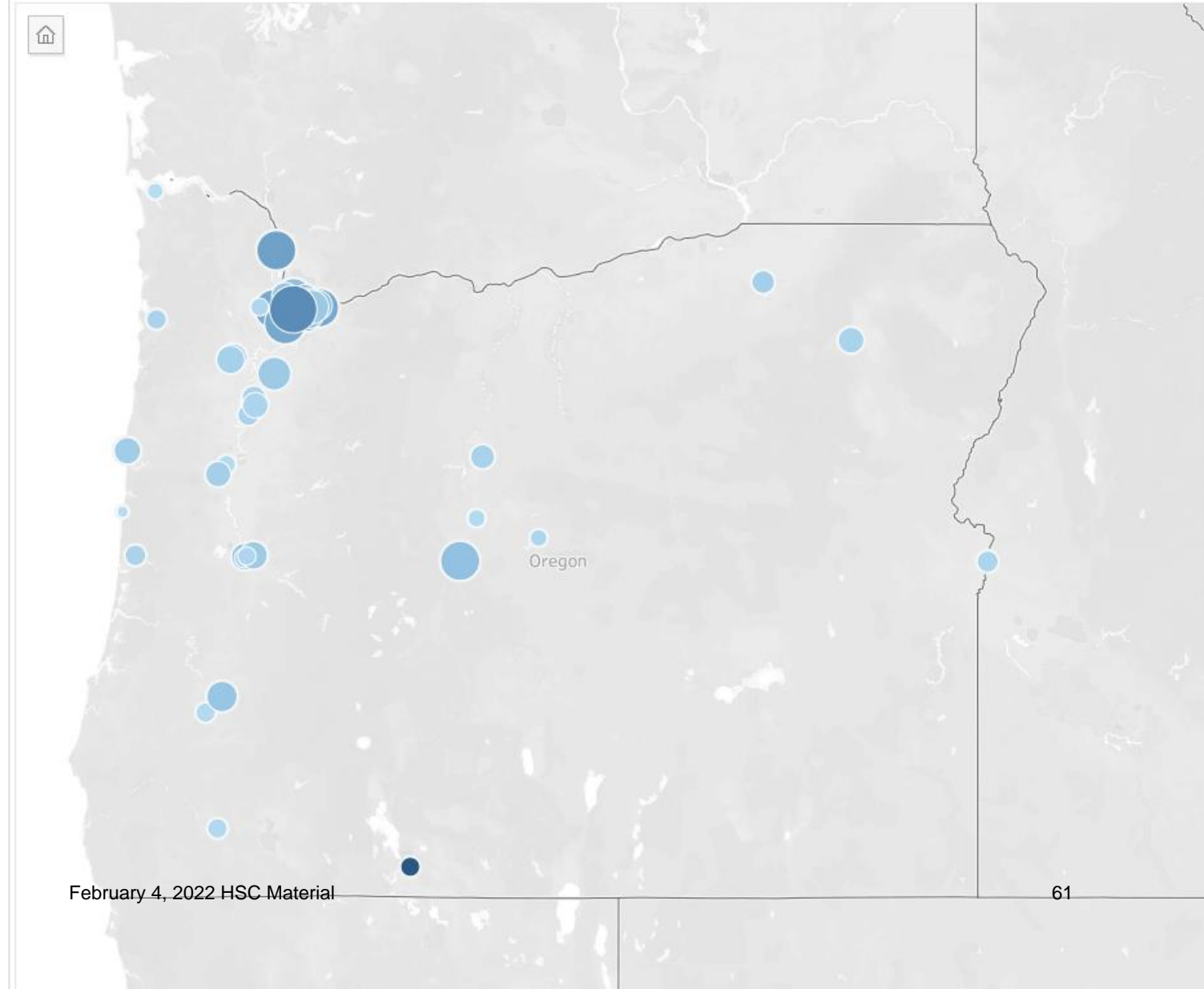
85% of projects approved over past three years have used OHCS gap funding resources (LIFT, PSH, GHAP, etc)

