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COMMUNITY SERVICES

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Oregon Housing and Community Services
Affordable Rental Housing Division

Minority, Women, Emerging Small Business and Service-Disabled Veteran
Business Enterprises collectively known as

MWESB/SDVBE Compliance Manual

January 2024

Oregon Housing and Community Services Department
Affordable Rental Housing Division
MWESB/SDVBE
An Equity and Racial Justice Approach

Oregon Housing and Community Services (OHCS) has embarked on an agency wide effort to embed concepts, practices, and policies to help advance equity and racial justice in the field of affordable housing.

The Affordable Rental Housing Division (ARHD) at OHCS is charged with the implementation of state and federal funding programs and the distribution of financial resources to build and or preserve affordable housing in the state. With that charge ARHD and its various sections play an important role for the implementation of the agency's commitments for equity and racial justice from the perspective of a funder and affordable housing compliance regulatory agency.

It has been known that the housing and construction industry employs, from design to lease up and management, a wide spectrum of size trade and business sectors. However, the participation of Certified Minority Business Enterprises (MBE), Women-owned Business Enterprises (WBE), and Emerging Small Businesses (ESB) - collectively known as Minority, Women and or Emerging Small Businesses (MWESB/SDVBE) - as well as Service-Disabled Veteran Business Enterprises (SDVBE) is low, and their share of the financial investments in housing is small in comparison to the size of the investment.

Underlying this under representation are the limited and often cumbersome requirements by other systems to prepare, encourage and facilitate that more minority, women and veteran owned enterprises get a share of the financial activities of the construction industry. Furthermore, while some of these systems of economic incentives are in place, they do not reach or are unable to break the veil of distrust that women, business owners from communities of color or veterans have in public systems that hinder their participation in construction and in the affordable housing industry.

Diversity, Equity, and Inclusion (DEI) and the Certification Office for Business Inclusion and Diversity (COBID) are mechanisms and opportunities to help increase the economic participation of minority, women and veteran-owned enterprises in the development and construction of affordable housing. We also must accept that some small trades owned by women, minority or disabled veterans wish to operate without the COBID certification and continue to provide services to the affordable housing industry.

It is the requirement of this manual that minority, women-owned and service-disabled veteran business enterprises have equal access to business opportunities resulting from OHCS-financed developments. The desired outcome is to see a greater economic participation and share of financial resources for COBID and non-COBID firms. The Manual implementation and approach are established from a wider and interrelated ecosystem of opportunities, access, and engagement.

The Oregon Housing and Community Services (OHCS) does not discriminate on the basis of race, color, creed, national origin, sex, religion, marital status, status with regard to public assistance, disability, familial status, gender identity, or sexual orientation in the provision of services.

An equal opportunity employer



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Chapter 1 – Introduction

1.01 Manual Summary

This Manual addresses the marketing and outreach requirements for OHCS financed developments, and it outlines the Oregon Housing and Community Services (OHCS) and Certification Office for Business Inclusion and Diversity (COBID) process of certification to ensure certified firms have equal access to business opportunities resulting from OHCS financed developments.

OHCS MWESB Engagement Manual

- All Applicants, applying for development financing utilizing OHCS funds or Tax Credits, will be required to identify a plan, from an equity and racial justice perspective, outlining efforts to contact and contract with COBID and non-COBID contractors and subcontractors, notifying the firms of the bidding opportunities in the construction and operation of the proposed Project.
- An owner and general contractor engagement plan will be submitted at time of application.
- Non-COBID firms can self-certify as a qualified MWESB firm if they meet the COBID firm requirements (see Appendix A) and are encouraged to complete their certification with the COBID office by the end of construction.
- Applicants will be required to provide a profile of the general contractor, including their history of addressing diversity, equity, and inclusion, a summary of marketing efforts, culturally relevant publications, and culturally specific or responsive organizations.
- Applicants will utilize contractors, subcontractors identifying as MWESB firms and include eligible professional MWESB firms (Brokers, Architects, Engineering, Planning Consultants, Legal Assistance, Marketing and Management Agents) in their MBE contract awards.

