

Housing Stability Council

MEETING MATERIALS PACKET



Pacific Flats
Phoenix, Or.

February 06, 2026
9:00 a.m. – 11:45 p.m.
Oregon Housing & Community Services
Webinar

AGENDA

February 06, 2026 9:00 a.m. – 11:45 a.m.
 Oregon Housing and Community Services
 725 Summer St NE, Salem OR 97301



Webinar Mtg Only

Public register inadvarce for this
 webinar

*Please note the [public hearing process](#)

TIME	TOPIC	SWHP Priority	ACTION
9:00	Meeting Called to Order		Call Roll
9:05	Review & Follow-up Action Items		Briefing
9:10	Report of the Chair		Briefing
9:20	Report of the Director		Briefing
	Affordable Rental Housing Division (pg. 04)		
	Natasha Detweiler-Daby , Director of Affordable Rental Housing Division		
	<ul style="list-style-type: none"> • Public Hearing Comments in accordance with ORS 456.561 • Transaction Recommendations: Tai Dunson-Strane, Assistant Director Production; Roberto Franco, Deputy Director Development <ul style="list-style-type: none"> ○ Phoenix Corner Apts. • ORCA Development Funding Recommendation: Amy Cole, Assistant Director Development Resources; Roberto Franco, Deputy Director Development <ul style="list-style-type: none"> ○ FHX62 • ORCA Property Stabilization Funding Recommendation: Amy Cole, Assistant Director Development Resources; Roberto Franco, Deputy Director Development <ul style="list-style-type: none"> ○ Orchards at Orenco II ○ Orchards at Orenco III ○ Erickson Fritz Apartments • ORCA Monthly Update: Natasha Detweiler-Daby, Director 	Decisions	
9:45	Housing Stabilization Division (pg. 32)		
	Liz Weber , Director of Housing Stabilization Division		
	<ul style="list-style-type: none"> • Tribal Housing Funding: Presenters: Judy Hui-Pasquini, Senior Local and Tribal Policy Analyst; Timothy Mahern-Macias, OHCS Tribal Liaison; Colt Stray, Homeless Services Program Coordinator • Eviction Prevention & Shelter Budget Notes: Liz Weber, Director of Housing Stabilization Division; Liz Hearn, Assistant Director of Policy, Planning, and Operations; Emily Edwards, Prevention Policy and Planning Analyst 		
11:00	Meeting Adjourned		Briefing

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

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.

All times listed on this agenda are approximate and subject to change. Agenda items may also be taken out of order and addressed at different times than listed. The agenda may be amended by the Council at the time of the meeting.

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725 Summer St NE, Salem OR 97301

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Mary Ferrell
Maggie Harris
Mary Li
Erin Meechan
Javier Mena
Kristy Willard
Sharon Nickleberry Rogers

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.



Webinar Mtg Only

Public register in advance for this webinar
*Please note the [public hearing process](#)

Statewide Housing Plan Policy Priorities

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



Equity & Racial Justice



Homelessness



Permanent Supportive Housing



Affordable Rental Housing



Homeownership



Rural Communities

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**OREGON HOUSING and
COMMUNITY SERVICES**

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

Date: February 6, 2026

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

From: Hattie Iott, Housing Production Manager of Transactions ARH
Tai Dunson-Strane, Assistant Director of Development Transactions ARH
Roberto Franco, Deputy Director of Development ARH
Natasha Detweiler-Daby, Director of Affordable Rental Housing

Re: **Approval for Resolution #2026-02-06**

Motion: Approve the Resolution #2026-02-06 recommendation for the following project:

BOND RECOMMENDED MOTION: Move approval of Pass-Through Revenue Bond Financing in an amount up to and not to exceed \$12,000,000 to Phoenix Corner Limited Partnership for the new construction of Phoenix Corner Apartments, subject to the borrower meeting OHCS, Banner Bank, and Enterprise Credit Investments', 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 one (1) transaction -4% LIHTC/Conduit Bond.

The project included in the Resolution following this memo were approved by the OHCS Finance Committee or is scheduled for an approval by the Finance Committee. In this memo we are providing you with a high-level summary of the recommended project. More detailed information regarding the project can be found in the individual project summary.

4% LIHTC Applications

The 4% LIHTC program has focused primarily on helping OHCS meet its unit production goals; often in partnership with policy aligned gap funds from OHCS or other public funding partners. 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 and goals established under the Qualified Allocation Plan, General Policy and Guideline Manual (GPGM)



and MWESB/SDVBE Compliance Manual. All applications establish meeting either the minimum or above the percentage goal of MWESB contractors and subcontractors 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 sign the OHCS Diversity, Equity, and Inclusion (DEI) Agreement.

ORCA Applications

The Oregon Centralized Application (ORCA) funding reservation recommendations for approval are based on projects that have met the HSC approved ORCA standards. The project being recommended today has met all standards for the Impact Assessment and Financial Eligibility steps and is ready to move to the third step in the ORCA process, Financial Commitment. Once HSC approves the funding allocations named in this recommendation, the project can proceed to financial closing and start construction.

Funding Recommendations:

We are recommending funding reservation for one (1) project. This project will create **88** units of new affordable housing in the region. The recommendation is for an up-to award of \$12 million in bond financing.

Projects with Other OHCS gap funding

Project Name	County	Units	Sponsor	Underwriting Stage
Phoenix Corner	Jackson	88	Stewardship Development	FC Meeting Schedule for 2/24/2026

Total 88

See following resolution and project summary.



STATE OF OREGON
OREGON HOUSING AND COMMUNITY SERVICES
HOUSING STABILITY COUNCIL

RESOLUTION No. 2026 – 02-06
ADOPTED: FEBRUARY 6TH, 2026

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.

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) recommended to the Council the issuance of Bonds, and (ii) approved or recommended providing the Housing Program Funding to finance the affordable multifamily rental project as listed on Exhibit A attached hereto (the “**FC-Approved Project**”); 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 the FC-Approved Project; 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, the 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]

CERTIFICATION OF RESOLUTION

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. 2026-02-06 as adopted by the Council at a meeting duly called and held in accordance with law on February 6th, 2026; 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

N/A

EXHIBIT B

PROPOSED PROJECT

1- Phoenix Corner (FC – Meeting Schedule for 2/24/2026)



**OREGON HOUSING and
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SUMMARY			
Project Name:	Phoenix Corner		
City:	Phoenix	County:	Jackson
Sponsor Name:	Stewardship Development		
Management Agent:	Stewardship Development		
Urban/Rural:	Rural	Total Units:	88
		Total Affordable Units:	88
# Rent Assisted Units:	0	Units by Size & Affordability:	24 1-BRs @ 60% 32 2-BRs @ 60% 32 3-BRs @ 60%
Cost Per Unit:	\$388,809	Construction Type:	New Construction
Affordability Term(s):	30 years	# of Units with Non-OHCS Requirements:	0
Funding Request		Funding Use	
LIFT Request:	\$19,520,000	Acquisition	\$2,193,374
4% LIHTC:	\$1,206,905 / Annually	Construction	\$22,724,196
Conduit Bonds	\$11,000,000	Development	\$9,297,594
		Total:	\$34,215,164