LIHTC 4% Funding Amount

\$184,252

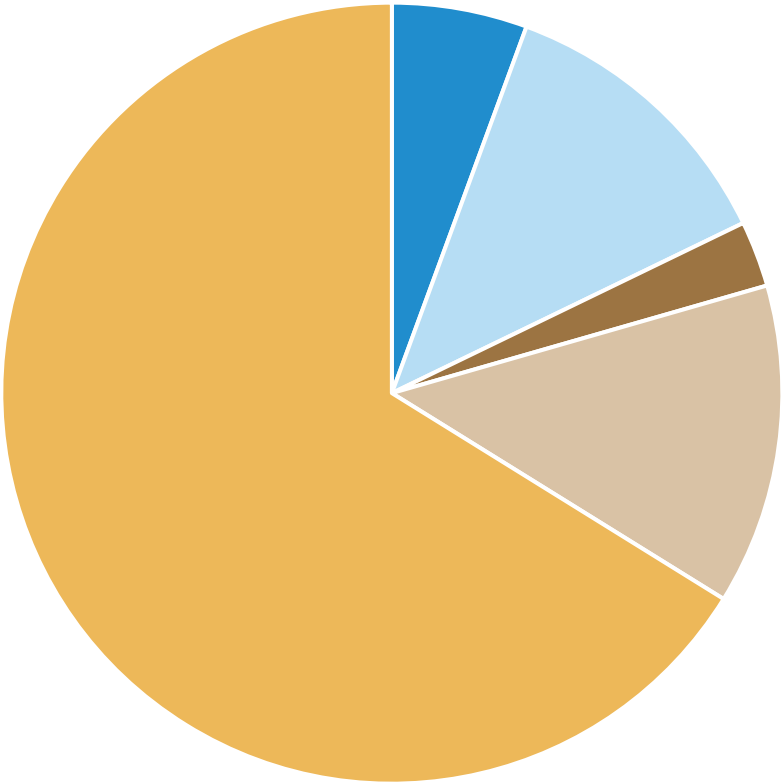
\$5,703,048

Symbol size is determined by the total units in a project while symbol color reflects the total amount of LIHTC 4% funding. Selecting a project in the table will filter the map, and vice versa.



2022 Approved Pipeline Characteristics

2022 Pipeline



Total PAB Requests:
\$766,994,245

Represents 4,911 units

■ No gap ■ Preservation no gap ■ Metro ■ Metro & OHCS gap ■ OHCS gap

February 4, 2022 HSC Material

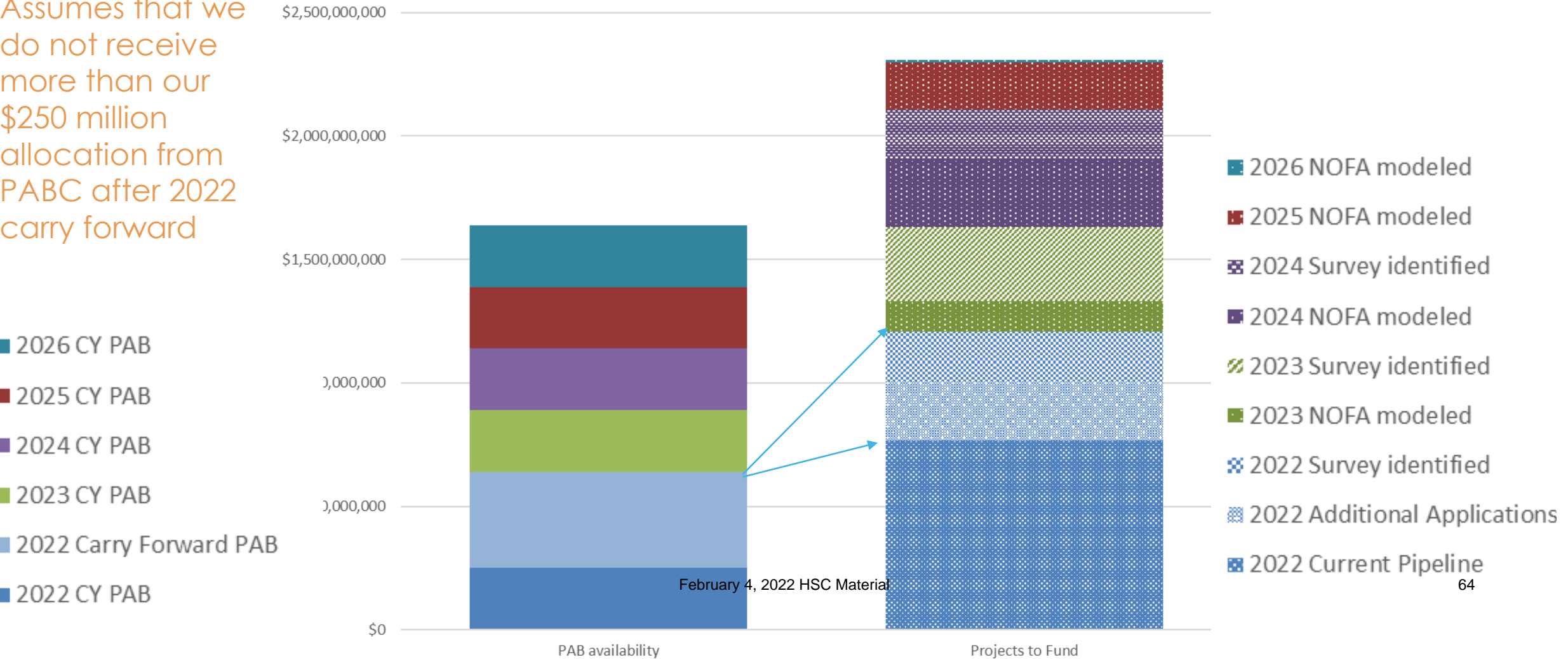


Identified Pipeline Demands

- 2022:
 - Applications: additional \$240 million in projects submitted but not approved
 - Survey: additional \$200 million in projects not on the approved pipeline list that want to close in 2022
- 2023:
 - Survey: \$600 million in projects that identify wanting to close in 2023
 - \$300 million of which is for projects intending to apply for LIFT in 2022; OHCS funding calendar limits PAB reservations through LIFT applications in 2022 to \$170 million of PAB and does not project 2023 closings for all awarded projects.
- 2024+:
 - Survey: \$200 million in projects identified and others flagged with unknown levels of PAB needs

