



AGENCY BUDGET PRESENTATION

PRESENTED TO:
JOINT WAYS AND MEANS SUBCOMMITTEE ON
TRANSPORTATION AND ECONOMIC DEVELOPMENT

PRESENTED BY:
MARGARET SOLLE SALAZAR
DIRECTOR, OHCS

OUR VISION AND MISSION

Vision

All Oregonians have the opportunity to pursue prosperity and live free from poverty.

Mission

We provide stable and affordable housing and engage leaders to develop integrated statewide policy that addresses poverty and provides opportunity for Oregonians.

HOUSING TIES IT ALL TOGETHER

“Oregon works hard to help our citizens succeed, but every other investment we make is jeopardized when people are unable to find affordable housing.”

Doug Stamm, Meyer Memorial Trust: February 7, 2017.

A "stable place to call home" is one of the "few things that every child needs to lead a healthy, productive life."

Susan Desmond-Hellman, Gates Foundation: 2015.



“Access to affordable housing plays an important role in low-income households’ ability to achieve and maintain the stability necessary to pursue their financial goals and escape poverty.”

National Housing Conference: 2016.

“Public investment in housing—including housing for homeless families and rental assistance for food-insecure families—improves the health outcomes of vulnerable infants and young children and lowers health care spending.”

Children’s Health Watch: 2016.

IMPROVING THE LIVES OF MORE OREGONIANS

Equity
Fiscal Sustainability
Opportunity for Prosperity

Cross-Agency Strategic Alignment

Health
Outcomes

Safety
Outcomes

Education
Outcomes

Economic
Outcomes

Housing is Foundational

HISTORICAL PERSPECTIVE

2011-13 Biennium: OHCS faces fiscal and programmatic uncertainty

- October 2011 – New director appointed to address financial challenges and determine if the agency should be dismantled
- Agency restructured leading to all new executive management and 12 positions (including six management) eliminated:
 - Went through scenario build to determine possible alternative delivery options for OHCS programs
 - Eliminated Portland office
- Transition efforts began with the goal to focus agency programs to be mission oriented and financially sustainable

HISTORICAL PERSPECTIVE

2013-15 Biennium: OHCS recommends agency remain intact but acknowledged concerns about fiscal sustainability and program delivery

- OHCS budget had second year of funding withheld pending a report to the legislature on alternate service delivery models for 2015 and beyond:
 - 2014 legislative report focused on:
 - Improved service delivery
 - Effectiveness
 - Fiscal sustainability
- Legislature approved report and second year of funding
- July of 2014 OHCS published new strategic framework focused on inward facing strategic imperatives:
 - Implement an effective, integrated policy and governance model
 - Deliver remarkable service
 - Implement a financially sustainable business model
 - Strengthen agency leadership skills at all levels
 - Become a data and research driven agency

HISTORICAL PERSPECTIVE

2015-17 Biennium: OHCS balanced budget through key activities

- Reduced staffing
- Streamlined operations and programs
- Transfer of food programs
- General fund support to offset subsidy required for Oregon Volunteers
- **Agency work in pursuit of strategic imperatives led to:**
 - Improved governance and oversight
 - Revenues aligned with expenses and clarity of fiscal position
 - Implementation of risk rating system for assets in OHCS portfolio
 - Programs streamlined and new programs developed
- **New programs received in recognition of housing crisis:**
 - LIFT program (\$40 million in XI-Q bond proceeds)
 - Mental Health Housing (\$20 million in lottery bond proceeds)
- **Participated in Secretary of State Performance Audit**

SECRETARY OF STATE PERFORMANCE AUDIT

Focus:

Affordable housing preservation and agency operations

Audit Findings:

- Agency efforts to preserve affordable housing fall short
- Strategic planning is not sufficient
- Better data management needed for informed decision-making
- Organizational challenges impede agency from addressing affordable housing

2017 STRATEGIC GOALS

2017 goals in response to audit and transition in last 2 biennia:

1. Build a stronger OHCS that engages, supports and challenges employees
2. Build a stronger OHCS that engages and serves our communities
3. Work to close the affordable rental housing gap for low income households
4. Prevent and reduce statewide poverty and homelessness
5. Reduce home energy costs and improve housing affordability through Energy Services programs
6. Expand access to home ownership among households with modest incomes, in particular to bridge the minority homeownership gap
7. Work to avoid and resolve foreclosures

BUDGET LANDSCAPE

ENVIRONMENTAL FACTORS

- Oregon's population is now over 4 million, and was the 10th fastest growing state from 2014 to 2015
- Population is aging: 16% of population is over age 65, compared to 12.8% in 2000; expected to rise to 18.5% by 2020
- Rate of growth among people of color was 63% from 2000 to 2014, compared to a growth rate of 7% among the white population
- Uneven economic recovery across Oregon
- Housing instability increasingly cited as major barrier by other public systems

ENVIRONMENTAL FACTORS: AFFORDABILITY

Affordable housing: 30% or less of gross income spent on housing.