PROJECT DETAILS	
Project Description:	Phoenix Corner will create 88 apartments at 60% AMI, providing affordable housing for 276+ residents in Phoenix, Oregon. The garden style two- and three-story buildings will be accompanied by a community clubhouse, playground, garden, dog park, and numerous resident gathering areas. The intended tenant community is a diverse mix of families and individuals living in the Phoenix area.
Partnerships to Serve Communities of Color:	Oregon Human Development Corporation (OHDC), entered into an MOU with Stewardship Development under which OHDC will provide services, focusing on Latinx and agricultural workers. OHDC is a culturally specific organization. The city of Phoenix, Oregon, is still grappling with the aftermath of the 2020 Almeda wildfire, and faces a severe housing crisis. Hundreds of families remain displaced, increasing the urgency for new affordable housing development. OHDC engaged with Latino organizations like Unete and the Coalition For-



Phoenix Corner – Housing Stability Council

	<p>taleza, ensuring that the project addresses the needs of Phoenix's 10.4% Hispanic or Latino population. OHDC's involvement will guide culturally responsive services</p>
Reaching Underserved Communities:	<p>Oregon Human Development Corporation (OHDC) is dedicated to supporting tenants of color, particularly within the farmworker community, which largely consists of Hispanic and Indigenous individuals. The culturally specific services aim to address the unique challenges faced by these groups in housing and employment. OHDC offers a range of programs designed specifically for farm-workers, focusing on eviction prevention, job training, and linguistic services.</p> <p>1. Eviction Prevention: We provide resources and advocacy to help tenants navigate the housing system. This includes legal support, access to rental assistance programs, and education on tenant rights to mitigate the risks of eviction.</p> <p>2. Job Training: Our job training programs are tailored to meet the specific needs of farmworkers, offering skills development that aligns with available employment opportunities. This includes workshops, hands-on training, and partnerships with local employers to ensure our clients are job-ready.</p> <p>3. Linguistic Services: Recognizing the language barriers that many of our clients face, we offer linguistic assistance to ensure that Hispanic and Indigenous farmworkers can access our services effectively. This includes translation services and bilingual staff to facilitate communication.</p> <p>Through these programs, OHDC aims to empower tenants of color, providing the necessary tools and support to enable them to thrive in their communities. Our commitment is to foster a culturally respectful environment that understands and honors the diverse backgrounds of those we serve</p>
MWESB Target:	20%
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.	







**OREGON HOUSING and
COMMUNITY SERVICES**

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Date: February 6, 2026

To: Housing Stability Council Members
Andrea Bell, Executive Director

From: Amy Cole, Assistant Director, Development Resources
Roberto Franco, Deputy Director, Development Resources and Production
Natasha Detweiler-Daby, Director, Affordable Rental Housing

Re: February 2026 ORCA Development Funding Recommendation

Motion: Approve the funding reservation recommendation for FHX62 in Portland, up to \$10,670,000 in PSH Capital Development funds in alignment with the ORCA framework and process.

Summary

At the upcoming Housing Stability Council (HSC) meeting, we will be presenting an Oregon Centralized Application (ORCA) recommendation for approval by the Council. The recommendations is based on a project that has met the HSC approved ORCA standards for Impact Assessment, the first step of the three-step ORCA process.

In this memo, we are providing you with a high-level summary of the project recommendation. More detailed information regarding the project can be found in the attachment following this cover memo.

Applications

In all, there are 54 project applications actively in the Impact Assessment step of the ORCA that applicants are in various stages of completing. The project being recommended today has met all standards for the Impact Assessment step.

This project will add 46 new units to the state affordable housing stock. Rent restrictions on the units are at 60% AMI.

Development	Location	Number of units
FHX62	Portland	46
	Total	46



The project recommended for funding this month has demonstrated a priority for serving community needs, including intentional strategies to build housing that are responsive to the needs of historically underserved cultural communities, while serving veterans and persons experiencing homelessness.

The application was reviewed for completeness and to ensure it met all evaluation standards that are part of the Impact Assessment step. These standards include review of the following information:

- Affirmative Fair Housing Marketing Plan (AFHMP)
- Conceptual site plan
- Construction costs
- Development team capacity
- Diversity, Equity, and Inclusion (DEI) Agreement
- Engagement and community needs
- Environmental reports
- Equity and Racial Justice strategy
- Financial proforma for Impact Assessment
- HUD requirements review
- Infrastructure readiness
- Location preferences
- Minority-owned, Woman-owned, and Emerging Small Businesses (MWESB) strategy
- Permanent Supportive Housing (PSH) standards
- Permit strategy
- Prequalification
- Resident services
- Site control
- Zoning in place

Next steps

If the project is approved for a funding reservation, it will receive a conditional commitment of funds and move to the second step in the ORCA process, Financial Eligibility, where it will have up to 6 months to complete the requirements of that step. Once the requirements of the Financial Eligibility step are met, the project will move to the third and final step, Commitment, and from there move to financial closing and project construction.





Housing Stability Council Project Summary Impact Assessment Application Step

SUMMARY			
Project Name:	FHX62		
City:	Portland	County:	Multnomah
State House District:	45	State Senate District:	23
Sponsor Name:	Do Good Multnomah		
Geographic Set Aside:	Metro	Total Units:	46
		Total Affordable Units:	46
# Rent Assisted Units:	46	Units by Size & Affordability:	28 SROs at 60% AMI 5 1 BR at 60% AMI 13 1 BR at 60% AMI
# of Units with OHCS PSH Services Funding:	46	Manager's unit/size	N/A
Cost Per Unit:	\$231,957	Construction Type:	Acquisition
Affordability Term:	30	# of Units with Non-OHCS Requirements:	0
Estimated Funding Request			
Total OHCS Request:	\$10,670,000 PSH	Total project cost:	\$10,670,000

This project is currently in the Impact Assessment step and there may be changes as it progresses through the ORCA process. We recommend to Housing Stability Council the reservation of an up to amount of \$10,670,000 in PSH Development Capital resources for this project, with the expectation that the project retains the characteristics submitted in the Impact Assessment without substantial changes.

PROJECT DETAILS	
Project Description:	FHX62 is a scattered site project consisting of acquisition of two existing market rate properties that will be converted to 100% permanent supportive housing (PSH): Society 62 and Fernhill Crossing.