PAB Availability vs Demand; current

Assumes that we do not receive more than our \$250 million allocation from PABC after 2022 carry forward

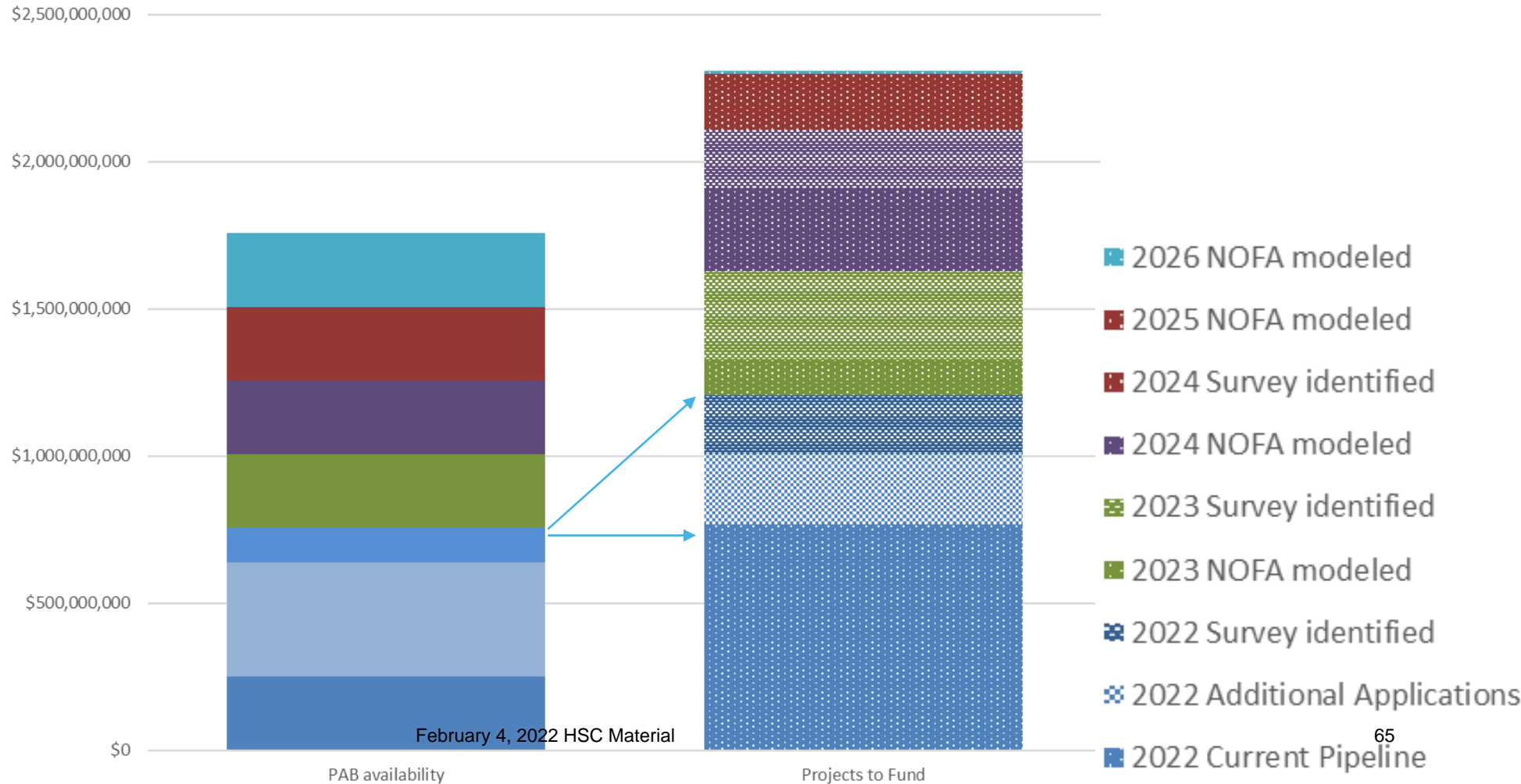


February 4, 2022 HSC Material

PAB Availability vs Demand; additional 22 CY

Assumes that we receive remaining 2022 CY and then do not receive more than our \$250 million allocation annually

