



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

AGENDA  
 March 01, 2024 9:00 a.m. – 12:00 p.m.  
 Oregon Housing and Community Services  
 725 Summer St NE, Salem OR 97301



Webinar Mtg Only  
 Public [register](#) in advance for this webinar  
*\*Please note the new public hearing process*

TIME	TOPIC	SWHP Priority	ACTION
9:00	<b>Meeting Called to Order</b>		Call Roll
9:05	<b>Report of the Chair</b>		Briefing
9:25	<b>Report of the Director</b>		Briefing
9:40	<b>Affordable Rental Housing Division (pg. 4)</b> <i>Natasha Detweiler-Daby, Director of Affordable Rental Housing Division</i> <ul style="list-style-type: none"> <li>Predevelopment Program Recommendation: <i>Mitch Hannoosh, Senior Operations and Policy Analyst; Rick Ruzicka, Assistant Director Planning and Policy</i></li> <li>Minority Women and Emerging Small Business Briefing: <i>Claudia Cantu, Senior MWESB Initiative Analyst; Michael Parkhurst, Affordable Rental Housing Initiative Manager</i></li> <li>Agricultural Housing Grant Resources Introduction: <i>Mitch Hannoosh, Operations and Policy Analyst; Roberto Franco, Assistant Director Development Resources</i></li> <li>Funding Resources &amp; Set Asides introduction: <i>Mitch Hannoosh, Senior Operations and Policy Analyst; Natasha Detweiler-Daby, Director</i></li> <li>Funding Process Update and Discussion (no memo): <i>Natasha Detweiler-Daby, Director Affordable Rental Housing</i></li> </ul>		Decision  Briefings
11:00	<b>15 min Break</b>		
11:15	<b>Homeownership Division (pg. 29)</b> <i>Keeble Giscombe, Director of Homeownership Division</i> <ul style="list-style-type: none"> <li>Public Hearing Comments in accordance with <a href="#">ORS 456.561</a></li> <li>Veterans HOAP Allocation: <i>Alycia Howell, HOAP Analyst</i></li> <li>Oregon Lending Program 2023 Highlights: <i>Scott Shaw, Assistant Director of Homeownership Lending</i></li> </ul>		Decision  Briefing
12:00	<b>Meeting Adjourned</b>		

*The Housing Stability Council will provide public hearing time in accordance with ORS 456.561. Council's review of loan, grant or other funding award proposals under this section shall be held at a public hearing of the council.*  
*A public hearing is a formal proceeding held in order to receive testimony from all interested parties, including the general public, on a proposed issue or action. A public hearing is open to the public but is regarding a specific proposal/project.*  
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The 2019-2023 Statewide Housing Plan outlines six policy priorities that focuses OHCS' investments to ensure all Oregonians have the opportunity to pursue prosperity and live from poverty.

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

## Statewide Housing Plan Policy Priorities



Equity & Racial Justice



Homelessness



Permanent Supportive Housing



Affordable Rental Housing



Homeownership



Rural Communities

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# Housing Stability Council

## MEETING MATERIALS PACKET



Waterleaf Apts.  
Portland, Or

March 1, 2024  
9:00 a.m. – 12:00 p.m.  
Oregon Housing & Community Services  
Webinar





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Date: March 1, 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: OHCS Predevelopment Loan Program - Recommendation

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**Motion: Approve the predevelopment framework as presented (or as updated in discussion)**

**BACKGROUND**

During the 2023 Oregon Legislative Session, \$9.7M in funding was given to OHCS via HB 5511 for *predevelopment loans to developers of affordable housing financed through the Housing and Community Services Department*. OHCS plans to use this funding to establish a revolving predevelopment loan program that can support partners in reaching the elevated readiness.

The concept of a predevelopment program was advocated for by OHCS staff and leadership as a critical component of the efforts of the Affordable Rental Housing Division to streamline their processes to align with expediting and increasing affordable housing across Oregon as established in Governor Kotek's Executive Order 2023-04. These resources will be provided to help expand and expedite the production pipeline and help projects move closer to readiness before receiving final funding commitment of development resources.

OHCS intends to use this resource to intentionally prioritize support for developers who have historically faced barriers to accessing resources and are disadvantaged by not having internal organizational resources to support early project work, including smaller and/or culturally specific developers.

An initial framework concept was brought to partners for initial input at OHCS's engagement session on September 14. This was followed by continued conversations with other stakeholder groups, including Housing Oregon, CDFIs, Culturally Specific Organizations, small cities and entitlement communities, and other organizations nationally operating predevelopment programs. Input from these groups has helped inform further development of that initial framework that was then brought to the December 2023 Housing Stability Council meeting. Feedback received in that meeting was incorporated, and with further discussion with partners

and work internally on program specifics, OHCS staff are returning to HSC for formal approval of the framework.

## **PROGRAM GOALS**

OHCS received this funding from the Legislature without many mandates provided in statute, which allows for flexibility in usage that can help us best align with goals for the program. In [initial program design conversations, the primary goals identified were:](#)

### **1. Equity**

OHCS acknowledges and has heard emphasized and reiterated many times by partners, that the organizations most at risk of being negatively impacted by the updated funding process are smaller, less resourced organizations that will be disproportionately burdened by increased readiness to proceed expectations. These organizations are often in direct alignment with agency priorities – namely small, rural partners and culturally specific organizations. This program must serve as a critical resource to ensure these organizations are able to achieve success in the updated funding process to the same degree as their more resourced counterparts.

### **2. Impact**

OHCS wants to be able to leverage its positionality as a state housing finance agency to use these funds in ways that have the greatest impact, namely by filling gaps in the current ecosystem of predevelopment funding. As a government entity, OHCS is able to fund projects with different risk profiles and allow for different types of uses of funds than traditional lenders are able to. This program must fill gaps and meet a need that the market is not currently meeting to have the greatest impact for our partners.

### **3. Alignment**

There are numerous other funding opportunities for projects to access before they come in for capital funding through not just OHCS, but other public, private, and nonprofit partners as well. OHCS does not want this program to be either redundant or in conflict with any of these existing resources. This program must align with other existing funding sources in ways that enhance or complement them.

### **4. Sustainability**

While this is critical funding that can have a significant positive impact in moving projects forward, the need for predevelopment funding is greater than the resources given. As such, OHCS believes that to maximize the impact of the initial investment by revolving



this fund, allowing for more projects to be supported than the \$9.7M could achieve. This program must revolve and reinvest loan repayments towards other projects.

## **FEEDBACK RECEIVED**

OHCS received a large amount of input on the [initial program concept](#) both at the engagement, the Housing Stability Council meeting, and in other conversations afterwards. To the extent possible, feedback has been incorporated into the proposed program design described below. At a high level, the most prominent points we heard from stakeholders and councilmembers were the following:

- **Proposed cap insufficient**

Partners believed the proposed \$500,000 cap on loans would not allow them to meet many of the required costs to get their projects to readiness. The cap has been raised to \$750,000 and an ability to collaborate with other lenders to expand further beyond that was incorporated.

- **Desire for broader eligible uses**

Partners were asked what specific costs should be allowable for this program, and submitted a long list of responses, including community engagement, studies (traffic, environmental, market, CNAs, etc.), professional services (modeling, design, arborist, etc.), and others. OHCS heard loud and clear from this feedback that this needs to be a flexible resource, and as such, plans to allow for any cost that is a requirement for a project to achieve the increased readiness standard. If OHCS is going to ask partners to do it to be awarded funding, this program should help to pay for it.

