

# Housing Stability Council

## MEETING MATERIALS PACKET



Hattie Redmond Apts.  
Portland, Or

January 5, 2024  
9:00 a.m. – 11:30 a.m.  
Oregon Housing & Community Services  
Webinar

**Council Members:**  
 Claire Hall, Chair  
 Sami Jo Difuntorum  
 Mary Ferrell  
 Maggie Harris  
 Mary Li  
 Erin Meechan  
 Javier Mena  
 Kristy Rodriguez  
 Sharon Nickleberry Rogers

**AGENDA**  
 January 05, 2024 9:00 a.m. – 11:30 a.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  | <b>Meeting Called to Order</b>   |               | Call Roll                       |
| 9:05  | <b>Public Comment</b>  |               |                                 |
| 9:30  | <b>Report of the Director</b>  |               | Briefing                        |
| 9:45  | <b>Report of the Chair</b>   |               | Briefing                        |
| 10:00 | <p><b>Affordable Rental Housing Division (pg. 04)</b><br/> <i>Natasha Detweiler-Daby, Director of Affordable Rental Housing Division</i></p> <ul style="list-style-type: none"> <li>• <b>MF Housing Transaction Recommendations:</b> <i>Tai Dunson-Strane, Assistant Director Production</i> <ul style="list-style-type: none"> <li>○ <b>Julia West</b></li> <li>○ <b>Killingsworth Apartments</b></li> <li>○ <b>Olive Plaza</b></li> </ul> </li> <li>• <b>PSH Risk Mitigation Pool Framework:</b> <i>Amy Cole, Development Resources Manager; Rick Ruzicka, Assistant Director Planning and Policy</i></li> <li>• <b>HOME ARP Homeless Housing Response and Capacity Strengthening NOFA Recommendations:</b> <i>Andrea Matthiessen, HOME and Housing Trust Fund Program Manager; Kimie Ueoka, Senior Capacity Building Analyst</i></li> <li>• <b>Mixed Income Statute:</b> <i>Brit McLean, Policy Analyst; Mitch Hannoosh, Senior Policy Analyst</i></li> <li>• <b>Construction Loan Guarantee Framework Introduction:</b> <i>Mitch Hannoosh, Senior Policy Analyst</i></li> <li>• <b>Funding Resource Redesign and Engagement Discussion</b> (no memo): <i>Kim Travis, Affordable Rental Housing Engagement Coordinator; Natasha Detweiler-Daby, Director Affordable Rental Housing</i></li> </ul> |               | <p>Decision</p> <p>Briefing</p> |
| 11:30 | <b>Meeting Adjourned</b>   |               |                                 |

*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.*

**Council Members:**

Claire Hall, Chair  
Sami Jo Difuntorum  
Mary Ferrell  
Maggie Harris  
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Erin Meechan  
Javier Mena  
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The Housing Stability Council helps to lead OHCS to meet the housing and services needs of low- and moderate-income Oregonians. The Housing Stability Council works to establish and support OHCS' strategic direction, foster constructive partnerships across the state, set policy and issue funding decisions, and overall lend their unique expertise to the policy and program development of the agency.

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

## Statewide Housing Plan Policy Priorities



**Equity & Racial Justice**



**Homelessness**



**Permanent Supportive Housing**



**Affordable Rental Housing**



**Homeownership**



**Rural Communities**

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



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

725 SUMMER STREET NE, SUITE B | SALEM, OR 97301  
503-986-2000 | [www.oregon.gov/OHCS](http://www.oregon.gov/OHCS)

Date: January 5<sup>th</sup>, 2023

To: Housing Stability Council Members;  
Andrea Bell, Executive Director

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

Re: **Approval for Resolution #2024-01-05**

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**Motion: Approve the Resolution #2024-01-05** recommendation for the following projects:

Move to approve Pass-Through Revenue Bond Financing in an amount up to and not to exceed \$29,435,000 to JW Portland Limited Partnership for the construction of **Julia West**, subject to the borrower meeting OHCS, Aegon, Bank of America's and Citibank's underwriting and closing criteria and documentation satisfactory to legal counsel and Treasurer approval for the bond sale.

Move to approve Pass-Through Revenue Bond Financing in an amount up to and not to exceed \$29,232,000 to Killingsworth Housing Limited Partnership for the construction of **Killingsworth Apartments**, subject to the borrower meeting OHCS, Wells Fargo Community Lending & Investment, Wells Fargo Bank's and Citibank's underwriting and closing criteria and documentation satisfactory to legal counsel and Treasurer approval for the bond sale.

Move to approve Pass-Through Revenue Bond Financing in an amount up to and not to exceed \$31,152,000 to Olive Plaza Senior Housing Limited Partnership for the acquisition and rehabilitation of **Olive Plaza Apartments**, subject to the borrower meeting OHCS, Umpqua Bank, and Enterprise Housing Credit Investment's underwriting, 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 three (3) transactions -4% LIHTC/Conduit Bond and for Council approval.



The projects included in the Resolution following this memo were either approved by the OHCS Finance Committee or are scheduled for an approval by the Finance Committee. In this memo we are providing you with a high-level summary of the recommended projects. More detailed information regarding the projects can be found in the individual project summaries and Equity & Racial Justice (ERJ) project status reports included as Exhibit B of Resolution 2024-01-05.

#### **4% LIHTC Applications**

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, in addition to transactional authority given through Housing Stability Council resolution.

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 are 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 and submit an Equity & Racial Justice (ERJ) project status report.

#### **Funding Recommendations:**

We are recommending funding reservation for three (3) projects. This project will create **324** units of new affordable housing communities across the state. The recommendation is for an award totaling over \$89 million.

**Projects with Other OHCS Funding**

| Project Name                    | County    | Total Units | Sponsor                       | Underwriting Stage                   |
|---------------------------------|-----------|-------------|-------------------------------|--------------------------------------|
| <b>Julia West</b>               | Multnomah | 90          | CDP Oregon LLC                | Schedule Approval by FC<br>1/9/2024  |
| <b>Killingsworth Apartments</b> | Multnomah | 84          | Home Forward                  | Schedule Approval by FC<br>1/16/2024 |
| <b>Olive Plaza Apartments</b>   | Lane      | 150         | Human Good Affordable Housing | Schedule Approval by FC<br>1/9/2024  |

**Total 324**

See attached project summaries and Equity & Racial (ERJ) project status for additional information.





**STATE OF OREGON**  
**OREGON HOUSING AND COMMUNITY SERVICES**  
**HOUSING STABILITY COUNCIL**

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**RESOLUTION NO. 2024 – 01-05**  
**ADOPTED: JANUARY 5TH, 2024**

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**A RESOLUTION OF THE HOUSING STABILITY COUNCIL APPROVING PASS-THROUGH REVENUE BONDS AND HOUSING PROGRAM FUNDING TO FINANCE THE PROJECTS DESCRIBED HEREIN, SUBJECT TO THE BORROWERS AND PROJECTS MEETING CERTAIN PROGRAM REQUIREMENTS, CLOSING AND OTHER CONDITIONS AS DESCRIBED HEREIN; AND AUTHORIZING AND DETERMINING OTHER MATTERS WITH RESPECT THERETO.**

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**WHEREAS**, the State of Oregon (the “**State**”), acting by and through the State Treasurer (the “**Treasurer**”) and the Oregon Housing and Community Service Department (the “**Department**”) and collectively with the State and the Treasurer, the “**Issuer**”), is authorized, subject to Housing Stability Council (the “**Council**” or “**HSC**”) review and approval, pursuant to Oregon Revised Statutes (“**ORS**”) Chapter 286A and ORS Sections 456.515 to 456.725, inclusive, as amended (collectively, the “**Act**”) and Oregon Administrative Rules (“**OAR**”) Chapter 813, Division 35 pertaining to the Department’s Pass-Through Revenue Bond Financing Program (the “**Conduit Bond Program**”), to issue revenue bonds, notes and other obligations (collectively, “**Bonds**”) and to loan the proceeds thereof to borrowers (“**Borrowers**”) in order to finance certain costs associated with the acquisition, rehabilitation, development, construction, improvement, furnishing and/or equipping of multifamily housing;

**WHEREAS**, through the federal 4% Low-Income Housing Tax Credit Program (“**LIHTC Program**”), the Department allocates tax credits (the “**Credits**”) in accordance with the Act and OAR Chapter 813, Division 90 pertaining to the Department’s LIHTC Program;

**WHEREAS**, through the Department’s various financing programs as authorized by the Act and ORS Chapter 458 (collectively, “**Housing Programs**”), the Department, subject to the Council’s review and approval, provides loans, grants and other financing pursuant to the Act, ORS Chapter 458, applicable OARs and in conformance with Department policies (the “**Housing Program Funding**”). The Conduit Bond Program, the LIHTC Program and the Housing Programs are collectively referred to herein as the “**Programs**”; and