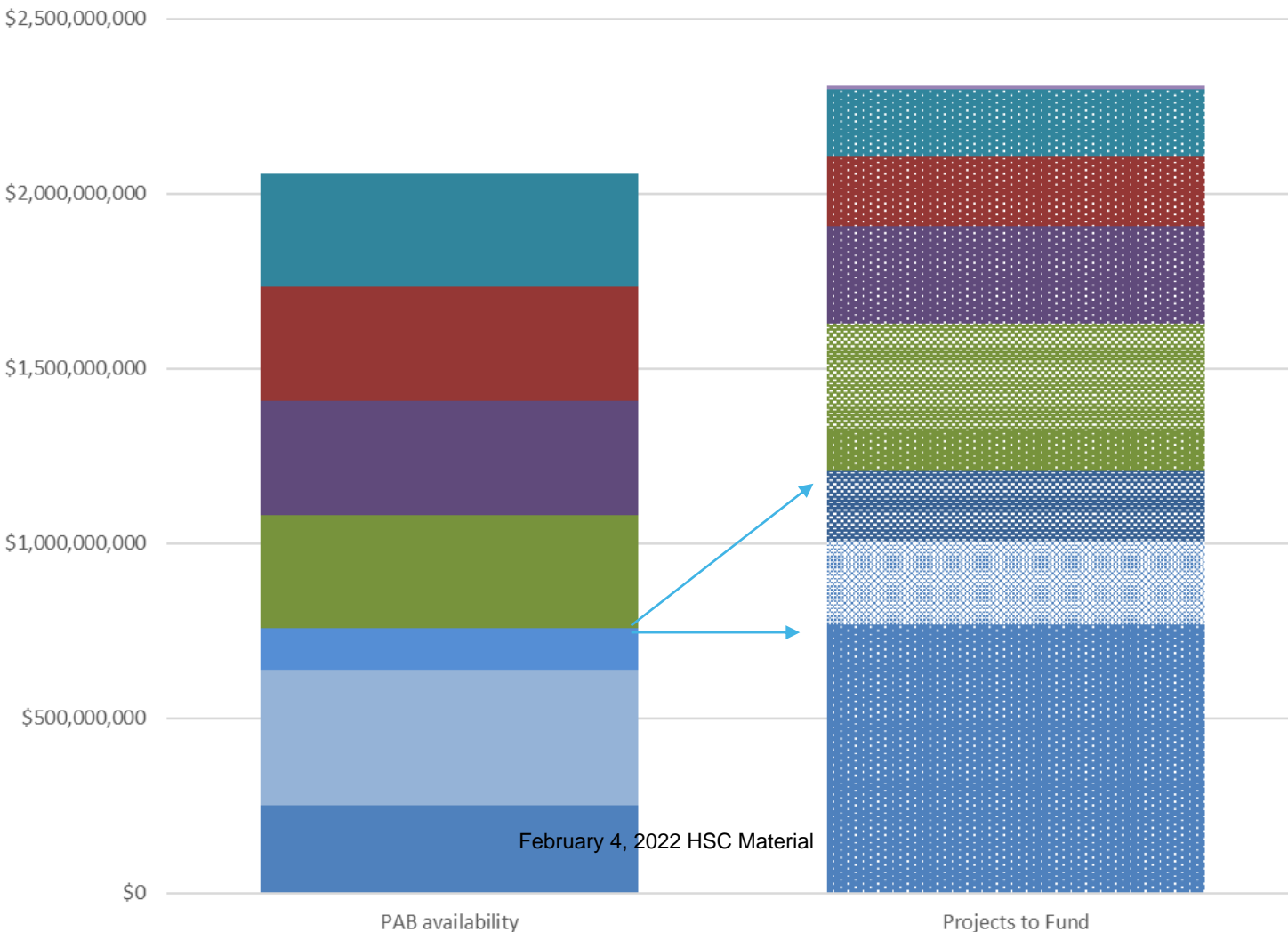
- 2026 CY PAB
- 2025 CY PAB
- 2024 CY PAB
- 2023 CY PAB
- 2022 Remaining CY PAB
- 2022 Carry Forward PAB
- 2022 CY PAB