1.02 Applicability

OHCS financed developments trigger the MWESB/SDVBE firm marketing and outreach applicant requirements and performance requirements described in this Manual. Financing includes the following state and federal programs: Low Income Housing Tax Credits (LIHTC), Housing General Housing Account Program (GHAP), Local Innovation Fast-track (LIFT), Permanent Supportive Housing (PSH), Oregon Affordable Housing Tax Credits (OAHTC), Preservation Funds, Manufactured Park Preservation, Agriculture Workforce Housing Tax Credits (AWHTC), HOME Investment Partnerships, and National Housing Trust Fund (HTF).

1.03 Statutory and Regulatory Authorities

The COBID/ MWESB/SDVBE Certified firm marketing, outreach, and participation in the construction of OHCS affordable housing aligns with similar state and federal requirements and processes to eliminate bias and barriers for businesses owned by COBID/ MWESB/SDVBE firms to provide the state with goods and services.

Specific Program Regulations

- HOME Investment Partnerships. 24 CFR §92.350 directs participating jurisdictions, including Oregon Housing and Community Services to establish and oversee minority outreach programs within the jurisdiction to ensure the inclusion of minorities and women and entities owned by minorities and women, in all contracts entered by the participating jurisdiction. § 92.508(a)(7)(ii) requires documentation and record keeping of efforts taken to implement an outreach program, the amount of contracts, and documentation.

- National Housing Trust Fund 24 CFR §93.407(a)(5)(ii) requires records demonstrating compliance with 2 CFR §200.321 regarding grantees' s activities related to MBE/WBE/SDVBE.

Note: Adherence to this OHCS Manual does not replace complying with the federal programs previously described. HOME and National Housing Trust Fund compliance and forms must still be completed.

1.04 Responsibilities

Oregon Housing and Community Services (OHCS)

- Notify the owner/developer at the approval of funding, of the MWESB/SDVBE firm participation requirements and objectives, along with where to find this Manual on the OHCS' [website](#).
- Provide this Manual and all appendices to the owner/developer at application (see appendix B)
- Monitor the performance of the owner/developer with respect to MWESB and OHCS requirements.
- Post on OHCS website MWESB %'s for all projects under construction.
- Inform owner/developer of MWESB region requirement percentages on previously funded projects.

Owner/Developer

- Provide this Manual and all appendices to the prospective contractors before bidding. The contractor will acknowledge receipt of the Manual by signing the MWESB Acknowledgement and Certification document (see appendix B).
- Hire an MWESB consultant (See Appendix C for a list of MWESB Consultants) if needed. This is an eligible line-item expense that the project can pay.
- Identify Owners MWESB/SDVBE COBID and non-COBID participation level requirement for the project.
- Outline the steps the construction team will take to achieve the owner's requirements for participation by COBID and non-COBID / MWESB/SDVBE subcontractors and suppliers.
- Provide a summary of the general contractor's profile and team member demographics.
- Provide details of the general contractor's history of addressing MWESB/SDVBE sub-contractor diversity, equity, and inclusion in affordable rental housing projects.
- List summary of marketing strategies of any culturally based marketing publications or organizations utilized for COBID and non-COBID / MWESB/SDVBE firm bidding outreach ensuring those least likely to solicit a job contract.
- Describe the subcontractor's outreach efforts for COBID and Non-COBID/ MWESB/SDVBE certified contractors utilized for bid submissions, if any.
- List any opportunities of partnerships for sub-tier contracts by teaming up with smaller contracting firms with larger firms in a mentor/protégé relationship.
- Utilize OHCS' reporting Matrix and submit an Initial Report at finance closing, a second report once project has reached 50% Construction, and Final Report at construction completion. (see appendix C)

Chapter 2 – Requirements

2.01 Participation Requirements

OHCS encourages participants seek COBID and non-COBID MWESB/SDVBE professional firms to increase the participation level of minority owned businesses in its construction project to meet OHCS' MWESB/SDVBE requirement for each region. Total MWESB participation will be

determined utilizing contractors, subcontractors identifying as MWESB firms and include eligible professional MWESB firms (Brokers, Architects, Engineering, Planning Consultants, Legal Assistance, Marketing and Management Agent). General contractor and the developer can utilize and include Non-COBID/MWESB/SDVBE firms in their MWESB reporting provided that the non-COBID firms who self-certify as a qualified MWESB meet the COBID firm requirements (see Appendix A). Developer and contractor will encourage and assist non-COBID/MWESB/SDVBE business to become certified prior to construction completion of project.