Social Security
\$16,000



Full-time minimum wage
\$19,000



Preschool Teacher
\$30,590



Two Full-time minimum wage workers
\$38,000

\$1,008 average rent for a two bedroom apartment in Oregon

0-30% area median income
Affordable monthly housing costs
\$0-\$500

30-60% area median income
Affordable monthly housing costs
\$500-\$1,000



Auto Mechanic
\$41,040

60-80% area median income
Affordable monthly housing costs
\$1,000-\$1,300

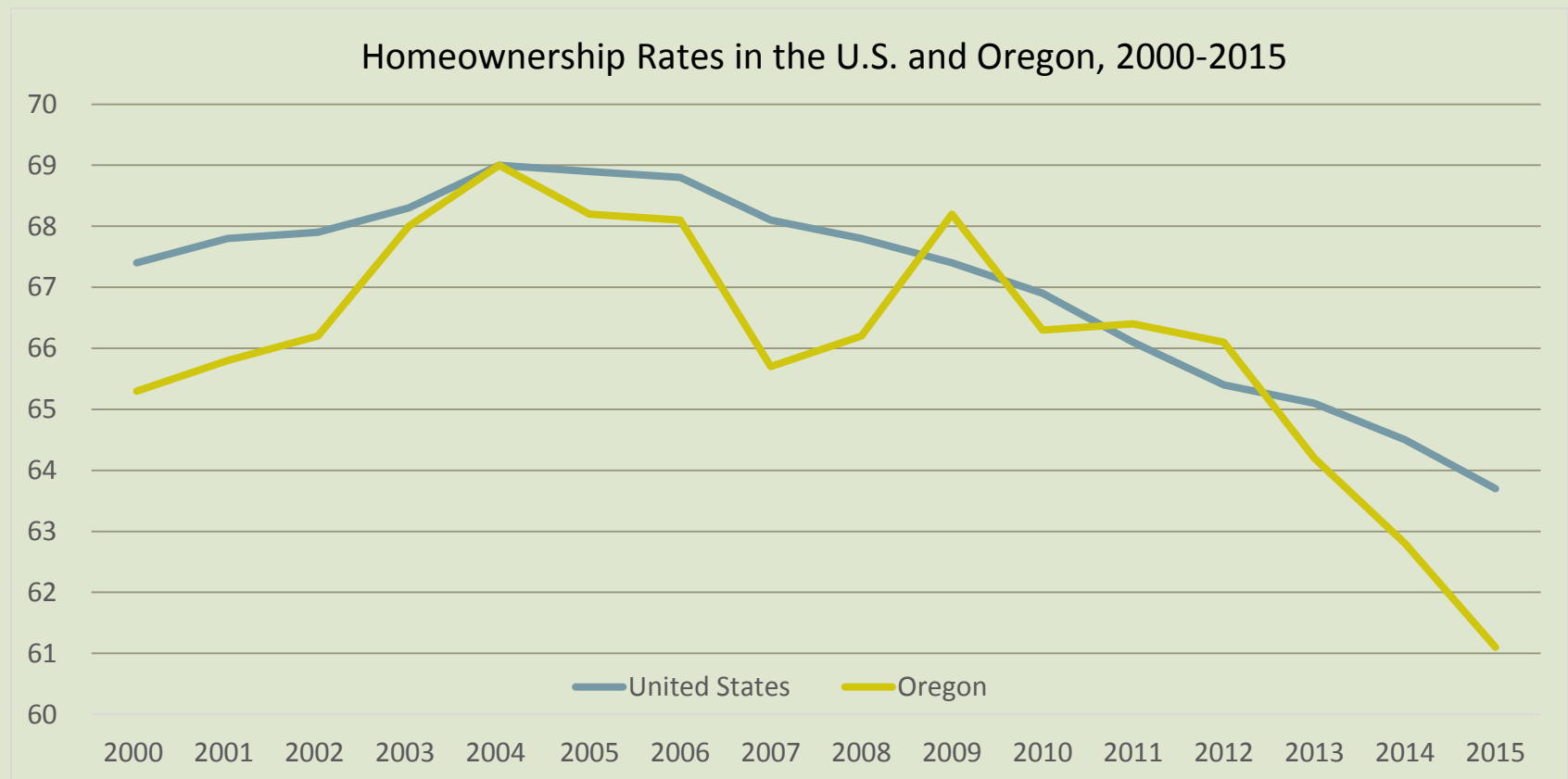


Carpenter
\$46,000

Source: Oregon Bureau
Of Labor and Statistics
HUD – Fair Market Rents

ENVIRONMENTAL FACTORS: HOMEOWNERSHIP RATES

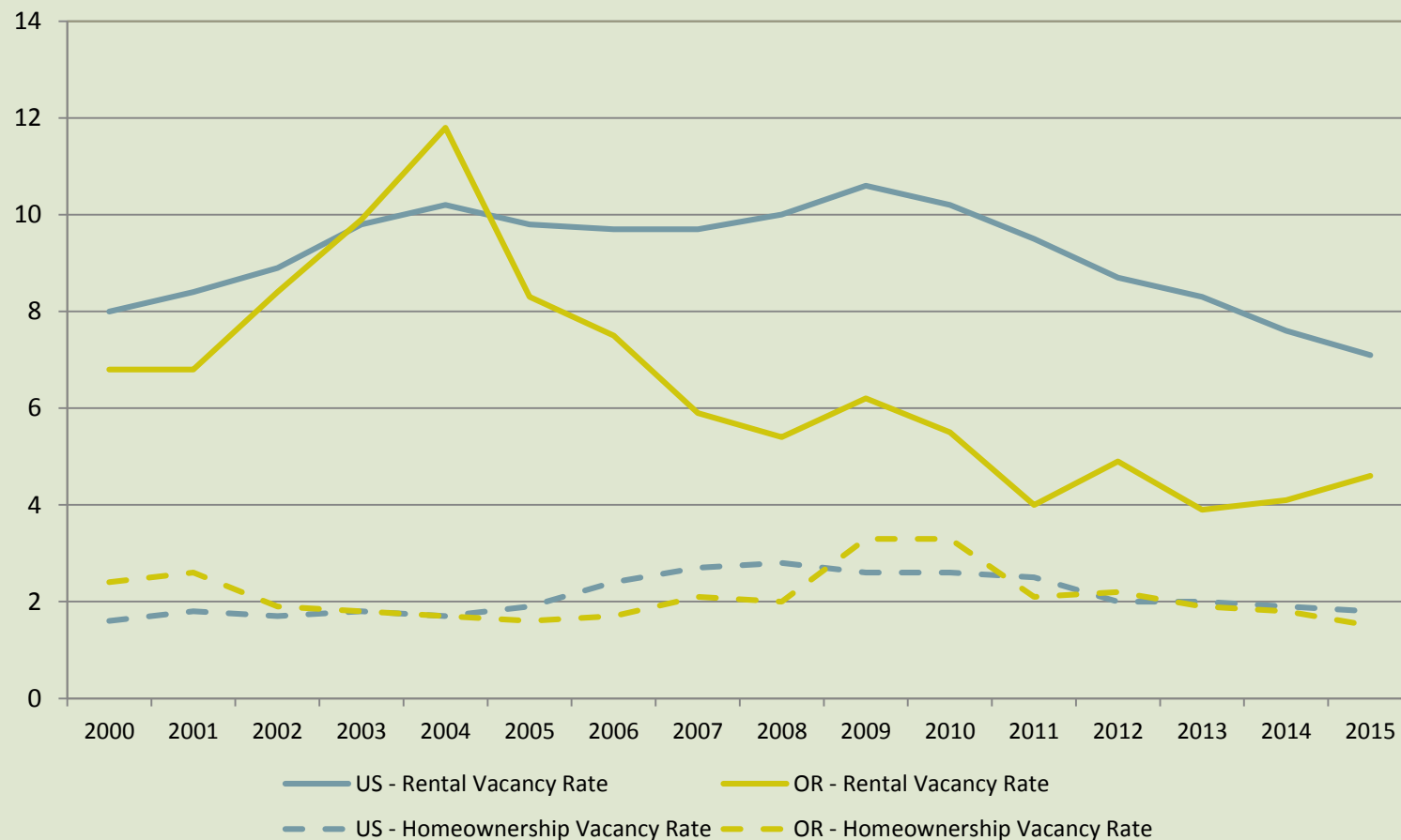
Homeownership Rates Declining



Source: U.S. Census Bureau – Housing Vacancy Survey

ENVIRONMENTAL FACTORS: VACANCY RATES

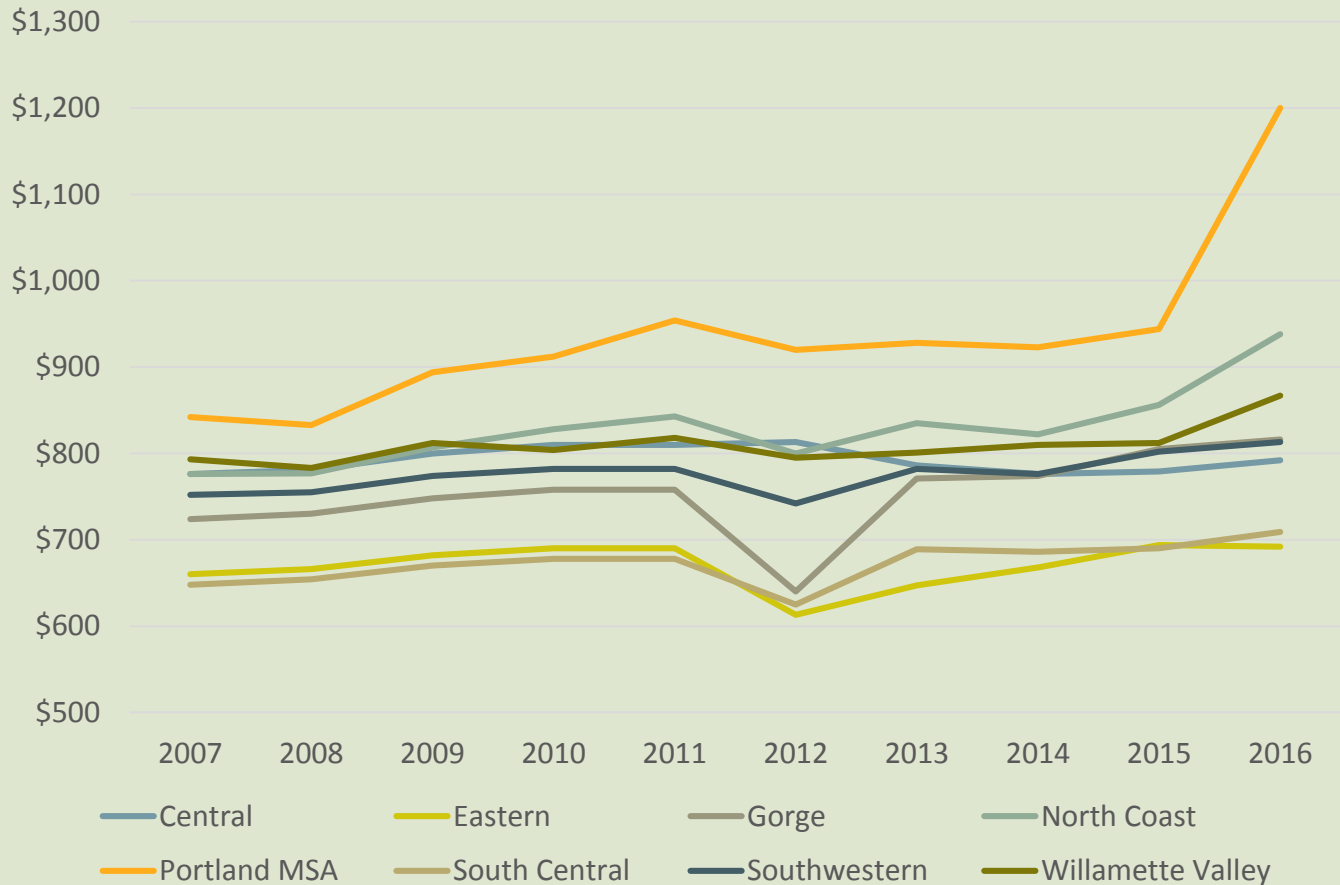
Rental and Homeownership Vacancy Rates 2000 – 2015