PAB Availability vs Demand; higher levels

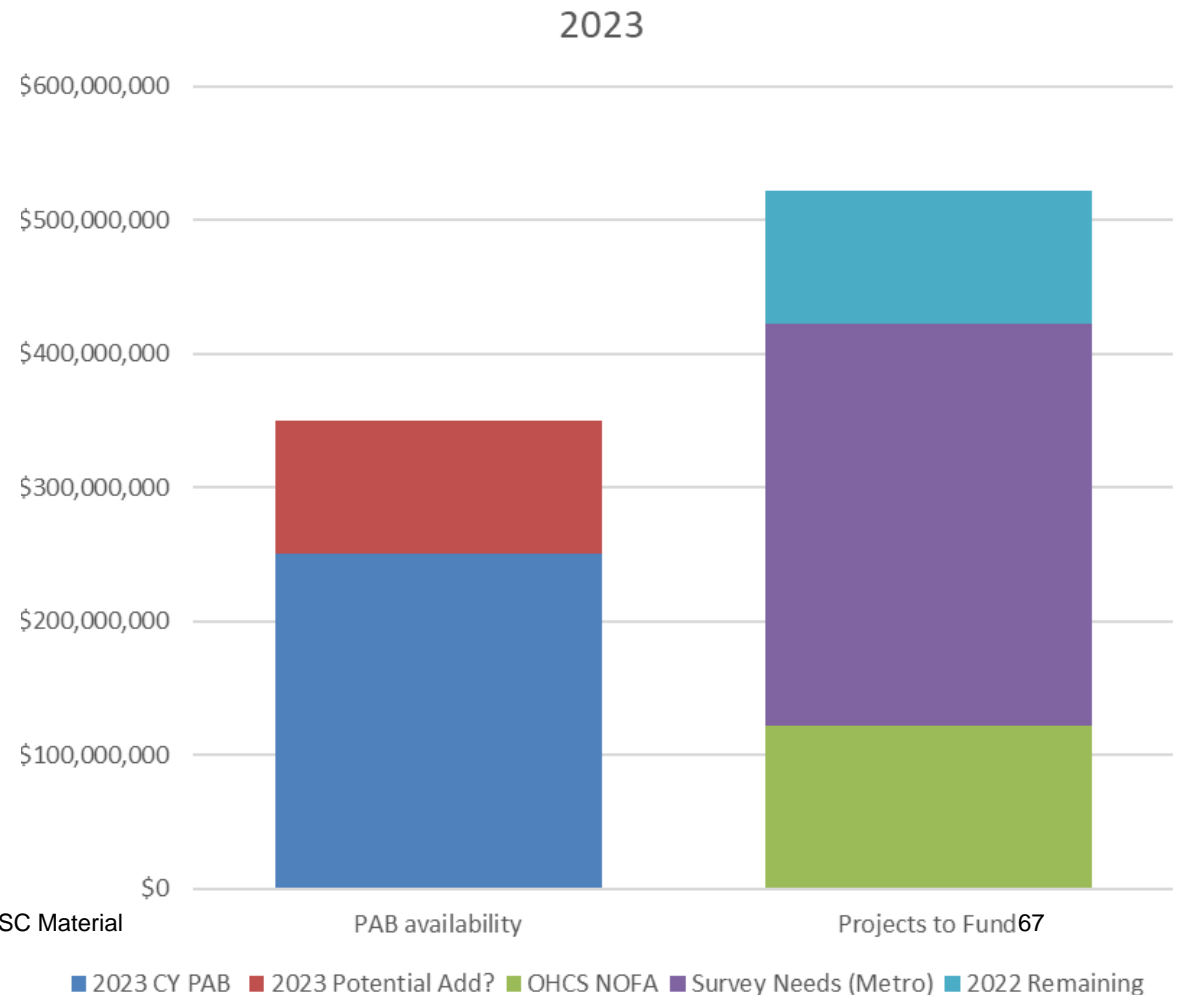
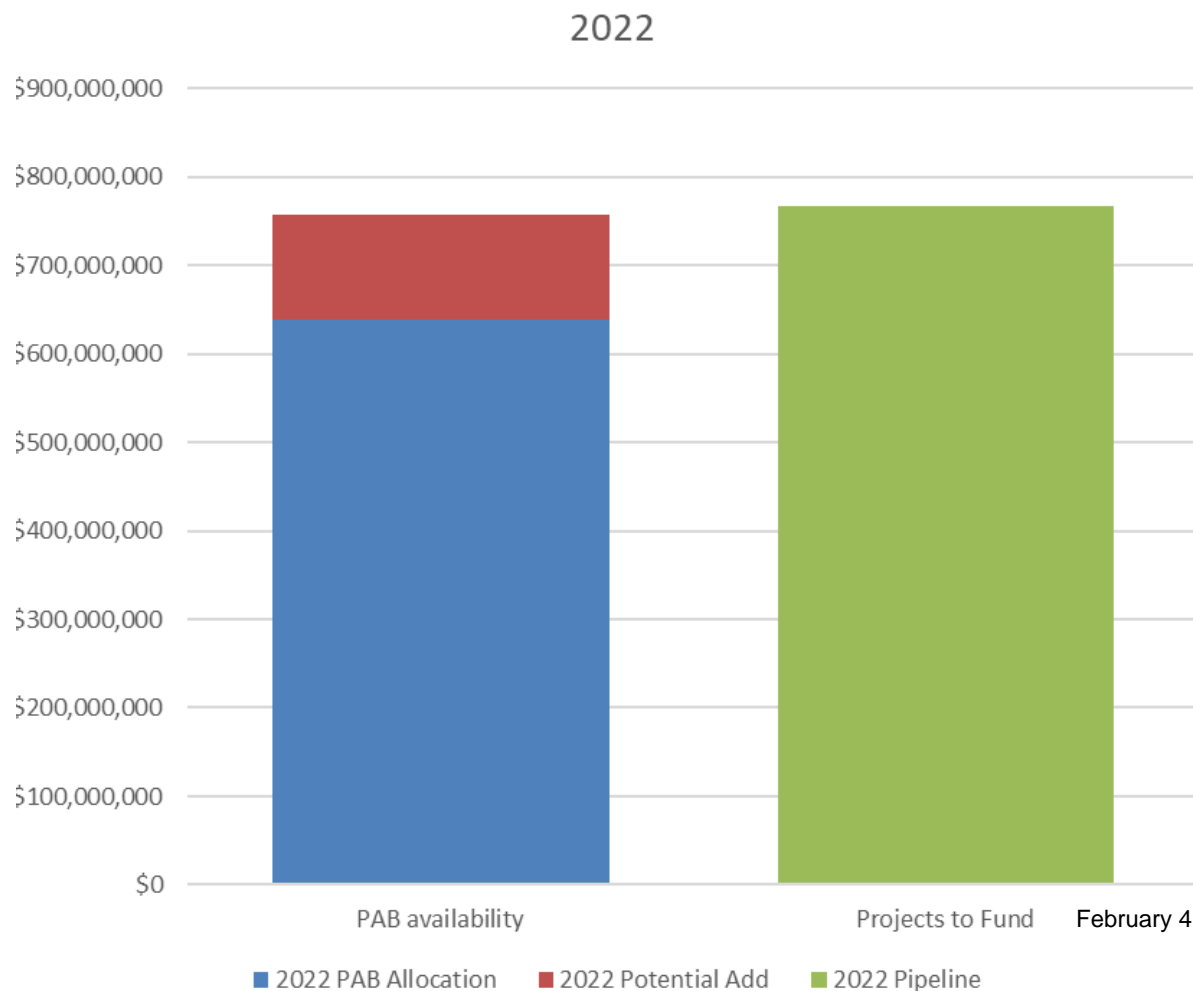
Assumes that we receive \$325 million allocation from PABC annually in addition to full 22 allocation