- **Collaboration with CDFIs and other funders**

Alignment was listed as one of OHCS's goals initially, but it was also consistent feedback received that connecting to existing resources, in particular those programs currently operated by CDFIs, would be a major benefit to partners. There was an emphasis as well that if this partnership occurred it needed to allow for streamlined, simple application and approval processes to make it impactful. OHCS has started the conversation with our CDFI partners on what this could look like and is optimistic there will be an ability to execute this collaboration.

- **Clarity on connection to other OHCS funding program**

There was a general desire in the feedback received for more clarity on program structure, but in particular on how this resource would tie to other OHCS funding programs, both capital funding from the updated process but also other early resources





OHCS provides like GHAP Capacity Building and LAP. OHCS is being thoughtful in how these different programs will interplay with each other, and is working on ways to ensure this program aligns with the rest beyond just the organizational eligibility component.

- **Forgiveness opportunities and clarity on recourse**

Given the desire for OHCS to fill gaps in current predevelopment offerings and provide loans both potentially for uses and costs that are not as commonly covered by existing loan products and to organizations that may be deemed more risky by lenders, there was a desire for more clarity on what the process would look like if a project did not reach construction financing and could not repay their loan. The majority of OHCS's affordable rental housing loans are secured by the property, where, along with lenders, we follow lender priority and remedy established in the loan documents in the case of financial foreclosure, which could include the sale of the property that pays back outstanding balances in priority order.

OHCS is still in the planning phases to determine terms for this program. These resources will go in as loans and typically be repaid at financing, when all resources, including state funds, are finalized and the project moves into construction. OHCS believes there may be some scenarios where repayment of predevelopment loans without forgiveness could place an extreme burden on the borrower. OHCS plans for Feasibility Loans to be structured as non-recourse and for the state to incorporate ability for forgiveness where needed in order to be responsive to needs, in particular for small and culturally specific nonprofit organizations. To lessen the risk of resource-loss in this program, OHCS will limit the amount of prospective Feasibility Loan use of this resource. Project investments for the Predevelopment Loan will be measured and scaled based on the eligible costs and available resources. OHCS still needs to explore options and needs for loan security, including situations in which there is a collaborative loan with a third party. In the majority of instances, however, OHCS anticipates projects reaching construction financing and repaying at that point. If the project does move forward, the goal would be to seek repayment.

- **Removal of Local Governments as an eligible entity**

Housing Stability Councilmembers requested the OHCS staff remove local governments as one of the eligible entities to receive funding.



## **PROPOSED PROGRAM FRAMEWORK**

To achieve the above goals, OHCS proposes two separate but interconnected loan products – a feasibility loan and a predevelopment loan. The feasibility loan will be to provide very early financing to developers that need to achieve a defined milestone to understand their project’s ability to move forward with securing funding. It will be a streamlined approval, with restricted eligibility to small, rural partners and culturally specific organizations, as well as generous forgiveness options. The predevelopment loan will have organizational eligibility restricted to nonprofits, Tribes, and Housing Authorities, which will put the program in alignment with OHCS’s other early funding programming, namely the Land Acquisition Program and GHAP-Capacity Building funds. In addition, OHCS is proposing that the predevelopment loan product will also allow for collaborative loans with CDFIs, where partners will be able to extend the loan value beyond OHCS’s established cap by taking advantage of other predevelopment financing, while OHCS assumes a greater amount of the risk of loss on behalf of the CDFI. CDFIs have signaled support of this type of collaboration in an intentional model, with a pool of resources able to be leveraged while still available.

### **a. Feasibility Loans**

Loans below \$50,000 for early feasibility on a development project, including financial modeling, early architectural/engineering, environmental testing, and costs associated with gaining site control. These loans will be more limited eligibility for these resources, with just Culturally Specific Organizations or small rural partners as the only entities able to access them. Feasibility Loans are intended to help eligible organizations complete initial milestones before they likely need to return for a standard Predevelopment Loan.

### **b. Predevelopment Loans**

Structured loans are underwritten based on early financials and conceptual drawings. The minimum loan amount will be \$50,000, and the maximum will be at \$750,000. Project investments for the Predevelopment Loan will be measured and scaled based on the eligible costs and available resources. Loans would be set at a below market interest rate, with repayment occurring at construction financing. Repayments will be recycled into the Predevelopment Loan program for greater sustainability. Projects that do not achieve construction financing within five (5) years must repay the loan in full. Extensions can be requested to allow for up to six (6) years if substantial progress has been made towards achieving construction financing. Loan forgiveness is an option that can be considered on a case-by-case basis for organizations for which repayment of the loan would cause undue burden.



Predevelopment Loans that are leveraging predevelopment funding from a Community Development Financial Institution (CDFI) as well can receive a streamlined, expedited approval if a matching loan has already been approved by the CDFI. The loan must be a minimum of a 1:1 match but can also leverage a greater than equivalent amount from the CDFI lender if desired. The OHCS loan will be top loss and in a subordinate position to the CDFI loan.

#### **NEXT STEPS**

If approved, OHCS staff will begin the rules process with the plan of launching this program in the coming months.





**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:** March 1, 2024

**To:** Housing Stability Council  
Andrea Bell, Executive Director

**From:** Claudia Cantu, MWESB Program Initiative Analyst  
Michael Parkhurst, Policy & Initiatives Manager  
Natasha Detweiler-Daby, Director Affordable Rental Housing

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### **Background**

At the March meeting, Affordable Rental Housing Division (ARH) staff will present an update on efforts to support Minority, Women Owned, and Emerging Small Business Enterprises (MWESB) through our housing investments. OHCS is committed to advancing diversity within its work by incentivizing affordable housing developers to contract with MWESB businesses or historically underutilized businesses. To help achieve this, OHCS has established an MWESB requirement of 20% for rural (Regions 2-5) and 30% for metro (Region 1).

Since we last gave an update to the Council in February 2023, staff have continued to improve reporting on MWESB outcomes, and engage with our MWESB working group to assist in broadening the efforts of OHCS's equity and racial justice strategies throughout the MWESB initiative. This working group includes minority building contract trade associations and development representatives from urban, rural, and tribal communities. A lot of work has been done, not only on the tracking but on ways to offer more resources to stakeholders to assist them in meeting OHCS's MWESB requirements.

### **What happened in 2023?**

The MWESB working group held its first meeting in February 2022 and since then have been meeting monthly and actively providing feedback. Thanks to their time and dedication to further broaden equity and racial justice across MWESB, the following work has been accomplished:

- The [MWESB webpage](#) has a new look and more resources.



