



Presentation to
Human Services and Housing Committee
March 15, 2013

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OHCS Program Areas



Safety Net



Energy and Weatherization



Multifamily Rental Housing



Single Family Housing



Oregon Homeownership Stabilization Initiative



Central Services



Bond Related Activities / Bond Debt Service

Overview

Safety Net programs include food, emergency housing assistance, rent assistance and homeless prevention services.

- 18 community action agencies and other non-profits deliver programs
- Funding is provided to the Oregon Food Bank and its regional food bank network
- Programs serve very-low income households and Oregon's most vulnerable households either in or at risk of being in poverty.



Overview

Energy and weatherization programs address the high energy costs, health and safety risks, and energy efficiency in the homes of low-income Oregonians.

Services include:

- Utility bill payment assistance
- Health and safety improvements
- Heating system repair and replacement
- Energy conservation services & education

Programs are funded by federal grants and utility and meter fees, and primarily distributed by 18 community action agencies.



Overview

Multifamily Rental Housing programs fund affordable housing development by non-profit and for-profit partners, including:

- New construction
- Acquisition and rehabilitation
- Projects which preserve expiring federal rental subsidies

Tools include:

- State and federal tax credits
 - State and federal grants
 - Predevelopment loans
 - Bond financing
-
- ❖ Private bank financing and investments often leveraged by OHCS tools
 - ❖ New competitive funding process under development



Overview

Single Family housing programs provide residential mortgage loans and down payment assistance for low- and moderate-income first-time homebuyers. These tools have been supplemented in recent years with programs that promote homeowner education, as well as foreclosure avoidance.

Document recording fees are awarded to local partners for:

- Regional Housing Centers (located across the state)
- Homebuyer education and training
- Down Payment Assistance

Single Family loan volume is significantly down from historical levels.



Photo courtesy of Proud Ground

SB 1552 Program Support

- Increased access to statewide network of foreclosure counselors.
- Developing free, online counseling workshops.
- Created www.oregonhomeownersupport.gov website.
- More than 20,000 visitors since inception.
- Contracted with Legal Aid Society of Oregon to increase access to Legal Assistance.
- Successfully collaborated with Attorney General's office for a 75% Settlement claim rate for foreclosed Oregonians.



Overview

\$220MM received in 2010 for foreclosure preventions programs.

- More than \$88MM in assistance delivered to more than 8,000 statewide recipients
- Successful implementation of “Homeowner Education Program”
- Multiple programs currently available to distressed homeowners across the state
- Comprehensive program reports available online
- More than 240K visits to program website since launch

All program funds must be utilized by 2017.



Central Services Includes:

Directors Office and Human Resources

Business Operations

- Debt Service/Debt Management
- Asset Management
- IT, Finance, Administrative Services

Policy, Strategy and Community Engagement

- Regional Advisors assigned to Regions Solutions Teams
- Policy and Communications
- Oregon Volunteers Commission for Voluntary Action and Service
- Court Appointed Special Advocates (CASA)



Overview

Bonds are issued to fund multifamily housing developments and single family loan purchases.

More than 35,000 mortgage loans totaling more than \$2.9 billion have been financed since 1977.

In the last 10 years, more than \$70MM in distributions from indentures used to pay program and operating expenses of OHCS.

OHCS also manages single family and multifamily loan portfolios, as well as the repayment of bond-holders/investors.



Governor's Call for Change

- Governor Kitzhaber called for change and improvements to the housing delivery model, recognizing that benefits from health, education, and safety reforms require a solid housing delivery model.
- New Director, October 2011

Agency Reorganization



Preparation for 13-15 Budget

Process Raised Policy Issues Related to:

- How effectively outcomes can be measured
- The need for integration among programs and agencies
- Lack of integrated policy setting and oversight for antipoverty programs

Deep Analysis of Finances

- Reduced revenue available for operations more extensive and pressing than previously understood

What Now?

Governor's Balanced Budget:

“OHCS is at a critical juncture, facing fiscal challenges that need to be addressed. OHCS will work to develop a plan and prepare a request to be presented to the Legislature in February 2014. The report will make recommendations about which programs can continue to be delivered and the delivery structure of those programs.”