	<p>Society 62 is a 29-unit SRO co-living community located in the Rose City Park neighborhood of Portland. In addition to large media rooms on each floor, the building features outdoor dining and patios, secure bike parking, outdoor landscaping, recessed balconies and large vertically oriented windows that provide ample natural light. One unit will be designated for a community space and/or services offices. Proposed changes include installation of wireless security cameras, installation of bike storage, and accessibility updates, if needed.</p> <p>Fernhill Crossing is 19 units that includes a mix of one- and two-bedroom apartments and lofted two-bedroom townhomes located in the Cully neighborhood of Portland. The building provides on-site parking, generous ceiling heights for upper units. One unit will be designated as a community center. Proposed changes include playground installation, landscaping for a BBQ/patio area, installation of wireless security cameras, installation of bike storage, and accessibility updates, if needed.</p>
Anticipated closing date:	9/1/2026
Focus Population(s):	Persons experiencing chronic homelessness, veterans
ERJ Strategy:	<p>The project will ensure that all lease-up documents, outreach materials, and tenant-facing content is translated into Spanish, ensuring that documents are accessible to Spanish speakers. Property Management (Meritus) works directly with reputable language access providers, such as IRCO, to ensure equitable access for all tenants. The property website features built-in translation capabilities to support users in accessing essential information such as availability, application procedures, policies and maintenance requests.</p> <p>Do Good Multnomah actively engages with marginalized communities and involves the communities in the planning, design, and evaluation of programs and services to ensure their needs and perspectives are considered. To ensure accessibility, regular audits are conducted to identify and remove barriers that may prevent houseless individuals with disabilities from accessing the organization's services, facilities and events.</p>
Resident Services:	Case Management and Resident Services will be provided by Do Good Multnomah. In addition to one Program Manager who oversees both sights,



	<p>two overnight peer support specialists, one case manager and two Veteran Peer Support Specialists will also staff these projects.</p> <p>Individualized service plans will be developed in collaboration with each tenant, reflecting their unique goals, strengths and challenges. These plans will guide service delivery and help track progress towards housing retention and wellness. Peer support and mentoring will be offered by staff with lived experience, including but not limited to orientation, tenant-led groups, crisis intervention and accompanying tenants to appointments.</p> <p>The following services will be prioritized as part of Do Good Multnomah's Service Plan:</p> <ul style="list-style-type: none">• Assistance with transportation• Assistance with groceries, hygiene supplies and cleaning supplies• Coordination with behavioral and physical health providers• Workshops to encourage independent living skills such as budgeting, cooking and housekeeping• Education on tenant rights and lease responsibilities• Assistance navigating public systems such as Social Security, SNAP & Medicaid
Location Preferences:	<p>Society 62: Normandale Park is located 0.3 miles from the project site with frequent access to bus lines 71, 77 and 19.</p> <p>The property has a walk score of 66 out of 100 and a bike score of 96.</p> <p>Fernhill Crossing: Fernhill Park is located 0.4 miles from the project site with frequent access to bus lines 75 and 72.</p> <p>The property has a walk score of 52 out of 100 and a bike score of 83.</p>



Fernhill Crossing



Society 62





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Date: February 6, 2026

To: Housing Stability Council Members
Andrea Bell, Executive Director

From: Amy Cole, Assistant Director, Development Resources
Roberto Franco, Deputy Director, Development Resources and Production
Natasha Detweiler-Daby, Director, Affordable Rental Housing

Re: February 2026 ORCA Project Stabilization Investment Funding Recommendation

Motion: Approve the funding reservation recommendations for the following projects:

- **Orchards at Orenco II** in Hillsboro, up to \$1,000,000 in Property Stabilization Investments (PSI) Preservation funds and OAHTC to attach to a permanent loan in alignment with the PSI criteria and process.
- **Orchards at Orenco III** in Hillsboro, up to \$1,000,000 in Property Stabilization Investments (PSI) Preservation funds and OAHTC to attach to a permanent loan in alignment with the PSI criteria and process.
- **Erickson Fritz Apartments** in Portland, up to \$1,550,000 in Property Stabilization Investments (PSI) Preservation funds in alignment with the PSI criteria and process.

Summary

At the upcoming Housing Stability Council (HSC) meeting, we will be presenting three Property Stabilization Investments (PSI) recommendations for approval by the Council.

This recommendation is based on the projects meeting the criteria and process set forth for the PSI preservation resource. As described in Affordable Rental Housing Division (ARH) briefing in the HSC October 2025 packet, on October 1, 2025, PSI criteria were developed to be responsive to the urgent need for financial stabilization of properties that had been widely requested by housing partners. These projects all meet the requirements of that update. More detailed information regarding each project can be found in the attachments following this cover memo.

The maximum PSI loan per project is \$2,000,000. Property owners are encouraged to review their portfolio and submit funding requests for a group of properties facing financial risks and stability. There's a maximum of \$5,000,000 for organizations portfolio applications.



Applications

Since the updated PSI offering was made available to partners on October 8, 2025, ARH received 64 intakes expressing interest in PSI. To-date, 55 work centers for application submissions have been opened and 37 complete applications received. ARH anticipates bringing the last projects recommended for PSI funding in next month. A high-level project summary is provided on each. The projects being presented today will use a total of \$3,550,000 to stabilize a total of 162 affordable rental units in 3 projects.

Development	Location	Number of Affordable Units
Orchards at Orenco II	Hillsboro	58
Orchards at Orenco III	Hillsboro	52
Erickson Fritz	Portland	52
Total		162

PSI Structure

PSI is invested as a loan at 1% deferred interest over a 30-year term. The loan, interest, and principal are due at maturity, refinancing, at the end of the affordability period, or re-syndication, whichever occurs first. If a project has less than 60 months of affordability remaining, an additional 5-years of affordability will be added to the project.

In receiving resources, the project must demonstrate sufficient stability after the investment with commitments to ensure that current tenant rents will not be increased more than 5% per year for the next 5 years. Income and rent restrictions are based on the existing program limits where applicable, or HUD-defined Multifamily Tax Subsidy Projects (“MTSP”) limits.

OHCS applies underwriting guidelines to ensure ongoing project viability and risk mitigation associated with all applicable programs. Guidelines are consistent with industry-standard minimum requirements of mortgage lenders, investors, and other potential public funding sources as detailed in the General Policy and Guideline Manual (GPGM).