**WHEREAS**, the Department’s Finance Committee (the “**Committee**” or “**FC**”) has (i) approved the allocation of Credits, (ii) recommended to the Council the issuance of Bonds, and (iii) approved or recommended providing the Housing Program Funding to finance each of the affordable multifamily rental projects as listed on Exhibit A attached hereto (each an “**FC-Approved Project**” and collectively, the “**FC-Approved Projects**”); and

**WHEREAS**, Council desires to accept the recommendations of the Committee by (i) approving the Bonds and directing the Department to request that the State Treasurer issue the Bonds and (ii) further ratifying and/or approving providing the Housing Program Funding to finance each of the FC-Approved Projects; and

**WHEREAS**, the further Council desires to (i) approve the Bonds and direct the Department to request that the Treasurer issue the Bonds and (ii) further ratify and/or approve providing the Housing Program Funding to finance each of the affordable multifamily rental projects as listed on **Exhibit B** attached hereto (each a “**Proposed Project**” and collectively, the “**Proposed Projects**”), in each case subject final approval of the Projects by the Committee, including the allocation of Credits by the Committee to each of the Projects; and

**NOW, THEREFORE**, be it resolved by the Council as follows:

**SECTION 1. HSC APPROVAL.** The Council hereby acknowledges that it has reviewed the information and materials included in **Exhibit A** and **Exhibit B** attached hereto describing the Bonds and the Housing Program Funding, each FC-Approved Project and each Proposed Project (each a “**Project**” and collectively, the “**Projects**”) and the financing of each of the Projects, and hereby approves the issuance of the Bonds for the financing of each of the Projects, as described therein. Subject, in the case of each Project, to the Borrower’s compliance with all legal and other requirements of the Act and the applicable Programs and confirmation by the Department, including final approval by the Committee in the case of each Proposed Project, that the conditions described in Section 2 below have been satisfied, the Council finds that no further meeting or action of the Council is needed for the Department to request and the Treasurer to proceed with the issuance of the Bonds and for the Department to proceed with the financing of the Project.

**SECTION 2. CONDITIONS TO ISSUANCE, SALE AND DELIVERY OF BONDS.** The Council hereby approves the issuance, sale and delivery of the Bonds for each of the Projects. For each Project, such approval is subject to any remaining final approval(s) that may be required by the Committee (including the allocation of Credits to and final approval of each Proposed Project by the Committee) and/or the Department’s Executive Director (or her designee), and further subject to the Borrower meeting all requirements of the applicable Programs and satisfying all closing and funding conditions, including:

- (A) completion by the Department of all necessary due diligence related to the Project and the financing, consistent with applicable Program requirements, Department policies and practices;
- (B) the absence of any material change to the Project or the financing following the adoption of this Resolution;
- (C) confirmation that all legal and other requirements of the Act and the Conduit Bond Program for the issuance, sale and delivery of the Bonds have been satisfied, as determined by the Department, the Oregon Department of Justice and Bond Counsel; and
- (D) confirmation that all legal and other requirements of the Act and the Programs have been satisfied, as determined by the Department and the Oregon Department of Justice.

**SECTION 3. COUNCIL REVIEW, APPROVAL AND PUBLIC MEETING.** The Council hereby acknowledges that it has reviewed the information and materials included in **Exhibit A** and in **Exhibit B** attached hereto describing the Projects and the financing of each of the Projects, including the Bonds, and conducted such additional review and made such additional inquiry, if any, as it determined to be necessary or appropriate, in compliance with the Council’s obligations



under ORS 456.561(3) and other relevant authority, to review, and to approve or disapprove the financing of the Projects. The Council hereby further acknowledges that the adoption of this Resolution and the HSC approval set forth herein has been made at a public meeting of the Council as required by ORS 456.561(4) and other relevant authority, and that such meeting has been conducted in accordance with applicable law, including any required advance public notice of such meeting. Further, the Council acknowledges that in connection with the adoption of this Resolution and the HSC approval set forth herein, opportunity has been provided to the public to testify or otherwise provide public comment on the Projects and any other matters directly related thereto.

**SECTION 4. EFFECTIVENESS; CONFLICTING RESOLUTIONS.** This Resolution shall be effective immediately upon its adoption. Any prior resolutions of or other previous actions by the Council and any parts thereof that are in conflict with the terms of this Resolution shall be, and they hereby are, rescinded, but only to the extent of such conflict.

*[Signature follows next page]*

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## CERTIFICATION OF RESOLUTION

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The undersigned does hereby certify that I am the duly appointed, qualified and acting [Chair][Vice Chair][Executive Secretary] of the Oregon Housing and Community Services Oregon Housing Stability Council (the “**Council**”); that the foregoing is a true and complete copy of Resolution No. 2024-01-05 as adopted by the Council at a meeting duly called and held in accordance with law on January 5th, 2024; and that the following members of the Council voted in favor of said Resolution:

\_\_\_\_\_  
\_\_\_\_\_

the following members of the Council voted against said Resolution:

\_\_\_\_\_  
\_\_\_\_\_

and the following members of the Council abstained from voting on said Resolution:

\_\_\_\_\_  
\_\_\_\_\_

In witness whereof, the undersigned has hereunto set [his/her] hand as of this \_\_\_\_ day of \_\_\_\_\_ 20\_\_.

\_\_\_\_\_  
[Chair][Vice Chair][Executive Secretary]

**EXHIBIT A**

**APPROVED PROJECTS**

**N/A**

**EXHIBIT B**

**PROPOSED PROJECTS**

- 1- **Julia West (FC – Meeting Schedule for 1/9/2024)**
- 2- **Killingsworth Apartments (FC – Meeting Schedule for 1/16/2024)**
- 3- **Olive Plaza (FC – Meeting Schedule for 1/9/2024)**



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

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| SUMMARY                |                                      |  |  |
|------------------------|--------------------------------------|--|--|
| Project Name:          | Julia West                           |  |  |
| City:                  | Portland                             | County:                                | Multnomah  |
| Sponsor Name:          | CDP Oregon LLC                       |  |  |
| Urban/Rural:           | Urban                                | Total Units:                           | 90   |
|                        |                                      | Total Affordable Units:                | 89   |
| # Rent Assisted Units: | 89                                   | Units by Size & Affordability:         | 60 0-bd units @ 60% AMI<br>29 1-bd units @ 60% AMI<br>1 manager unit |
| Cost Per Unit:         | \$626,940                            | Construction Type:                     | New Construction   |
| Affordability Term(s): | 4%/Bond – 30 years<br>PSH – 30 years | # of Units with Non-OHCS Requirements: | 0 units  |
| Funding Request        |                                      | Funding Use                            |  |
|                        |                                      | Acquisition                            | \$775,000  |
| 4% LIHTC:              | \$2,723,552 annual allocation        | Construction                           | \$38,949,074   |
| PSH:                   | \$18,000,000                         | Development                            | \$16,700,499   |
| Conduit Bonds          | up to \$29,435,000                   | Total:                                 | \$56,424,573   |

| PROJECT DETAILS                             |   |
|---|---|
| Project Description:                        | <p>Julia West is the second phase of an affordable housing development that complements an existing building, Alder House, that is located directly across the street. Both developments are in a unique downtown location in urban Multnomah County with access to an abundance of services within close proximity. Julia West will be a new construction project that will be a 100% PSH model with a total of 90 units including 1 manager unit. Project amenities will include a club house and community room, access to public transportation, internet access, laundry facilities, on site rental office, heating and air conditioning. The unit mix includes 60 studio units, 29 one-bedroom units, and 1 one-bedroom manager unit.</p> <p>Julia West and the 90 units are a stand-alone project and not subject to a master plan development. Closing is anticipated to be in late January 2023.</p> |
| Partnerships to Serve Communities of Color: | <p>Native Americans have the highest overall rate of chronic homelessness (51.8%), despite making up only 2.5% of Multnomah County’s population. Native American Rehabilitation Association (NARA) will provide culturally specific supportive housing to 20 households. NARA was founded in 1970 in Portland, Oregon, and strives to provide education, physical,</p>  |



|   |   |
|---|---|
|   | <p>mental health, and substance abuse treatment for American Indians, Alaska Native and anyone in need. NARA operates as a residential family treatment center, an outpatient treatment center, a child and family service center, a primary health care clinic, several adult mental health locations, a wellness center, and transitional housing for Native women and children.</p>  |
| <p>Reaching Underserved Communities:</p>  | <p>Northwest Pilot Project (NWPP) will provide supportive housing to 69 older adults with significant health needs at Julia West. NWPP has been providing housing placement and support services to very low and extremely low-income older adults (55+) throughout Multnomah County for decades. NWPP’s mission is to offer opportunities for a life of dignity and hope to very low income seniors in Multnomah County by solving housing and transportation needs. NWPP’s Housing Program staff provides individualized housing assessments and supports client-directed housing plans, housing application assistance, technical assistance with reasonable accommodations and appeals, health care advocacy, transportation to medical and housing appointments, linkage to health care and mainstream benefits, short-term financial assistance at move-in, and ongoing retention and resident service support after housing placement.</p> <p>All of NWPP’s Permanent Supportive Housing services are designed to help their clients move quickly into permanently subsidized homes where they can receive individualized support services to ensure their health and housing stability. NWPP has a dedicated PSH Team, including bilingual and culturally diverse staff, to provide home-based and community based support for extremely low-income older adults in permanent supportive housing.</p> |
| <p>MWESB Target:</p>  | <p>CDP Oregon LLC and general contractor, Walsh Construction, are committed to meeting the metro region 1 goal of 30% participation.</p>  |
| <p>Alignment with Statewide Housing Plan:</p>   | <ul style="list-style-type: none"> <li>- Equity and Racial Justice</li> <li>- Homelessness</li> <li>- Permanent Supportive Housing</li> <li>- Affordable Rental Housing</li> </ul>  |
| <p>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</p> |   |