Transition Plan Vision Statements

From

- Where OHCS is now...

To

- Where we strive to be after the transition...

Transition Plan Vision (1/7)

From

- A fiscally unsustainable business model

To

- A service delivery model that matches costs to available resources

Transition Plan Vision (2/7)



Transition Plan Vision (3/7)

From

- Complex and costly regulatory paperwork and compliance functions

To

- Reduced paperwork requirements and a streamlined compliance and monitoring system that helps manage the true risk exposure.

Transition Plan Vision (4/7)

From

- Unfocused outcome goals and metrics at both the program and policy levels, with 20+ data reporting systems.

To

- Clear outcome goals that drive program structuring, investment strategies and policy priorities, supported by integrated reporting tools that provide transparency and accountability.

Transition Plan Vision (5/7)

From

- Multiple (8) statutorily-named advisory bodies and ad-hoc work groups.

To

- A well-articulated housing agenda for the state, driven by ten-year policy outcomes, overseen by a new commission or cabinet, charged with pursuing prosperity opportunity for all Oregonians.

OHCS Advisory Bodies

- State Housing Council

Est. 1971
ORS 456.567



- Community Action Partnership Oregon (CAPO)

ORS 456.555



- Advisory Committee on Energy

Est. 1987
ORS 458.515



- Oregon Hunger Relief Task Force

Est. 1989
ORS 458.532



- Interagency Council on Hunger and Homelessness

Est. 1993
ORS 458.525



- Farmworker Facilitation Team

Est. 2001
ORS 456.585



- Ending Homelessness Advisory Committee

Est. 2006
ORS 458.528



- Oregon Volunteers Commission for Voluntary Action and Services

Est. 2007
ORS 458.568



Transition Plan Vision (6/7)

From

- Program funding decisions and priorities that are State-focused, especially multifamily housing development.

To

- Funding systems that balance high-level state policy goals with local and regional priorities, needs, assets, and investments, building on the strengths of Regional Solutions Teams and Coordinated Care Organizations.

Transition Plan Vision (7/7)

From

- A concentration of resources in Salem.

To

- Increased resources available to, and concentrated in local communities

Next Steps

Transition analysis and planning using guiding and aspirational principles:

- Affordable housing and poverty-alleviation policy will gain prominence by being considered within the larger framework of health, prosperity, education, and community vitality, and not solely the jurisdiction or concern of a distinct siloed agency.
- Programs may see changes in order to leverage other funds, obtain greater outcomes and/or meet a broader policy objective.
- New service delivery models may mean the state reevaluates its fiduciary role and seeks waivers from federal agencies to try new approaches.

OHCS Transition Planning Framework

January 22, 2013

Pursuant to Governor Kitzhaber's Balanced Budget (GBB) for 2013-15, OHCS is launching a planning effort to develop a new service delivery system for its housing finance and community services programs. This plan will be presented to the Governor and legislative assembly no later than February 2014. Upon acceptance of the plan, second year biennial funding for programs and administration can be approved, and implementation of proposed changes can begin. It is expected that programs will be transitioned by the beginning of the 2015-17 biennium, if not sooner.

This document provides a framework for the planning effort about to begin, including the following elements as they are currently known and/or assumed.

1. Core operating assumptions
2. Guiding and aspirational policy principles
3. Elements of a governance model of the future
4. Business process approach and tentative timeline
5. Community engagement and ongoing communication

1. Core Operating Assumptions

The effort to develop a new service delivery model for Oregon Housing and Community Services (OHCS) programs and activities is part of a larger ten-year state government transformation agenda articulated in the GBB. As such, there are certain assumptions that will be imbedded in the process and deliverables that will help guide advisors and planners, including the OHCS Director, as the work is undertaken.

- a. New resources will not be available for programs, and existing flexible resources for operations will be materially diminished given structural changes in the single-family finance market and historically low interest rates.
- b. New models of service delivery will be more efficiently administered and add more value to intended recipients than the existing model. Costs and administrative burdens will not simply be transferred to non-profits or local government.
- c. The resulting plan will incorporate new models of decision-making and governance to strengthen policy linkages across state government (see additional information, below)

Next Steps, Cont.