Next steps

When a project is approved by Housing Stability Council for a funding reservation, it will receive a conditional commitment of funds and proceed through complete underwriting. The ORCA process for PSI evaluation standards is focused on the risk framework. PSI projects are already in the OHCS portfolio, and the investment is to right-size debt in the property to allow for stable ongoing operations. The projects that qualify must demonstrate that the risk is imminent and once selected require expedited financing to ensure anticipated outcomes. As such, the ORCA has adopted a revised pathway which drives to project financial closing as soon as all requirements are met. The Monthly ORCA Update contains additional information about our



February 6, 2025

Property Stabilization Investments Reservation Recommendations

approach for ensuring ongoing performance and reporting of these investments to Housing Stability Council



Project Summaries

Orchards at Orenco II (#3978)			
City:	Hillsboro	County:	Washington
State House District:	30	State Senate District:	15
Sponsor Name:	REACH Community Development Corporation		
Geographic Set Aside:	Metro	Total Units:	58
		Total Affordable Units:	58
Total OHCS Request:	\$1,000,000 PSI, 1% interest for 30 years OAHTC to attach to a \$1,165,279 loan	Total project stabilization cost:	\$1,000,000
Project Details			
Project Description:	<p>Orchards at Orenco II has experienced low occupancy, non-payment of rent, and highly escalating operating costs since 2020. REACH CDC deferred management fees 2021-2024 and has paid site staff payroll from its organizational budget since 2023, which is unsustainable for the organization. Resident service fees are in arrears. Ownership has worked closely with property management staff to decrease vacancy rates and the project has averaged 95% occupancy in recent months. Collections of past-due rents have increased for the project.</p> <p>Efforts to achieve operational stability have been successful, but the accounts payable balance is unable to be covered without debt buy-down. Debt buy-down will allow the project to utilize operating cash to cover their monthly costs while working to pay down items in arrears. The addition of OAHTCs will make the permanent loan more affordable.</p>		
Anticipated closing date:	April 30 th , 2026		
Focus Population(s):	Family/Workforce		
PSI Request Detail:	<p>Debt Buydown Amount Requested: \$1,000,000 Capital Repairs Amount Requested: \$0 Approved Administrative Fee: \$0 Capital repairs to be performed: N/A</p>		
Set-Aside Considerations:	Non-Profit		



Orchards at Orenco III (#3977)			
City:	Hillsboro	County:	Washington
State House District:	30	State Senate District:	15
Sponsor Name:		REACH Community Development Corporation	
Geographic Set Aside:	Metro	Total Units:	52
		Total Affordable Units:	52
Total OHCS Request:	\$1,000,000 PSI, 1% interest for 30 years OAHTC to attach to a \$1,920,626 loan	Total project stabilization cost:	\$1,000,000
Project Details			
Project Description:	<p>Orchards at Orenco III is the sister-site to Orchards at Orenco II and is experiencing comparable barriers. Low occupancy, non-payment of rent, and escalating operating costs are the primary drivers of instability. REACH CDC deferred management fees 2021-2024 and has paid site staff payroll from its organizational budget since 2023, which is unsustainable for the organization. Resident service fees are in arrears. Ownership has worked closely with property management staff to decrease vacancy rates, with the project at 98% occupancy in recent months. Collections of past-due rents have increased for the project.</p> <p>Efforts to achieve operational stability have been successful, but the accounts payable balance remains unable to be covered without debt buy-down. Debt buy-down will allow the project to utilize operating cash to cover their monthly costs while working to pay down items in arrears. The addition of OAHTCs will make the permanent loan more affordable.</p>		
Anticipated closing date:	April 30 th , 2026		
Focus Population(s):	Family/Workforce		
PSI Request Detail:	<p>Debt Buydown Amount Requested: \$1,000,000 Capital Repairs Amount Requested: \$0 Approved Administrative Fee: \$0 Capital repairs to be performed are: N/A</p>		
Set-Aside Considerations:	Non-Profit		



Erickson Fritz Apartments (#3999)			
City:	Portland	County:	Multnomah
State House District:	33	State Senate District:	17
Sponsor Name:	Innovative Housing		
Geographic Set Aside:	Metro	Total Units:	62
		Total Affordable Units:	52
Total OHCS Request:	\$1,550,000 PSI, 1% interest for 30 years	Total project stabilization cost:	\$1,550,000
Project Details			
Project Description:	Erickson Fritz Apartments has experienced extreme rates of vacancy and associated losses in the last several years. There are many factors that have impacted this high rate of vacancy, including location specific challenges around neighborhood safety. Ownership has maintained security detail during operating hours. New property management agent was hired in February 2024, and the project has seen stabilization with vacancy around 95% in the last year, but it frequently dips lower due to evictions. Security and safety in the neighborhood have meant setting lower rents to attract residents, further negatively impacting cash flow. Several units over the last few years were taken offline for long periods of time due to considerable damages, some reaching \$10-30K to remediate. Operating costs, such as insurance premiums, have also impacted cash flow. A PSI investment will enable a debt buy down and will incorporate actual rent revenue and the higher operating needs of the project to support stabilization alongside existing efforts with property management to stabilize and support the resident population.		
Anticipated closing date:	April 30 th , 2026		
Focus Population(s):	Family/Workforce		
PSI Request Detail:	Debt Buydown Amount Requested: \$1,550,000 Capital Repairs Amount Requested: \$0 Approved Administrative Fee: \$0 Capital repairs to be performed are: N/A		
Set-Aside Considerations:	Non-Profit		





DATE: February 6, 2026

TO: Housing Stability Council
Andrea Bell, Executive Director

FROM: Affordable Rental Housing Division
Natasha Detweiler-Daby, Director

SUBJECT: Oregon Centralized Application (ORCA) February 2026 Update

ORCA is one of the primary ways the state advances housing progress. This document expands and provides information about the data that we have available on our website, to increase understanding and share insights about our observations as we continue to lean into our commitments to evaluate and adjust.

Key updates:

- Proposed PSI Reporting Framework: Appendix A includes OHCS's proposed reporting framework and accountability mechanism for PSI-funded projects.

ORCA pipeline as of 1-26-2026:

	Intake	Impact Assessment	Resource Waitlist	Financial Eligibility	Commitment	Total
# Projects	89	68	37	38	5	237
# Units	6,926	4,645	2,671	2,700	211	17,153
\$ Requested	\$677,684,856	\$1,034,112,100	\$599,324,205	\$539,678,577	\$44,961,600	\$2,895,761,338

*Additional information can be found online for **available resources & waitlist** ([link](#)) and all **pipeline data** ([link](#)).*

Pipeline summary:

Step: Intake

OHCS is observing a slowdown in new project intakes, likely due to developer awareness of resource constraints. 60% of intakes are for Property Stabilization Investments. The remainder are primarily for the 9% LIHTC offering.

Step: Impact Assessment

There are 57 projects that are actively working on their Impact Assessment applications, and the remaining 11 projects have submitted their application and are being actively reviewed by OHCS.

Step: Resource Waitlist

There are a total of 37 projects currently awaiting resources.