Rendering:



Rendering



**EQUITY & RACIAL JUSTICE (ERJ) PROJECT STATUS**

For each ERJ Alignment Area, please select the dropdown that best describes your project.

|                       |                |
|-----------------------|----------------|
| <b>PROJECT NAME</b>   | Julia West     |
| <b>DEVELOPER NAME</b> | CDP Oregon LLC |

**THRESHOLD REQUIREMENTS**

All project must meet the threshold items below  
 Diversity Equity & Inclusion (DEI) Agreement Signed  
 Affirmative Fair Housing Marketing Plan in Place  
 MWESB Strategic Outreach Plan in Place  
 Tenant Demographic Reporting

**EQUITY & RACIAL JUSTICE (ERJ) ALIGNMENT AREA**

|   |   | <i>Select Using Dropdowns For Each Box Below</i>  |
|---|---|---|
| <b>Developer</b>  |   |   |
| Development Team Structure                              | Description of primary developer  | Non-Culturally Specific For-Profit Organization   |
| Development Team Leadership and Staff Representation    | Representation of BIPOC staff on development team   | Some BIPOC Leadership and Staff   |
| <b>Co-developer</b>                                     |   |   |
| Co-development Team Structure                           | Description of co-developer   | Non-Culturally Specific Non-Profit Organization   |
| Co-development Team Leadership and Staff Representation | Representation of BIPOC staff on co-development team  | Some BIPOC Leadership and Staff   |
| <b>Owner</b>  |   |   |
| Ownership Structure                                     | Description of primary project owner  | Culturally Responsive Owner   |
| Ownership Leadership/Staff Representation               | Representation of BIPOC staff on ownership team   | Some BIPOC Leadership and Staff   |
| Ownership Partnerships                                  | * Ownership structure co/owner(s)   | No partnerships in ownership structure with Culturally Specific or Responsive Organization(s) |
| Ownership MOUs  | MOUs with partners in ownership structure   | Do not have an MOU  |
| <b>Property Manager</b>                                 |   |   |
| Property Management Structure                           | Description of property management team   | Culturally Responsive Property Manager  |
| Property Management Leadership/Staff Representation     | Representation of BIPOC staff on property management team                                     | Some BIPOC Leadership and Staff   |
| Property Management Partnerships                        | Partnership type in property management team  | Partnerships with Culturally Specific and Responsive Organization(s)                          |
| Property Management MOUs                                | MOUs with property management partners  | Do not have an MOU  |
| <b>Service Provider</b>                                 |   |   |
| Service Providers Structure                             | Description of service provider team  | Culturally Specific service provider(s)   |
| Service Providers Leadership/Staff Representation       | Representation of BIPOC staff on service provider team  | Some BIPOC Leadership and Staff   |
| Service providers MOUs                                  | MOUs with partners in service provider teams  | Have an MOU with CSO and CRO  |
| <b>Marketing</b>  |   |   |
| Marketing Partnerships                                  | Organizations contracted with for marketing the lease up of units                             | No marketing partnerships   |
| Marketing Partnerships MOU                              | MOUs with marketing partners  | Do not have an MOU  |
| <b>MWESB Accountability</b>                             |   |   |
| MWESB Commitments                                       | Minimum expectations of MWESB participation as percent of project budget determined by region | 30% target  |
| MWESB Performance                                       | Ability of project team to meet MWESB commitment on prior OHCS funded projects                | Has Met/Exceeded  |

\* Partner in addition to the limited partners that will co-own the property with the primary general partner.







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| SUMMARY                |  |  |   |
|------------------------|--|--|---|
| Project Name:          | Killingsworth Apartments   |  |   |
| City:                  | Portland   | County:                                | Multnomah   |
| Sponsor Name:          | Home Forward   |  |   |
| Urban/Rural:           | Urban  | Total Units:                           | 84  |
|                        |  | Total Affordable Units:                | 84  |
| # Rent Assisted Units: | 28 (Local Housing Authority Project Based Vouchers)                        | Units by Size & Affordability:         | 18 - Studio units @ 60% AMI<br>6 - One BR units @ 60% AMI<br>45 - Two BR units @ 60% AMI<br>15 - Three BR units @ 60% AMI                         |
| Cost Per Unit:         | \$621,695  | Construction Type:                     | New Construction  |
| Affordability Term(s): | 4% LIHTC/Bonds - 30 years<br>LIFT - 30 years<br>PHB Metro Bonds - 99 years | # of Units with Non-OHCS Requirements: | 12 - Studio units @ 30% AMI<br>2 - One BR units @ 30% AMI<br>10 - Two BR units @ 30% AMI<br>4 - Three BR units @ 30% AMI<br>(Per PHB Metro Bonds) |
| Funding Request        |  | Funding Use                            |   |
| LIFT:                  | \$9,930,000  | Acquisition                            | \$0 (Ground Lease)  |
| Annual 4% LIHTC:       | \$2,643,529  | Construction                           | \$37,113,884  |
| Conduit Bonds Request: | up to \$29,232,000   | Development                            | \$15,108,445  |
|                        |  | Total:                                 | \$52,222,329  |

| PROJECT DETAILS      |  |
|----------------------|--|
| Project Description: | <p>Killingsworth Apartments is a new construction, 100% affordable housing development located in Portland. The project will consist of 84 total new units in one residential building. The unit mix includes 18 studio units, 6 one-bedroom units, 45 two-bedroom units, and 15 three-bedroom units. There will be no onsite parking for vehicles, however, there will be 92 bike storage spaces and a shared vehicle parking lot by the adjacent PCC building. This proposed parking plan meets zoning requirements. Project amenities will include two large outdoor courtyards with barbeques, space for outdoor dining, landscaped play areas, lobby, laundry room, bike storage, community room with lounge seating and large TV, commercial kitchen, large dining table, and community computers.</p> <p>The property is located in Multnomah County and surrounding developments include mostly single and multifamily residential housing. The area is in close proximity to schools,</p> |



## Killingsworth Apartments – Housing Stability Council

|   |  |
|---|--|
|   | <p>parks, fire station, hospital, and police station. Public Transportation is available via TriMet stop within a block of the property. Killingsworth Apartments and the 84 units are a stand-alone project and not subject to a master plan development. Closing is anticipated to be in early February 2024.</p>  |
| Partnerships to Serve Communities of Color:   | <p>A Home Forward (HF) Resident Services Coordinator (RSC) will play the central role in delivering resident services. The RSC will collaborate with the Native American Youth and Family Center (NAYA) per the terms of their MOU, and work with other community partners such as Hacienda CDC and Self Enhancement, Inc. on a wide array of programs. A few of these programs will be financial counseling, workforce training, mental health counseling, wellness programs, and provide linkages to culturally specific service providers.</p> <p>There will be a 4,000 SF commercial space for the tenant, NAYA, on the ground level. This space will be used for an Early Learning Center. Also, adjacent to the property is the Portland Community College (PCC) workforce training center that offers several benefits to the community and future tenants.</p> |
| Reaching Underserved Communities:   | <p>Home Forward will be the management agent for Killingsworth Apartments. Home Forward is the Housing Authority of Multnomah County. Home Forward was established in 1941 and has been managing and developing affordable housing for over 80 years. The management team will identify target populations of those least likely to apply and will work with local service providers to ensure outreach efforts are targeted to those populations.</p>   |
| MWESB Target:   | <p>Home Forward and general contractor, O’Neil / Walsh Community Builders, LLC, are committed to meet the Metro Region 1 goal of 30% participation.</p>  |
| Alignment with Statewide Housing Plan:  | <ul style="list-style-type: none"> <li>• Equity and Racial Justice</li> <li>• Affordable Rental Housing</li> </ul>   |
| <p>The LIFT program requires that all project sponsors sign a Diversity, Equity, and Inclusion (DEI) agreement and engage MWESB organizations.</p>  |  |
| <p>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 Acting Executive Director.</p> |  |



**Rendering:**



# Killingsworth Apartments – Housing Stability Council

## ERJ Project Status:

### EQUITY & RACIAL JUSTICE (ERJ) Project Status

|                        |                                 |
|------------------------|---------------------------------|
| <b>Project Name:</b>   | <b>Killingsworth Apartments</b> |
| <b>Developer Name:</b> | <b>Home Forward</b>             |