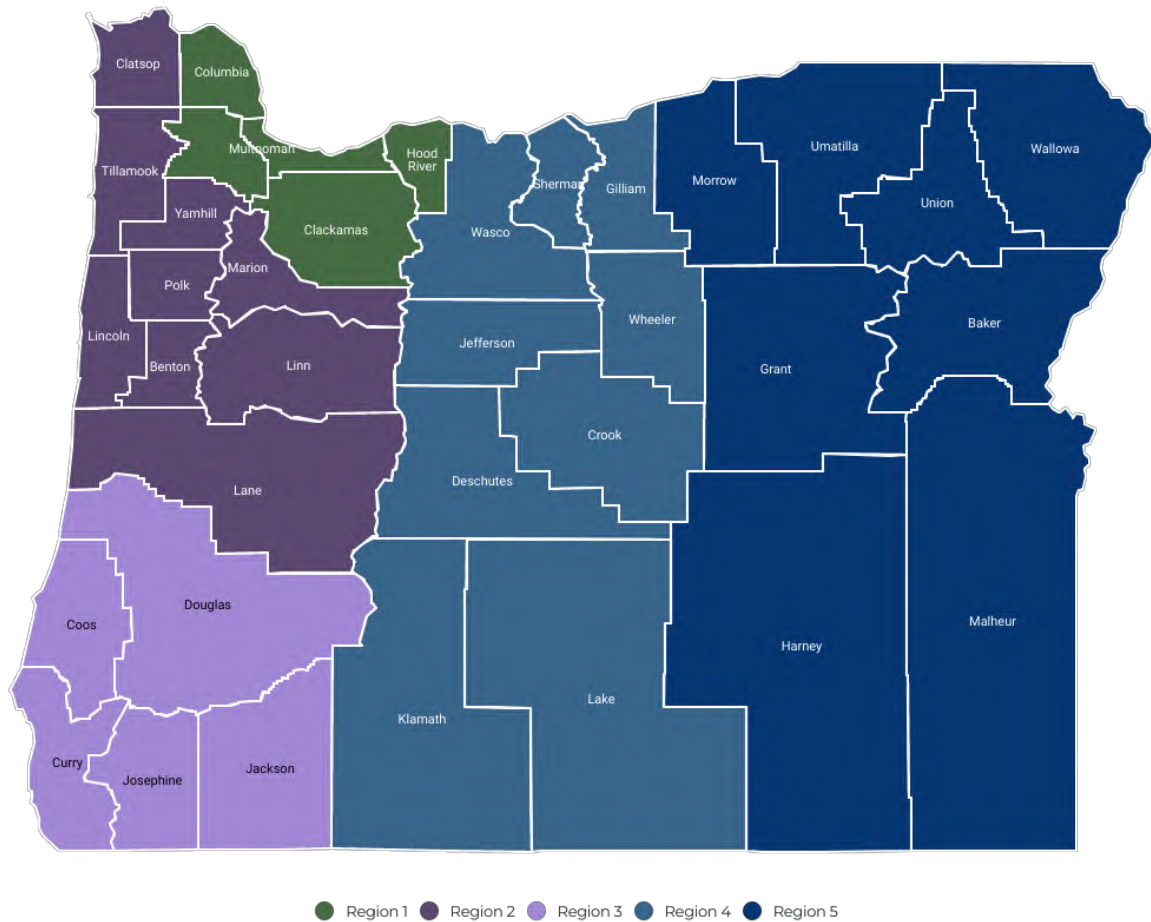
- There is a new [MWESB dashboard](#) where partners can see statewide progress around MWESB since OHCS began tracking in 2022.
- MWESB Reports have been revised to better identify COBID vs non-COBID with new submittal dates. The new dates to submit reports are as follows:
  - Initial Report – due at finance closing
  - 50% Construction Report – due upon project reaching 50% completion.
  - Final Report – due once construction is completed.
- The MWESB [Compliance Manual](#) has been updated to align with the new centralized application process and take into consideration the developer’s performance on meeting MWESB. The compliance manual outlines technical assistance for developers who historically have not met MWESB requirements as well as hiring an MWESB consultant to be paid from project funds.
- A list of general contractors and subcontractors, by region, has been added to help partners and stakeholders identify trades in regions where projects are planned to be constructed.
- A list of minority trade and service organizations, by region, has been added to help partners and stakeholders seek organizations who they can partner with to help in meet or exceed MWESB region requirements.
- All projects under construction are posted showing the sponsor, project name, general contractor, and MWESB percentage. This will be updated quarterly.
- Planned webinars or peer learnings are listed on the [Affordable Rental Housing events page](#).
- MWESB flyer was created to distribute at conferences, meetings, or other gatherings.

Additionally, in October 2023, OHCS held the first Peer Learning Workshop in Talent, Oregon. The purpose of these workshop is to bring resources to rural communities where OHCS projects are funded and under development to increase the ability of developers to meet OHCS’s MWESB region requirements. OHCS encourages all developers, general contractors, sub-contractors, minority trade groups and anyone with direct involvement in the MWESB process to attend. We plan to hold three Peer Learning Workshops in 2024.





## Participation Requirements



Regional Groups	Regions	MWESB Requirement
Metro Oregon	1	30%
Non-Metro	2, 3	20%
Rural Oregon	4, 5	20%



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## MWESB BY THE NUMBERS

Below find two tables with information on reports OHCS received data from January 1, 2023, through December 30, 2023, on 120 projects, of which **85** of those projects are still under construction and **35** projects have completed construction.

Projects Under Construction							
Minority	Women	Service-Disabled Veteran	Emerging Small Business	Disadvantaged Business Enterprise	Total MWESB Awards	Construction & Professional Costs	% of MWESB
\$ 240,443,849.80	\$ 132,006,155.43	\$ 5,546,231.00	\$ 87,854,929.00	\$ 88,360.00	\$ 465,939,525.23	\$ 1,668,835,927.00	28%
Employees Hired by Race							
American Indian	African American	Hispanic	Asian	Native Hawaiian	White	Middle Eastern/Northern African	Disadvantaged Business Enterprise
11	77	215	29	2	106	1	2
\$ 4,756,993.00	\$ 54,228,640.80	\$ 171,843,143.00	\$ 7,585,013.00	\$ 1,022,791.00	\$ 36,508,191.00	\$ 1,437,459.00	\$ 190,126.00
Additional Findings Per Region							
	Region 1	Region 2&3	Region 4&5				
# of Projects	44	30	11				
COBID #'s	514	122	25				
Non-COBID #'s	453	482	167				
MWESB Awards	\$ 343,123,267.23	\$ 104,879,406.00	\$ 17,936,852.00				
MWESB % Averages	31.29%	24.71%	12.98%				



Projects Completed Construction							
Minority	Women	Service-Disabled Veteran	Emerging Small Business	Disadvantaged Business Enterprise	Total MWESB Awards	Construction & Professional Costs	% of MWESB
\$ 58,967,539.00	\$ 28,966,080.00	\$ 8,188,331.00	\$23,339,355.00	\$ 701,465.00	\$ 120,162,770.00	\$ 444,991,130.00	27%
Employees Hired by Race							
American Indian	African American	Hispanic	Asian	Native Hawaiian	White	Middle Eastern/Northern African	Disadvantaged Business Enterprise
3	26	93	17	2	54	1	11
\$ 422,479.00	\$ 3,888,158.00	\$ 45,905,839.00	\$ 4,763,633.00	\$ 45,670.00	\$ 12,661,054.00	\$ -	\$ 742,936.00
Additional Findings Per Region							
	Region 1	Region 2&3	Region 4&5				
# of Projects	14	10	11				
COBID #'s	213	57	54				
Non-COBID #'s	169	219	61				
MWESB Awards	\$ 77,544,519.00	\$ 19,623,885.00	\$22,994,366.00				
MWESB % Averages	35.06%	19.15%	27.25%				

## NEXT STEPS

- ✓ Continue to collect data and work to make easier to compile and create regular reports.
- ✓ Wrap up Diversity Module within Prolink for MWESB data to live within the project folder.
- ✓ Hold up to three Peer Learning Workshops within Eastern Oregon, Central Oregon and the Willamette Valley.
- ✓ Work in partnership with minority trade groups and Business Oregon on upcoming events.
- ✓ Seek opportunities to collaborate with other OHCS departments such as Diversity Equity and Inclusion, Production, LIFT Homeownership and other state offices such as Business Oregon in their efforts of COBID certifications.



Date: March 1, 2023

To: Housing Stability Council  
Andrea Bell, Executive Director

From: Mitch Hannoosh, Senior Policy Analyst  
Roberto Franco, Assistant Director Development Resources  
Natasha Detweiler-Daby, Director Affordable Rental Housing

RE: OHCS Agricultural Housing Grant Resources - Introduction

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## **BACKGROUND**

During the 2023 Oregon Legislative Session, \$10M in funding was given to OHCS via HB 3395 for *grants to qualified housing sponsors for the purposes of developing community housing supporting agricultural workers*. OHCS plans to use this funding to help sponsors navigate our new processes in a way that supports the development of more community-based housing for agricultural workers.