Transition analysis and planning using guiding and aspirational principles:

- Housing that is affordable, healthy and well-located is foundational to achievement of Oregon's long-term goals as articulated in the 10 Year Plan.
- Safety net services are vital and must be preserved while state government strives to address the root causes of poverty and have fewer Oregonians in need of such services.
- Affordable housing and poverty-alleviation policy will gain prominence by being considered within the larger framework of health, prosperity, education, and community vitality, and not solely the jurisdiction or concern of a distinct siloed agency.

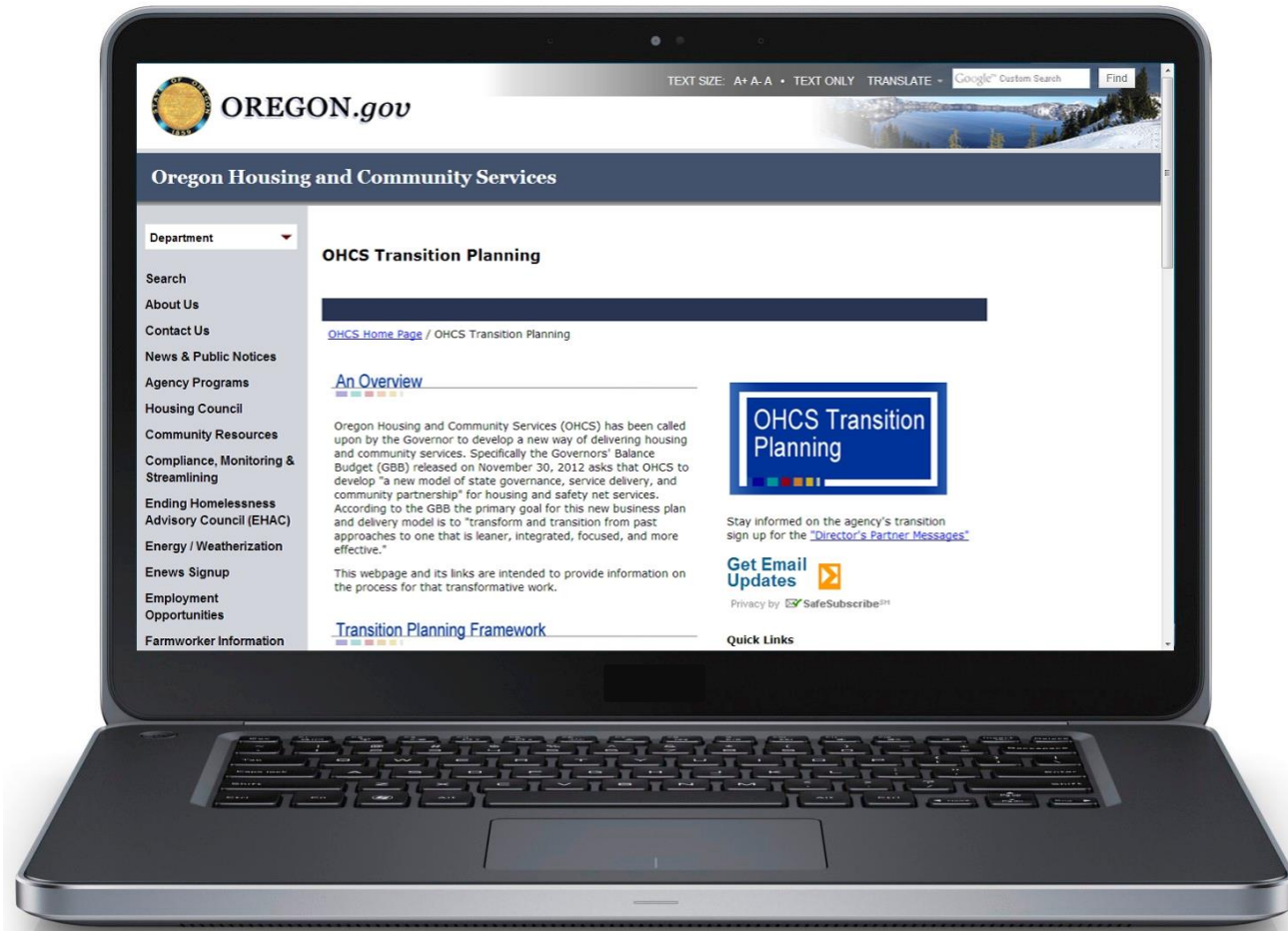
Next Steps, cont.