This project meets the funding framework criteria adopted by Housing Stability Council for this resource, including all applicable Threshold Requirements below:

- Diversity Equity & Inclusion (DEI) Agreement Signed
- Affirmative Fair Housing Marketing Plan in Place
- MWESB Strategic Outreach Plan in Place
- Tenant Demographic Reporting

| ERJ Alignment Area                                   | Project Status   |
|--|--|
| <b>Development Team</b>                              |  |
| Development Team Structure                           | Non-Culturally Specific Non-Profit Organization                                |
| Development Team Leadership and Staff Representation | Some BIPOC Leadership and Staff  |
| <b>Ownership</b>                                     |  |
| Ownership Structure                                  | Not culturally specific or responsive owner                                    |
| Ownership Leadership/Staff Representation            | Some BIPOC Leadership and Staff  |
| Ownership Partnerships                               | Partnerships in ownership structure with Culturally Responsive Organization(s) |
| Ownership MOUs                                       | Do not have an MOU   |
| <b>Property Management</b>                           |  |
| Property Management Structure                        | Culturally Responsive Property Manager   |
| Property Management Leadership/Staff Representation  | Some BIPOC Leadership and Staff  |
| Property Management Partnerships                     | Partnerships with Culturally Specific Organization(s)                          |
| Property Management MOUs                             | Have an MOU with CSO   |
| <b>Service Provider(s)</b>                           |  |
| Service Providers Structure                          | Culturally Specific service provider(s)  |
| Service Providers Leadership/Staff Representation    | Some BIPOC Leadership and Staff  |
| Service providers MOUs                               | Have an MOU with CSO   |
| <b>Marketing</b>                                     |  |
| Marketing Partnerships                               | Culturally competent marketing strategies include CSO partnership              |
| Marketing Partnerships MOU                           | Have an MOU with CSO   |
| <b>MWESB</b>   |  |
| MWESB Commitments                                    | 30% target   |
| MWESB Performance                                    | Has Met/Exceeded   |





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| SUMMARY                |  |  |   |
|------------------------|--|--|---|
| Project Name:          | Olive Plaza Apartments                       |  |   |
| City:                  | Eugene                                       | County:                                | Lane                                      |
| Sponsor Name:          | Human Good Affordable Housing                |  |   |
| Urban/Rural:           | Urban  | Total Units:                           | 150                                       |
|                        |  | Total Affordable Units:                | 149                                       |
| # Rent Assisted Units: | 149  | Units by Size & Affordability:         | 44 1-BR at 30% AMI<br>105 1-BR at 50% AMI |
| Cost Per Unit:         | \$382,498                                    | Construction Type:                     | Acquisition/Rehab                         |
| Affordability Term(s): | 4% LIHTC/Bonds -60 years<br>OAHTC - 20 years | # of Units with Non-OHCS Requirements: | 149                                       |
| Funding Request        |  | Funding Use                            |   |
| 4% LIHTC:              | \$2,547,168 (annual allocation)              | Acquisition                            | \$18,483,040                              |
| Conduit Bonds:         | up to \$31,152,000                           | Construction                           | \$24,218,844                              |
|                        |  | Development                            | \$14,672,845                              |
|                        |  | Total:                                 | \$57,374,729                              |

| PROJECT DETAILS      |   |
|----------------------|---|
| Project Description: | <p>Olive Plaza Apartments is a 12-story property with 150-unit affordable housing units for the elderly and disabled constructed in 1980, located in Eugene. 149 units are currently covered by a Section 8 HAP contract. The project serves seniors and residents with disabilities earning between 30% to 50% of the Area Median Income. The project is fully occupied and maintains a 2 year waiting list consisting of 96 households. All units are targeted towards seniors (62 and over).</p> <p>The redevelopment scope for Olive Plaza will include: Recladding the exterior building envelope, replacing the roofing, new windows, new exterior and interior doors, reconfiguration of the ground floor offices and community spaces, repaving the parking, replacing flooring and lighting in the corridors, replace select plumbing systems and all plumbing fixtures, all new LED lighting, new energy star appliances, new flooring, cabinets and countertops, replace ventilation and heating systems, replace secure entry system and call boxes, and replace smoke detectors.</p> |



## Olive Plaza Apartments – Housing Stability Council

|  |  |
|--|--|
|  | The project is slated for financial closing on January 18, 2024.   |
| Partnerships to Serve Communities of Color | <p>Human Good Affordable Housing (HGAH) plans to focus on partnerships that will help seniors age in place. A full-time resident services coordinator will connect residents to resources and assistance to ordering prescription medications, senior grocery program, and Meals on Wheel. In addition, the resident services coordinator is trained to provide individualized support in check writing, bill payments and budgeting. According to the management company, the population demographics of Olive Plaza Apartments are as follows: residents identify as White (92.8%), Hispanic/Latino (3.3%), Asian (4.6%), and as American Indian/Alaskan Native, Black/African American and Native Hawaiian/Pacific Islander all was less than 2%. 16.9% of residents also identify as a person with disabilities.</p> <p>HGAH has an incredibly successful history of providing culturally appropriate services, a diverse workforce and partnering with marginalized communities and/or communities of color/concern. Planned partnership upon ownership transfer included work with the following Culturally Specific Organizations for outreach and marketing to the target population for Olive Plaza:</p> <ul style="list-style-type: none"> <li>• Central Latino Americano – Hispanic/Latinx</li> <li>• Native American Rehabilitation Association of the Northwest – American Indian or Alaskan Native</li> <li>• Confederated Tribes of Siletz – American Indian or Alaskan Native</li> <li>• Asian American Council of Oregon – Asian</li> <li>• United Territories of Pacific Islander Alliance (UTOPIA) – Hawaiian Native/Pacific Islander</li> <li>• NAACP #1119 – Black or African American</li> </ul> |
| Reaching Underserved Communities:          | <p>HGAH is also the Management Agent for Olive Plaza Apartments. With 53 years of property management experience and 27 years managing affordable rental housing with LIHTC, HumanGood currently manages 6880 units of multifamily housing with 3427 of those units affordable multifamily housing. HGAH is the sixth-largest nonprofit senior living provider in the country and operate nearly 100 affordable housing communities across five states (California, Delaware, Oregon, Pennsylvania, and Washington).</p> <p>HumanGood’s “Welcome Home” initiative will sets aside a percentage of affordable apartments by implementing an owner-adopted admissions preference for individuals experiencing homelessness at Olive Plaza Apartments.</p> <p>HGAH is in active conversation to partner with Lane Community College Nursing Department’s Older Adult Teaching Project. 10 students will be survey residents at Olive Plaza community on their insight on health living.</p>   |
| MWESB Target:                              | HGAH and their general contractor, Walsh Community Builders, LLC, are committed to meet the Region 2 goal of 20% participation.  |





## Olive Plaza Apartments – Housing Stability Council

|  |   |
|--|---|
| <p>Alignment with Statewide Housing Plan:</p>  | <ul style="list-style-type: none"> <li>• Affordable Rental Housing</li> <li>• Homelessness</li> </ul> |
| <p>This project conforms to all OHCS Underwriting standards. 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 Acting Executive Director</p> |   |



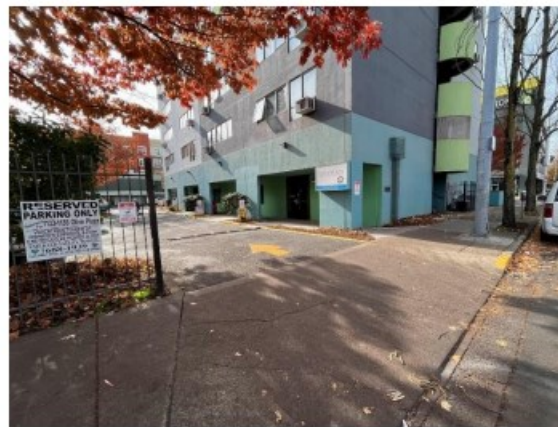
**SUBJECT MAIN PEDESTRIAN ENTRANCE**



**VIEW SOUTH ON 1<sup>ST</sup> AVE**



**VIEW NORTH ON 1<sup>ST</sup> AVE**



**DRIVEWAY**





# Olive Plaza Apartments – Housing Stability Council

---



**EXTERIOR**



**LEASING OFFICE**



**ELEVATOR AND HALLWAY**



**COMMON PATIO**



# Olive Plaza Apartments – Housing Stability Council

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**LAUNDRY ROOM**



**TYPICAL UNIT ENTRANCE**



**LIVING ROOM**



**BATHROOM**



# Olive Plaza Apartments – Housing Stability Council

## EQUITY & RACIAL JUSTICE (ERJ) PROJECT STATUS

For each ERJ Alignment Area, please select the dropdown that best describes your project.