OHCS recently refreshed its [currently available resources document](#) and its [set-aside strategy](#) in order to commit new legislative investments for the 2025-27 biennium. Here is a summary of current resource availability:

- **4% LIHTC:** Private Activity Bonds (PAB) are available for applications in both 2025 and 2026; projects eligible for the funds may submit applications for evaluation. Where projects do not need paired gap funds, the project will be able to proceed based on available PAB only. OHCS recently updated the policy for required PAB leverage in 4% LIHTC Projects to a minimum of 30%; more information can be found [here](#).
- **9% LIHTC:** The 2026 offering is currently accepting requests for resources through February 25, 2026.
- **LIFT:** This resource has been fully subscribed.
- **PSH:** Approximately \$25M will be remaining after the February HSC meeting to support the development of Permanent Supportive Housing (PSH).
- **GHAP/HDGP:** Approximately \$15M remains via forward allocation from the General Housing Account Program (GHAP) and Housing Development Grant Program (HDGP) for Native Nations projects.
- **GHAP Veterans:** This resource has been fully subscribed.
- **GHAP Capacity Building:** OHCS is finalizing grant application reviews and will be making announcement of grant awards in the coming weeks.

- *HOME*: Approximately \$8M is remaining for HOME Balance of State projects.
- *Oregon Affordable Housing Tax Credit*: The program was updated in October to implement the new pass-through exemption for Financial Distress; resources remain available.
- *Preservation*: This resource has been fully subscribed. Some preservation funds are held back to be offered to support 2026 9% LIHTC projects and if not fully utilized will be offered to support projects with imminent critical risks.
- *Stabilization*: Approximately \$3.8M will be remaining after the February HSC meeting. These funds are prioritized for projects with critical risk of loss within the 2025-27 biennium. The balance of set-asides for PSI include: \$875,000 for nonprofit organizations and \$1 million for Culturally Specific Organizations.

OHCS will match ORCA projects with available resources to bring forward funding recommendations until fully subscribed. Where resources become insufficient to finance projects within resource use set-asides, resources will be pooled and connected to projects based on fit and to ensure maximum impact of state investments. Future resources anticipated to be offered through the ORCA include: gap funds for older adults and persons with disabilities, and direct lending.

Step: Financial Eligibility

Once projects are approved by HSC, they are given up to six months to proceed through the Financial Eligibility step. There are 38 projects currently in this step. OHCS is working to update its public dashboard with additional information about development readiness (local government entitlements, permitting, environmental review, etc.) to increase transparency of production delays/barriers outside of OHCS's control.

Step: Commitment

There are five projects in the Commitment step. This is the final step where projects move to financial close and receive funding reservation letters. After this step, construction begins.

Appendix A. Property Stabilization Investments: Monitoring and HSC Reporting Framework

At the January HSC meeting, Housing Stability Council asked OHCS to share more information about our approach related to tracking and accountability for current and future Property Stabilization Investments (PSI). OHCS's approach as well as the proposal for providing reports to HSC for visibility about these investments are included below. Following any feedback from Housing Stability Council, we will finalize and implement the tracking and reporting structure for projects that receive PSI funds.

Current OHCS Compliance Monitoring Framework

Projects in OHCS's affordable rental housing portfolio are subject to a comprehensive compliance framework that includes several monitoring activities.

- Property owners must submit an annual Certification of Continued Program Compliance, demonstrating adherence to all program requirements like income certifications, rent restrictions, and occupancy standards.
- OHCS conducts physical inspections and file reviews on a three-year cycle utilizing HUD's NSPIRE inspection protocol to assess the condition of units, buildings, and common areas.
- Properties with ten or more units funded with LIHTC, HOME, LIFT, or Conduit Bonds must submit annual financial reports, including income statements, balance sheets, and debt ratio calculations

In addition, OHCS employs a risk assessment process to evaluate financial risk across the portfolio, with properties showing concerning performance indicators (such as DCR below 1.0 or elevated expense-to-income ratios) subject to enhanced monitoring and the development of a Property Improvement Plan (PIP) to address operational, financial, or physical deficiencies and chart a path toward stabilization.

Those that receive PSI awards will be required to participate in additional monitoring activities as described in the following section through a stabilization period to allow for performance tracking as well as reporting.

PSI Performance Tracking Strategy

All projects that receive a Property Stabilization Investment (PSI) will be tracked through our Property Improvement Plan (PIP) process, where financial performance is a focus alongside the other areas of update or adaptation that are identified as needed to support overall property performance. In seeking PSI funding, projects identify the myriad of *drivers* at the project level that have led to the operational deficits. Many challenges are exclusively cost or investment need – to right-size assumptions of cost to work in today’s market. And often we see that there are also corresponding drivers of costs at projects that are not directly resolved through the funding investment but instead require both short-and long-term strategies to address (for example: unit vacancies related to both referrals / speed of unit turn / adopted tenant selection plans).

As such, we recognize that OHCS needs to ensure that efforts for property ownership and management continues to prioritize follow through in all areas that have driven the cost challenges at the properties. As such, in the underwriting review process OHCS will identify the project-specific drivers and areas of strategy needs. Those project-specific requirements that have not been finalized into a PIP at the time of financing will be incorporated as a condition of award into the legal documents, which will include timeline requirements and consequences for non-performance. We will also develop a Memorandum of Agreement that clearly identifies the roles and responsibilities expected to ensure understanding of expectations and roles. In addition, OHCS will develop targeted quarterly reporting on key performance indicators through an initial investment period. This reporting will be shared with Housing Stability Council through the monthly ORCA update quarterly as proposed below for consideration.

PSI Reporting Framework for HSC:

This framework establishes ongoing reporting and accountability measures for PSI-funded projects. The purpose is to provide council members with regular visibility into project performance, investment outcomes, and tenant experience—enabling proactive identification and resolution of issues rather than after-the-fact reporting.

Reporting Approach

- Frequency: Every 3 months for first year, then move to standard annual reporting
- Method: Mandatory survey to projects receiving PSI to get more-real time updates and visibility to both share and inform asset management priorities

- Format: Written report included as part of HSC meeting packet
- Timeline: Start reporting in April or May 2026
- Report Contents: (draft – to be finalized by OHCS based on HSC feedback and survey tool)
 - Project name and location
 - Total PSI funding amount
 - Disbursement status (amount released to date)
 - Intended use of funds
 - Property Performance Status (average over past 3 months)
 - DCR
 - I/E Ratio
 - Vacancy Rate
 - Aged Receivables / Rent Collections
 - Tenant Complaints
 - Outstanding Issues and Risks
 - Issues (DCR 1.05 to 1.10; DCR <1.05)
 - PIP Status

In the Housing Stability Council meeting, we will seek feedback on the above approach to incorporate into our next-steps for implementation.