Core Operating Assumptions

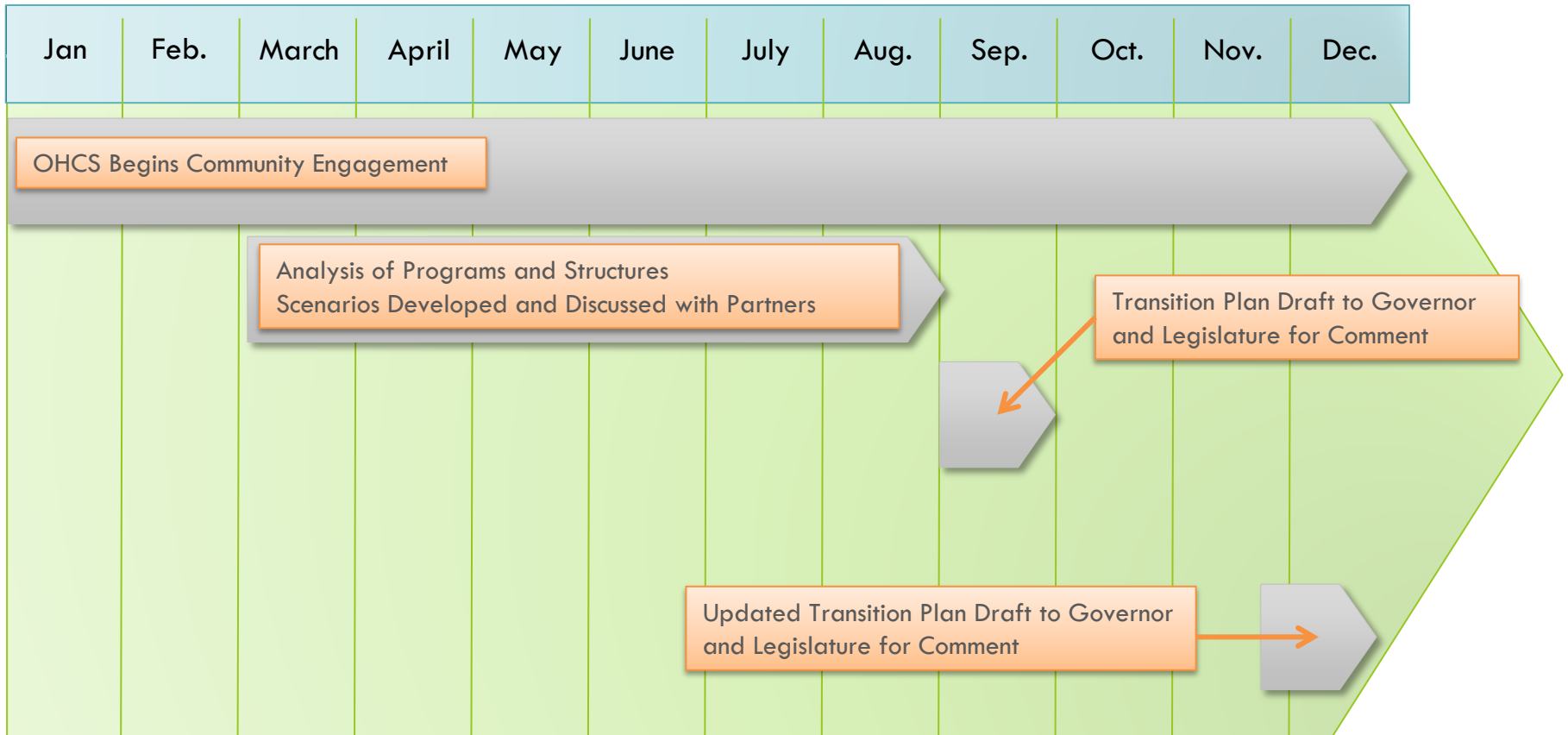
Imbedded in the planning process for a new service delivery model are core assumptions:

- New models of service delivery will be more efficiently administered and add more value to intended recipients. Costs and administrative burdens will not simply be transferred to non-profits or local governments.
- The resulting plan will incorporate new models of decision-making and oversight to strengthen the ties with policy goals across state government.
- There will be significant collaboration with labor partners and partners who deliver services on the ground.