- 2026 CY PAB
- 2025 CY PAB
- 2024 CY PAB
- 2023 CY PAB
- 2022 Remaining CY PAB
- 2022 Carry Forward PAB
- 2022 CY PAB

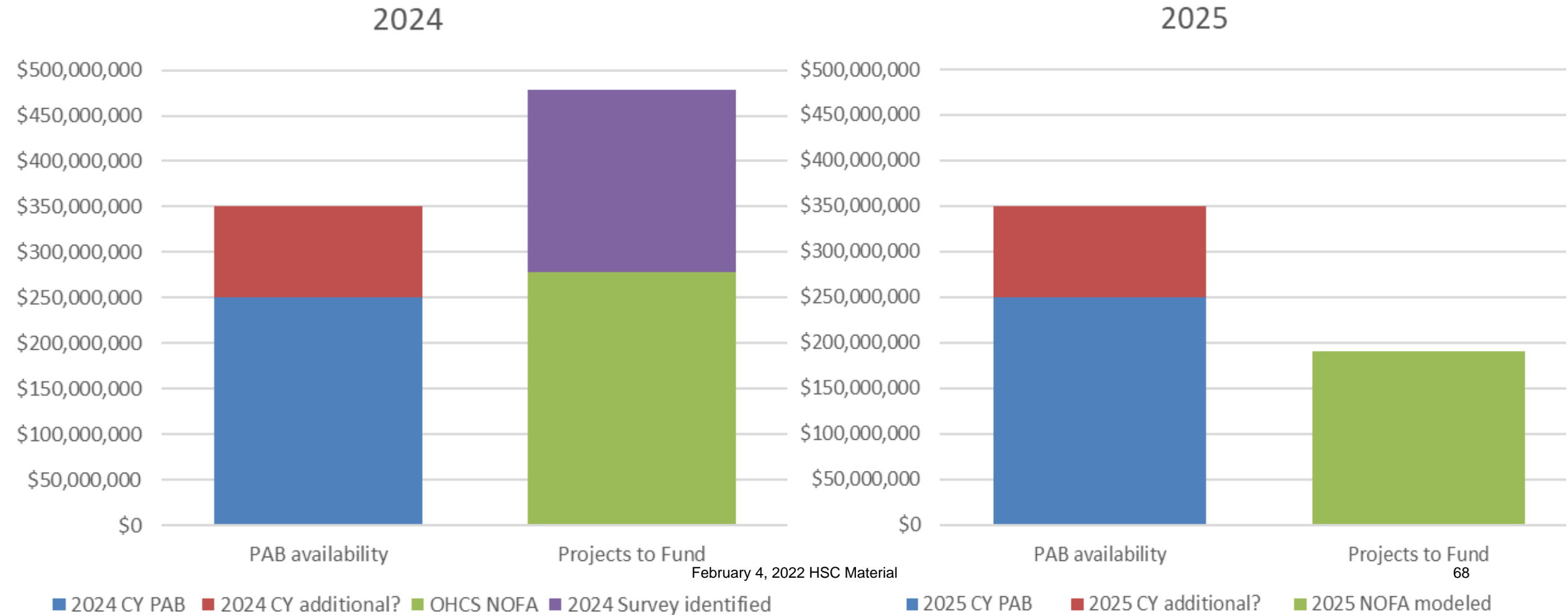


February 4, 2022 HSC Material

PAB Allocation vs Demand by Year



PAB Allocation vs Demand by Year



4% LIHTC / PAB: Reflection & Take Away

- The 4% LIHTC Landscape has Shifted
 - We will no longer be able to meet the demand we have built for this program
 - Celebrate the success that has led us here
 - Look forward; need to manage the resource differently but also want to continue to use all of the state's PAB to fund housing development & keep the 4% LIHTC program fully subscribed.
 - What are the options for moving forward in collaboration as housing funders and developers?

4% LIHTC / PAB: Current Steps

- 4% LIHTC Application is Currently Frozen
- State Resources: OHCS will no longer model funds as all being able to leverage 4% LIHTC
 - Have already reduced our Funding Calendar leverage assumptions to incorporate less than half of our development resources; this will be ongoing.
 - Adjusting expectations about production from public investment.
- Need to create a competitive model for committing Private Activity Bonds and 4% LIHTC to projects

PAB Resource: Next Steps?

