

Analysis  
**Housing and Community Services Department**  
Project Reinvest Grant

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**Analyst:** Michelle Deister

**Request:** Approve a request by the Housing and Community Services Department to apply for a Project Reinvest: Financial Capability grant from NeighborWorks America, in the estimated amount of \$1,575,000.

**Recommendation:** Approve the request.

**Analysis:** NeighborWorks America is a public nonprofit organization established by Congress in 1978. Its mission is to “Create opportunities for people to live in affordable homes, improve their lives and strengthen their communities.” To that end, the organization is offering a grant opportunity to Housing Finance Agencies and partner housing counseling agencies to support services that include financial counseling, coaching, development of financial action plans, home pre-purchase education and foreclosure prevention counseling services. The source of the grant is \$122.54 million in legal settlement dollars from Bank of America secured by the United States Department of Justice.

The Housing and Community Services Department (HCS D) currently contracts with 17 homeownership assistance centers to disburse funding on a contractual or fee for service basis for counseling and other services from document recording fees, federal funds, and the Oregon Foreclosure Avoidance Program. This grant could be used to backfill a portion of the projected decline in federal and state funding for home ownership assistance centers in the 2017-19 biennium. All of these centers could be eligible for grant funds, if the grant application is successful. The amount that each center would receive is dependent upon the number of clients that each housing center expects to serve in the first twelve months of the grant period, and on a first come, first serve basis thereafter. The funding opportunity is available to those states and certain entities serving areas defined as “areas of greatest need” and “areas of extraordinary need”, and based on the definitions in the funding opportunity announcement, HCS D anticipates that 75% of Oregon meets these definitions.

Funds from this grant could be used to provide operating support to homeownership centers currently receiving fee-for-service payments under the Oregon Foreclosure Avoidance program, funding for which is phased out in the 2017-19 Governor’s recommended budget.

No matching funds are required. The application deadline is March 2, and an announcement regarding whether the grant application is successful is expected by May, 2017. The performance period of the grant is June 1, 2017 through November 30, 2018. HCS D does not anticipate needing additional positions to administer the grant, and no state matching funds are required. If the grant application is approved by the Legislature and funds are awarded, Federal Funds limitation for this purpose can be included in the 2017-19 budget.

The Legislative Fiscal Office recommends approval.