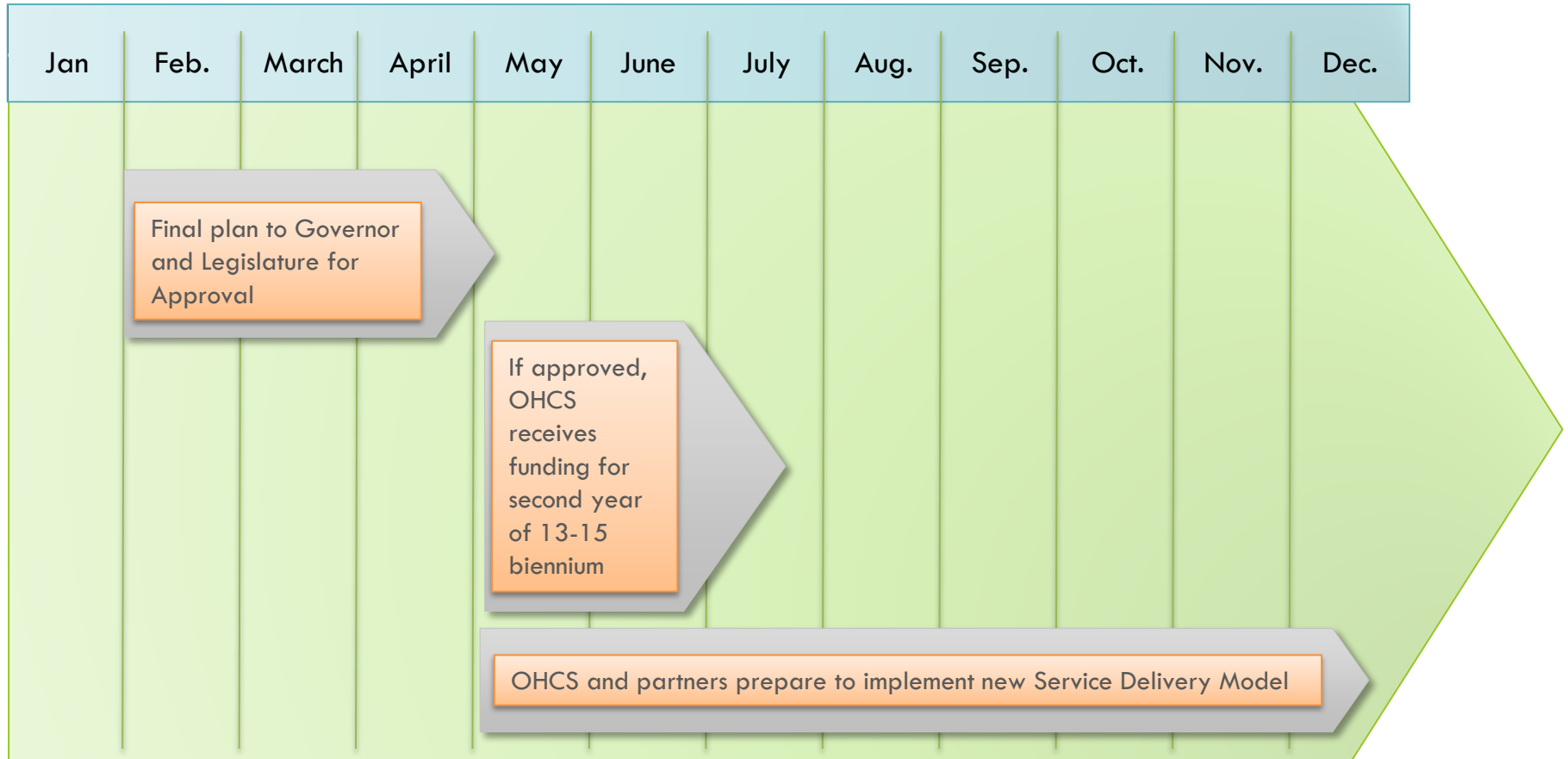
Transition Transparency: OHCS Website



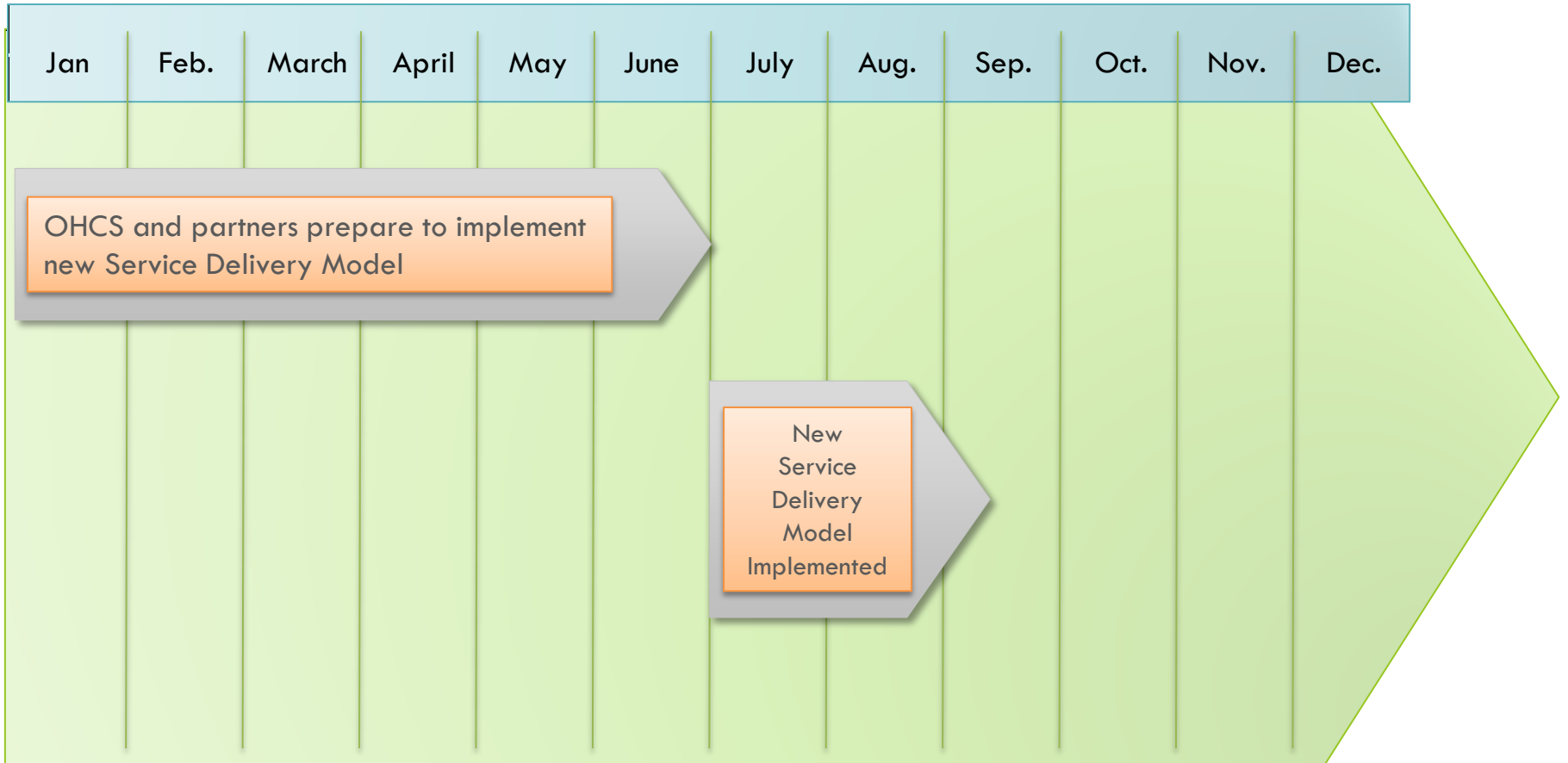
Transition Timeline – 2013



Transition Timeline – 2014



Transition Timeline – 2015



Questions?
