



Presentation to
Joint Committee on Ways and Means
Subcommittee on Transportation and Economic Development
March 18-19, 2013

Margaret Van Vliet, Director

Agency Mission and Values

Mission:

*“Provide leadership that enables Oregonians
to gain housing and services,
become self-sufficient and achieve prosperity”*

Vision:

All Oregonians have housing and services that meet their needs

OHCS History

Housing Division of Dept. of Commerce created in 1971

Freestanding Housing Finance Agency created in 1987

Today, throughout the country, HFA's:

1. Issue federal tax-exempt bonds
2. Issue federal low income housing tax credits
3. Award various HUD grants

OHCS role has evolved over time, to also administer:

- Certain HUD Section 8 contracts
- Entitlement grants
- Hardest Hit funds from US Treasury

OHCS History, cont.

Facilitate the Delivery of:

Housing Programs

- Multifamily Rental Housing Development and Finance
- Single-Family Homeownership Programs (access and retention)
- Section 8 Contract Administration

Safety Net Programs

- Emergency Food
- Energy and Weatherization
- Homeless Services & Prevention
- Rent Assistance

How do we do it?

Indirectly – through partnerships involving a robust network:

- Community-based nonprofit organizations
- Housing developers – both for-profit and non-profit
- Community Action Agencies
- Housing Authorities
- Other private-sector organizations, including lenders, services, and investors



HOUSING FUNDING

FEDERAL FUNDS

RENTAL SUBSIDIES	FORECLOSURE SUBSIDIES	DEVELOPMENT SUBSIDIES	SINGLE FAMILY HOUSING
Section 8 Housing Choice Voucher Program Section 8	NFMC National Foreclosure Mitigation Counseling	HOME HOME Investment Partnerships Program	LIHTC Low Income Housing Tax Credits
Voucher HUD	Grant Neighborworks America	Grant HUD	Tax Credit IRS

STATE FUNDS

FORECLOSURE ASSISTANCE	HOUSING TRUST FUND	DOCUMENT RECORDING FEE	STATE TAX CREDITS	OHCS BOND ISSUANCE	LOTTERY BACKED BONDS
Multistate Settlement & Mediation Program	Multifamily Housing Development	Various Affordable Housing Programs	Multifamily Housing Development	Multifamily Housing Development and Single-Family Loan Purchases	Multifamily Housing Development
Grants General Fund	Grants and Loans Public Purpose Charges	Grants and Loans County Recorders	Tax Credits State of Oregon Revenue	Loans IRS Tax Exemption	Grants State of Oregon Lottery

HOUSING AUTHORITIES

Federally recognized public corporations with boards appointed by local government that administer Section 8 programs.

- Housing Authority of Clackamas County
Home Forward
- Housing Authority of Washington County
Klamath Housing Authority
Linn-Benton Housing Authority
Marion County Housing Authority
Housing Authority of Lincoln County
Housing Works



OREGON HOUSING AND COMMUNITY SERVICES

State Housing Finance Agencies have the ability to issue tax exempt bonds, allocate tax credits, and award HUD grants. Community Services added to agency in 1991.

EXAMPLES OF PARTNERS

FORECLOSURE ASSISTANCE

- NEDCO
- Hacienda CDC
- Clearpoint
- Open Door Counseling Center
- Klamath Lake Regional Housing Center
- Willamette Neighborhood Housing Services
- Community Services Consortium
- HomeSource NeighborImpact



EXAMPLES OF PARTNERS

MULTIFAMILY HOUSING DEVELOPERS

NON-PROFIT

- New Day Enterprises
- ROSE Community Development
- Bienestar
- Willamette Neighborhood Housing Services
- Farmworker Housing Development Corporation
- Community Development Corporation of Lincoln City
- Housing Works



FOR PROFIT

- Geller Silvis and Associates
- Guardian Development, LLC
- Cascade Housing Group
- Pacific Crest Affordable Housing
- Shelter Resources Inc.
- Chrisman Development Company



EXAMPLES OF PARTNERS

SINGLE FAMILY HOUSING

- Single Family Participating Lenders
- African American Alliance for Homeownership
Community Services Consortium
- Housing Authority of Washington County
- Native American Youth & Family Center
- Portland Housing Center
- Community Action Program of East Central Oregon
- Statewide Habitat for Humanity



This infographic is for information purposes only and is not a full representation of all OHCS' housing programs or partners.



COMMUNITY SERVICES FUNDING

FEDERAL FUNDS

SAFETY NET SUBSIDIES

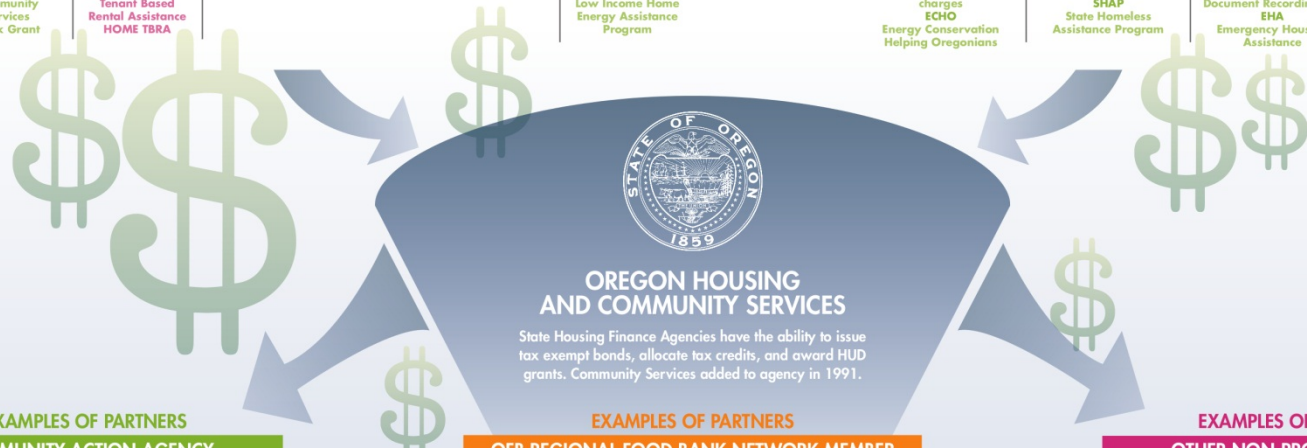
TEFAP The Emergency Food Assistance Program	CSFP Commodity Supplemental Food Program	FDIR Food Distribution Program on Indian Reservations	ESG Emergency Solutions Grant
HSP Housing Stabilization Program	CSBG Community Services Block Grant	HOME Tenant Based Rental Assistance HOME TBRA	

ENERGY & WEATHERIZATION SUBSIDIES

BPA Bonneville Power Administration	US DOE US Department of Energy
	LIHEAP Low Income Home Energy Assistance Program

STATE & OTHER FUNDS

Utility customer meter fees OEA Oregon Energy Assistance Program	Network member contributions HRTF Hunger Relief Task Force	OHCS bond proceeds RGP Rent Guarantee Program	Proceeds from Lottery backed bonds HPLUS Housing Plus
Public purpose charges ECHO Energy Conservation Helping Oregonians	General Fund SHAP State Homeless Assistance Program	General Fund & Document Recording Fee EHA Emergency Housing Assistance	General Fund LIRA Low Income Rental Assistance Oregon Hunger Response Fund



EXAMPLES OF PARTNERS

COMMUNITY ACTION AGENCY

- Community Connection of Northeast Oregon
- Clackamas County Social Services
- Oregon Coast Community Action
- Klamath/Lake Community Action Services
- Community Services Consortium
- Mid-Willamette Valley Community Action Agency
- NeighborImpact



EXAMPLES OF PARTNERS

OFB REGIONAL FOOD BANK NETWORK MEMBER

- Oregon Food Bank - Southeast Oregon Services
- Oregon Food Bank - Metro Services
- Klamath-Lake Counties Food Bank
- Linn-Benton Food Share
- Marion Polk Food Share
- Food Share of Lincoln County
- NeighborImpact



EXAMPLES OF PARTNERS

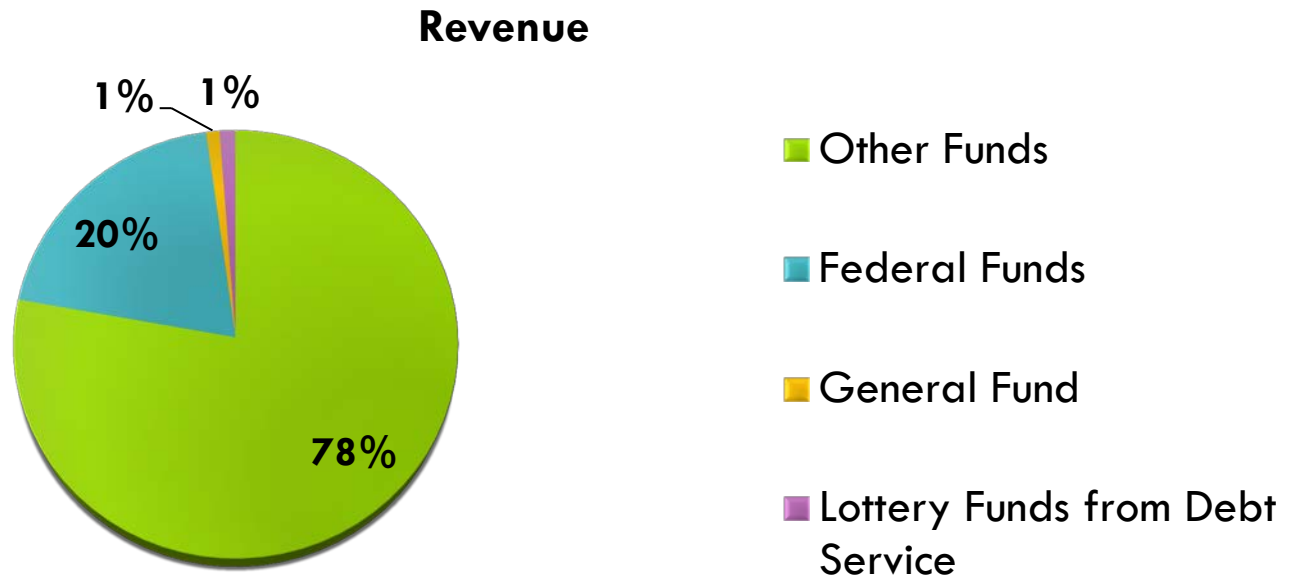
OTHER NON-PROFIT AGENCIES

- Northwest Housing Alternatives
- Corvallis Homeless Shelter Coalition
- St. Vincent de Paul of Lane County
- Innovative Housing
- Human Solutions



This infographic is for information purposes only and is not a full representation of all OHCS' housing programs or partners.