Source: U.S. Census Bureau – Housing Vacancy Survey

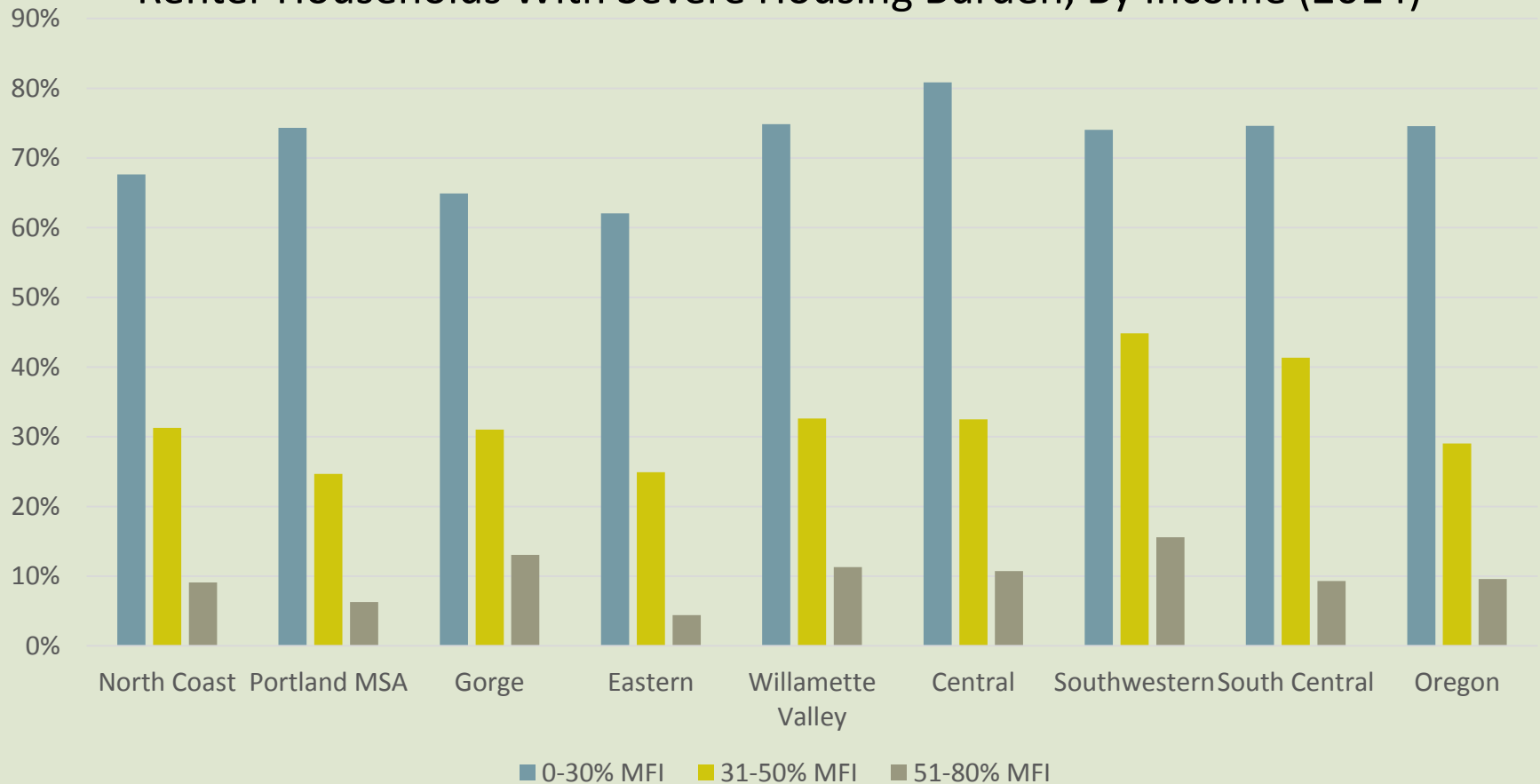
ENVIRONMENTAL FACTORS: MARKET RENTS

2-Bedroom Fair Market Rents, 2007-2016



ENVIRONMENTAL FACTORS: RENT BURDEN

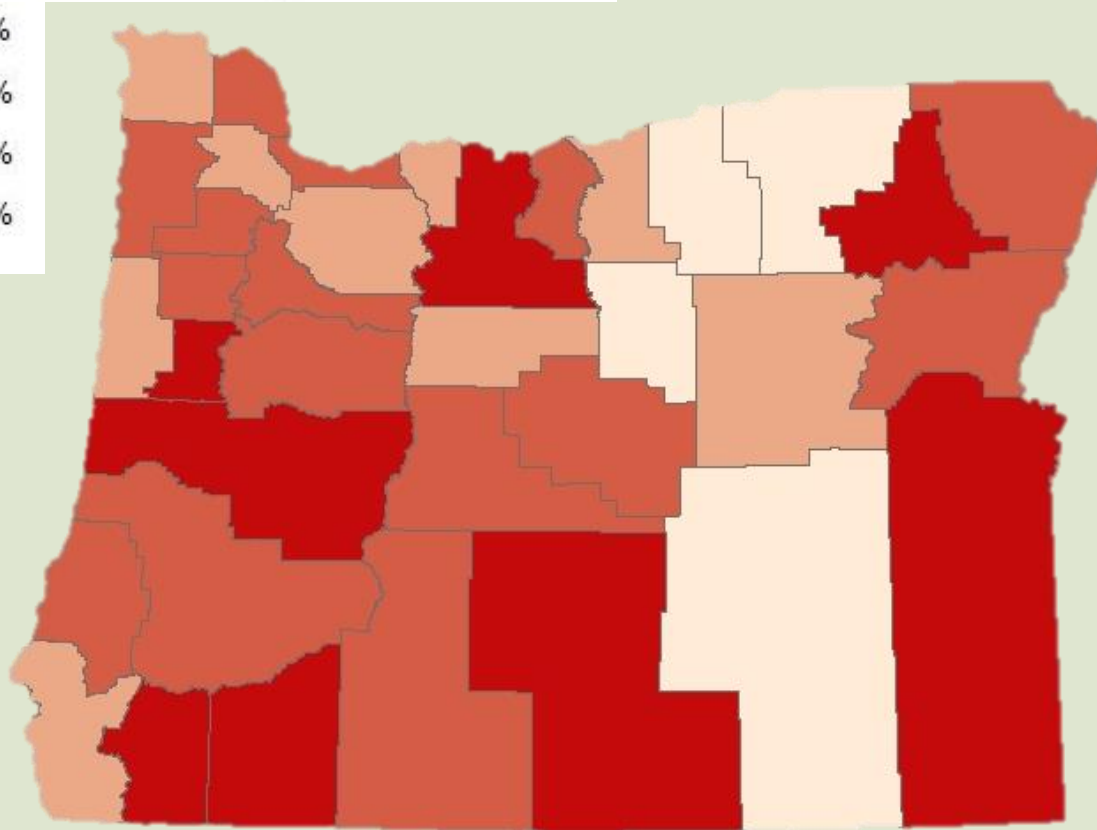
Renter Households With Severe Housing Burden, By Income (2014)



Source: U.S. Census Bureau – 2014 5-year American Community Survey estimates

ENVIRONMENTAL FACTORS: RENT BURDEN

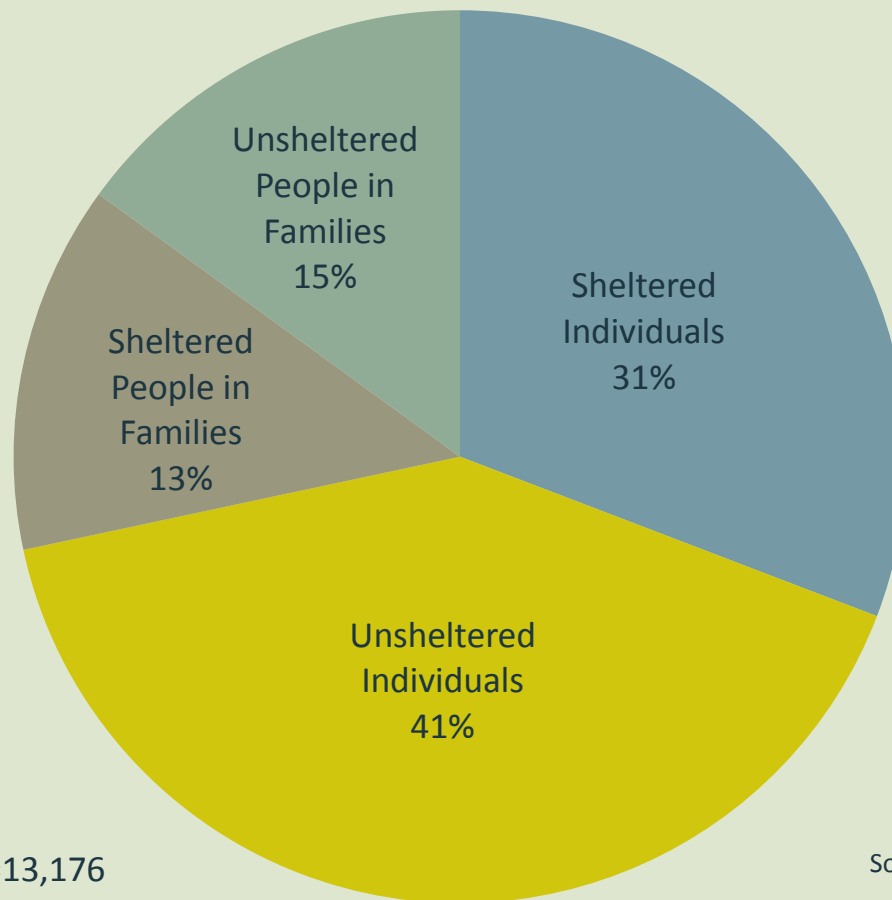
Percent of Renters with Severe Rent Burdens (50% +)