Initial engagement was conducted through the Agricultural Workforce Housing Facilitation Team (AWHFT) meetings in the fall and winter of last year. This was followed by continued conversations with other stakeholder groups, including detailed written feedback from a coalition of community-based organizations, nonprofit legal organizations, and farmworker housing development providers who advocated for these funds (see letter following this memo). Input from these groups has helped inform development of this initial framework being presented today, and that we hope to be the start of a continued dialogue with Housing Stability Council and partners on next steps for this exciting new resource.

## **PROGRAM GUIDELINES**

OHCS received this funding from the Legislature without many mandates provided in statute, which allows for flexibility in usage that can help us best align with goals for the program. There are requirements in the bill for OHCS to prioritize applications that:

1. Are from nonprofit corporations that serve or promotes housing and other needs of agricultural workers,
2. Have other funding dedicated or that can be leveraged,
3. Are close to significant agricultural employment, and

4. Include or are near specific characteristics or amenities that support or attract agricultural workers and their families.

The funding is to be awarded as grants, and the eligible uses of that grant were kept broad, with flexibility to fund any project costs for the development or predevelopment of community housing (as defined in the bill language).

## FEEDBACK RECEIVED

At a high level, the most prominent points we heard from stakeholders were the following:

- **Focus on affordable rental housing development**  
Expressed desire to ensure these funds are used, in their entirety, towards affordable rental housing. Sponsors providing this feedback mentioned the challenges in housing families they are currently facing and the lengthy waitlists they are managing to place those families. The housing shortage is severe, and the simple but compelling argument made was that the ability to provide more homes for more families will help more people and should thus be the path pursued. Prioritizing the majority of the resources to support affordable rental housing is in alignment with current production demands as identified stakeholder needs.
- **Interest in alignment with asset building opportunities**  
In somewhat contradictory feedback to the above desire to support affordable rental housing production to align with critical housing needs, feedback in conversation was received regarding asset building. The bill language does allow for housing that must be developed as being either operated by a consumer housing cooperative or otherwise *operated under a model approved by the department designed to preserve affordability or control of the property by its residents*. Allowing for some of these resources to be eligible for cooperative owned manufactured parks would be consistent with other Affordable Rental Housing preservation initiatives.
- **Prioritize use of resources to support predevelopment**  
As mentioned above, predevelopment costs were called out in the bill language explicitly as an eligible use of these grant funds. Much of the feedback received included a desire to see these funds used for predevelopment costs in some way, citing the new OHCS funding process as potentially making it harder for these types of projects to get to financial closing without this type of support. Allowing for some of these funds to be used for predevelopment would help to mitigate the upfront risk that the community-





based organizations developing this type of housing would otherwise have to take on themselves.

- **Priority for Culturally Specific Organizations**

There was additionally some feedback provided asking OHCS to prioritize Culturally Specific Organizations (CSOs) both through criteria being used for these resources and generally directing resources to the extent possible to these types of organizations. There is language in the bill that mentions nonprofit organizations serving agricultural workers needing to be prioritized, but a CSO is more narrowly defined and connected to their community. This connection provides greater experience and understanding of the needs of this community, which, for a resource required to target a particular community, becomes even more critical. Including a set-aside that intentionally aligns with this input is aligned with policies being developed related to our centralized application structure.

## **PROPOSED PROGRAM FRAMEWORK**

To achieve the statutory goals and address the feedback received the extent possible, OHCS proposes the following program framework. With the new centralized resource application framework, resources generally will not be competitive to the same degree, instead being evaluated to meet a set of standards. This changes the way in which different groups, activities, and types housing can be prioritized, but the framework below will allow these \$10M to serve the organizations that are working with and representative of this population in a way that reflects the majority of the feedback the was received.

- a. **Predevelopment Grants - \$2.5 million**

Eligible organizations, costs, and other programmatic considerations will mirror that of the Predevelopment Loan Program to support affordable rental housing development, but the resources will be provided as a grant, and eligibility will be further restricted to include only projects that will serve agricultural workers. OHCS staff are proposing 25% of total resources, \$2.5M, be used for predevelopment purposes. The choice to provide this funding with the limited resources is a response to the need to respond to concerns around the new funding strategy and the risk organizations will need to take on themselves, particularly culturally specific organizations like many of those that serve farmworkers.



**b. Development Grants - \$7.5 million**

The remaining resources are being recommended to support production of housing to serve agricultural workforce. Within that resource pool, up to \$2 million would be eligible, though not set-aside, for supporting cooperative owned manufactured parks dedicated to serving agricultural workforce.

Additionally, within this resource bucket, we recommend that **\$5 million be set-aside** to fund agricultural workforce housing projects that are being developed either by **Culturally Specific Organizations or that are located in rural communities**. This would ensure that these organizations will have the opportunity to receive these resources and assure ability to invest in rural communities, even if they take slightly longer to get through the development timeline.

## **QUESTIONS AND NEXT STEPS**

After feedback is received from Housing Stability Council, OHCS staff will incorporate that and any additional follow up into the final program framework for approval.





**ALIANZA PODER**  
A NETWORK OF SISTER ORGANIZATIONS



December 15, 2023

Roberto Franco  
Assistant Director  
Development Resources & Production, ARH Division  
Oregon Housing & Community Services  
725 Summer St. NE, Suite B  
Salem, OR 97301

**From: Undersigned organizations**

**Subject: Recommendations for design of farmworker community-based housing**

Dear Mr. Franco,

On behalf of the undersigned organizations, we are writing to provide our recommendations regarding the design and distribution of funding for the \$10 million community-based farmworker housing grant. We believe that implementing these recommendations will enhance the effectiveness and impact of this program.

We, a coalition of community-based organizations, nonprofit legal organizations, and farmworker housing development providers, offer an array of services to farmworker families, including affordable supportive housing, direct services, resource navigation and referrals, and advocacy at the state level. Our diverse coalition is united in addressing the steep challenges faced by farmworker communities in securing affordable and healthy housing.

Farmworker communities often confront obstacles such as low wages and limited access to housing options, as outlined in OHCS's Agricultural Worker Housing Study. Families across Oregon are currently grappling with a housing and homelessness crisis exacerbated by high inflation, disproportionately affecting low-income families and individuals.

### **Legislative Advocacy**

During the 2023 legislative session, many of the undersigned rallied to advocate for a targeted investment towards pre-development and development of farmworker community-based housing through HB 3555. In key agricultural parts of the state, we have successfully implemented housing models that not only provide safe, healthy, and affordable housing to an often-underserved community but also integrate services that help stabilize families. Despite other available funding sources, this marked the first investment specifically earmarked for farmworker community-based housing. Ultimately, the Oregon legislature responded by dedicating \$10 million to this crucial initiative through the end of session housing package, HB 3395.

### **Recommendations**

Several undersigned organizations participated in OHCS' call for feedback and recommendations regarding the \$10 million community-based housing grant, facilitated through the Agricultural Workforce Facilitation Team space on October 19, 2023. We are now providing written follow-up recommendations.

#### **Recommendation one: Allocate all funding towards affordable rental housing**

We strongly urge that the OHCS allocate the available funding specifically for the pre-development and development of affordable rental housing for farmworker families and individuals. The state is grappling with a pronounced housing shortage, particularly affecting farmworkers who encounter challenges in securing housing that is both affordable and meets safety and health standards. By channeling the \$10 million grant exclusively into the realm of affordable rental housing, we can maximize its impact on families.