|  |   |  |
|--|---|--|
| <b>PROJECT NAME</b>  | Olive Plaza Apartments  |  |
| <b>DEVELOPER NAME</b>  | Human Good Affordable Housing   |  |
| <b>THRESHOLD REQUIREMENTS</b>  |   |  |
| <p><u>All project must meet the threshold items below</u><br/>                 Diversity Equity &amp; Inclusion (DEI) Agreement Signed<br/>                 Affirmative Fair Housing Marketing Plan in Place<br/>                 MWESB Strategic Outreach Plan in Place<br/>                 Tenant Demographic Reporting</p> |   |  |
| <b>EQUITY &amp; RACIAL JUSTICE (ERJ) ALIGNMENT AREA</b>  |   |  |
| <i>Select Using Dropdowns For Each Box Below</i>   |   |  |
| <b>Developer</b>   |   |  |
| Development Team Structure   | Description of primary developer  | Non-Culturally Specific Non-Profit Organization                            |
| Development Team Leadership and Staff Representation   | Representation of BIPOC staff on development team   | Some BIPOC Leadership and Staff  |
| <b>Co-developer</b>  |   |  |
| Co-development Team Structure  | Description of co-developer   | No Co-developer partnership  |
| Co-development Team Leadership and Staff Representation  | Representation of BIPOC staff on co-development team  |  |
| <b>Owner</b>   |   |  |
| Ownership Structure  | Description of primary project owner  | Culturally Responsive Owner  |
| Ownership Leadership/Staff Representation  | Representation of BIPOC staff on ownership team   | Some BIPOC Leadership and Staff  |
| Ownership Partnerships   | * Ownership structure co/owner(s)   | No ownership partnerships  |
| Ownership MOUs   | MOUs with partners in ownership structure   | Do not have an MOU   |
| <b>Property Manager</b>  |   |  |
| Property Management Structure  | Description of property management team   | Culturally Responsive Property Manager                                     |
| Property Management Leadership/Staff Representation  | Representation of BIPOC staff on property management team                                     | Some BIPOC Leadership and Staff  |
| Property Management Partnerships   | Partnership type in property management team  | Partnerships with Culturally Specific Organization(s)                      |
| Property Management MOUs   | MOUs with property management partners  | Do not have an MOU   |
| <b>Service Provider</b>  |   |  |
| Service Providers Structure  | Description of service provider team  | Culturally Specific service provider(s)                                    |
| Service Providers Leadership/Staff Representation  | Representation of BIPOC staff on service provider team  | Some BIPOC Leadership and Staff  |
| Service providers MOUs   | MOUs with partners in service provider teams  | Do not have an MOU   |
| <b>Marketing</b>   |   |  |
| Marketing Partnerships   | Organizations contracted with for marketing the lease up of units                             | Culturally competent marketing strategies include CSO and CRO partnerships |
| Marketing Partnerships MOU   | MOUs with marketing partners  | Do not have an MOU   |
| <b>MWESB Accountability</b>  |   |  |
| MWESB Commitments  | Minimum expectations of MWESB participation as percent of project budget determined by region | 20% target   |
| MWESB Performance  | Ability of project team to meet MWESB commitment on prior OHCS funded projects                | Insufficient Data  |

\* Partner in addition to the limited partners that will co-own the property with the primary general partner.







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Date: January 5, 2024

To: Housing Stability Council Members  
Andrea Bell, Executive Director

From: Dana Schultz, Permanent Supportive Housing Program Analyst  
Felicia Fournier, Associate Program Analyst  
Amy Cole, State Development Resources Program Manager  
Patricia Akers, Operations & Policy Analyst  
Rick Ruzicka, Assistant Director, Policy and Planning  
Natasha Detweiler-Daby, Director of Affordable Rental Housing Division

Re: Permanent Supportive Housing Risk Mitigation Pool Draft Framework – Approval

---

**Motion: Housing Stability Council approves the program framework for the Permanent Supportive Housing Risk Mitigation Pool as presented (or with noted revisions).**

In January we are returning to the Housing Stability Council for approval on our Risk Mitigation Pool framework. We provided our draft document to HSC in November and since that time have continued to engage with partners and work to update our framework to incorporate HSC and partner recommendations.

**Background**

As the OHCS PSH program is relatively new, OHCS routinely gathers feedback from participants to understand their challenges, needs and concerns associated with the current PSH implementation process. Early consistent feedback pointed to a need for additional resource availability to support higher than anticipated property damage and operational deficiencies associated with the PSH program.

Based on this feedback, in the 2023 Legislative session, a Legislative Concept for a permanent supportive housing (PSH) risk mitigation pool (RMP) was submitted for consideration. It was subsequently funded with a \$4 million allocation. The goal of the RMP is to support the long-term operations of PSH units in the OHCS portfolio to assure financial and operational stability.

RMP is a new statewide program with limited funds, as such, OHCS is focusing on supporting PSH projects in its current portfolio, as defined in the framework. If the program receives expanded resources in the future, we can consider broadening the scope/eligibility for the program as this is something that many of our partners have requested.

The draft framework is attached to this memo.



## Status / Feedback

As part of our engagement to inform this program structure we have consulted with the Housing Development Center (HDC) as well as Portland Housing Bureau (PHB) to incorporate lessons-learned from existing RMP efforts in Oregon. PHB funds the longest operating RMP in the State, which is operated by the Housing Development Center. The proposed structure for the OHCS RMP incorporates this expertise and our framework incorporates similar approaches to the existing RMPs.

Staff has conducted stakeholder engagement with housing authorities and permanent supportive housing providers and held an additional stakeholder engagement session for RMP in December 2023. We are utilizing the Racial Equity Assessment Tool for this program and have updated our framework to include partner feedback including a geographic and Culturally Specific Organization set aside while also intending to align our resources with local funding.

In November the HSC appeared very supportive of our draft framework but there was discussion about the recommendation to limit the cumulative use of these resources over a 10-year period, with stated interest in whether that limit would sufficiently support projects. OHCS staff considered this recommendation carefully and following additional engagement and modeling of potential resource viability, have not chosen to change this 10-year timeframe recommendation. Stakeholders did not express any feedback or concern over the 10-year timeframe. Additionally, given the scale of PSH projects throughout the state, we do not believe we will have sufficient resource predictability if we do not enforce this limit. This resource is not intended to be an ongoing source of operational funds to projects but instead to be a critical backstop to mitigate high risk financial impacts to projects associated with PSH units. We believe evaluating that over a 10-year period will allow us to do so. In the future, assuming the Legislature consistently re-authorizes the program, we anticipate revisiting the 10-year limitation as part of an ongoing program evaluation.

In operating this program, OHCS does not intend to utilize a NOFA or procurement process in order for partners to access this funding source. This will be a reimbursement program tied to allowable damages that is accessible by any OHCS funded PSH project that qualifies until funding has expired. OHCS will establish a standard required for acceptable documentation of damage claims and upon receipt a reimbursement will be made. In rare cases, OHCS may allow for a claim estimate to be used for capital intensive claims with follow up receipts being required after the payment has been made to assure less resourced providers are able to make payments.

## Next Steps

Assuming approval of the framework, OHCS staff will work quickly to finalize programmatic guidelines, procedures, rules and materials. Alignment with local programs will be a deliberate objective of our guidelines and procedures. We hope to open the program in spring 2024.

## **Permanent Supportive Housing (PSH) Risk Mitigation Pool Framework**

### **SECTION A: INTRODUCTION AND GUIDING PRINCIPALS**

The goal of the proposed Permanent Supportive Housing (PSH) Risk Mitigation Pool is to support the long-term operations of PSH units in the OHCS portfolio. Based on feedback from Supportive Housing Institute participants and PSH operators, operating costs attributed to unit damages are jeopardizing the longevity of state funded PSH projects. Program feedback has also indicated that it can be challenging for PSH developments to secure and maintain insurance for PSH properties because of the level and frequency of these damages. Insurance premiums are, in general, very high for PSH developments as insurers are becoming aware of these costs. Insurance claims by PSH properties further increase the cost of insurance by leading to increased deductibles, and in some cases increased partner claims have resulted in providers losing their insurance altogether.

Therefore, whether a project is paying for extraordinary damages and the resulting income losses via their operating reserves or through their insurance, the unexpected size of these costs (due greatly to increased acuity and needs of the population being served) is putting PSH projects at great risk and deterring developers and owners from considering PSH projects in the future. With the creation of this pool, we intend to mitigate the strain of extraordinary operating costs due to damages, including the rising cost of insurance, for PSH units and support the long-term operations of PSH developments/units. We have also created set-asides for funding that align with the current portfolio of PSH properties within our inventory to ensure geographic distribution of funding and for culturally specific organizations to have opportunities to utilize these resources. Both set asides will remain in place for a period of time and then revert to a larger pool to ensure funding is utilized timely.

### **SECTION B: PROGRAM POLICIES**

#### **I. Eligibility**

To be eligible for the RMP assistance, the unit must meet all the following criteria.

- 1) Utilizes Coordinated Entry or other OHCS approved process,
- 2) Utilizes Project Based Rental Assistance,
- 3) Incorporates wrap around supportive services
- 4) Currently in the OHCS portfolio

#### **II. Uses/Types of Claims**

##### **Uses**

The funds may be used to reimburse Project Owners of PSH projects for:

- Physical damages including costs to repair units and community spaces beyond normal wear and tear
- Extraordinary operational losses



- Relocation costs - Relocation expenses, including moving a tenant's belongings, are eligible when the move is necessary to protect the property, staff, or other tenants from physical harm.