OHCS Budget at a Glance



Usage

Debt Service and Bond-Related	77%	\$508.6M
Program Payments	20%	\$135.8M
OHCS Operations (166 positions, 71.18 FTE)	03%	\$19M

Total: \$663.4M

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.

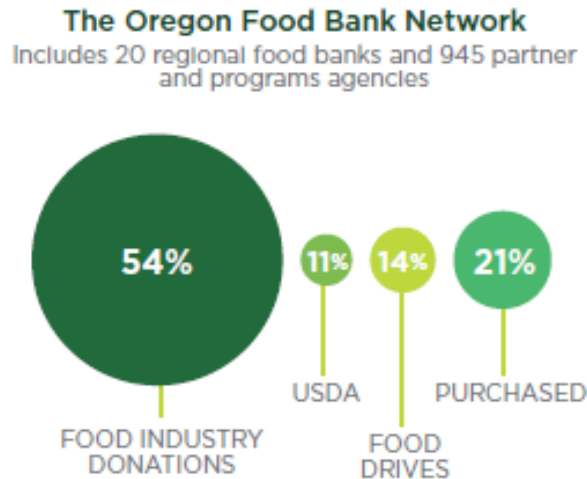
- 18 community action agencies and other non-profits deliver programs
- Funding is provided to the Oregon Food Bank and its regional food bank network
- Programs serve very-low income households and Oregon's most vulnerable households either in or at risk of being in poverty.



Oregon Hunger Response Fund:

General Fund appropriated for the Oregon Food Bank Network, a regional network of 20 food banks and 945 partner agencies to support:

1. Food Purchase
2. Statewide food bank capacity to move food and leverage additional food and fund support



THE OFB NETWORK of Regional Food Banks

OPERATED BY OREGON FOOD BANK

- OFB Metro Services
Portland
- OFB Southeast Oregon Services
Ontario
- OFB Tillamook County Services
Tillamook
- OFB Washington County Services
Beaverton

INDEPENDENT FOOD BANKS

- CCA Regional Food Bank
Astoria
- South Coast Food Share
Coos Bay
- Linn-Benton Food Share
Corvallis
- FOOD for Lane County
Eugene
- Josephine County Food Bank
Grants Pass
- Klamath/Lake Counties Food Bank
Klamath Falls
- Community Connection
La Grande
- Yamhill Regional Food Bank
McMinnville
- ACCESS Food Share
Medford
- Food Share of Lincoln County
Newport
- CAPECO Food Share
Pendleton
- NeighborImpact
Redmond
- UCAN Food Bank
Roseburg
- Marion-Polk Food Share
Salem
- Columbia Pacific Food Bank
St. Helens
- Mid-Columbia Community Action Council
The Dalles

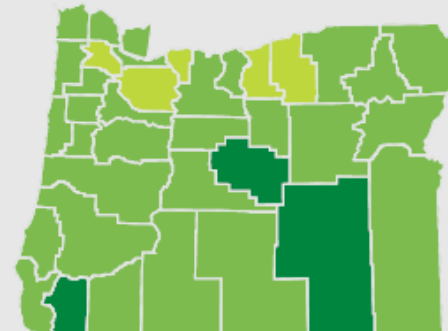
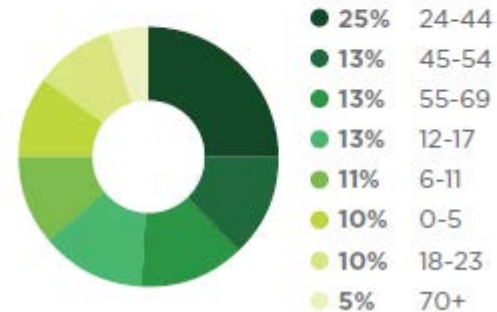
WHY EMERGENCY FOOD?

Source: 2012 Oregon Food Bank Hunger Factors Assessment

56%	Ran out of SNAP benefits
48%	High food costs
40%	High cost of gasoline/fuel
35%	High heating costs
27%	Unemployed for a long time
25%	High rent/mortgage
24%	Unusual expenses recently
23%	Debt
18%	Retired: fixed income too low
18%	Working, but wages too low
13%	Too sick to work
10%	Public assistance not enough

AGE OF RECIPIENTS

Source: 2012 Oregon Food Bank Hunger Factors Assessment



FOOD INSECURITY RATES

20% - 24%
15% - 19%
4% - 14%

Governors Balanced Budget

	Pos.	FTE	General Fund	Other Funds	Federal Funds	Total
Homeless Assistance	6	3.0	\$3,776,029	\$4,119,100	\$7,035,292	\$14,930,421
Rental Assistance	2	1.0	-\$217,782	\$121,290	\$2,411,793	\$2,315,301
Food Programs	1	.5	\$972,300	\$172,264	\$1,002,357	\$2,146,291
Total	9	4.5	\$4,530,547	\$4,412,654	\$10,449,442	\$19,392,643

Performance Metrics

Historical Performance	2007	2008	2009	2010	2011	2012
Food Boxes Distributed	700,277	789,061	808,701	903,829	965,000	1,022,900
Households Receiving Rental Assistance	1,650	1,162	850	940	902	675

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.



Governors Balanced Budget

	Pos.	FTE	General Fund	Other Funds	Federal Funds	Total
Energy Assistance	2	1.0	\$0	\$8,371,818	\$10,400,761	\$18,772,579
Weatherization Assistance	4	2.0	\$0	\$14,745,733	\$41,452,054	\$56,197,787
Total	6	3.0	\$0	\$23,117,551	\$51,852,815	\$74,970,366

Performance Metrics

Historical Performance	2007	2008	2009	2010	2011	2012
Total Households Served, Energy Assistance	74,600	83,018	115,535	109,505	104,157	105,173
Total Households Served Weatherization	3,644	3,654	4,726	4,391	4,444	3,235

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



Governors Balanced Budget

	Pos.	FTE	General Fund	Other Funds	Federal Funds	Total
Multifamily Housing Development	18	9.0	\$0	\$18,195,370	\$8,759,839	\$26,955,209
Section 8 Rent Subsidy	11	5.50	\$0	\$1,096,665	\$54,000,000	\$55,096,665
Total	29	14.5	\$0	\$19,292,035	\$62,759,839	\$82,051,874

Performance Metrics

Historical Performance	2007	2008	2009	2010	2011	2012
Number of affordable units produced or rehabilitated	1,551	1,612	1,191	812	1,221	1,335

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:

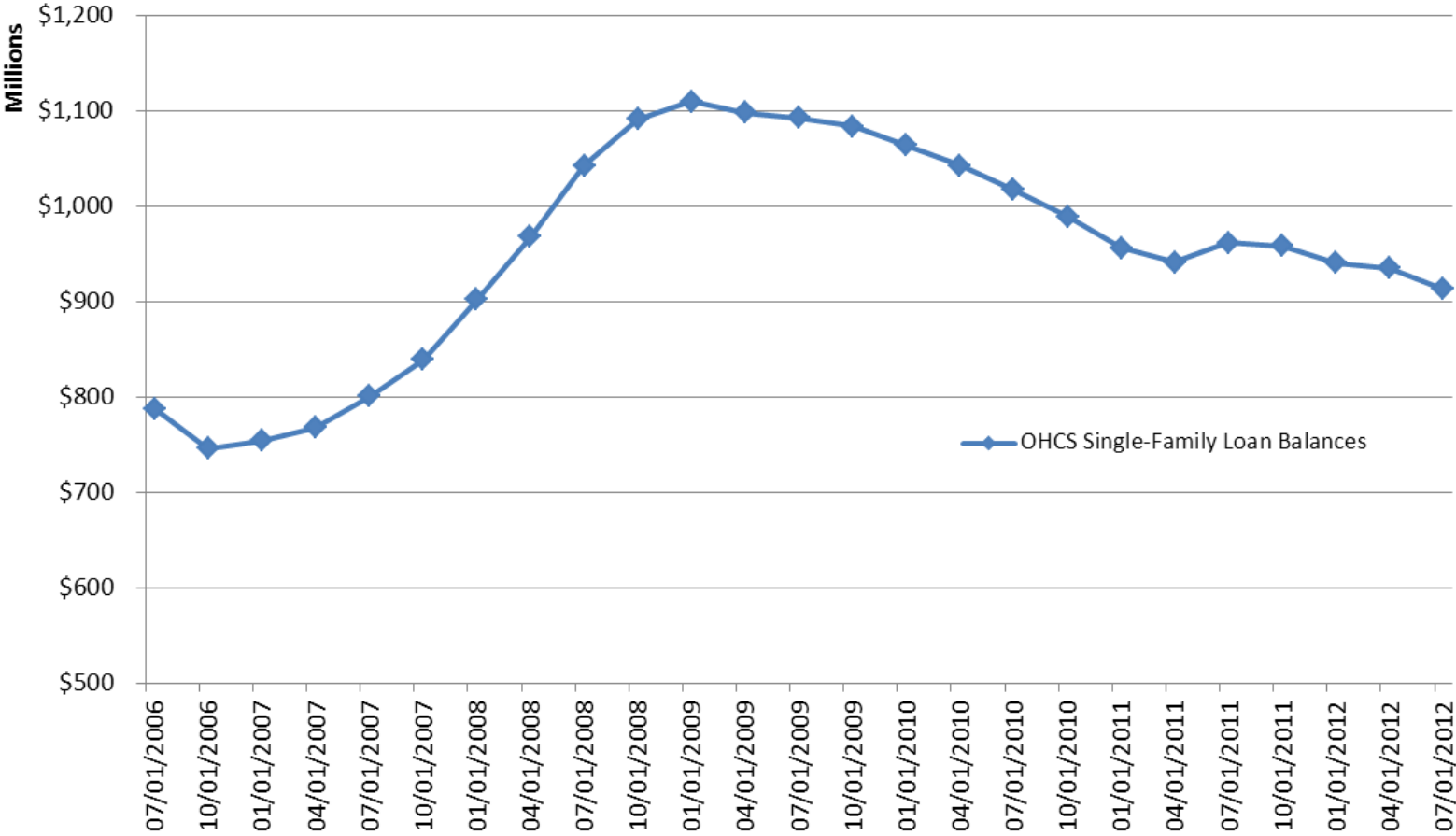
- Regional Housing Centers (located across the state)
- Homebuyer education and training
- Down Payment Assistance