DATE: February 06, 2026

TO: Housing Stability Council
Andrea Bell, Executive Director

FROM: Liz Weber, Housing Stabilization Director
Judy Hui-Pasquini, Senior Local and Tribal Policy Analyst
Colt Stray, Homelessness Programs Coordinator
Timothy Mahern-Macias, OHCS Tribal Liaison

SUBJECT: Tribal Housing Grant Fund (THGF)

Summary

In 2025, the Oregon Legislature allocated (HB5011) \$10 million to OHCS from the General Fund to expand the housing resources available to Tribal Nations to include Affordable Rental Housing (ARH) and Homeownership (HO) projects, and to maintain the By and For Initiative-Native American Tribes of Oregon (BAFI-NATO) investments. Of the \$10 Million in funding, \$5 million is designated as Current Service Level (CSL) dollars through 2034 and \$5 million is designated as one-time funding. We are providing a briefing and discussion on our progress on the program design and implementation of the funding.

Background

The purpose of the Tribal Housing Grant Fund is to consolidate a single state funding source to address the housing needs of tribal communities in Oregon. Allocations from the THGF can be utilized to fund homeless response and prevention programs to operations or development of Affordable Rental Housing and Homeownership projects. The evolution from BAFI-NATO to THGF represents the recommendation from a workgroup convened by OHCS in 2023, made up of Tribal housing directors, health and human services directors, and council members. The program structure is thus largely influenced by Tribal input and closely aligns with the federally administered Indian Housing Block Grant (IHBG). The funding will be directly allocated to the Nine Federally Recognized Tribes of Oregon and will not preclude tribal governments from applying for other OHCS funding opportunities.



Policy Intent and Implementation

The THGF will be administered by the Housing Stabilization Division (HSD), and will rely on ongoing partnership with Equity, Diversity and Inclusion (EDI), ARH, and HO staff. Each biennium, grantees will submit a Housing Plan to be reviewed and approved by an OHCS committee comprised of HSD, EDI, ARH, and HO SMEs. Housing plans will detail tribal community priorities, project types to be funded, budgets, and outcome goals. ARH and HO staff will be assigned to consult with HSD grant administrator on an ongoing basis, as applicable (i.e. if a grantee's housing plan includes ARH or HO activities). Divisional collaboration has been a crucial component in development and design of the program funding. Some examples of topics that required extensive discussion and consensus include:

- Categorizing eligible uses of THGF resources, particularly operations/maintenance costs
- For Capital Development projects, determining consistent Restrictive Use Periods that were realistic across a variety of projects (i.e. shelter, transitional housing, affordable rental housing, permanent supportive housing, and homeownership developments)
- Reporting and documentation expectations
- Statutory AMI restrictions and participant eligibility

The funding allocation formula for the THGF closely mimics the formula previously used in the BAFI-NATO program. This includes a high base amount per grantee (\$700,000) which totals \$6,300,000. The remaining funding will be distributed based on tribal enrollment numbers. The allocations are shown in the table below:

Grantee	Admin	Total (Enrollment)	% of Grantee Funds	Enrollment Percent
Confederated Tribes of Coos, Lower Umpqua and Siuslaw Indians	\$ -	\$ 894,298.00	8.94%	5.3%
Confederated Tribes of Grand Ronde	\$ -	\$ 1,383,793.00	13.84%	18.5%
Confederated Tribes of Siletz	\$ -	\$ 1,377,130.00	13.77%	18.3%
Confederated Tribes of Umatilla Reservation	\$ -	\$ 1,079,197.00	10.79%	10.2%
Confederated Tribes of Warm Springs	\$ -	\$ 1,338,103.00	13.38%	17.2%
Cow Creek Band of Umpqua Indians	\$ -	\$ 932,016.00	9.32%	6.3%
Coquille Indian Tribe	\$ -	\$ 845,754.00	8.46%	3.9%
Klamath Tribes	\$ -	\$ 1,397,714.00	13.98%	18.9%
Burns Paiute Of Harney County	\$ -	\$ 751,995.00	7.52%	1.4%
TOTAL	\$ -	\$ 10,000,000.00	100.00%	100.00%



Funding will be distributed after approval of the housing plans and will come in the form of advances. In future biennia, the advances in year 1 and 2 will be split 50/50, but the entire awards for the 25-27 biennium will be advanced in 2026 due to the timing of grant agreements. As part of the Annual Progress Report (APR), grantees will be expected to report on the activities approved in each grantee's housing plan and produce backup documentation for all expenditures. If a grantee requests \$1M or more for a single housing development in their housing plan, Agency will seek HSC approval.

Participant eligibility for Homelessness Response and Prevention projects will be based on housing status. For ARH and HO projects, household income must be equal to or less than 120% AMI.

Eligible THGF program activities include:

- Homelessness Response and Prevention Programs
 - Shelter, Transitional, Homelessness Prevention, Housing Focused Activities
- Affordable Rental Housing
 - Operations, Preservation, Support Services, Rental Assistance
- Homeownership Programs
 - Down Payment Assistance, Mortgage Assistance, Home Repairs
- Land acquisition, infrastructure, development, rehabilitation and conversion of emergency shelter/transitional, affordable rental and homeownership projects
- Operations and Maintenance of Existing Affordable Housing Sites, Shelter and Transitional Housing projects
- Financial Assistance and Support Services for Households that qualify (Rental Assistance, Housing payments, Case Management)
- Capacity building
- Administrative Costs

Engagement Strategies and Themes

The Nine Federally Recognized Tribes of Oregon were invited to consult and engage with OHCS throughout the process of the development and implementation of the THGF. The THGF comes from a yearlong tribal recommendation workgroup in 2023, which discussed topics such as AMI limits, reporting methods, data collection, tribal specific housing needs and other critical topics. Key themes of the that work included centering government to government relationships, tribal sovereignty and self-determination. The engagement process included staff from every program division of OHCS to discuss policy, programs and



barriers with tribal representatives. After funding was allocated in the 25-27 legislative session, OHCS consulted with the tribes again over a two-month period to solicit feedback around program design, guidance, templates and reporting. These engagements took place during our regularly scheduled monthly tribal housing work group and through individual tribal consultations. This helped to capture feedback and key decision areas of the project. Additionally, OHCS has presented in multiple tribal spaces, including:

- Economic Development Cluster
- Health and Human Services Cluster
- Legislative Commission on Indian Services (LCIS)
- Tribal Council Meetings (upon request)

Equity Considerations

THGF touches on all the key components of the OHCS Statewide Housing plan which include:

- Equity and Racial Justice
- Homelessness
- Permanent Supportive Housing
- Affordable Rental Housing
- Home Ownership
- Rural Communities

OHCS worked closely with the tribal partners at every stage of the development of the THGF and their input directly influenced program design and the implementation plan. Each element was examined against the guiding principles of respecting self-governance, tribal sovereignty, and uplifting government-to-government relationships. In addition to the broader program development considerations, specific examples of where OHCS adapted our approach to better align with guiding principles include developing new tracking and reporting tools and negotiating data sovereignty agreements with the tribal partners.