The maximum amount of a single claim is a calculation of the size and bedroom amounts listed below:

- SRO units \$10,500
- Studio units \$12,600
- One-bedroom units \$14,000
- Two-bedroom units \$20,300
- Three-bedroom unit \$25,000
- Four-bedroom & up \$30,000

The maximum amount of funding available to the Project is determined by multiplying the number of PSH eligible units by the above amounts. This is a cumulative limit over ten years. Exceptions to this ten-year limit may be requested by the Project Owner and will be reviewed by OHCS on a case-by-case basis. Approval of funding for projects is dependent on Risk Mitigation Pool funding availability.

### **Types of Claims**

There are two types of claims allowable through the Risk Mitigation Pool. While the initial claim form for each of these claims is the same, the documentation required, and the cost reasonableness evaluation procedures differs.

#### **A. Physical**

DEFINITION: These are claims for physical damage to a PSH unit, or affecting the project as a whole, caused by a PSH client and/or their guest. It is assumed that all unit turnovers require a certain amount of repair (normal wear and tear - cleaning, painting, and some carpet replacement for example) that are not appropriate for RMP claims.

1. Physical claims could include the following:

- Excessive cleaning.
- Excessive Debris removal.
- Excessive Extermination.
- Repair of doors, walls, cabinetry.
- Other damages in excess of those normally experienced.
- An administrative fee for supervision of repairs. The allowable fee is 5% of the amount of qualifying physical repairs.
- Damage to common areas by PSH tenant may qualify, depending on the circumstances.

2. Physical items not included are:

- Normal wear and tear.
- Normal turnover costs.
- Damage not caused by a PSH tenant.

#### **B. Operational**

DEFINITION: Operational claims are related to lost rent revenues or excessive operating losses. Though RMP can be used for some operational costs, it is important to note that the RMP is not a rent subsidy program.

1. Claims for excessive operational expenses could include:

- a. Relocation expenses, including moving a tenant’s belongings, are eligible when the move is necessary to protect the property, staff, or other tenants from physical harm.
- b. Rent that is owing but not collected, not to exceed 90 days.
- c. Rent during vacant turnover time, when that period exceeds 60 days.
- d. Other items not specifically excluded might be included, depending on the circumstances.

2. Claims not eligible for reimbursement include:

- a. Any increase in insurance premiums.
- b. Claims for supportive services.
- c. Lost rent during initial lease-up period.

**Section C: Resource & Distribution Strategy**

The Rent Mitigation Pool was established with a legislative investment of \$4 million dollars. Resources will be offered on a first come first served basis utilizing a reimbursement model to pay for eligible costs. OHCS will establish an application process utilizing a claim form and expense documentation. Claims prior to program opening will not be eligible for reimbursement.

OHCS intends for these resources to be utilized within the legislative biennium. Future funding requests will be aligned to demonstrated program needs.

**Culturally Specific Organizations / Administration**

OHCS intends to set aside 10% of the RMP resource allocation for culturally specific organization providers (not tied to geographic set asides). This percentage generally aligns with the percentage of CSO providers currently providing PSH.

|                   |   |                        |
|-------------------|---|------------------------|
| Total RMP Funding |   | \$4,000,000            |
| CSO Set Aside     | – | <u>10% (\$400,000)</u> |
| Remaining Balance |   | \$3,600,000            |

**Geographic Set Asides**

To ensure an equitable geographic allocation of resources, OHCS will establish geographic set-asides for the metro (65%), non-metro urban (25%) and rural (10%) areas of the state. These percentages

generally align with the number of PSH units we have in these areas. We intend to align the definitions of these areas with our LIFT resource definitions. Because resources expire, OHCS may incorporate utilization time frames for each geographic set aside allowing the funding to be accessed by other geographic regions if not utilized timely.

|                          |   |             |
|--------------------------|---|-------------|
| <b>Beginning Balance</b> | - | \$3,600,000 |
| Metro                    | - | \$2,340,000 |
| Non-Metro Urban          | - | \$900,000   |
| Rural                    | - | \$360,000   |

### **Local Resource Alignment**

The value and need to support PSH investments through this type of fund has been recognized by some local jurisdictions within the State. Some communities have already established similar PSH supportive funds. OHCS will align this resource with these local funds as closely as possible with the aim of establishing a clear and consistent process around fund utilization order, streamlined processes and eligibility alignment wherever possible.

DRAFT



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Date: January 5, 2024

To: Housing Stability Council Members  
Andrea Bell, Acting Executive Director

From: Andrea Matthiessen, HOME and Housing Trust Fund Program Manager  
Kimie Ueoka, Senior Capacity Building Analyst  
Amy Cole, State Development Resources Manager  
Rick Ruzicka, Assistant Director of Planning and Policy  
Roberto Franco, Assistant Director, Development Resources and Production  
Natasha Detweiler-Daby, Director, Affordable Rental Housing

Re: Update on Homeless Housing Response and Capacity Strengthening NOFA and  
Development Funding Recommendation

---

**Motion: Approve \$7,500,000 in HOME ARP development resources for Liberty Village  
Apartments located in Hermiston, Oregon (Umatilla County)**

**Background**

In 2023, OHCS issued our Homeless Housing Response and Capacity Strengthening NOFA. This funding was offered to prioritize critical needs for housing for those experiencing homelessness, by both providing resources for development as well as making strategic investment in expanding local capacity needed to drive these efforts forward. The resources used to support this effort were both:

- \$33 Million in federal HOME America Rescue Plan (ARP) resources issued as a one-time allocation, to fund housing and services for chronically homeless populations and to stabilize households most at risk of homelessness in “Balance of State” communities across. The HUD-required HOME ARP Allocation Plan incorporated community feedback to establish funding priorities reflected in the 2023 Homeless Housing Response and Capacity Strengthening NOFA.
- \$2 Million in General Housing Account Program (GHAP) Capacity Building resources to increase the ability of rural communities to develop service enriched housing for households at risk of homelessness and those currently experiencing homelessness.

The attached project summary for the Liberty Village Apartments represents the single HOME ARP development application received. Staff recommends the project for funding under the 2023 Homeless Housing Response and Capacity Strengthening NOFA. The recommendation is based on funding priorities included in the NOFA framework as approved by the Housing Stability Council on January 6, 2023. Seven additional applications were submitted for capacity building resources, which do not require Housing Stability Council approval; information can be found below on these investments.



### **HOME ARP Unallocated Development Resources**

Of the \$33 Million in HOME ARP resources received by OHCS, \$25 Million was allocated to rental housing development in this NOFA. The proposed approval of \$7.5 Million HOME ARP for the Liberty Village project leaves \$17.5 Million in HOME ARP to be allocated to future eligible projects. As included in the NOFA, applicants awarded GHAP capacity building resources will be allowed to submit a completed application for these unallocated HOME ARP Development resources for a period of 24 months (or until the funds are exhausted) without having to participate in a competitive NOFA process. Applications will be accepted on a first come, first served basis, and reviewed against HOME ARP funding and NOFA requirements.

### **GHAP Capacity Strengthening Applicants and Resources**

The GHAP Capacity Building (GHAP CB) program reserved \$2 Million for this offering. OHCS received seven final applications for GHAP CB funding totaling approximately \$1.5 Million (see table and map on next page). Applicants included 1 Tribal Nation, 3 nonprofit organizations, 1 local government, and 2 Public Housing Authorities. All applicants requested the maximum allowable amount for their region. OHCS intends to fully fund all applications that meet threshold and eligibility requirements outlined within the NOFA.