Notably, certain housing providers mentioned in this letter are facing waitlists that extend over two or three years. To illustrate, an investment in rental housing has the potential to accommodate a larger number of individuals, such as housing 50 families (average 5 members per family translate to 250 individuals) on a 4-acre property. In addition, community-based organizations bring along a series of supportive services to help these individuals and their families to become part of the larger community.

#### **Recommendation two: Prioritize culturally specific housing development organizations.**

Although the prioritization of funding for culturally specific housing providers is outlined in HB 3395 (pg. 31), we wish to reiterate the crucial significance of directing grants towards culturally specific affordable housing developer providers dedicated to serving farmworker families. Within

our state, certain culturally specific housing providers possess decades of experience and expertise in offering supportive and affordable housing solutions to farmworker families.

We should keep in mind that any other sources of income to build affordable housing is as of today based on competitiveness, hence most culturally specific developers must compete with not only larger non-profit organizations but also with private developers.

**Recommendation three: Open grant funding for pre-development use.**

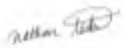
During the feedback meeting on October 19th, there was an inquiry about whether the funding should be allocated for pre-development or development, with both being permissible under HB 3395. Nonetheless, we strongly encourage OHCS to consider opening the grant funding for pre-development. The availability of pre-development funds would prove beneficial, especially in alignment with OHCS' emphasis on having projects funded within six months of closing ("readiness to proceed"). Opting for pre-development funding would effectively mitigate risks for Community-Based Organizations (CBOs) engaged in the development of farmworker community-based housing

**Recommendation four: Funding criteria**


Lastly, we propose the following criteria (beyond the criteria outlined in HB 3395) for funding projects: Projects should align with equity and social justice principles and explicitly delineate how they address the needs of underserved populations; hence grant shall be giving to culturally specific developers with experience developing and serving farmworkers.

Thank you for considering these recommendations. We are confident that by implementing these suggestions, the \$10 million community-based housing grant can achieve even greater success. We are open to further discussion and collaboration to support the realization of these recommendations.

Sincerely,



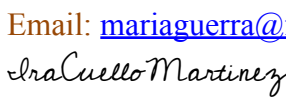
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Latinos Unidos Siempre

Mujeres Luchadoras Progresistas

Centro de Servicios Para Campesinos

Mano a Mano Family Center

Salem Keizer Coalition for Equality

KTUP 98.3FM Radio Poder

Capaces Leadership Institute

Farmworker Housing Dev. Corporation

Evolve Workforce & Housing Services

Cc. Natasha Detweiler -Daby Director Affordable Rental Housing OHCS

Date: March 1, 2023

To: Housing Stability Council  
Andrea Bell, Executive Director

From: Mitch Hannoosh, Senior Policy Analyst  
Roberto Franco, Assistant Director Development Resources  
Natasha Detweiler-Daby, Director Affordable Rental Housing

RE: 2024 – 2025 Funding Resources and Set-Asides

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## **BACKGROUND**

The Affordable Rental Housing Division is working to launch an updated funding solicitation process in the spring that offers resources through a centralized application. Leading up to this point, the division has been engaging in broad outreach including monthly consultation with Housing Stability Council (HSC) that have focused providing input and sharing feedback received on a wide range of topic areas. That process has provided for the foundation of the recommendations being presented in this memo regarding the allocation of resources as well as how we ensure we are incorporating deliberate policy alignment in consultation with HSC.

## **Affordable Rental Housing Resource Values**

The recommendations in this memo are built out of stakeholder engagement and consultation with subject matter experts, including Housing Stability Council. A fundamental outcome from these conversations has been to allow us to identify a series of values that create a road map for how resources are allocated within our funding processes:

1. **Production Needs**: in alignment with the Executive Order 2023-04, the critical need for housing demands that we provide resources aligned with bringing new units into affordability. As such we should prioritize all resources possible for building new or securing new subsidized affordable rental housing. Having flexible pathways and resource use policies aligns with supporting innovation.
2. **Predictable and Available Resources**: resource clarity and availability will expedite development efforts. We should clearly communicate resource availability and ensure greatest flexibility of funds to align with project profiles that are positioned to move forward and into construction.

3. **Tenant centered building design and funding strategies.** Whenever possible, we should seek to ensure resources are aligned with meeting tenant needs. Tenant facing local nonprofits and housing authorities should be key partners across the state as a key infrastructure of development, housing operation, and service provision across the state.
4. **Serve the state.** Geographic distribution matters, ARH should strive to have developments in communities statewide. We should seek to ensure cooperation with local jurisdiction processes, and we should incorporate strategies to intentionally off-set impacts of historic lack of investment in rural communities.
5. **Equity and Racial Justice** needs to be imbedded to serve tenants and also to disrupt impacts of systems that have served to prevent wealth building among organizations that are led by and support BIPOC communities and has limited full access and services to BIPOC community. We need to incorporate policies and set-asides that ensure all projects are culturally responsive and that culturally specific organizations have deliberate pathway to access resources, and Tribes need dedicated access to funding.

### **Funding Resource Recommendation**

These values are represented in the following recommendations which prioritize the following investments of available resources.

- **Production:** all resources allocated to support production and will prioritize
  - Supporting any new Affordable Rental Housing units.
  - Including dedicated Tribal resources.
  - Align with the eligible use of resources available for:
    - Permanent Supportive Housing for Chronic Homeless,
    - Veterans,
    - Agricultural Workforce.
- **Preservation:**
  - Imminent At-Risk of Loss: Physical and Financial
  - Imminent At-Risk of Loss: Properties with Federal Project Based Rent Assistance
  - Portfolio Stabilization Prevention: strategic investments in alignment with asset management intervention tools as previously adopted.
  - Manufactured Park Preservation: acquisition of naturally occurring affordable housing in manufactured dwelling parks.

One significant update incorporated based on our ongoing engagement has been made in response to visibility of the current manufactured park acquisition investments that are



outstanding through our CDFI partner the Network for Oregon Affordable Housing. As a consequence, we have shifted resources to increase the portion of the preservation funding to Manufactured Parks. To counter this impact we re-examined the resources that we had been holding to address funding gaps and have incorporated into the recommendation using an additional \$5 million in GHAP resources to support the Preservation of Rental Housing.

This means that Manufactured Park resources have increased from \$5 million to \$10 million in funds, and we have retained the same investment for the other identified resource uses.

Building this resource to ensure the active investments in this resource to be responsive to timely market acquisition opportunities to form manufactured park cooperatives, aligns with our values of supporting our local funders as well as expediting investments.

The resource offering table can be found on the following page.