- Competitive Model Must:
 - Reflect Public Investment Needs from:
 - State
 - Other Public Funders:
 - Metro Bond; Portland Bonds; others?
 - Demonstrate statewide policy perspective that the Private Activity Bond Committee can also incorporate
 - Expressed interest in allocations & metrics

Questions to Answer!

- First: a few observations about the non-competitive 4% LIHTC program:
 - Applications have been accepted on an ongoing basis
 - Simple to secure an intent resolution for credits
 - Increases to PAB requests regularly considered and addressed
 - Projects are in the 4% LIHTC pipeline for upwards of a year
 - Shifting timelines expected
 - Projects with PAB allocations from the PABC as well as OHCS; OHCS policy allows others to issue the Private Activity Bonds and generate credits where OHCS does not have other gap funds in the project

Questions to Answer!

- **Current pipeline**; what policies to apply to the current pipeline projects regarding closing timelines and increases
- **Future pipeline**; what policies to apply to a future of pipeline projects regarding closing timelines and increases
- **New 4% LIHTC application process**; format, timing, and alignment with other public funding partners
- **New 4% LIHTC programmatic policy**; 60-year affordability; geographic coverage / equity and framing for PABC; project prioritization criteria
- **Deliberate strategies for 4% LIHTC alignment with equity and racial justice**

Workgroup Strategy

- Assess interest in participating in each of these focused areas, please complete survey:

<https://bit.ly/3HlaKCo>

- Question is whether we want to engage on creating recommendations with the broad group or to have smaller feedback groups work with OHCS staff to help inform recommendations to bring to this broad group

Next Steps

- Next Private Activity Bond meeting is in April and there is interest in having an update on these strategic conversations for that meeting
- Will review the submissions on the interest survey and determine next steps; will send email to all meeting participants as well as by Technical Advisory
- Will provide Housing Stability Council with a brief update at the February 4, 2022 meeting

Thank You

February 4, 2022 HSC Material





Date: Feb 4th, 2022

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
Patricia Akers, Homeless Services Section Program Analyst

Re: Shelter Funding Update

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

Background:

As we enter the second winter of the COVID-19 Pandemic and continue to experience adverse weather conditions, it is critical to continue increasing the ongoing support and expansion of shelter services to people experiencing homelessness. The COVID-19 Pandemic has forever shaped the way we look at shelters and has forced us to reimagine what it means to meaningfully engage with the community to serve those that are at most in need. Historically, Oregon has had one of the nation's highest rates of unsheltered homelessness, coupling that fact with COVID-19 distancing requirements and health precautions have continued to support an environment in which homeless Oregonians continue to live without the necessities and pathways to improved quality of life and stable housing.

In the COVID-19 environment, we continue to see the effects that a pandemic has on the way shelters offer services. Due to the recommended health guidelines, the already limited shelter space has become scarcer, people that have high-risk medical conditions are choosing not to enter shelter space and are not requesting services out of fear that they may also become infected. The need to professionally staff shelters to meet the demand of the new environment is higher than it has ever been before. In addition to those existing conditions, we also have a looming concern regarding the potential gap in support that may widen once emergency rental support comes to an end.

OHCS knows that shelter, in and of itself, is not the way to end homelessness. These investments in shelter help to keep vulnerable Oregonians alive, warm and engaged in vital services. We also know that *housing is the key to ending homelessness*. To that end, we seek to bring more focus and attention to the development of **housing-focused shelter** interventions, a promising practice that builds on the wide-spread use of Housing First Approaches to successfully end homelessness for diverse populations across the globe. We are excited to bring more technical assistance, training and concerted investment in this important work to ensure our shelter system drives households toward the outcome of permanent, affordable housing with proper supports for sustainability.



Existing Shelter Resources:

OHCS HSS 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 biennial funding streams. These programs provide support against the increased need for sheltering during pre-crisis response. However, these funds have not been sufficient to meet the ongoing demand for support in the past and are certainly not enough during COVID-19 as both shelters' needs and costs have increased.

21-23 Biennium Shelter Investments

Out of the Cold

OHCS has received \$25 million dollars in Shelter Infrastructure and Operations through House Bill 5011. This funding source is imperative to ensuring that Oregonians who are most vulnerable have access to safe space for rest and reprieve while they pursue housing and supportive services.

Of those funds received, \$10 Million has been allocated to continue the support of the Out of the Cold investment model that OHCS previously received funding for winter shelter needs. This funding opportunity was delivered via the Master Grant Agreement process to Community Action Agencies to ensure expedient delivery of the funds throughout State. The program is designed and is intended to allow funds to pay for shelter infrastructure which includes renovations, retrofits, and conversions. The funds also allow for the implementation and use of new models of shelter such as Conestoga Huts or Pallet Shelters. In addition to those allowable uses of funds, the program can also pay for the operational shelter needs such as staffing, services for rental assistance to move out of the shelter, critical basic needs supplies are available to those still transitioning from homelessness into shelter/transitional housing support.

Of note, OHCS recognizes that investments like these winter shelter opportunities need to incorporate more planning and lead time for local communities to implement strong programs and partnerships. The timing of these funds made this difficult this year and while these are one-time only funds, we have appreciated the feedback from partners about the necessity of proper planning time.