150,000 renter households are currently “severely rent burdened”, meaning they spend more than half of their income on housing.

ENVIRONMENTAL FACTORS: HOMELESSNESS

Sheltered and Unsheltered Homeless Population, 2015



N=13,176

Source: CoC Point-in-Time data

ENVIRONMENTAL FACTORS: RENTAL UNIT GAP

143,500 renter
households in Oregon
are considered
“Extremely Low Income”

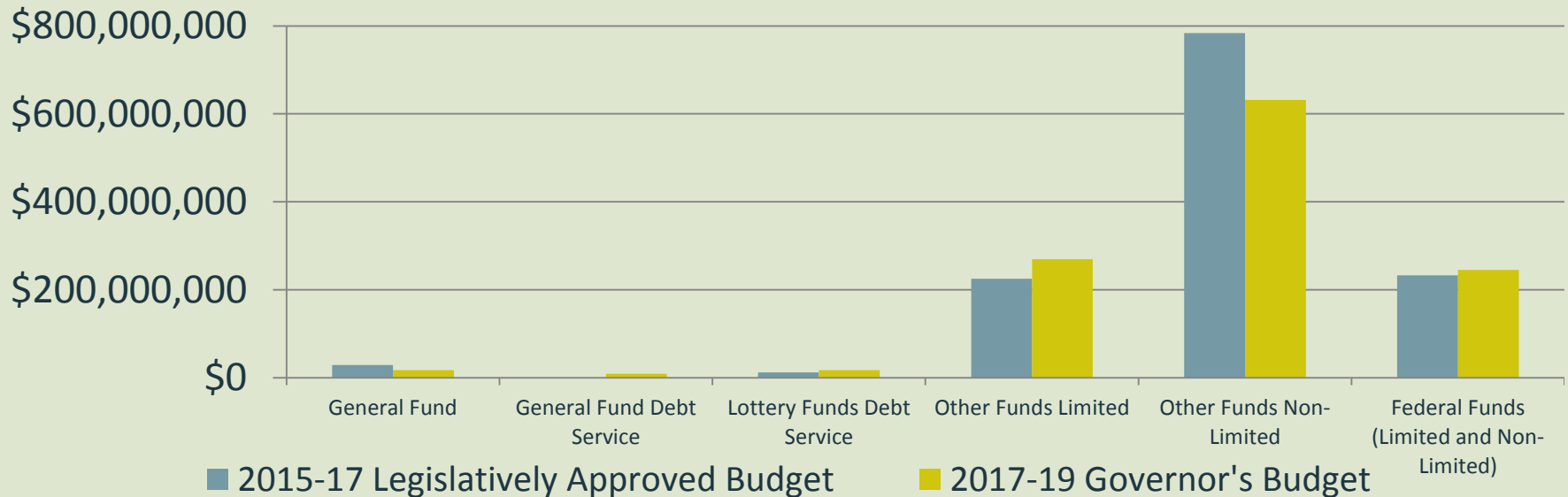


Only 38,000
rental units are
affordable to
those
households



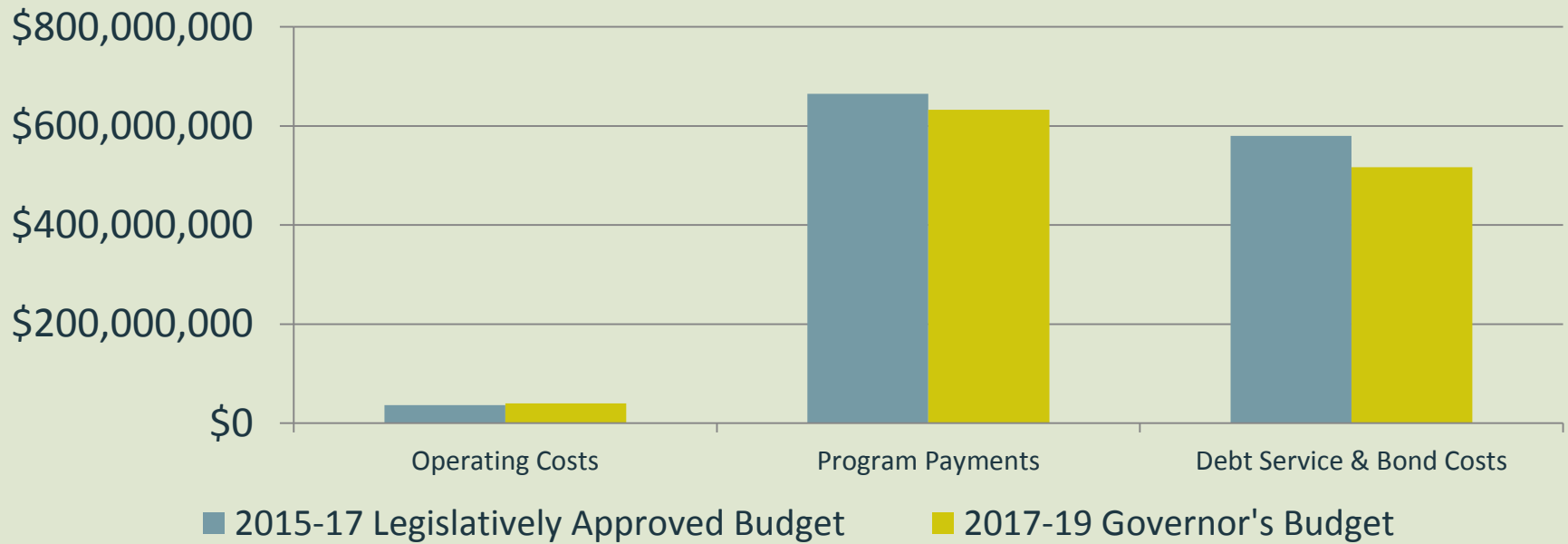
BUDGET SUMMARY

BUDGET SUMMARY BY FUND TYPE



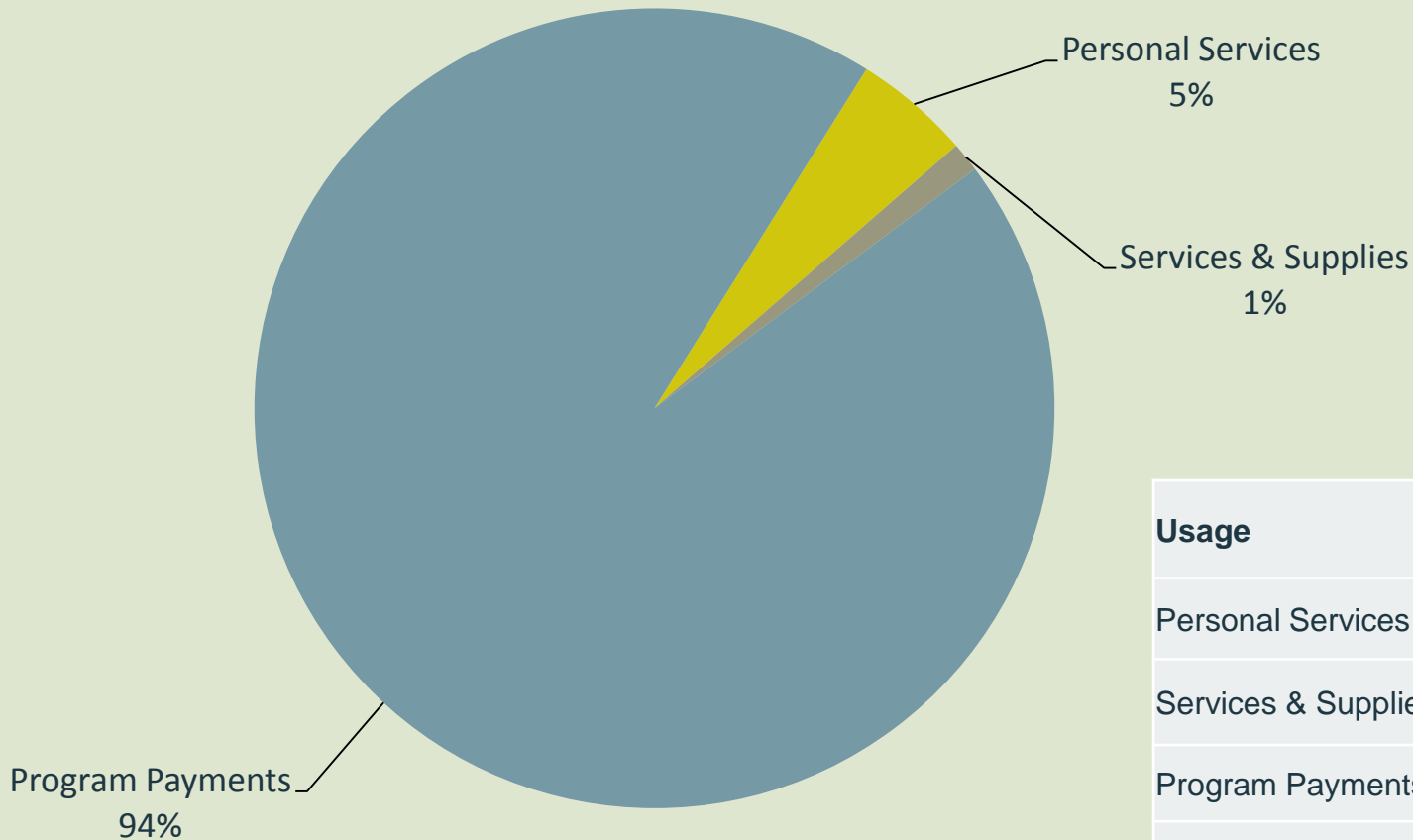
	2015-17 LAB	2017-19 GB
General Fund	\$28,591,263	\$17,096,570
General Fund Debt Service	\$0	\$8,571,532
Lottery Funds Debt Service	\$11,676,469	\$17,081,530
Other Funds Limited	\$224,757,497	\$269,198,543
Other Funds Non-Limited	\$783,429,303	\$631,770,834
Federal Funds	\$232,438,294	\$245,063,593
All Funds	\$1,280,892,826	\$1,188,782,602

BUDGET SUMMARY BY USAGE



	2015-17	2017-19
Operating Costs	\$36,242,879	\$39,646,244
Program Payments	\$664,781,627	\$632,524,624
Debt Service and Bond Costs	\$579,868,320	\$516,611,734
All Funds	\$1,280,892,826	\$1,188,782,602
Permanent Positions/FTE	122 / 120.56	132 / 128.75
Limited Duration Positions/FTE	30 / 17.59	27 / 22.93