Single Family loan volume is significantly down from historical levels

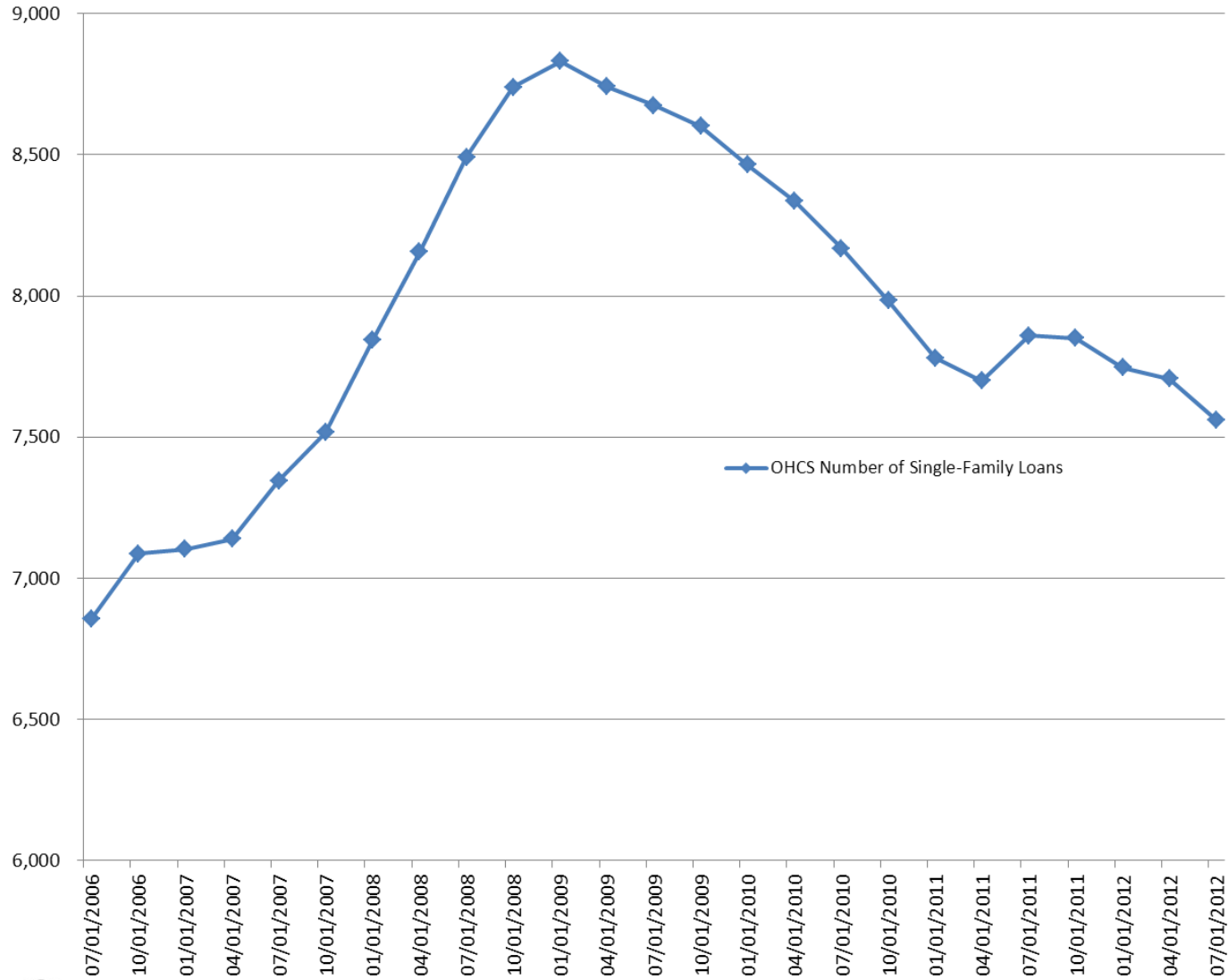


Photo courtesy of Proud Ground

OHCS Single-Family Loan Balances



OHCS Number of Single-Family Loans



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.



Governors Balanced Budget

	Pos.	FTE	General Fund	Other Funds	Federal Funds	Total
Home Owner Assistance	5	2.50	\$2,118,187	\$1,526,570	\$499,200	\$4,143,957
Manufactured Communities Resource Center	2	1.0	\$0	\$239,229	\$0	\$239,229
Neighborhood and Community Programs	1	.25	\$0	\$0	\$650,978	\$650,978
Total	8	3.75	\$2,118,187	\$1,765,799	\$1,150,178	\$5,034,164

Performance Metrics

Historical Performance	2007	2008	2009	2010	2011	2012
Single Family Units Financed	1,195	1,850	836	171	383	520

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

Program funds must be utilized by 2017



Governors Balanced Budget

	Pos.	FTE	General Fund	Other Funds	Federal Funds	Total
Homeownership Stabilization Initiative	37	7.18	\$0	\$1,506,786	\$0	\$1,506,786
Total	37	7.18	\$0	\$1,506,786	\$0	\$1,506,786

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)



Central Services

	Pos.	FTE	General Fund	Other Funds	Federal Funds	Total
Oregon Volunteers	2	1.0			\$2,709,098	\$2,709,098
CASA Program	0	0.0	\$1,111,839	\$1,111,839		\$2,223,678
Central Services	75	37.25		\$7,719,678	\$2,410,844	\$10,130,522
Total:	77	38.25	\$1,111,839	\$8,831,517	\$5,119,942	\$15,063,298

Program Highlights

Oregon Volunteers	<ul style="list-style-type: none"> • 16 AmeriCops programs throughout the state w/350-400 members • 2011-2012 program year collaborated w/8,800+ statewide volunteers
CASA Program	<ul style="list-style-type: none"> • More than 1,400 volunteer advocates • Represent more than 3,350 children in legal dependency statewide

Overview

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

- Since 1977, more than 36,949 mortgage loans totaling more than \$3.5 billion have been financed.

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.



OHCS Key Performance Measures

#	Area
1	Affordable Home Ownership
2	Affordable Rental Housing Through Bonds, Grants and Tax Credits
3	Increasing Housing for Special Needs Individuals (renters)
4	Reducing Homelessness
5	Construction Costs
6	Increasing Energy Savings
7	Agency Customer Service
8	General Fund Food Program



Performance Measures (1 / 8)

Area

Affordable Home Ownership

Performance Measure

Percent of households at or below the State's median income served by our single family programs matches or exceeds Oregon's households at or below median income



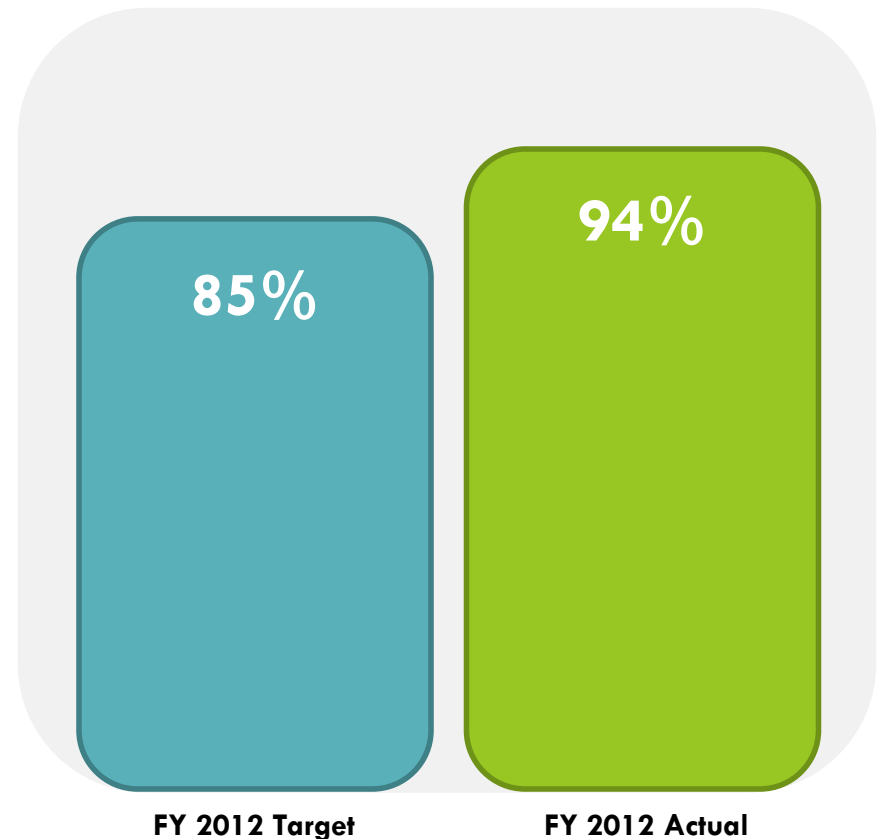
Performance Measures (2/8)

Area

Affordable Rental Housing Through Bonds, Grants and Tax Credits

Performance Measure

Percent of housing units funded with grants, tax credits and bonds, excluding market rate housing units, will be affordable to households earning less than 60% of the area median income.