OHCS also encourages the utilization of local labor and partnering with the community to help build healthy, affordable homes which addresses OHCS’ requirement of increasing apprenticeship programs in Oregon and improving economic and social vitality while increasing pathways out of poverty. Applications will be assessed on their approach to MWESB/SDVBE engagement and contracting and how well they implement the OHCS MWESB policy. The evaluation of point deductions or a developer failing funding prequalification will involve assessing MWESB reported data from 2021 onwards. Deductions or failure to meet expectations will be incurred if the owner/developer has not met their MWESB regional requirements on two or more projects since 2021, when OHCS began tracking MWESB. OHCS MWESB/SDVBE Manual and reports can be found [here](#).

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

Regions 1 include Clackamas, Columbia, Multnomah, Washington, and Yamhill

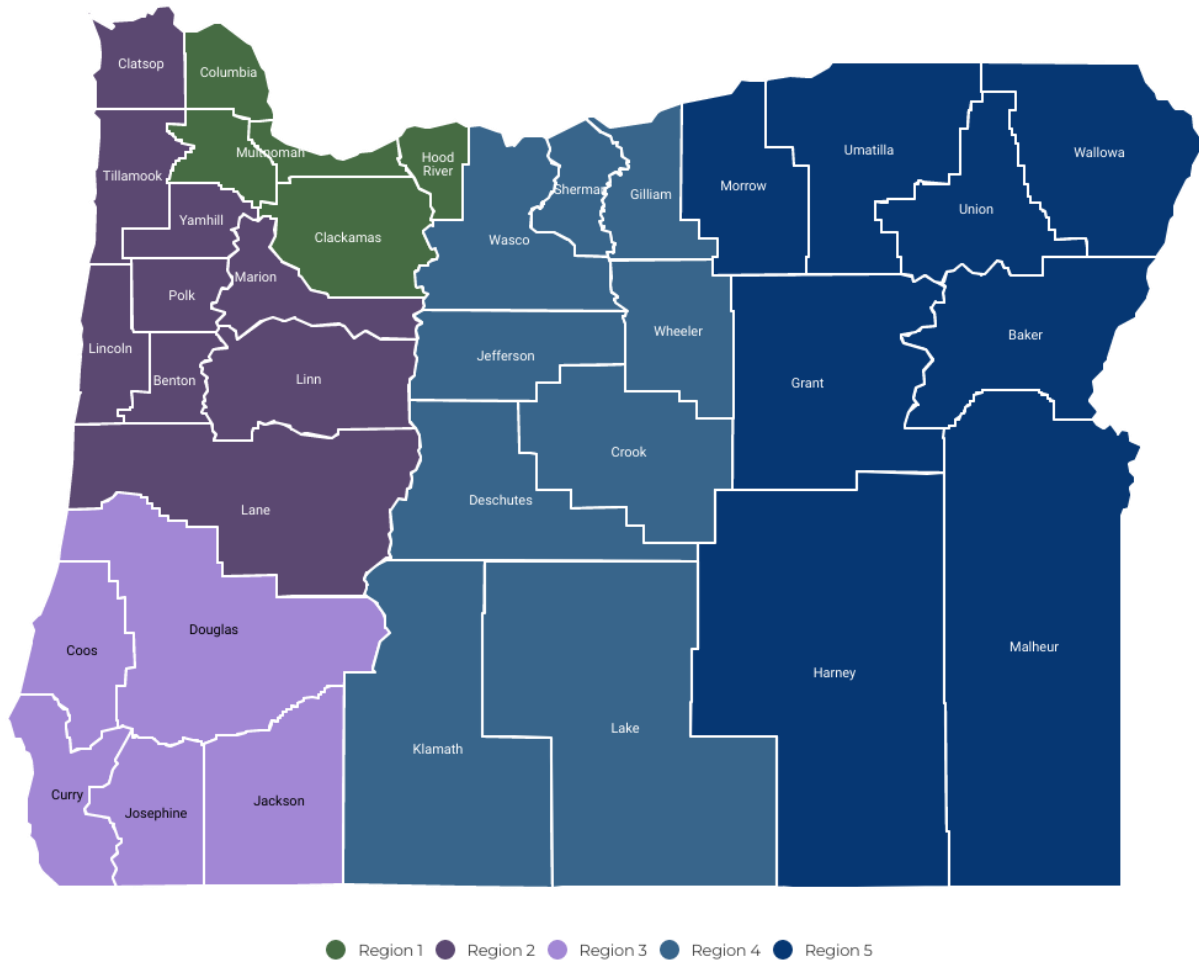
Regions 2 & 3 include Clatsop, Tillamook, Yamhill, Polk, Marion, Lincoln, Benton, Linn, Lane, Coos, Douglas, Curry, Josephine and Jackson