2024 Centralized Resource Offering		
	Totals	Resource Types
General Development Capital	\$320,057,704	Includes LIFT & HOME
PSH Capital	\$94,437,884	Includes PSH & HTF
Preservation Rental Capital	\$40,000,000	Includes Preservation Funding & GHAP
	<i>Physical and Financial Risk of Loss</i>	<i>\$30,000,000</i>
	<i>Properties with Federal Project Based Rent Assistance Risk of Loss</i>	<i>\$10,000,000</i>
Manufactured Park Preservation Capital	\$10,000,000	Includes Preservation Funding
Tribal-dedicated Capital	\$30,000,000	Includes GHAP & HDGP
Veteran-dedicated Capital	\$30,000,000	Includes GHAP
Ag. Worker Housing-dedicated Capital	\$10,000,000	Includes Ag Worker Housing Grant Program
<b>Total Capital Available</b>	<b>\$544,495,588</b>	
<i>LIHTC Pairing (4% Credit)</i>	<i>\$0</i>	<i>No LIHTC available in 2024</i>
<i>LIHTC Pairing (9% Credit)</i>	<i>\$0</i>	<i>No LIHTC available in 2024</i>
<i>Ag. Worker Housing Tax Credit</i>	<i>\$12,660,000</i>	<i>Includes Ag Worker Housing Tax Credit</i>
<i>Oregon Affordable Housing Tax Credit</i>	<i>\$18,000,000</i>	<i>Includes OAHTC</i>
<b>Total Credits Available</b>	<b>\$30,660,000</b>	
2024 Other Resources		
	Totals	Resource Types
Last-Gap for current pipeline at readiness	<i>tbd</i>	Includes LIFT & GHAP
Portfolio Stabilization	\$10,000,000	Includes Preservation Funding & GHAP
Other Non-Capital Fund Offerings		
GHAP Capacity Building	\$3,000,000	GHAP Capacity set-aside
Land Acquisition Program	\$1,805,152	as of (1/30/2024); \$10 M will be added
Pre-Development Funding	\$9,700,000	2023 Legislative Allocation
Unsubscribed 2024 resources to roll into 2025 offering, and will add the following additional resources....		
2025 Centralized Supplemental Resource Offering		
	Totals	Resource Types
General Development Capital	\$20,000,000	Includes LIFT
LIHTC Pairing Capital	\$105,000,000	Includes LIFT & GHAP
9% Low Income Housing Tax Credit*	<i>TBD</i>	to be based on 2026 9% allocation ~\$10 million
4% Low Income Housing Tax Credit*	<i>TBD</i>	to be based on PAB availability

\*Qualified Allocation Plan, which guides the Low Income Housing Tax Credit programs, to be updated with engagement beginning in 2nd quarter 2024





### Set-Aside Recommendation

These values are represented in the following recommendations which prioritize the following resource set-asides.

- **Respond to Impacts of Systemic Inequality:** establish a set-aside with dedicated access to Culturally Specific Organizations and small Non-Profit development in Rural Communities; incorporate set-asides in response to where historically underserved populations are housing burdened.
- **Production Statewide:** to ensure investment in a wide amount of communities across Oregon, establish regional set-asides in alignment with the Oregon Housing Needs Analysis

One significant update incorporated based on ongoing engagement and last months Housing Stability Council is to incorporate a data element on the regional allocations that is specific to the portion of the states housing burdened BIPOC households. This change is intended to intentionally align resources to historically impacted BIPOC communities. The recommendation below uses this factor along with the Oregon Housing Needs Analysis data on Underproduction as discussed at last months meeting.

- Organizational Set-Asides: 25%** of Development Resources set-aside with dedicated access to Culturally Specific Organizations and Non-Profit development in Rural Communities. Approximately \$134.9 million.
- Geographic Set-Asides: 75%** of Development Resources set-aside and allocated to three regions across the state. Approximately \$408 million.

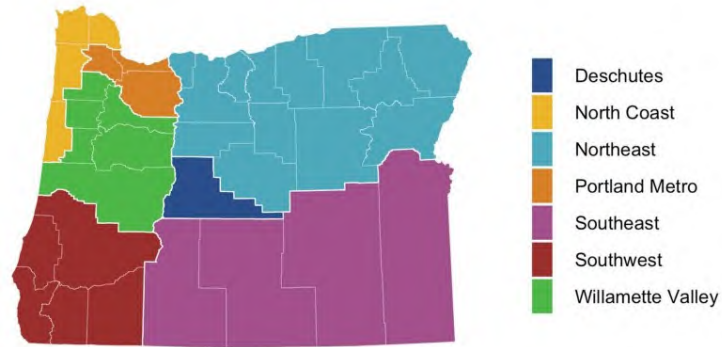
- Regional Allocations:

	Oregon Housing Needs Analysis Underproduction	Housing Burdened BIPOC Households	<i>equal weight of the two factors</i>
<b>Eastern</b>	17%	13%	<b>15%</b>
<b>Metro</b>	35%	44%	<b>40%</b>
<b>Western</b>	47%	43%	<b>45%</b>



These percentages translate to the following allocations.

- Eastern: 15% (approx. \$61 million)- Deschutes, Northeast, Southeast
- Metro: 40% (approx. \$163 million) - Portland Metro
- Western: 45% (approx.. \$184 million) - North Coast, Southwest, Willamette Valley



### Next Steps

After feedback is received from Housing Stability Council, OHCS staff will incorporate that and any additional follow up into the final recommendation for approval.



**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)

March 1, 2024

**To:** Housing Stability Council  
Andrea Bell, Executive Director

**From:** Keeble Giscombe, Director of Homeownership  
Rick Abrego, Interim Assistant Director of Homeownership Programs  
Alycia Howell, HOAP Program Coordinator

**Subject:** Home Ownership Assistance Program Funding  
Veterans Allocation, Veteran Down Payment Assistance Program Changes

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**Purpose:** To provide a briefing on Veteran Home Ownership Assistance Program (HOAP) allocations and update Down Payment Assistance (DPA) program guidelines in an effort to be flexible within OHCS programs that serve Oregon Veterans.

**Recommended Motion:** Approval of the allocation framework and down payment assistance program changes for the HOAP Veteran funding.

**Background:** The Home Ownership Assistance Program (HOAP) receives 14% of the document recording fees deposited to OHCS. 25% of these funds are allocated specifically for Veterans and Veteran families for homeownership opportunities. In 2016/2017 the OHCS Homeownership Team conducted outreach and learning sessions with partnering organizations to determine best use and percentage allocations for all HOAP funding. The decision was made to allocate 60% of the veteran funding for Down Payment Assistance (DPA) and 30% for the Restore Health and Safety repair program. The remaining 10% OHCS uses for administrative expenses. In the recent DPA request for applications, of the 21 awarded organizations, OHCS awarded 7 organizations \$2 million in veteran funding. At the time of the solicitation, OHCS offered \$5 million in veteran funding. In a recent review of DPA reports submitted by partnering organizations for quarter ending September 31, 2023, grantees reported disbursing funds to 117 homebuyers, of those, 3 were reported receiving veteran funding. In the prior DPA grant period, OHCS awarded \$1.5 million with only \$729,757 disbursed to 53 veteran households from a total of 413 households served during the program. Not all of the funds available are getting to the veterans who deserve them.



Currently, in the veteran DPA program there is close to \$2 million waiting to be disbursed for additional DPA use. In recent partner engagement and reading quarterly reports, partnering organizations have indicated there are difficulties reaching veterans in their communities. Some have indicated the number of veterans reaching out for services is lacking, others have indicated veterans' income is extremely low and can't qualify for a loan, or their income level is over the established AMI for HOAP. In addition, partnering organizations indicated staying connected with the local Veterans Service Offices is difficult when funding isn't consistent for this program and the work to reconnect at times is problematic. Partnering organizations have connected with their county service offices, and several have attended events specific for veteran services to get the word out about their DPA programs with some success. In addition, program staff have sent the list of organizations with veteran funding to the Oregon Department of Veteran Affairs loan division and the primary contact for the county service offices. Discussions with OHCS' previous veteran integrator about DPA funds usage encouraged us to make changes to the current program before posting the solicitation in 2022. We removed the additional income some veterans receive such as their disability or pension funds, we also added the spouse of a deceased veteran as an eligible veteran, thus increasing the number of eligible veteran households who qualify for these funds. Unfortunately, we have not seen an increase in funding use from these significant changes.

In the recent partner engagement, we discovered the veteran DPA funding needs to be more flexible to accommodate the different needs of our veterans. We heard in some communities, veterans were not interested in DPA funds if it meant an additional loan on their home with payments, although in the current program, the forgivable loan seems more amenable. Some veterans need more than 20% to get them into a more affordable mortgage payment based on the current interest rates and home prices. We also heard, veterans needed some flexible funding to assist in the costs related to lender required repairs, allowing them to retain their personal savings for future needs after purchase. These are all unique needs specific to veterans ready to purchase their first home.