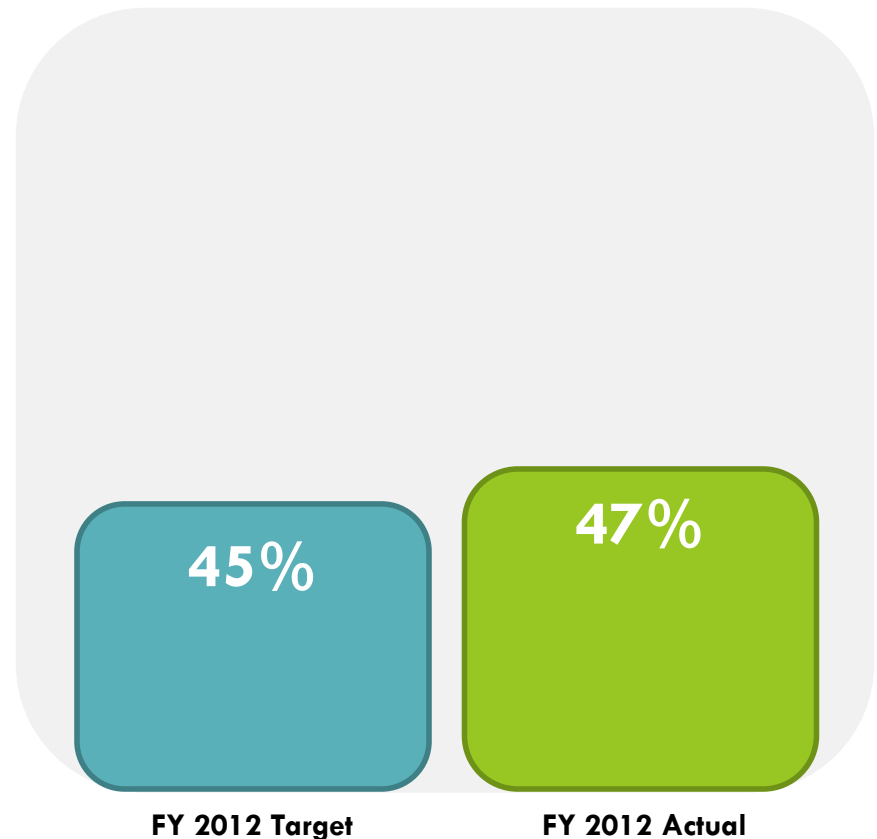
Performance Measures (3/8)

Area

Increasing Rental Housing for Special Needs Individuals (renters)

Performance Measure

Percent of affordable rental housing units developed that provide rental opportunities for the low-income elderly or individuals with special needs compared to the percent of the State's population that are low-income elderly or individuals with special needs.



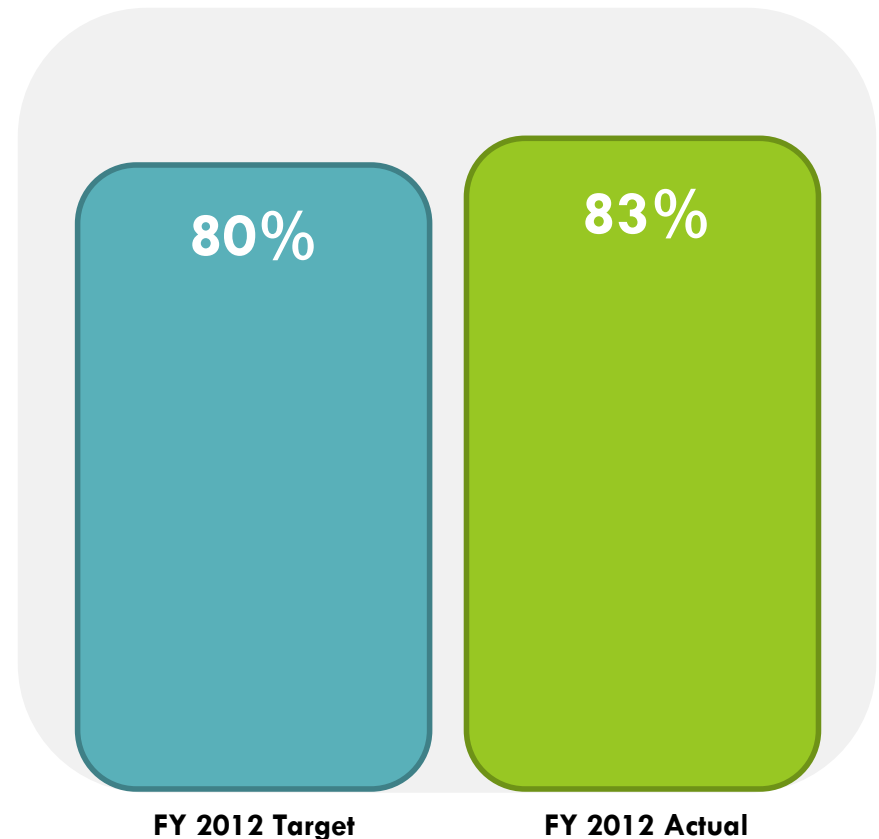
Performance Measures (4/8)

Area

Reducing Homelessness

Performance Measure

Percent of homeless persons entering housing with stays of 6 months or longer



Performance Measures (5/8)

Area

Construction Costs

Performance Measure

Costs per square foot for housing units developed through grant and tax credit programs.



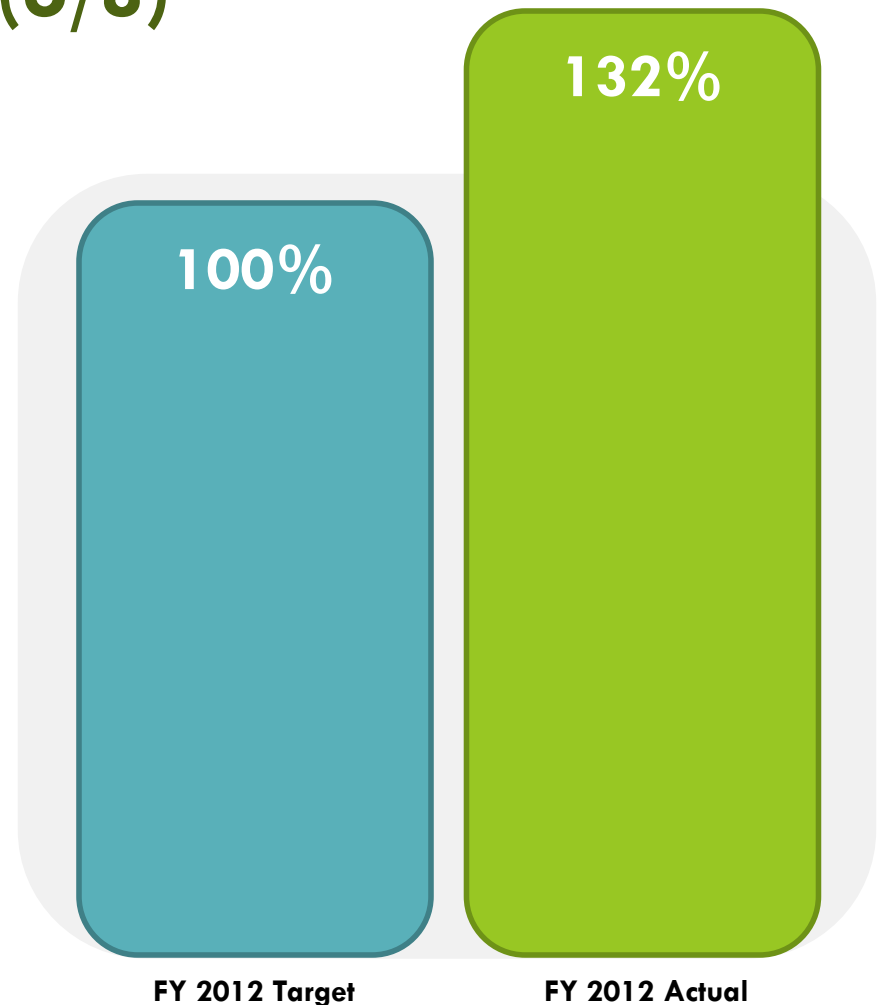
Performance Measures (6/8)

Area

Increasing Energy Savings

Performance Measure

For all funds invested, the percent of energy savings generated from the department's Energy Conservation Helping Oregonians (ECHO) weatherization program.



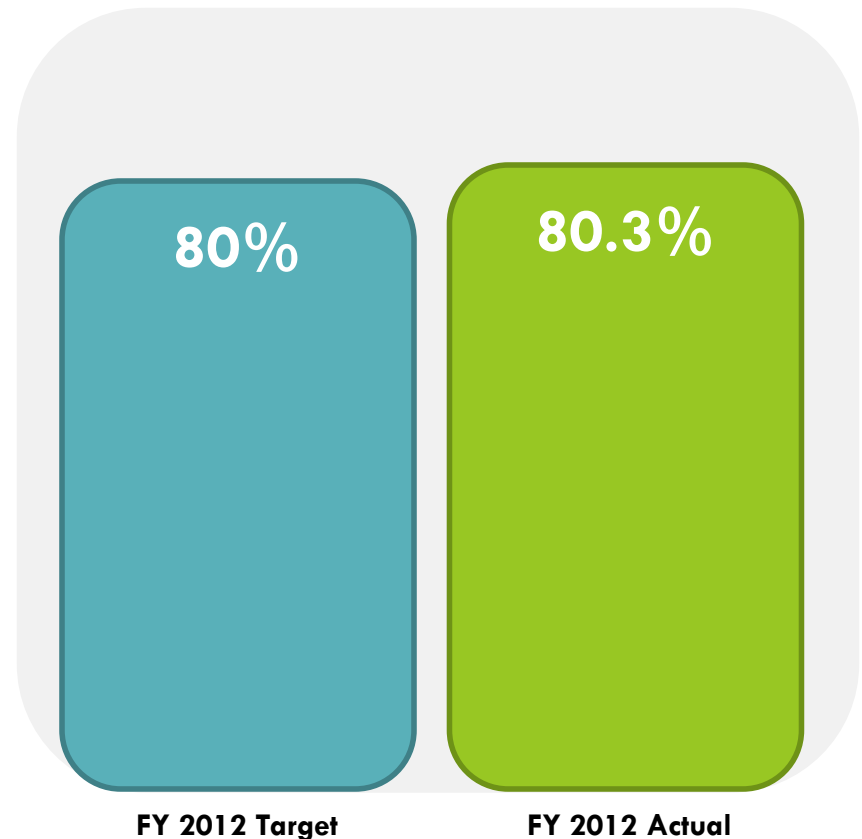
Performance Measures (7/8)

Area

Agency Customer Service

Performance Measure

Percent of customers rating their satisfaction with agency's customer service as "good" or "excellent" (timeliness, accuracy, helpfulness, expertise, availability of information overall).