Regions 4 & 5 include Wasco, Sherman, Gillam, Jefferson, Wheeler, Crook, Deschutes, Klamath, Lake, Morrow, Umatilla, Union, Wallowa, Grant, Baker, Harney and Malheur

The required MWESB/SDVBE plan in the funding application process will be evaluated on track record and experience, history of contracting COBID and non-COBID firms, engagement with culturally specific or responsive organizations, how the plan matches with project location (metro/urban and rural), representation of COBID and non-COBID firms on core development team, and any supporting information for the proposed OHCS regional requirement and participation rate.

OHCS will review projects by their established requirements, and participation rates. Each project should establish its MWESB/SDVBE requirements based on the hard and soft construction costs including eligible professional fees.

Applicants receiving OHCS funding will be required to submit and initial report at **finance closing**, a second report once **construction reaches 50%** demonstrating outcomes of their efforts to contract with MWESB/SDVBE, COBID, and non-COBID contractors/subcontractors using the state COBID registry, and a final report at **construction completion**.



2.02 Affirmatively Marketing to MWESB/SDVBE Firms

Owners/developers and contractors should maintain evidence of efforts made to demonstrate proof of the MWESB/SDVBE outreach. Efforts to include COBID and non-COBID firms must allow sufficient time to effectively participate in the bidding and/or application process. Good faith efforts to achieve success may be demonstrated by providing documentation detailing outreach plans and activities, including affirmative steps:

- Requiring the prime contractor to seek out participation with MWESB/SDVBE firms.
- Placing qualified COBID and non-COBID firms on solicitation lists.
- Using the services and assistance, as appropriate, of the COBID, Business Oregon, National Association of Minority Contractors, Latino Built, The Wenaha Group, Professional Business Development Group (PBDG), Office of Veterans Business Development, Oregon Association of Minority Entrepreneurs, Native American Business Network, Network of Entrepreneurial Women and Women Entrepreneurs of Southern Oregon.
- Ensuring that small and minority businesses are solicited whenever possible and available.
- When possible, divide total requirements when they are economically feasible, into smaller tasks or quantities to permit maximum participation by COBID firms.
- Establishing delivery schedules, where the requirement permits, that encourage participation by MWESB/SDVBE firms.

Chapter 3 – Performance and Compliance and Report

3.01 Compliance Summary

To demonstrate compliance with OHCS' MWESB/SDVBE affirmative marketing requirements, developers and project sponsors must identify jobs and indicate those bids by minority-owned; women-owned using OHCS' MWESB Matrix Report. For projects with federal funds, the owner/developer/contractors must also complete Part III of the [HOME program HUD Form 40107 \(MWESB\)](#) at project completion in order for OHCS to complete its Consolidated Annual Performance and Evaluation Report (CAPER) and HOME Annual Performance Reports. OHCS may request additional documentation, if necessary, to ensure compliance with this obligation. OHCS MWESB/SDVBE compliance does not substitute the federal requirements. For questions on HOME program HUD form, please contact Andrea Matthiessen, HOME/Housing Trust Fund Program Manager andrea.matthiessen@hcs.oregon.gov.

3.02 Compliance Timeline

Project Selection

- OHCS will notify the owner/developer at the time of reservation.

Initial Scoping Call

- OHCS will discuss and provide this Manual and all appendices to the owner/developer via email or in person at the time of call or at another funding process step OHCS establishes.
- Owner/developer certifies (by signing the MWESB Acknowledgment and Certification attached – Exhibit B) that they will comply with laws prohibiting discrimination in employment.