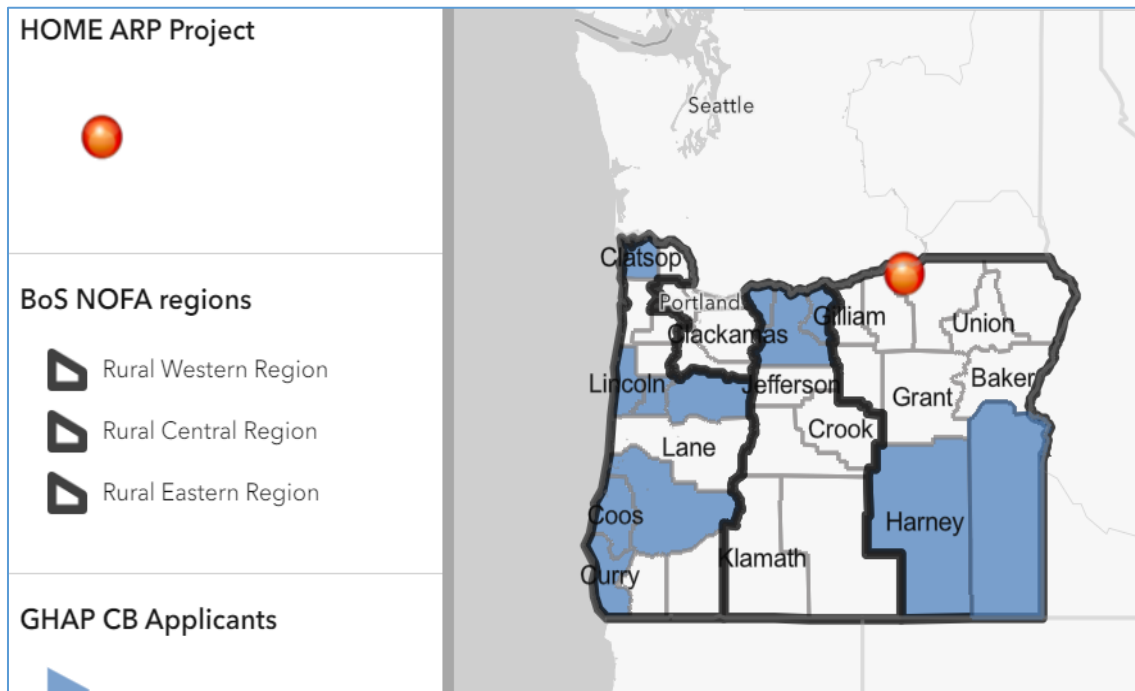
Capacity Building applications are currently under review. Individual award recommendations for the 2023 GHAP CB grants are expected to range from \$150,00-\$225,000. Remaining funds will be held for additional efforts to increase the capacity of rural communities to develop service-enriched housing for homeless or at-risk of homelessness populations.

OHCS has also arranged for the Corporation for Supportive Housing (CSH) to facilitate a limited-duration learning cohort focused on service-enriched housing to support the HOME ARP pipeline. GHAP CB program staff are working to establish additional training and networking opportunities for the cohort to further their regional and project-related capacity building. In efforts to maximize the impacts of available capacity building resources, applicants have proposed capacity building work that builds upon planning done by a local or regional housing planning group or effort. Examples include House Bill 4123 planning groups, County Multi-agency Coordination (MAC) groups, Homeless Response Collaboratives and Task Forces, Executive Order 23-02 Local Planning Groups, and Tribal Housing Strategic Plans.

**OHCS Homeless Housing Response NOFA GHAP CB Applications (12/22/23)**

|   | Balance of State Region | Local Region                     | Entity Type | Applicant/Developer                            |
|---|-------------------------|----------------------------------|-------------|--|
| 1 | Eastern Rural           | Harney County                    | Tribe       | Burns Paiute Tribal Housing Department         |
| 2 | Eastern Rural           | Malheur & Harney Co              | HA          | Malheur & Harney Co Housing Authorities        |
| 3 | Western Rural           | Clatsop County                   | NPO         | Clatsop Community Action                       |
| 4 | Western Rural           | Linn, Benton, Lincoln            | Local Govt  | Community Services Consortium                  |
| 5 | Western Rural           | Coos & Curry Co                  | HA          | Coos-Curry Housing Authorities/North Bend City |
| 6 | Western Rural           | Douglas Co                       | NPO         | Peace at Home Advocacy Center                  |
| 7 | Central Rural           | Hood River, Wasco Co, Sherman Co | NPO         | Columbia Cascade Housing Corporation           |

**Map of Homeless Housing Response and Capacity Strengthening NOFA Proposed Funding**



| SUMMARY                 |                                   |                                |   |
|-------------------------|-----------------------------------|--------------------------------|---|
| Project Name:           | Liberty Village                   |                                |   |
| City:                   | Hermiston                         | County:                        | Umatilla                                |
| Sponsor Name:           | Umatilla County Housing Authority |                                |   |
| Urban/Rural:            | Rural                             | Total Units                    | 17                                      |
| # Rent Assisted Units:  | 15                                | Units by Size & Affordability: | 15 1-BR at 30% AMI<br>2 1-BR at 60% AMI |
| Funding Request         |                                   | Funding Use                    |   |
| HOME ARP Funds:         | \$7,500,000                       | Acquisition                    | \$65,000                                |
| Deferred Developer Fee: | \$206,495                         | Construction                   | \$6,621,753                             |
| Other grants/resources: | \$935,000                         | Development                    | \$1,954,742                             |
| Total:                  | \$8,641,495                       | Total:                         | \$8,641,495                             |

| PROJECT DETAILS                   |  |
|-----------------------------------|--|
| Project Description:              | Liberty Village is a proposed two-story, 17-unit apartment complex that will serve Veterans experiencing or at risk of experiencing homelessness. The project will support Veterans in Eastern Oregon, who regularly are displaced due to the lack of local affordable housing options. The Umatilla County Housing Authority (UCHA) has partnered with Blue Mountain Action Council, who plans to utilize the on-site office to provide case management for residents in the SSVF program as well as on-site referrals for the remaining residents. The complex will contain 17 one-bedroom units and will offer a community room, two laundry rooms and BBQ area. UCHA has committed 15 Section 8 Project Based Vouchers that will be attached to units serving households at 30% AMI or lower. The remaining two units will serve households at/or below 60% AMI. |
| Reaching Underserved Communities: | Liberty Village Apartments will provide service enriched affordable housing to a Veteran population that is currently being underserved in Eastern Oregon. UCHA has secured commitments from numerous service providers to provide culturally responsive services to Veterans requiring mental and physical health care, job training, transportation, and other supportive services that will maximize housing stability at Liberty Village.  |
| MWESB Target:                     | UCHA and its contractor LMC are committed to achieving OHCS targets for MWESB participation and have committed to 20% of construction costs to be developed by both COBID contractors and non COBID certified contractors and subcontractors that meet MWESB requirements. The developer and their contractor understand that this may be challenging given the location of the development but have established partnerships with BIPOC-owned contractors in the local area that are a good fit for the project if timing is proactively lined up for the project construction schedule.  |



|  |   |
|--|---|
| Alignment with Statewide Housing Plan: | <ul style="list-style-type: none"> <li>• Affordable Rental Housing</li> <li>• Homelessness</li> </ul> |
|--|---|

**EQUITY & RACIAL JUSTICE (ERJ) Project Status**

|                      |                                   |
|----------------------|-----------------------------------|
| <b>Project Name:</b> | <b>Liberty Village Apartments</b> |
|----------------------|-----------------------------------|

|                        |   |
|------------------------|---|
| <b>Developer Name:</b> | <b>Umatilla County Housing Authorityx</b> |
|------------------------|---|

This project meets the funding framework criteria adopted by Housing Stability Council for this resource, including all applicable Threshold Requirements below:  
 Diversity Equity & Inclusion (DEI) Agreement Signed  
 Affirmative Fair Housing Marketing Plan in Place  
 MWESB Strategic Outreach Plan in Place  
 Tenant Demographic Reporting

| ERJ Alignment Area                                   | Project Status   |
|--|--|
| <b>Development Team</b>                              |  |
| Development Team Structure                           | Non-Culturally Specific Non-Profit Organization                        |
| Development Team Leadership and Staff Representation | Some BIPOC Leadership and Staff  |
| <b>Ownership</b>                                     |  |
| Ownership Structure                                  | Not culturally specific or responsive owner                            |
| Ownership Leadership/Staff Representation            | Some BIPOC Leadership and Staff  |
| Ownership Partnerships                               | No ownership partnerships  |
| Ownership MOUs                                       | Do not have an MOU   |
| <b>Property Management</b>                           |  |
| Property Management Structure                        | Not culturally specific or responsive Property Manager                 |
| Property Management Leadership/Staff Representation  | Some BIPOC Leadership and Staff  |
| Property Management Partnerships                     | No partnerships with Culturally Specific or Responsive Organization(s) |
| Property Management MOUs                             | Do not have an MOU   |
| <b>Service Provider(s)</b>                           |  |
| Service Providers Structure                          | Culturally Responsive service provider(s)                              |
| Service Providers Leadership/Staff Representation    | Some BIPOC Leadership and Staff  |
| Service providers MOUs                               | Have an MOU with CRO   |
| <b>Marketing</b>                                     |  |
| Marketing Partnerships                               | No marketing partnerships  |
| Marketing Partnerships MOU                           | Do not have an MOU   |
| <b>MWESB</b>   |  |
| MWESB Commitments                                    | 20% target   |
| MWESB Performance                                    | Has Met/Exceeded   |



Date: January 5, 2024

To: Housing Stability Council  
Andrea Bell, Executive Director

From: Brit McLean, Operations & Policy Analyst  
Mitch Hannoosh, Senior Operations & Policy Analyst  
Rick Ruzicka, Assistant Director of Planning & Policy  
Natasha Detweiler-Daby, Director of Affordable Rental Housing

RE: Mixed Income Development Financing Statute Revision from 2023 Legislative Session

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**Motion: Approve a mixed income development financing statute revision that would remove a minimum ratio of restricted units to non-restricted units and replace with a 5-unit project minimum for OHCS project funding eligibility.**

## **BACKGROUND**

During the 2023 Oregon Legislative Session, a small update to OHCS' housing development financing statutes was made via HB 2761, fundamentally changing the types of projects the agency can fund and how it can fund them. Historically, OHCS has been restricted through statutory language to provide funding for projects in which at least two-thirds of the units were rent restricted below 120% AMI. The updated language, effective January 1, 2024, indicates that while the department may still only provide financing towards the portion of housing projects with restricted units, determining if a minimum ratio or number of units is necessary and if so, what that number or ratio is, was left to the determination of OHCS with Housing Stability Council approval.