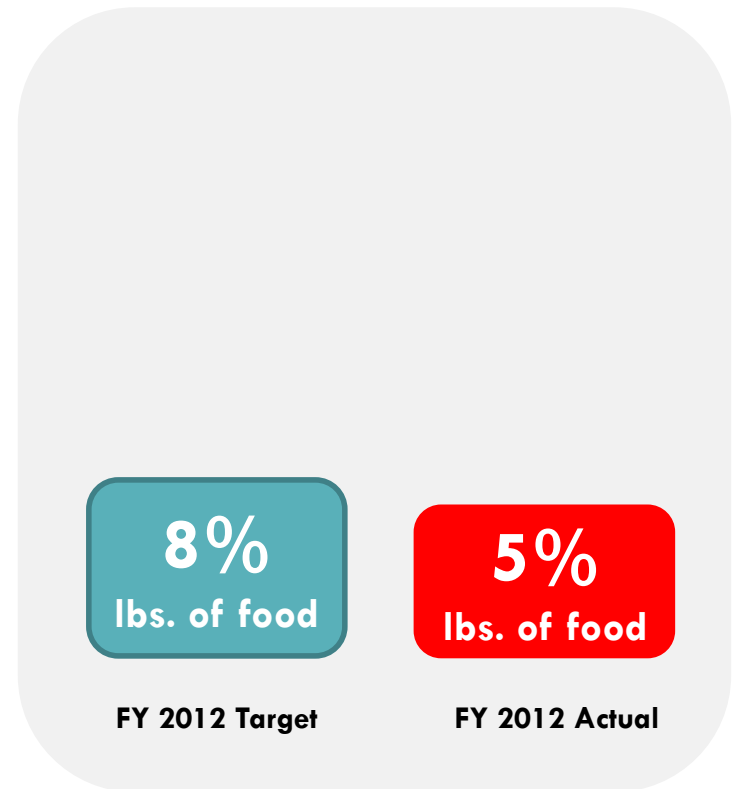
Performance Measures (8/8)

Area

General Fund Food Program

Performance Measure

Percent of pounds in donated food distributed through the Oregon Food Bank that are processed or repackaged bulk food from the General Food Program.



Summary of Proposed Legislation

OHCS legislative concept:

- **SB 204** – Housekeeping bill related to Single-Family portfolio

Other bills proposed by partners include:

- **HB2417** – Document Recording Fee for Veterans
- **HB2639** – Section 8 “source of income”
- **HB2474** – Farmworker Housing Tax Credit Extension
- **SB 558** – Adjustments to the Foreclosure Avoidance Mediation Program
- **HB 2872** – Requires OHCS to coordinate with DAS to ensure continuity of bond and debt management obligations
- **HB 3220** – Directs OHCS to report to interim legislative committees

Effects of the Sequester on Affordable Housing

Examples of federal budget cuts to affordable housing in Oregon:

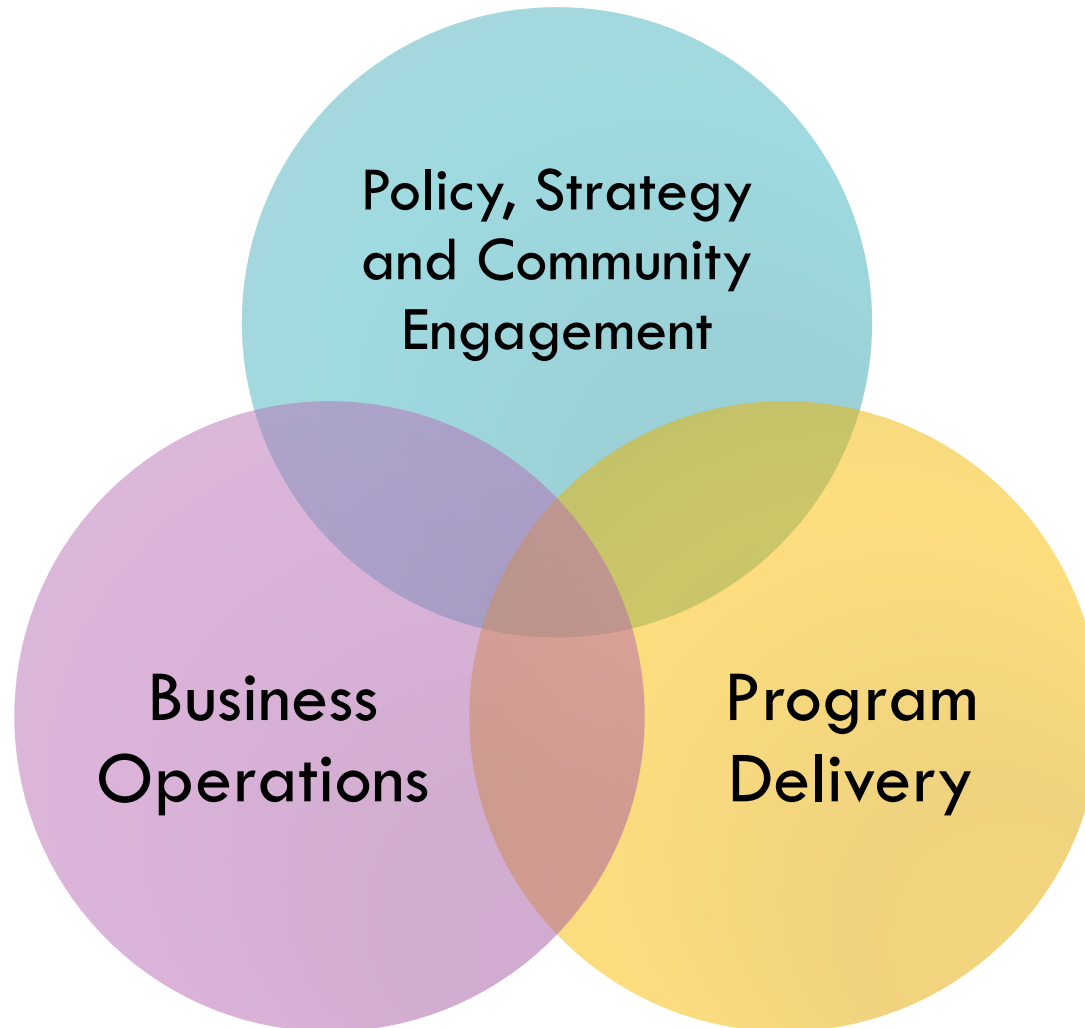
Reduced HUD funding:

- HOME Program reductions
- Housing Authority Section 8 Voucher reductions
- Homeless programs for non-profit providers reductions

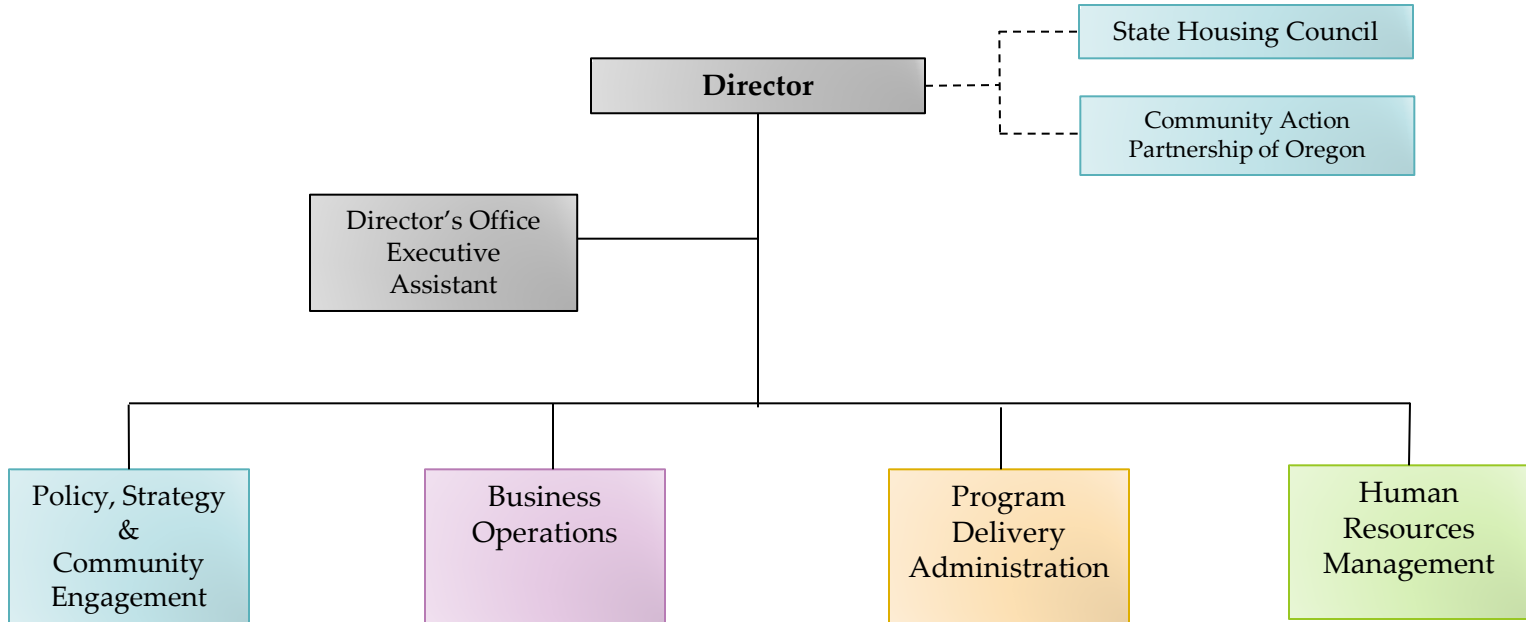
Governor's Call for Change

- 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



OHCS Organizational Chart



----- Temporary Appointments

Legislatively Approved Budget 2011-13	211 pos.	184.39 FTE
Governor's Balanced Budget 2013-15	166 pos.	71.18 FTE