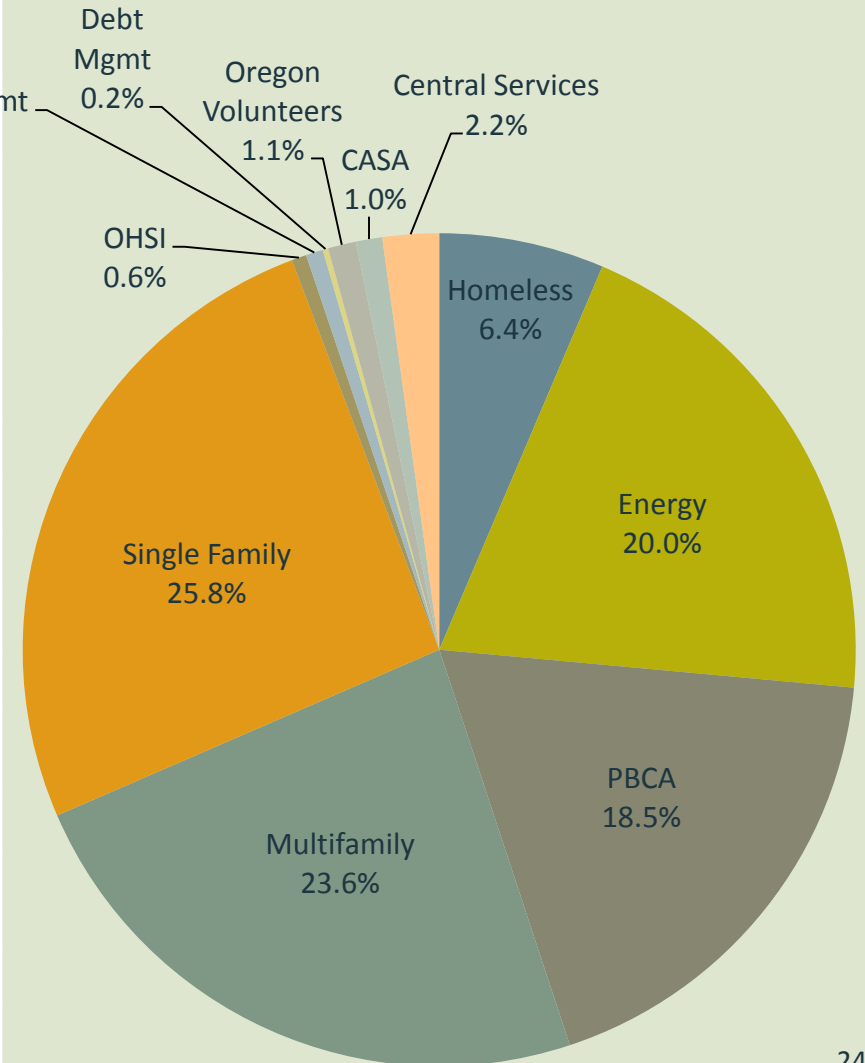
BUDGET SUMMARY BY USAGE (EXCLUDING DEBT SERVICE AND BOND COSTS)



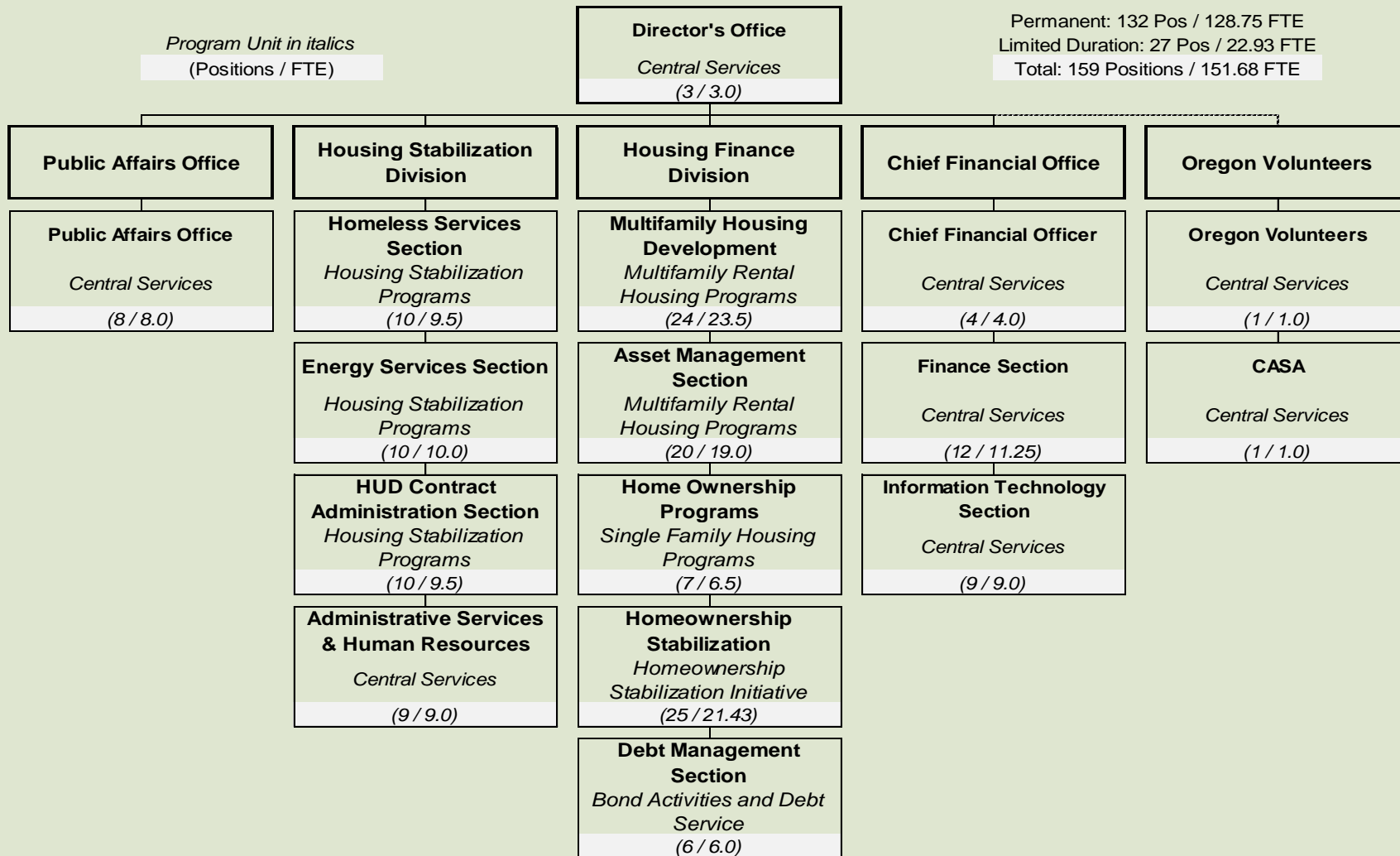
Usage	2017-19
Personal Services	\$31,668,739
Services & Supplies	\$7,977,505
Program Payments	\$632,524,624
Total	\$672,170,868

BUDGET SUMMARY BY PROGRAM AREA (EXCLUDING DEBT SERVICE AND BOND COSTS)

Program Area	2015-17 LAB	2017-19 GB
Housing Stabilization Programs		
Homeless Services	\$57,819,474	\$43,063,183
Energy Services	\$134,262,171	\$134,751,145
Performance Based Contract Admin	\$115,256,977	\$124,126,168
Housing Finance Programs		
Multifamily Housing Development	\$130,432,806	\$158,404,890
Asset Management & Compliance	\$4,678,587	\$4,459,331
Single Family Housing Programs	\$228,873,603	\$173,136,732
Homeownership Stabilization Initiative	\$3,129,321	\$3,888,243
Debt Management	\$1,484,219	\$1,451,913
Central Services		
Oregon Volunteers	\$5,268,908	\$7,299,980
Court Appointed Special Advocates (CASA)	\$5,275,376	\$6,880,206
Central Services	\$14,539,783	\$14,709,077
Total	\$701,021,225	\$672,170,868