**Summary:** In our recent partner engagement, we specifically asked the over 50 participants what they saw in their communities serving veteran's needs; assistance with purchases or with health and safety repairs. The engagement did not result in a clear response of the needs in their communities to allow program staff to make a good decision on the allocations. Program staff determined, in an effort to get all HOAP veteran funds out to our community partners to serve veterans, we are seeking approval to combine the pool allocations of 60% and 30% for one pool of funding allowing for the funds to be used by awarded organizations in ways best fitting each community's needs. We believe opening a solicitation with all veteran funding available (including our typical forward allocating), allowing the applicant to choose the DPA Program or the Restore Health and Safety Program or apply for both, will get the funds fully subscribed by applicants. Allowing the applying organization to choose between the two or choose both programs allows us to get all funding awarded throughout the state and lets the organization use the funds best suited for their community rather than having the funds sit in



the OHCS HOAP pool waiting for the next solicitation specific to each funding and/or try to figure the best allocations for this funding. In our discussions with several organizations, it appears this would not cause any additional burdens on the organization and allows them to use the funds the way it works best for their community, serving veteran households where they are, buying or repairing. We believe this would best suit Oregon and the veterans we are trying to assist.

In addition to removing the allocations of the veteran funding, we would like to request approval for changes to the veteran DPA program:

- First Generation Homebuyer: from \$60,000 or 20% of purchase price, whichever is less to: maximum \$60,000
- First Time Homebuyer from \$30,000 or 20% of purchase price, whichever is less to: maximum \$30,000
- 5-year forgivable loan for amounts over \$10,000 change to: awarded organization makes decision that works best for their community to offer a grant or a loan. If offering loans, organizations must still follow the 5 year forgivable loan terms.
- Add funds for lender required repairs: up to 10% awarded DPA amount to homebuyer for repairs paid for at time of closing (at escrow). Increase amount homebuyer receives. (example: \$60,000 awarded, plus up to \$6,000 for repairs, total to homebuyer \$66,000)

We currently have a requisition for the Restore Health and Safety program submitted to the Procurement Department. Rather than opening the solicitation specific to the Restore program as planned, the Homeownership Programs Team would like to open the solicitation for the Veteran DPA and Restore program. Within the solicitation we would like to offer the Veteran funds with the requested changes to the DPA program to allow flexibility for the awarded organizations.

**Policy Intent:** The purpose of this change request is to allow OHCS to offer all veteran funding available at one time and give awarded organizations the flexibility to use the veteran funds best suiting the needs of their community. We are learning from previous DPA programs funds aren't used as quickly as the general population HOAP funds, resulting in funding left unallocated for organizations to use. Funding left unallocated is a disservice to the veteran population of Oregon and should be available for use based on community need.

The additional changes to the DPA program will allow the use of funds to assist each deserving veteran household based on their specific needs with the maximum amount they are eligible for. Allowing the organization to customize their veteran program based on their veteran population will benefit those veterans' seeking homeownership.

Thank you for your consideration.



**Approval Request:** Remove allocation percentages for the HOAP Veteran funding for one funding pool to be used for down payment assistance and health and safety repairs, allowing each applicant to determine best use in their community. In addition, the following changes for the Veteran DPA program:

- First Generation Homebuyer: \$60,000 maximum household amount
- First Time Homebuyer: \$30,000 maximum household amount
- Awarded organization determines best need for community by offering a loan or grant to homebuyer. If offering loans, any loan over \$10,000 must be forgivable after 5 years owner occupancy.
- Homebuyer may receive up to 10% of DPA amount receiving specifically for lender required repairs. Additional amount disbursed to contractor upon repairs completed and at close of escrow.

**DATE:** March 1, 2024

**TO:** Housing Stability Council  
Andrea Bell, Executive Director

**FROM:** Scott Shaw, Assistant Director of Homeownership Lending  
Keeble Giscombe, Director of Homeownership

**SUBJECT:** Oregon Lending Program 2023 Highlights

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**Summary:** In review of 2023, we are excited to share our Homeownership Lending team's accomplishments. While interest rates continued to rise throughout 2023 as a result of inflation which continued to impact the housing market, rates have receded from their high of just over 8% in October (per Bank Rate).

**Briefing:**

**Flex Lending** – In March of 2023 the Homeownership Lending team launched the Flex Lending Program, Oregon's first new homeownership lending program since the establishment of the Oregon Bond Residential Loan (OBRL) program in 1977. Flex Lending was developed to help fulfill OHCS' mission of providing homeownership opportunities for low- to moderate-income Oregonians and is paired with down payment assistance (DPA). 4% is the standard DPA, however borrowers who apply for and meet our Focused Demographic Criteria receive 5% DPA. The Focused Demographics DPA, using loan demographic data is aimed to support communities of color while remaining compliant with Fair Lending laws.

**Oregon Bond**

In the 2023 legislative session OHCS's ability to pair DPA with OBRL was established and the Homeownership Lending team began building the infrastructure to modernize our lending which will be more accessible, easier to use, and easier to understand thus reducing barriers for all. In the coming months we will begin the process of aligning OBRL as a part of Flex Lending which will include offering the Focused Demographics DPA. The culmination will be a seamless continuum of programs and products all in one place, all using the same platform, processes and systems.



### **Data & Demographics**

Data collection has continued to be a focus. Currently OHCS captures minimal data when purchasing OBRL mortgage loans, however as part of Flex Lending’s launch we have begun capturing over 200 datapoints with the goal of using this data to reach underserved populations. We are currently hard at work on the buildout of the interfaces. When the interfaces are completed and this data is available to share we will provide an update.

On the Demographic data front, OHCS has used a separate demographic data form to capture demographic data since 2020 with good results. In 2023 we began requiring the form be returned as part of the loan purchase process. Please see the data for People of Color Served (POC) and Unknown (borrowers whom have opted not to share their demographic information).

	<b>2023</b>	<b>2022</b>	<b>2021</b>
POC Served	22%	28%	27%
Unknown	10%	11%	12%

### **2023 Lending Program Highlights**

Oregon Bond loan purchases are slightly below 2022’s 504 loans purchased with 458 loans. Geographically 28 of Oregon’s counties are represented. Flex Lending has been well received with 28 approved lenders and \$946,568 in DPA loans provided. New lenders continue to apply and our team is providing new loan officer training twice monthly to keep up with demand. We look forward to expanding our reach and assisting more Oregonians in realizing the dream of homeownership.

	<b>Oregon Bond</b>	<b>Flex Lending</b>	<b>Combined</b>
Approved Lenders	9	28	30
Loans Purchased	458	68	526
Volume	\$137,280,316	\$22,344,865	\$159,625,181
DPA Provided	\$0	\$946,568	\$946,568
Average Loan Amount	\$299,739	\$328,601	\$303,470
Counties Served	28	22	28



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### **Recognition**

Integral to OHCS' mission of providing homeownership opportunities for low- to moderate-income Oregonians are our lender partners. We want to elevate those who stand out and thank them for their continued support and partnership.

**Top Lender** - In 2023 long-time lender partner, and advocate for homeownership, Guild Mortgage, delivered more than 50% of OHCS's loan volume.