Housing Stability Council Involvement

The purpose of this briefing is to inform Council on the THGF, provide context, facts, and implications in order to increase visibility of the program and how it affects interrelated Agency goals and plans.



DATE: February 06, 2026

TO: Housing Stability Council
Andrea Bell, Executive Director

FROM: Liz Weber, Housing Stabilization Director
Liz Hearn, Assistant Director Policy, Planning and Operations
Emily Edwards, Prevention Policy and Planning Analyst

SUBJECT: Budget Notes –Statewide Shelter and Eviction Prevention

Summary

[House Bill \(HB\) 5011](#), the agency’s 2025-2027 budget bill, included two budget notes – one for shelter and one for eviction and homelessness prevention – directing OHCS to conduct an analysis and submit a report with recommendations to the Joint Committee on Ways and Means in February 2026. Taken together, the budget notes ask OHCS to provide information to the legislature that will influence how they understand the state’s ongoing role in funding of our homelessness and housing instability response. Specific areas of inquiry and analysis as directed by the legislature include:

- The shelter budget note directs OHCS to report on shelter costs and investments, with attention to variations based on factors such as region, shelter type, and population served. OHCS is also tasked to make recommendations on how to create a stably funded statewide shelter system that ensures contributions of non-state resources and sets maximum state funding levels for shelter beds of different types.
- The eviction prevention budget note directs OHCS to examine the distribution of state resources for eviction prevention and homelessness prevention services. It also directs OHCS to recommend a methodology to maximize effective direct assistance to the greatest number of eligible households and include limitations on the ratio of provider administrative and program delivery costs.

OHCS has submitted the budget note reports to the Legislative Fiscal Office and will be presenting findings to the Joint Committee on Ways and Means Subcommittee on Transportation and Economic Development on February 10, 2026. In advance of that



presentation, OHCS is seeking to brief Housing Stability Council on the findings and considerations contained in the reports and request Council's input on the essential information we need to emphasize with the legislature to support continued responsible investment into the state's homelessness response.

Background

Statewide Shelter

Executive Order (EO) 23-02 declared a state of emergency due to unsheltered homelessness in Oregon. EO 23-02 sought to expand statewide shelter capacity by creating new shelter beds. Shelter funding was allocated through a regional model; identifying Multi Agency Coordination (MAC) Group and Local Planning Group (LPG) leads to oversee regional efforts. Out of this response, regions created 1,047 low-barrier shelter beds. The emergency response emphasized the significance of recognizing regional variation and maintaining funding for local governments and service providers.

In the 2023-2025 biennium, \$89.1 million was appropriated to Oregon shelter system operations through SB 1530 and SB 5511. The intent of these funds were to support all shelter operations costs and prevent a reduction in beds. Emergency shelters, Project Turnkey sites and navigation centers were eligible for these funds. In addition, a portion of funds were eligible for housing focused activities to assist households exiting shelter into a permanent and safe destination.

Efforts achieved by these programs subsequently helped shape the work of the Sustainable Shelter Work Group, a workgroup co-convened by Representative Marsh and the Governor's Office in late 2024. This workgroup, comprised of statewide shelter experts, generated a report with recommendations that led to HB 3644 and the creation of the Statewide Shelter Program.

The Statewide Shelter Program (SSP), funded by a legislative appropriation of \$204 million to OHCS through HB 5011, is guided by both policy from HB 3644 and the recommendations of the Sustainable Shelter Work Group to ensure state funded shelter capacity across Oregon to support 4,884 shelter beds across 27 counties. The intent of HB 3644 is to establish a statewide shelter system that is sustainable, outcomes-focused, flexible, and utilizes a regional funding model. OHCS incorporated these requirements into a recently completed competitive Request for Application (RFA) procurement process to identify statewide regional shelter coordinators (Regional Coordinators) to administer SSP funds. Of the \$204 million, \$102,459,326 is current service level and assumed ongoing through Jan. 2, 2034.

Eviction and Homelessness Prevention

The Oregon Eviction Diversion & Prevention (ORE-DAP) program is the agency's primary eviction prevention program. ORE-DAP provides local rental assistance and other critical



housing retention related services to assist those facing eviction. ORE-DAP funds are deployed through the Community Action Agency (CAA) network, as well as a set-aside for Culturally Specific Organizations (CSOs). In the 23-25 biennium, ORE-DAP received funding through HB 5019 (2023), SB 5511 (2023), and SB 1530 (2024), for a total of \$105.75M. In the 25-27 biennium, the ORE-DAP program received \$35.5M through HB 5011 (2025) and HB 5006 (2025). This represents a 66.4% reduction in eviction prevention funding. The budget note report includes an analysis of 23-25 ORE-DAP funding and outcomes, with recommendations for year two of the 25-27 biennium and looking ahead to the 27-29 biennium.

Policy Intent and Implementation

The Statewide Shelter System Funding and Eviction and Homelessness Prevention budget note reports on cost containment required both internal collaboration within OHCS' Housing Stabilization Division (HSD) and external coordination with grantees. As described in greater detail below, HSD based its analysis on a range of stakeholder engagement, the application of a Racial Equity Analysis Tool (REAT), a review of national best practices, and the analysis of internal and external quantitative data sets.

HSD's detailed analysis led to key findings that are highlighted in the report to provide the foundation for its cost containment recommendations and framing of the landscape of these programs. The key findings include:

Statewide Shelter System Funding:

- An analysis of current shelter operating costs demonstrates wide variability both across categories of shelter (e.g. congregate v. non-congregate) and within categories based on factors like size, population served, and service delivery model.
- Oregon communities are already significantly contributing non-OHCS funds to the maintenance of OHCS-supported shelter capacity. Local regions are not relying solely on the State to fund their shelters. Through the analysis for the budget note report, we determined that a significant local contribution requirement could exclude some communities from participating in the Statewide Shelter Program (SSP), lead to unpredictability and instability in the SSP, conflicting policy direction with HB 3644, and inequities in the statewide shelter system.
- Due to unique regional needs and the variability of available resources, stable state funding is critical to effectively address community needs. A successful shelter system needs to be consistent, predictable, and transparent in order to enable providers across the state to plan their investments, reduce administrative burden, and hire and retain skilled staff.
- OHCS implements various accountability measures through the SSP to allow for the monitoring of appropriate grantee and subgrantee spending and program



performance. This includes a Regional Assessment and Plan, which is updated every two years, outcome measures incorporated into grant agreements, and annual progress reports. The SSP also includes an evaluation plan that assesses program performance by clearly defining performance metrics, specifying the data elements to be collected, and identifying data sources that will be compiled and analyzed. Additionally, the racial demographics of those accessing shelter and the shelter exit success rates are compared to the regional demographics of those needing shelter.