Reporting

- Owner/developer and contractor will record name, address, and bid information and results of bid for all MWESB/SDVBE firms and submit to OHCS via MWESB Matrix (see exhibit C). Owner/developer and general contractor will record name and COBID # (if applicable) in OHCS MWESB Matrix.
- Owner/developer and general contractor will record name, address, and bid information of any non-COBID MWESB/SDVBE firms bidding on project and submit to OHCS via MWESB Matrix
- OHCS will review and record compliance with applicable requirements.

At Finance Closing

- Owner/developer submit an Initial MWESB Matrix that includes all COBID and non-COBID firms selected to work on the OHCS development.
- Owner/developer and general contractor will continue (if necessary) to solicit bids as required through construction completion.
- Owner/developer and general contractor will track and report new bids (if any) and contracts through construction completion.
- OHCS will continue to monitor MWESB participation until construction completion.

At 50% Construction

- Owner/developer submit MWESB Matrix.
- OHCS will continue to continue to monitor MWESB participation until construction completion.

Upon Completion of Construction

- Owner/developer and general contractor must update the OHCS COBID firm participation and submit final report reflecting the COBID and Non-COBID MWESB/SDVBE's participation level in the OHCS funded development.

Chapter 4 – Non-Compliance

The requirements set forth in the Oregon Housing and Community Services MWESB/SDVBE Compliance Manual are closely linked to developers fulfilling section 1.04. Owner/Developer responsibilities as well as past performance utilizing data collected by OHCS since 2021, when it began tracking MWESB. Failure to comply may result in required technical assistance and support as outline in section 4.01 below for developers who repeatedly have not met MWESB regional requirements.

4.01 Technical Assistance and Support

Developers who historically have not met MWESB Policy Objectives will be made aware of this deficiency at the Impact Assessment stage in the NOFA application process. As stated above in section 1.04 Owner/Developer Responsibilities; the hiring of an MWESB consultant is an eligible expense to help meet MWESB Policy Objectives and may be required if OHCS determines a historical deficiency is present (See Appendix C for a list of MWESB Consultants). Developers who have historically met or exceeded MWESB requirements will not be subject to this requirement.

Chapter 5 – Appendices

Appendix A – Terms

COBID	Certification Office for Business Inclusion and Diversity
Contractor/Subcontractor	An entity that contracts to perform work in conjunction with the project or work generated by expenditure of Oregon Housing and Community Services multifamily financing.
Minority	An entity Persons who are of the following racial or ethnic groups: American Indian or Alaskan Native, Asian, Black /African American, Native Hawaiian or other Pacific Islander, Hispanic or Latino.
Minority Business Enterprise	An MBE is a business that is both owned and controlled by minorities. This means that there must not be less than 51 percent minority ownership of the business and the minority ownership must control the management and daily operations of the business.
Women Business Enterprise	An WBE is a business that is both owned and controlled by women. This means that there must not be less than 51 percent women ownership of the business and the women ownership must control the management and daily operation of the business
SDVBE	A Service-Disabled Veteran Business Enterprise, is a Veteran-Owned Small Business that is at least 51 percent owned by a veteran with a service-related disability as defined by the Department of Veteran's Affairs.

Appendix B – MWESB Acknowledgment and Certification

Owner/Developer and General Contractor

Owner/Developer has been supplied with a copy of and has read the Oregon Housing and Community Services Multifamily MWESB Compliance Manual and fully understands and acknowledges the obligation and commitment to reaching the required MWESB participation percentage in all OHCS funded projects including 4% Conduit Bond projects. Using MWESB eligible professional services (i.e., architect, engineer, site reports, etc.) are recommended to help achieve your MWESB requirements. Requirements are outlined for the region and county this project is located below.

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

Regions 1 include *Clackamas, Columbia, Multnomah, Washington, and Yamhill*

Regions 2 & 3 include *Clatsop Tillamook, Yamhill, Polk, Marion, Lincoln, Benton, Linn, Lane, Coos, Douglas, Curry, Josephine, Jackson*

Regions 4 & 5 include *Wasco, Sherman, Gillam, Jefferson, Wheeler, Crook, Deschutes, Klamath, Lake, Morrow, Umatilla, Union, Wallowa, Grant, Baker, Harney, and Malheur*

Owner/Developer Name:

Title:

Company:

Signature

General Contractor Name:

Title:

Company:

Signature

Appendix C – Minority Trade Contractors

Region 1 Clackamas, Columbia, Multnomah, Washington, and Yamhill	
<u>Organizations</u>	<u>Website or Email</u>
Constructing Hope	https://www.constructinghope.org/
Oregon Native American Chamber	https://onacc.org/
Portland Housing Bureau	https://www.portlandoregon.gov/PHB/26428
Black Business Association of Oregon	https://bbaoregon.org/
The Wenaha Group	http://www.wenahagroup.com/
Business Oregon - COBID	https://www.oregon.gov/biz/programs/cobid/pages/default.aspx
Latino Built	https://latinobuilt.org/
National Association of Minority Contractors (NAMC)	https://www.namc-oregon.org/
Office of Veterans Business Development	https://www.oregon.gov/odva/Benefits/Pages/Vet-Owned-Business.aspx
Oregon Association of Minority Entrepreneurs (OAME)	https://oame.org/
Professional Business Development Group (PBDG)	https://pbdgweb.com/
Oregon Tradeswomen	https://oregontradeswomen.org/
NW College of Construction	https://nwcoc.com/
The Next Door (Promoting Prosperity Program)	https://nextdoorinc.org/latino-small-business-development/
Confederate Tribes of Grand Ronde - TERO Program	https://www.grandronde.org/
Region 2&3 Clatsop, Tillamook, Yamhill, Polk, Marion, Lincoln, Benton, Linn, Lane, Coos, Douglas, Curry, Josephine, Jackson	
Latinos Professionals Connect	https://lanesbdc.com/latino-professionals-connect/
Lane Community College, Small Business Development Center	https://lanesbdc.com/
Casa Latinos Unidos	https://www.casalatinosunidos.org/
Linn-Benton Hispanic Advisory Council	LinnBentonHispanicAdvisory@gmail.com
Confederated Tribe of Grande Ronde	https://www.grandronde.org/services/social-services/
Eugene Chamber Latino Business Network	https://web.eugenechamber.com/events/eventdetail.aspx?EventID=2315301
Latino Built	https://latinobuilt.org/
National Association of Minority Contractors (NAMC)	https://www.namc-oregon.org/
Region 4&5 Wasco, Sherman, Gillam, Jefferson, Wheeler, Crook, Deschutes, Klamath, lake, Morrow, Umatilla, Union, Wallowa, Grant, Baker, Harney, and Malheur.	
Southern Oregon BASE	https://baseoregon.org/#
Women Entrepreneurs of Southern Oregon	https://www.wesoweb.org/

Latino Community Association	https://latinocommunityassociation.org/who-we-are/staff/
RCC Small Business Development Center	https://sbdc.roguecc.edu/
Blue Mountain Small Business Development Center	https://oregonsbdc.org/center/blue-mountain-sbdc/
Native Business Center	https://nativebusinesscenter.com/
Confederated Tribes of Umatilla Indian Reservation- Veterans Services and Workforce Development	https://www.ctuir.org/
Hermiston Latino Business Network	https://hermistonchamber.com/
Oregon Coast Community College Small Business Development Center	https://oregoncoast.edu/sbdc/
Confederated Tribes of Siletz Indians	https://www.ctsi.nsn.us/tribal-services/social-services/477-ssp/
Southern Oregon Small Business Development Center - Latino Outreach Program	https://sbdc.sou.edu/
Latino Built	https://latinobuilt.org/
National Association of Minority Contractors (NAMC)	https://www.namc-oregon.org/
Confederated Tribes of Warm Springs	https://warmsprings-nsn.gov/

Appendix D - MWESB Equity Matrix

OHCS seeks to record and report the participation level of COBID and non-COBID firms utilized in its Affordable Rental Housing funded projects.

MWESB Equity Matrix: The MWESB Equity Matrix is designed to record and track MBE participation in OHCS Multifamily Affordable Housing projects.

The **GC MWESB Equity Matrix** consists of 5 Tabs (including instruction tab)

Tab 1. This tab details project information such as project name, sponsor/developer, general contractor, location, and any changes made to original contracts.

Tab 2. Trade by Ethnicity tracks the ethnicity of professionals, contractor, and subcontractor's employees.

Tab 3. Tracks the total award by MBE sub-categories, made to COBID and non-COBID registered professionals, contractor, and subcontractors.

Tab 4. Diversity Grid, autofill's reports percentage of funds awarded to subcontractors.