OHCS staff have had conversations with several jurisdictions around potential challenges with this new approach, and no significant issues were raised around any of the potential options listed below. Staff recommendation is a result of these conversations, best practices research, alignment with OHCS funding process redesign, and an analysis of potential tradeoffs within each option.



## OPTIONS FOR CONSIDERATION

Three primary options have been identified by OHCS staff through research and conversations with key stakeholders and interested parties, as well as a brief analysis of tradeoffs each would entail. Keeping the status quo approach to provide funding for projects in which at least two-thirds of the units were rent restricted below 120% AMI is also an option if the following do not achieve policy objectives.

### 1. Alternative Minimum Standard

This option for consideration moves the standard from a maximum of one-third of unrestricted units in a project to a different standardized threshold to apply to projects. Raising the allowable fraction of market-rate units in a development would allow more mixed income projects to be funded by OHCS but still requires a standard be created. The new standard could be based on any number of standardized factors: population served, project amenities, or a variety of other policy objectives. This option allows for more leverage to attain policy outcomes, but also creates a requirement to determine those standards and justify them for each area. As each project and region of the state is unique, setting a statewide standard with the goal of financing affordable units within a mixed development is challenging. Alternatively, lowering the threshold would have the same risks of being arbitrary, and would further weed out projects that were eligible before the standard that had existed prior to the statutory update. The upfront impact on staff at OHCS would be minimal, as a strict statewide standard is simple to understand and enforce, but communication and justification for the threshold determination would be critical. Collecting sufficient evidence tying mixed income housing to eventual tenant outcomes based on percentage of units in metro versus rural Oregon, as an example, and the ongoing tracking for both partners and OHCS would be a challenging endeavor and would require more robust data and analytical capacity than the ARH team currently has available.

### 2. No Minimum Ratio Standard

The second option sets no standard at all, allowing any project that wishes to use funding for rent restricted units to seek OHCS funding. This would allow for projects with primarily market rate units to receive smaller amounts of funding for one or two units. OHCS would *only* finance the restricted units, and therefore may see an increase in smaller deals



requesting less resources, as opposed to the typical deal structure where OHCS provides the primary funding source. With limited resources, this could mean that with enough small deals applying for funding, fewer fully restricted projects would be able to receive funding. OHCS staff could balance this risk when awarding resources with the creation of a managed pipeline proposed through the new consolidated NOFA process. Additionally, allowing for this type of deal could potentially open new opportunities for low-income Oregonians to live in places they had previously been excluded from. There are myriad benefits to incentivizing de-concentration of poverty through allowing mixed income developments. From a compliance and management perspective, however, funding one or two units does not reduce the significant staff resources and effort that goes into selecting, supporting, and monitoring the project for 60 years.

### **3. Establishing a Minimum Number of Units**

The hybrid approach would establish a minimum number of units associated with each deal to justify the administrative burden with the investment outcome. Multifamily housing is generally defined as a project with 5 units or more and certainly the administrative effort that goes into establishing a new affordable housing development and monitoring these projects for 60 plus years is one of the main reasons why. Understanding the support, legal needs, compliance, asset management and relationship with the development that occurs from project inception to affordability restriction expiration, economies of scale do have some effect, and 5 units has long been the agency's benchmark.

## **RECOMMENDATION**

After evaluating the available options, OHCS staff is recommending Option 3 to Housing Stability Council. This would mean no minimum ratio of restricted units to non-restricted units for projects to be eligible for OHCS funding but establishing a minimum number of units (5) within the project to effectuate a deal.

Staff believe this option strikes the right balance for our shared priorities: more affordable units built, a clear, flexible, and simplified approach for partners, and the added benefit of integrating lower income tenants in market rate developments. Allowing developers across the state to include regulated affordable units in a wider range of developments, including projects that may have been exclusively market-rate under the restrictions of current state statute enables



responsiveness to local market conditions, community priorities, and the availability of other funding.

### **Equity and Racial Justice Considerations**

Staff consider Option 3 to be the best opportunity to apply the agency’s diversity, equity and inclusion goals and racial justice commitments to projects and organizations where those opportunities did not previously exist before the 2023 statute change. OHCS will be able to require Affirmative Fair Housing marketing plans, our regional MWESB participation goals, and other policy objectives sought incentivized through the public resources we administer. Option 3 does not create an easier pathway for funding; on the contrary, developers will be held to the same standards utilized with our full affordable development partners.

### **Deconcentrating Poverty**

HUD’s Office of Policy Development and Research notes the advantages of mixed-income developments when they provide an opportunity for lower income families and their children to live in a neighborhood from which they otherwise would be excluded by economic or other barriers. In fact, HUD federal policy requires public housing authorities to develop an admissions policy that provides for the deconcentration of poverty and income level mixing in some public housing developments. Staff consider Option 3 to be a good entry point for efforts to actively deconcentrate low-income families, by providing affordable units in the most amenity rich, interconnected neighborhoods with access to employment centers, transportation, quality schools, and environmental protections that they may not otherwise have access to.





Date: January 5, 2024

To: Housing Stability Council  
Andrea Bell, Executive Director

From: Mitch Hannoosh, Senior Operations & Policy Analyst  
Rick Ruzicka, Assistant Director of Planning & Policy  
Natasha Detweiler-Daby, Director of Affordable Rental Housing

RE: Construction Loan Guarantee Program - Introduction

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## **BACKGROUND**

Passed during the 2023 Legislative Session, House Bill 3395 instructed OHCS to award funding to one or more non-profit Community Development Financial Institutions (CDFI) to establish a Construction Loan Guarantee (CLG) product. The parameters required in the statute included that the loans that are being guaranteed must be construction loans. Additionally, the project using the CLG must be restricted to low or moderate-income households (up to 120% AMI).

This legislative investment is a deliberate strategy to support development in the current financial market. As interest rates and risk increase, the ability to deploy a guarantee should serve to provide additional up-front security. For lenders this is able to be factored into risk assessments which should both serve to encourage lender investment in financing affordable rental housing construction, and also allow for more favorable loan terms.

In order to implement the program in alignment with statutory requirements, OHCS will release a Request for Applications (RFA) to select a CDFI to operate this program. The CDFI will be expected to develop and propose a financial product that will align closely with statute and legislative intent. OHCS will prioritize proposals that best meet that legislative intent in addition to agency priorities, as determined through the applicants' experience implementing and managing similar types of programs and their responses to questions posed in the RFA.

## **GUIDING PRINCIPLES**

OHCS is required by statute to grant these funds to a CDFI who will then implement and administer this program. OHCS intends to work closely with the selected CDFI to help align resources and support projects that would benefit from leveraging other agency resources. For example, OHCS has a Permanent Loan Guarantee Program (PLG) that, depending on the proposed program design, may benefit a lender or sponsor to connect their CLG to at the time





where the construction loan converts to a permanent loan. The guarantee is expected to be provided before construction financing and last through the life of the construction process, or until activated.

In order to support alignment with CDFI-specific programs and leverage, the goal is for the RFA to be left relatively open ended to allow applicants to propose specific program deliverables and implementation plans. At the same time to ensure alignment with the state objectives, including equity and racial justice, OHCS will have minimum expectations for all applicants of the RFA. RFA parameters will ensure that applicants that are able to propose more equitable, innovative, and impactful plans than other applicants will have a competitive advantage. Some of the minimum expectations and prioritization factors in the RFA will include but may not be limited to the following:

- Loans being guaranteed should support projects that leverage and braid other Agency resources.
- The successful Applicant(s) must prioritize and/or differentiate guarantees for loans to small, rural, and culturally specific organizations; and
- The successful Applicant(s) will provide options for the guarantee to be utilized in a manner that could allow the project to continue moving forward.
- The successful Applicant(s) must identify and work to address historic disparities in lending practices through their proposed financial product.
- Loans supported with the guarantee must be construction loans and must be restricted to low- or moderate-income households (up to 120% AMI);
  - The successful Applicant(s) will prioritize guarantees for loans to projects with lower AMI targets.
- Loans being guaranteed may not exceed five-year terms;
- Loans being guaranteed must emphasize feasibility, longevity, and productivity;
  - Feasibility meaning likelihood the project will complete construction;
  - Longevity meaning loans for projects with shorter required guarantee timelines;
  - Productivity meaning the maximization of units produced for every dollar guaranteed.

## NEXT STEPS

OHCS will continue building the draft RFA and will finalize this framework with Housing Stability Council input. We anticipate releasing the RFA in the first quarter of 2024, with an award anticipated in Summer 2024.