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

Recent Moody's Report

MARCH 6, 2013 U.S. PUBLIC FINANCE

Moody's
INVESTORS SERVICE

INDUSTRY OUTLOOK

Outlook for US State Housing Finance Agencies for 2013 Remains Negative

Sector is Positioned for Future Stabilization, Should Key Credit Drivers Strengthen

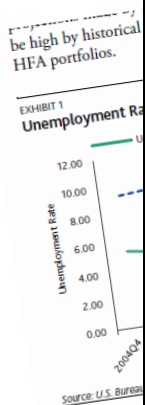
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CREDIT DRIVER #1: UNEMPLOYMENT REMAINS WELL ABOVE HISTORICAL NORMS	2
CREDIT DRIVER #2: LOW INTEREST RATES ON INVESTMENTS	4
CREDIT DRIVER #3: LOW CONVENTIONAL MORTGAGE RATES	5
CREDIT DRIVER #4: LOW HOME PRICES RELATIVE TO ORIGINATION	8
CREDIT DRIVER #5: WEAKENED	

Moody's outlook for the US state housing finance agency sector is negative. The outlook expresses our expectations for the fundamental credit conditions in the sector over the next 12 to 18 months. It does not speak to expectations for individual rating changes and is not a prediction of the expected balance of rating changes during this time frame.

Summary Opinion

The outlook for US state housing finance agency (HFA) sector remains negative. While the U.S. housing market has begun to show signs of improvement, HFA credit drivers are more



Furthermore, not yet transferred performance various states Exhibit 2 of June 3 delinquent a 66% increase

EXHIBIT 2
Foreclosure

EXHIBIT 6
Supply of Homes for Sale is Lower

Sale, (Ths., SA)
700

down
loan debt
score requirements as part
e HFAs have seen a decline in
demand reflected

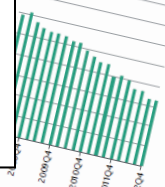


EXHIBIT 3
Rate of Household Formation Projected to Improve in Near Term

and the supply of homes for sale has declined (Exhibit 6) as a result of investors factors, in combination with pent-up demand for housing among renters and signs of increasing consumer confidence that the housing market has turned around, could improve demand in the near term.⁸

400 420 440 460 480

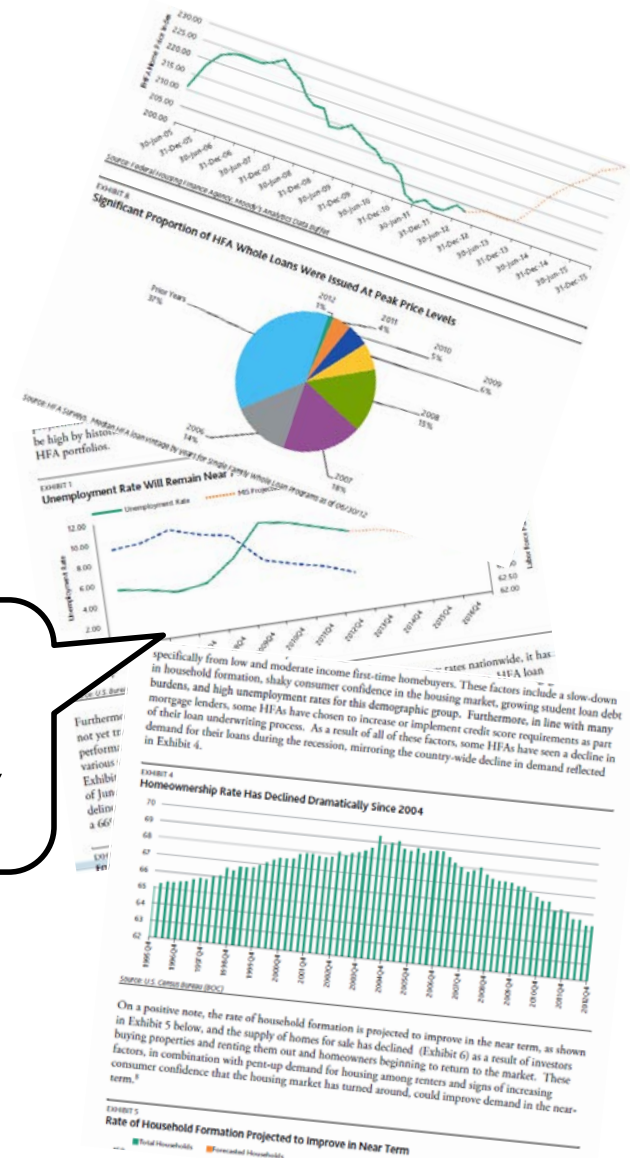
Total Households Forecasted Households

Recent Moody's Report, Cont.

Negative outlook impacted by:

- Pervasive unemployment
- Continued historically low interest rates
- Changing federal government policy

"HFA's historic tax-exempt advantages have evaporated as a result of compression...and disruption in the US financial markets since 2008"

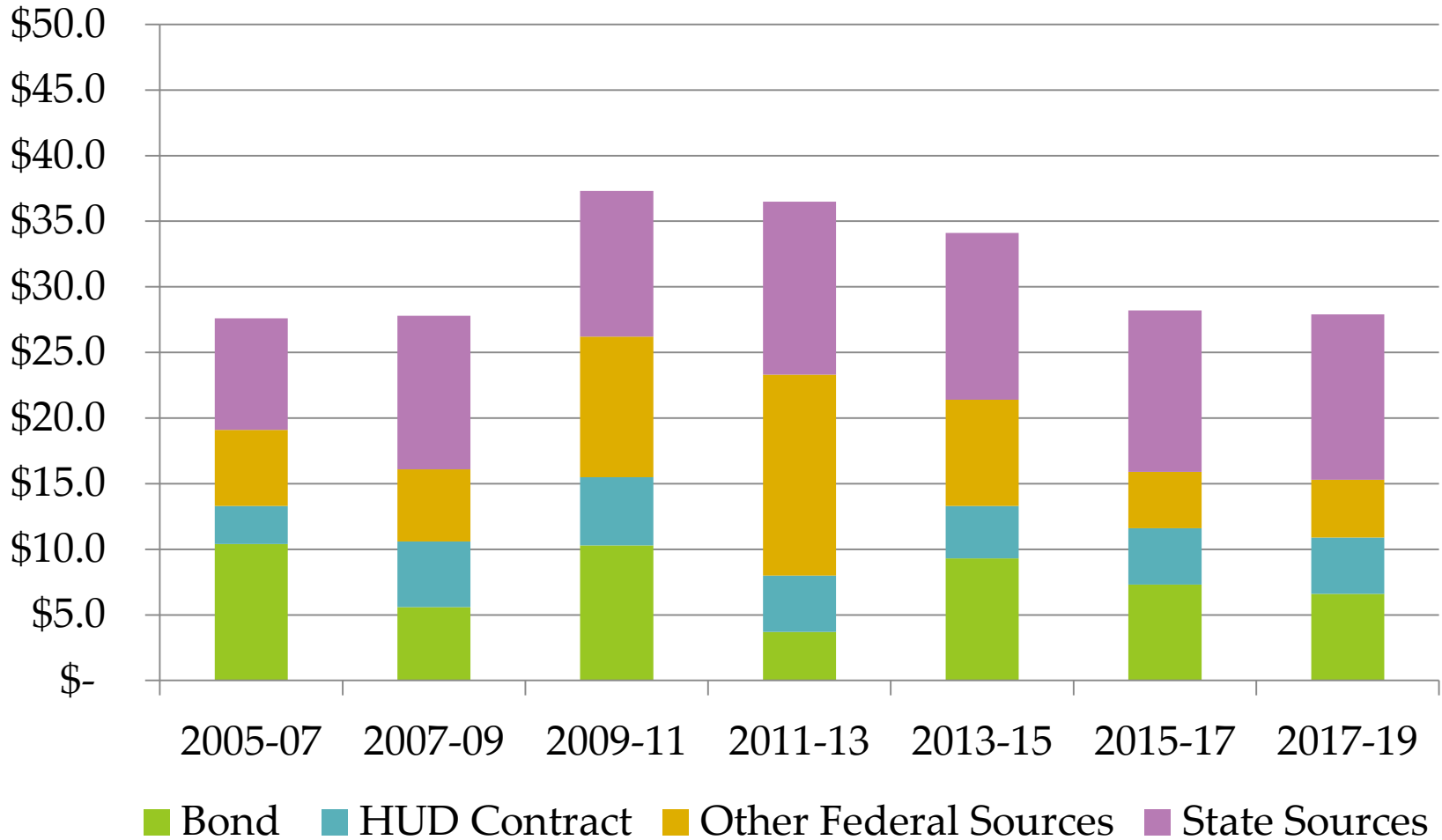


Recent Moody's Report, Cont.