Recommendations for statewide shelter funding cost containment are included in the final budget note report and are reflective of and informed by these findings. Recommendations include a required non-state funding cost contribution to each region's state-funded shelter capacity, and a cap on state funding per shelter bed per year. These cost containment strategies are proposed to be implemented in the 27-29 biennium.

Eviction and Homelessness Prevention:

- Evictions are on the rise and homelessness continues to grow. Portland State University's Evicted in Oregon research found that 30,507 evictions were filed in Oregon in 2024, representing an increase from 24,860 eviction filings in 2023.
- Eviction prevention and homelessness prevention keep families in their homes and reduce the need for emergency shelter and related services, interventions that are typically more costly. Likewise, the experience of homelessness can lead to devastating consequences, especially for households with children, such as extreme stress, developmental delays in children, disruptions in education, and harmful separation of families.
- National best practice and local research on homelessness prevention affirms the critical role of wraparound services. Case management and housing navigation support have been shown to be critical interventions when providing eviction prevention services to a household, in particular those most at risk of experiencing homelessness.
- Similarly, effective eviction prevention requires appropriate investments in infrastructure, including administrative investments.
- Effective homelessness prevention through eviction prevention requires the capacity to do outreach to the most at-risk populations. The households most at risk of becoming homeless do not necessarily seek out eviction prevention services.

For year one of the 25-27 biennium, OHCS implemented cost efficiency measures aimed at increasing the ratio of funds allocated towards direct financial assistance to households and decreasing infrastructure (program delivery and administration) costs. In doing so, OHCS has increased the continuity across grantees and brought regions and providers into greater alignment on overall average per household costs and allocations to administrative



and program infrastructure. In alignment with the above findings, OHCS has included in the budget note report additional recommended program improvements that are intended to lead to improved outcomes for homelessness prevention. OHCS proposes to begin initial implementation of the recommendations beginning in year two of the 25-27 biennium, recognizing that the full implementation may not happen until the 27-29 biennium.

Engagement Strategies and Themes

In recognition of the local expertise of OHCS grantees, a key component of the development of the budget note reports was partner engagement. To ensure inclusion of regional and provider perspectives and experience, OHCS invited input from both ORE-DAP and statewide shelter grantees. These included CAAs and CSOs for ORE-DAP, and year-one statewide shelter providers for shelter. Engagement mediums included:

1. The solicitation of written feedback across all levels of grantee organizations;
2. A presentation on the budget note reports and engagement session with CAA leadership during a Community Action Partnership of Oregon (CAPO) board meeting on 10/2/25;
3. A listening session with CAAs to discuss the eviction and homelessness prevention budget note on 10/21/25;
4. Upon request, one-on-one meetings with grantees to discuss their feedback in more detail; and
5. A survey to all 25-27 OHCS year-one shelter grantees, collecting relevant quantitative and qualitative data on 214 OHCS and non-OHCS-funded shelter projects across the state.

Much of the feedback OHCS received through this engagement aligned with national best practices on statewide shelter funding and eviction and homelessness prevention identified through OHCS' literature review. The learnings from our engagements and the literature reviews together informed OHCS' findings and recommendations in the reports.

Equity Considerations

OHCS utilized the Racial Equity Analysis Tool (REAT) to inform the budget note report process and the research, analysis, and recommendations for eviction and homelessness prevention and statewide shelter system funding.

Statewide Shelter System Funding

Year-one OHCS shelter providers indicated in the survey used to inform the statewide shelter budget note report that decreases in shelter funding impacts a shelter's ability to provide culturally relevant/specific programming or outreach to historically marginalized populations. They shared, for example, that imposing significant cost constraints on shelter operations would impede a shelter's ability to hire bilingual/bicultural staff as those



positions are more costly. On-call interpretation services do not adequately fill that gap because the lack of bicultural staff reduces relationships and trust with affected community members and makes it less likely they will feel comfortable accessing shelter. Shelter providers also reported concern that changes on the federal level will interfere with their ability to offer services to immigrants and undocumented persons and that having adequate State funding is therefore even more critical.

Because of more limited alternative funding sources, statewide shelter cost containment strategies will have a greater impact on rural areas over urban areas, including on rural communities of color that are overrepresented in homelessness. Additionally, as the current federal landscape illustrates, fund braiding may be challenging due to incompatible federal and state funding requirements, and this has the potential to create additional negative consequences and barriers for communities of color. In general, a cost containment environment might encourage grantees to consider strategies that will minimize services and supports and this will further undermine efforts to ensure a truly culturally responsive statewide shelter system.

OHCS is requiring the use of a racial equity mapping tool in SSP Regional Coordinators' approved plans. Regions are expected to understand which communities are disproportionately impacted by homelessness and to develop intentional strategies to address those disparities. OHCS will work with Regional Coordinators on applying the mapping tool and create accountability through tracking and reporting on equity outcome metrics, including shelter access and positive exit destinations.

Eviction and Homelessness Prevention

CAA providers indicated that existing partnerships intended to reduce disparities are already under threat due to severe funding cuts. In the 21-23 and 23-25 biennium, OHCS authorized CSO homelessness prevention grantees to operate under guidelines tailored to provide their communities with the unique combination of services and direct financial assistance they needed.

In keeping with the Legislature's budget note direction, OHCS began implementing ORE-DAP alignment and cost containment measures in the first year of the 25-27 biennium, which included bringing all grantees under the same program rules and guidance and bringing all direct financial assistance to infrastructure ratios more in line with the standard ORE-DAP model. CSO grantees have reported that these adjustments may result in negative impacts on the communities their programs serve, such as loss of critical navigation supports for accessing affordable housing and responsive intensive service delivery beneficial for immigrant and refugee communities around language, access, and housing navigation.

OHCS' best-practices landscape analysis identified that race, income, neighborhood, and presence of children in the household are areas that can be used to identify heightened risk



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of eviction. These areas are opportunities for targeted outreach to at-risk households within a homelessness prevention framework. Equity considerations strongly support OHCS' recommendations included in the report to maintain as wide an array of service supports, in addition to direct financial assistance, as possible in ORE-DAP program implementation, within the limited funding available.

Housing Stability Council Involvement

Discussion: OHCS invites HSC members for reflections on the shelter and eviction and homelessness prevention budget note report outcomes, with a request for Council's input on the essential information we need to emphasize with the legislature to support continued responsible investment into the state's homelessness response in advance of the presentation with the Joint Committee on Ways and Means meeting on February 10th.