**Top Loan Officers** – In 2023 our top Oregon Bond loan officers delivered more than 20 loans each, 3 from Guild Mortgage: Cherie Smith (26), Vince Kingston (25), Trevor Nissen (21) and Loan Depot's Lisa McLuskie delivered 24. Flex Lending's Top Loan officers both were from Director's Mortgage: Julie Farrell (5) & Van Melick (4)

	<b>Oregon Bond (OBRL)</b>	<b>Flex Lending</b>
<b>Top Lender</b>	Guild - 243 Loans	Guild - 32 Loans
<b>Top Loan Officers</b>	Cherie Smith of Guild Mtg. – 26 Vince Kingston of Guild Mtg. – 25 Lisa McLuskie of Loan Depot – 24 Trevor Nissen of Guild Mtg. – 21	Julie Farrell – Director's Mtg. 5 loans Van Melick – Directors Mtg. 4 loans

### **Next Steps**

2023 was an eventful year and 2024 looks to bring more opportunities. Opportunities outside our agency to gather best practices from other HFA's, opportunities to convene amongst real estate professionals, to listen, learn and elevate our work. Within our agency there are opportunities to create efficiencies and align with other divisions to deepen our impact. In addition to capitalizing on those opportunities Homeownership Lending has two large tasks ahead. One, align Flex Lending and OBRL to bring DPA across a seamless set of programs and products. Two, collaborate with our research department to utilize the greater than 200 datapoints we are gathering to enhance our Focused Demographic DPA to better assist the underserved.

# Affordable Rental Housing: Oregon Centralized Application

Housing Stability Council  
March 1, 2024



# Project Evaluation Standards

Draft for  
Feedback

- Move from competitive to standards-based review
  - Goal: to convert previous scored structure to standards
  - Evaluation Standards Categories:
    - Capacity / Experience
    - Building and Location
    - Equity and Racial Justice: Meeting Tenant Needs
    - Equity and Racial Justice: Partnerships and Resources
    - Resident Services
    - Financial Standards



# Project Evaluation Standards: Capacity / Experience

New, updated,  
and translated  
threshold  
elements of  
NOFA process

- Prequalification Process
  - Registry to confirm experience, portfolio performance, and legal good standing
- Development Team Experience
  - Sponsor or contracted project support
- Minority, Women & Emerging Small Business (MWESB) strategy & experience
  - Where unsuccessful track record in development team, required MWESB consultant

# Project Evaluation Standards: Building and Location

Translated and  
updated from  
scored  
elements of  
NOFA process

- Locations must meet one or both of the following:
  - Meet two Opportunity Area criteria:
    - Walkable,
    - Near parks and public spaces,
    - Near grocery store,
    - Near transit,
    - Near or co-located childcare,
    - Near high quality schools.
  - Be classified as “high risk” on OHCS’ Anti-Displacement Index



# Project Evaluation Standards: Building and Location

Traditional  
Thresholds  
translated from  
NOFA process

- **Permit** strategy that includes contact with jurisdiction
- **Site control**: must provide evidence of site control (deed, purchase and sale agreement, option to purchase, option for long-term lease, etc.)
- **Zoning** in place: must be properly zoned
- **Architectural** plans: provide initial conceptual site plan and project description, followed by conceptual floor plan and elevations and then permit-level drawings.
- **Environmental** reports: completion of federally required reports or provide a plan/timeline.
- **Infrastructure** readiness: include timing and plan for infrastructure (stormwater, water, sewer, etc.) needs.





# Strategy: Centering Equity and Racial Justice

- Project Characteristics: Meeting BIPOC Tenant Needs
  - Location, Building Design
  - Culturally Specific and Responsive Services
  - Culturally Specific and Responsive Property Management and Tenant Outreach
- Financial Investments:
  - Ownership or Resourced Partnerships
  - MWESB Requirements
  - Resource Set-Asides
  - Diversity Equity and Inclusion Agreements

# ERJ Evaluation Standards: Meeting Tenant Needs

New, updated,  
and translated  
scored  
elements of  
NOFA process

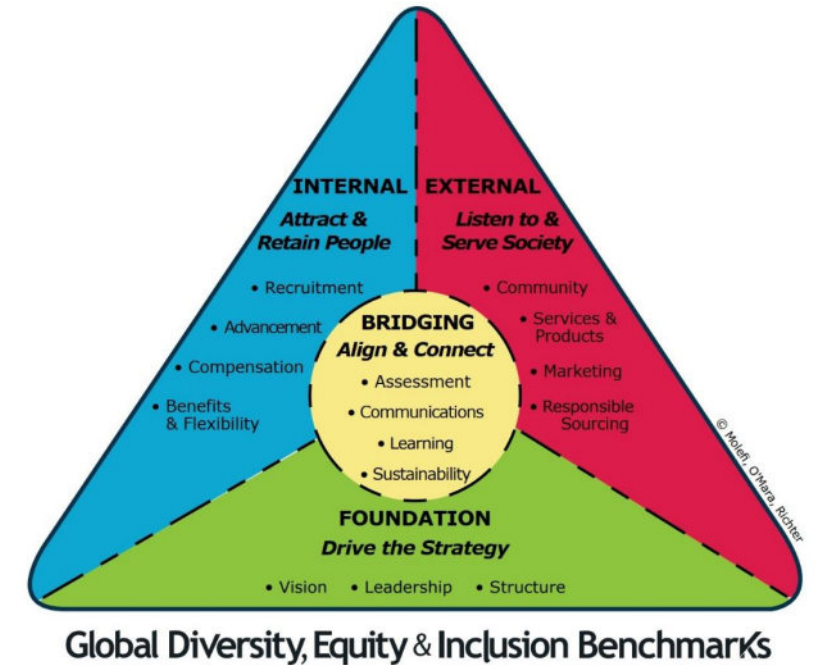
- All project must demonstrate intentional engagement to support community needs; narratives that provide overall and racialized information about their projects including:
  - what applicant has learned about tenant communities, how project design responds to tenant communities' needs, and future engagement.
- All projects must agree to:
  - Tenant demographic data collection, translation of materials, property management language proficiency, documentation of existing racial equity actions.
- All projects must meet 2 of the following:
  - Culturally Specific Organization ownership, BIPOC ownership, plans for BIPOC business utilization, culturally specific resident services, racially equitable tenant populations, tenant outcomes by race and ethnicity.
- Affirmative Fair Housing Marketing Plan that demonstrates how the applicant will reach populations least likely to apply for housing through community contacts, media, signage, etc.



# ERJ Evaluation Standards: Partnerships & Resources

New and  
updated,  
translated scored  
elements of  
NOFA process

- Diversity, Equity, and Inclusion (DEI) Agreement:
  - Partners will select 4 of 15 goals and report progress annually (separate from project applications).
- Minority, Women, and Emerging Small Businesses (MWESB) strategy:
  - Asks about past performance, prior collaboration with general contractors and their experience with MWESB goals, and plans to ensure performance.



# Project Evaluation Standards: Services

Updated and  
translated  
scored  
elements of  
NOFA process

- All projects must provide Resident Services Plans that are responsive to target population needs, and how the project collected and will use tenant feedback.
- If Permanent Supportive Housing, must further demonstrate:
  - Comprehensive strategy for project in alignment to best practices which includes project-based rent assistance, on-site comprehensive tenancy support services, adequate funding for services for length of project affordability, service to households experiencing chronic homelessness, and a Housing First approach.



# Project Evaluation Standards: Financial Guidelines

Traditional  
Thresholds  
translated from  
NOFA process

- Underwriting guidelines
- Financial pro forma
- Construction costs
- Lender and investor letters of interest (LOI)
- Housing and Urban Development (HUD) requirements review
- Risk of loss (preservation only)

# Standards Evaluation

- Questions / Discussion

# Next Steps:

## March

- HSC Predevelopment
- Feedback on Proposed Application Process

## April

- HSC Set-Asides and Resources, Ag Resources.
- Launch Project Intake mid-month
- Concept: *soft-opening with known projects*

## May

- HSC Subsidy Limits, Evaluation Standards
- Conduct and publish trainings
- Rule Updates
- Launch Full Application