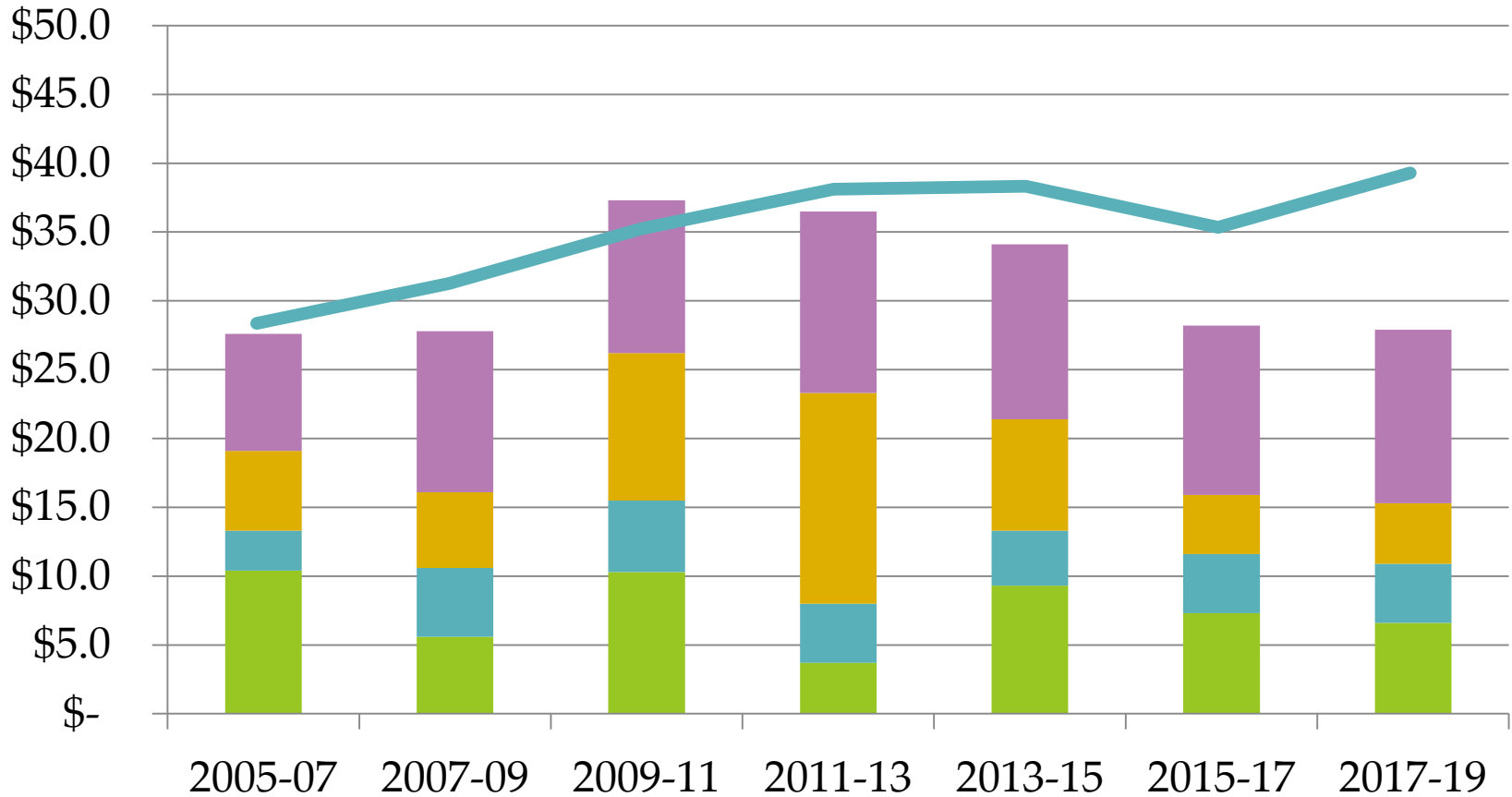
How are OHCS' peers responding?

- Waiting out the recession
- Using private-sector models to create new financial tools such as:
 - Mortgage-backed securities
 - Creating "trading desks"

Financial Drivers



Financial Drivers



■ Bond
 ■ HUD Contract
 ■ Other Federal Sources
 ■ State Sources

— Total Administrative Costs

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)

From

- Programs operating independently

To

- Programs that are strategically aligned with state and local programs

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 core 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.

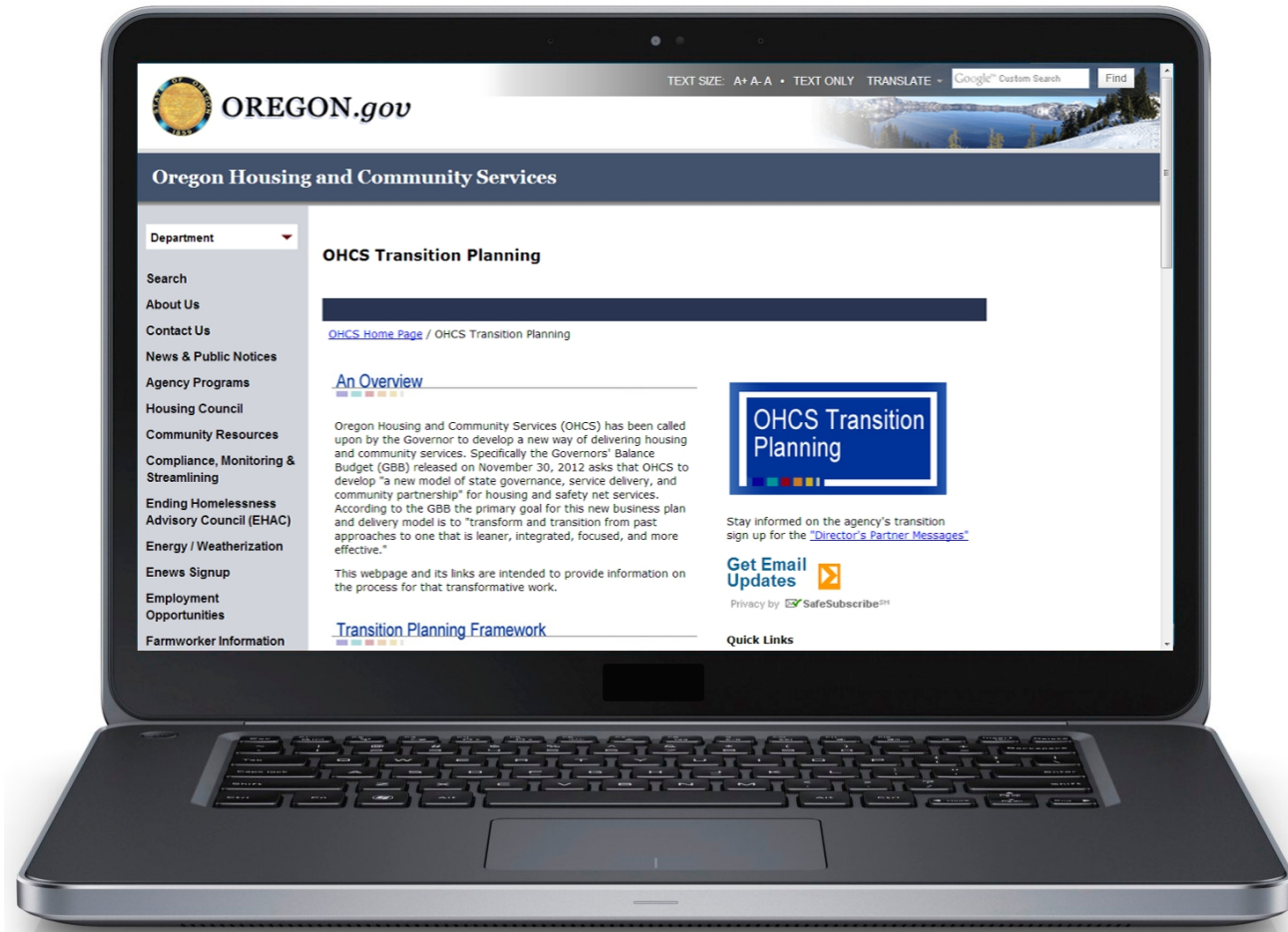
Next Steps, cont.