Project Turnkey Growth & Support

From the \$25 million dollars that OHCS received, \$5 million dollars have been allocated to the support of the 19 Project Turnkey sites. Project Turnkey is a state-level program that focuses on the acquisition of motels and hotels in Oregon for use as non-congregate shelters during the pandemic and as cost-effective units to help build the State's long-term affordable housing stock.



This funding opportunity will be delivered via the Application for Funding process to the existing project sites. The additional funding will further bolster existing resources and aid in long-term sustainability.

Allowable uses of funds include emergency shelter activities that are designed to increase the quantity and quality of temporary shelters through the renovation of existing shelters or conversion of buildings to shelters, operating shelter costs, and providing essential services.

Additional allowable use of funds includes street outreach activities that are designed to meet the immediate needs of those experiencing homelessness in unsheltered locations. Rapid rehousing activities that are designed to move people experiencing literal homelessness into permanent housing as quickly as possible with component services and assistance consisting of short-term/long-term rental assistance, rental arrears, rental application fees, security deposits, advance payment of last month's rent, utility deposits and payments, moving costs, housing search and placement, housing stability case management, mediation, legal services, and credit repair.

Looking forward

Lastly, from what would be remaining of \$25 million dollars, \$10 million dollars have been allocated for a potential Competitive Funding opportunity in Spring of 2022. However, OHCS continues to examine alternative methods of delivering these funds given the timelines and intent of these funds to advance strategic methods for improving shelter access and quality across the State. We believe that it is incumbent on us to begin to set the groundwork for bringing more providers and networks into relationship with OHCS, and that by establishing connections to different systems that support specific communities that experience homelessness at disparate rates, we can begin to make headway toward closing these longstanding gaps in services.

This examination process is part of our commitment to equity and racial justice and the importance of creating equitable access to services and resources for all communities, especially those who have been historically and presently marginalized by systemic racism and racist housing policy. We seek to live out our values in this allocation of resources through a concerted effort to create pathways of access and lower barriers to participate in funding opportunities. Our Equity and Racial Justice values drive engagement with community as well as our decision-making processes. We both value and need the wisdom and engagement of those most impacted to help chart our path to solving these momentous problems.

As an example of what is driving these decisions, OHCS is looking at available data and demonstrated need, specifically the over-representation of American Indian/Alaska Native Oregonians who are experiencing unsheltered homelessness far higher than other groups. Additionally, the [House Bill 2100 Taskforce](#) found that this population is represented in homelessness more **than four times their share** of the total state population. These findings are not new knowledge, and we recognize that many communities of color experience homelessness at disparate rates than their white peers due to longstanding racist policies and practices imbedded within the housing continuum. OHCS is looking at the potential of using these funds in an alternative to a single competitive process to target several key “networks” to build a



system for funding homeless services that supports the needs of those who are most impacted while building system capacity in organizations who have less history with operating OHCS Shelter Funds. We plan to make key decisions on this remaining funding within the coming weeks and look forward to feedback and input from the Council.

Partner Collaboration and Coordination

OHCS continues to work closely with our sister state agency partners, local public health officials, and homeless service providers to share information on best practices, assess local needs, and coordinate shelter response.

Culturally Specific Organization and Tribe Partnership Requirement

OHCS has also chosen to require that the *Out of the Cold* program be 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 that 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.

These partnerships are critical tools to ensure that communities of color have access to vital housing resources. The requirement for Community Action Agencies to partner in this way was the second year that this program has been implemented in this way, which resulted in a far more expedited process for many of our partners. The importance of ongoing, recurring funding to these organizations is paramount to successful and rapid responses for winter sheltering needs. OHCS provided connections, introductions and technical assistance on contracting methods and strategies to ensure that the tight timeline allowed for strong partnerships to be developed. We recognize that in some parts of the State, the partnership options were more limited because of the historical lack of investment in Culturally Specific Organizations. We continue to seek ways to fund these types of interventions in the future to invest and build up more organizations that have specific expertise in serving communities of color.

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. OHCS believes that requiring active partnerships that reflect a funding relationship between the CAA and the Culturally Specific Organization or Tribe is a concrete step to incorporating equity and racial justice into the execution of shelter response throughout the state. We believe that investing in targeted approaches to ensure specific populations and providers have the resources and supports they need will yield greater results and parity for more Oregonians who are facing housing instability and homelessness.

Priority: Homelessness

Winter and severe weather shelters provide necessary and lifesaving services for people experiencing homelessness. Shelter resources and services described above coincide with the broader goals to address and end homelessness which has been outlined in the statewide housing plan. By proactively increasing resources to the Oregon shelter system, providers can better prepare and mobilize to meet the increasing demand of 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 infusion of additional resources and the expectation of a collaborative approach with local CSOs/CBOs described above are critical to making improvements to the rural shelter system as a whole. According to available data, we know that rural communities have high numbers of people experiencing homelessness and need additional resources to invest in support systems. These new funding streams will allow opportunities for rural communities to reinforce shelter infrastructure to meet the immediate needs of their communities during and beyond the pandemic all the while being able to provide safe social distancing options where previously none may have existed.

Housing Stability Council Involvement and Next Steps:

No HSC decision needs to be made at this time.