Core Operating Assumptions

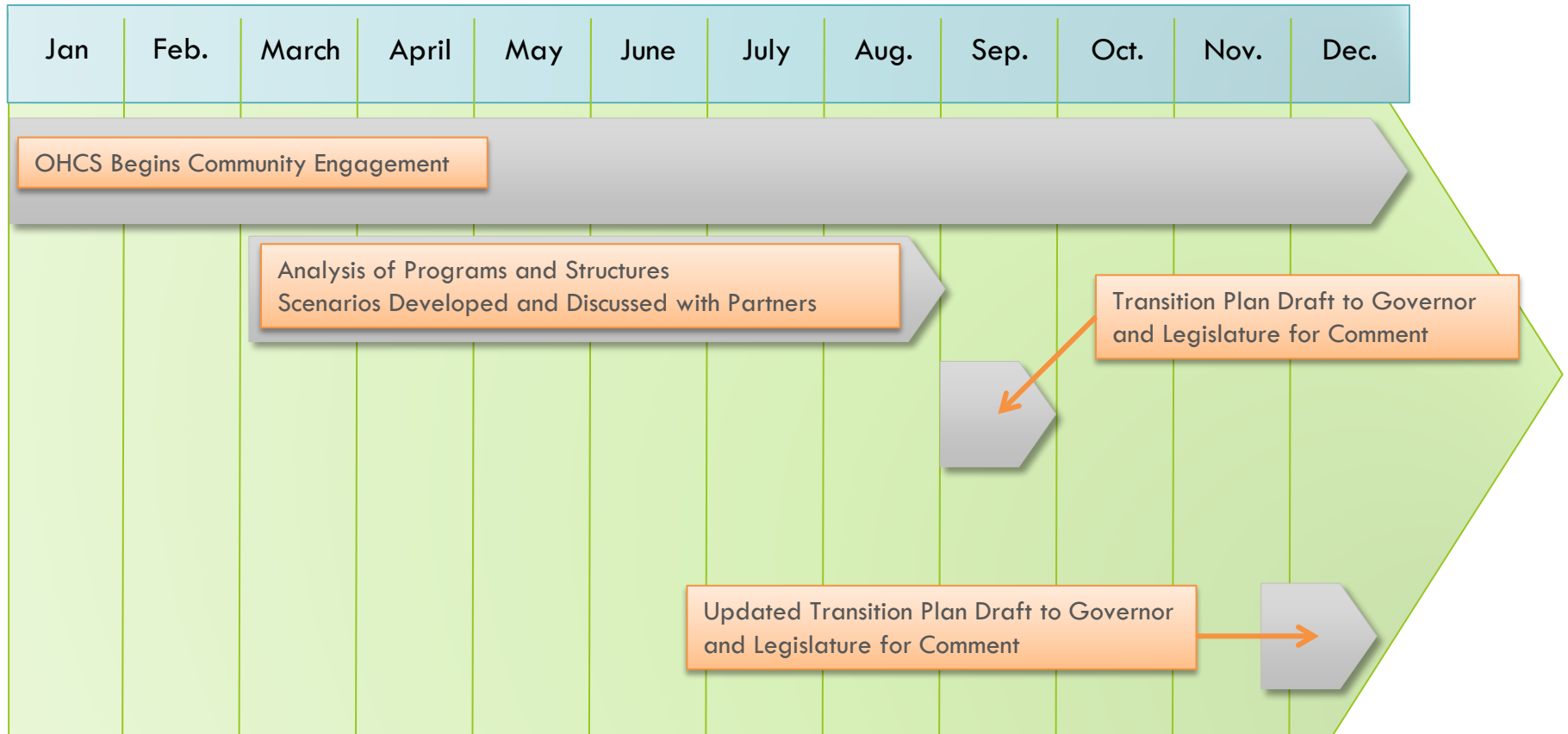
Imbedded in the planning process for a new service delivery model are core assumptions:

- 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.

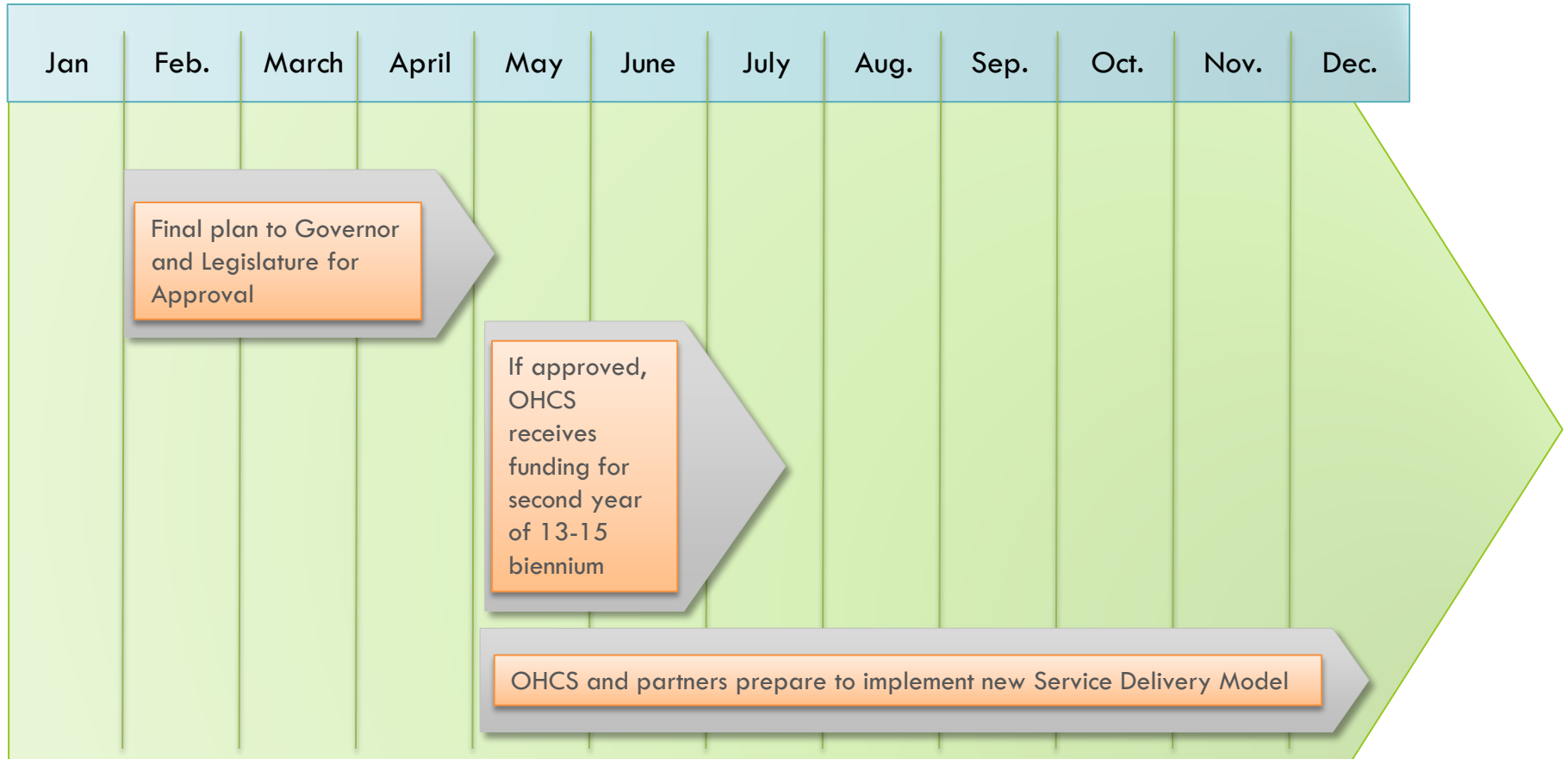
Transition Transparency: OHCS Website



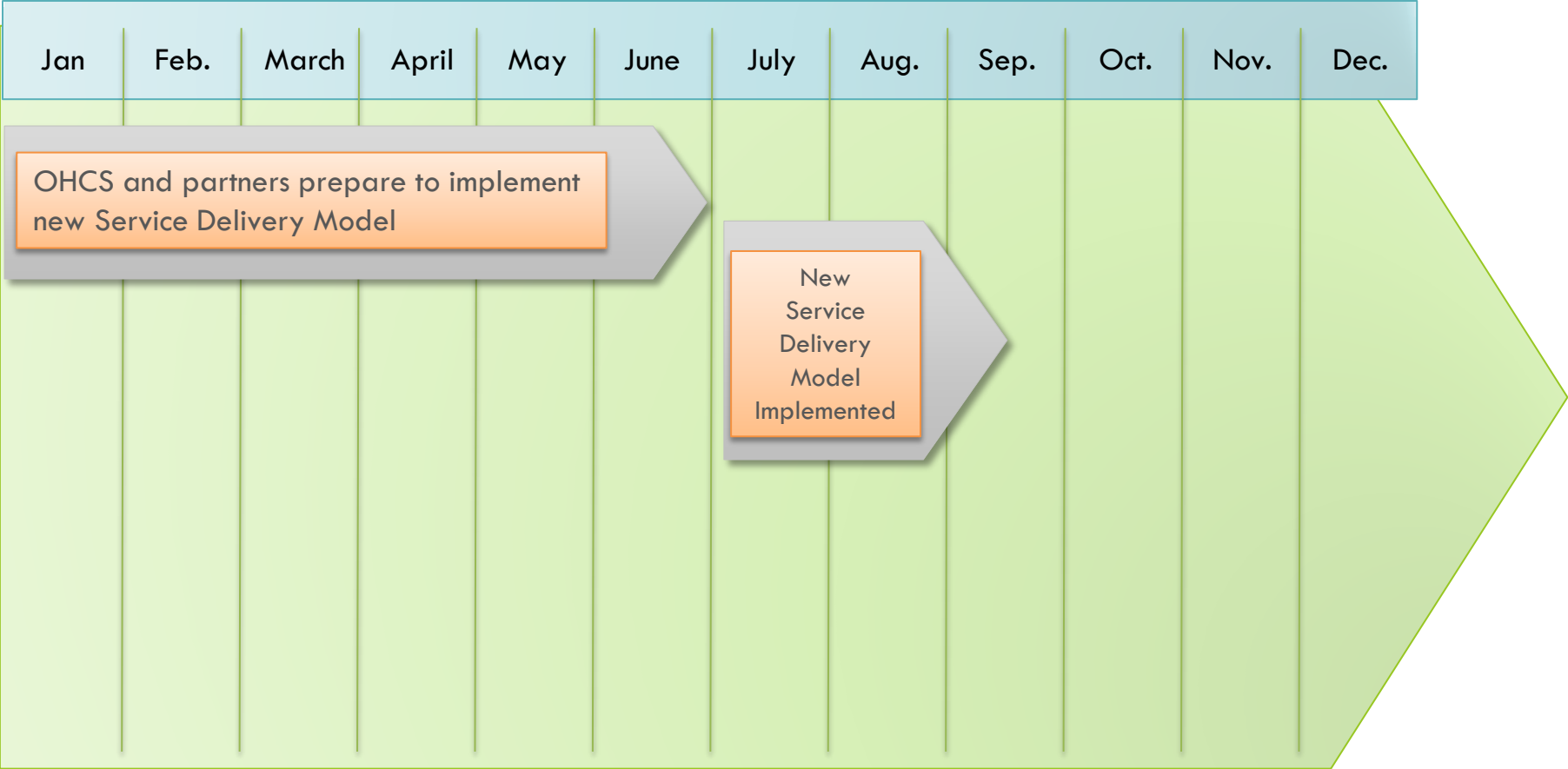
Transition Timeline – 2013



Transition Timeline – 2014



Transition Timeline – 2015



Questions?