ORGANIZATIONAL CHART



BUDGET DRIVERS AND RISKS

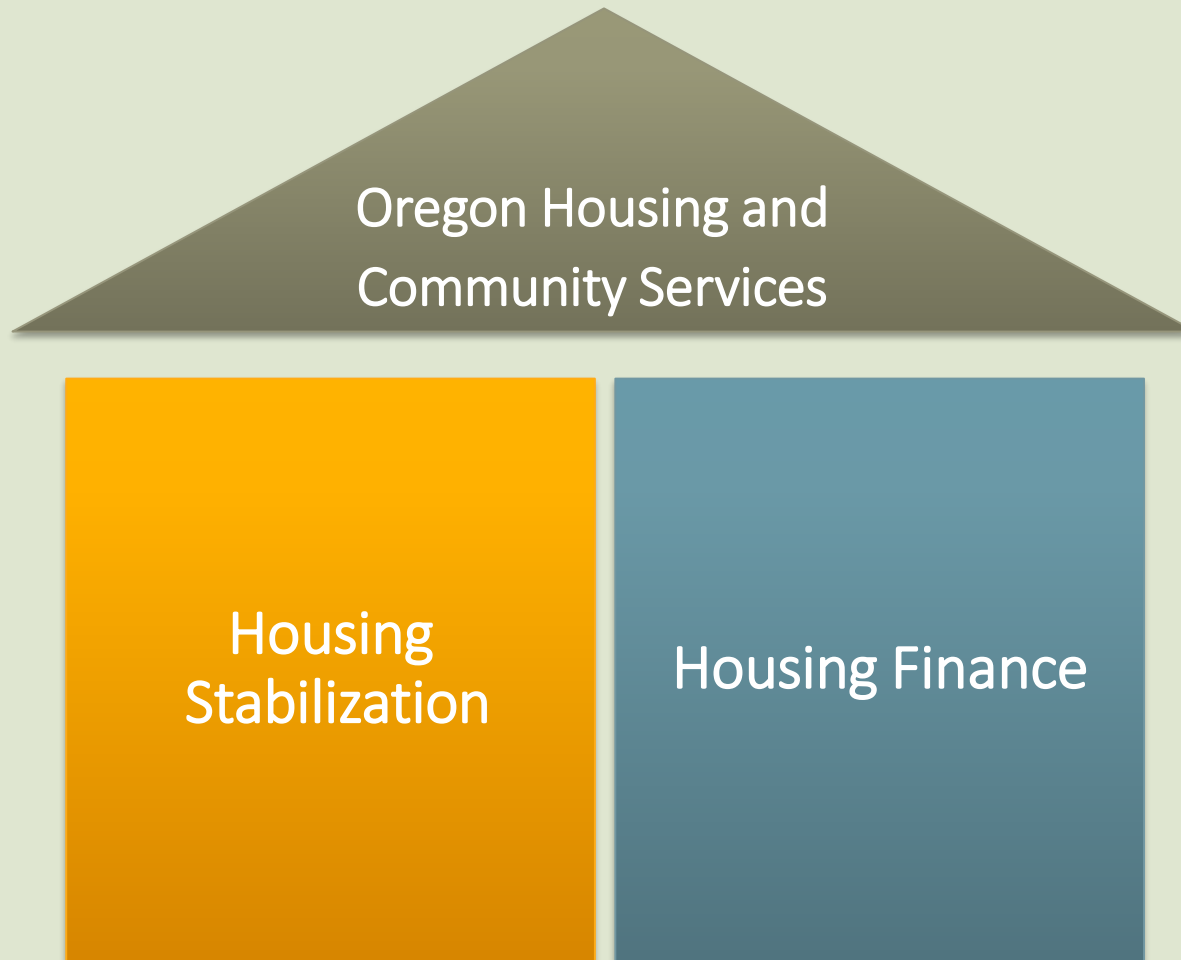
- Shrinking balance sheet and limited profits from bond indentures
- Federal tax credit market causing financial gaps in pipeline projects
- Uncertainty regarding federal funding
- Uncertainty regarding Oregon Volunteers and Court Appointed Special Advocates
- New legislation/programs could stretch capacity of existing staff

GOVERNOR'S BUDGET HIGHLIGHTS

- **One-time state funding to leverage private equity and federal funds:**
 - \$60 million for the Local Innovation & Fast Track Housing (LIFT)
 - \$10 million in Lottery Bonds with flexibility in use
- **Critical general fund programs at current service level:**
 - Emergency Housing Assistance (EHA)
 - State Homeless Assistance Program (SHAP)
 - Low Income Rental Housing Fund (LIRHF)
 - Elderly Rental Assistance (ERA)
- **Funding to increase staff capacity in key areas:**
 - LIFT implementation
 - Data and Research
 - Multifamily
 - Single family

PROGRAM SUMMARY

HOUSING STABILITY



HOUSING STABILIZATION PROGRAMS

Programs designed to stabilize Oregonians by providing:

- Homeless Services Programs
 - Asset Building Program
- Energy Services Programs
- Performance Based Contract Administration (Project Based Housing Vouchers)

2017-19 Governor's Budget

	Pos	FTE	General Fund	Other Funds	Federal Funds	Total
Homeless Services	10	9.5	\$12,449,951	\$12,876,813	\$17,736,419	\$43,063,183
Energy Services	10	10	\$0	\$54,656,926	\$80,094,219	\$134,751,145
Performance Based Contract Administration	10	9.5	\$0	\$2,007,746	\$122,118,422	\$124,126,168
Total	30	29.0	\$12,449,951	\$69,541,485	\$219,949,060	\$301,940,496

HOMELESS SERVICES

State and federal funds are combined to support services to prevent or end homelessness for Oregonians.

2017-19 Governor's Budget:



State

- Emergency Housing Account (EHA) \$10,352,266
- State Homeless Assistance Program (SHAP) \$3,424,921
- Low-Income Rental Housing Fund (LIRHF) \$547,780



Federal

- Emergency Solutions Grant (ESG) \$3,484,588
- Housing Stabilization Program (HSP) \$1,000,000

HOMELESS SERVICES

- In FY 2016, homeless services provided assistance through the following activities:

New Households Served	Total Households Served	Individuals Served Prevention	Individuals Served Rapid Re-Housing	Individuals Served Outreach	Individuals Served Shelter	Individuals Served All Activities
13,168	15,617	4,820	2,560	788	11,211	27,096

*Unduplicated counts from Annual Report that includes EHA, SHAP, LIHRF, ESG, and HSP. Individuals Served ALL Activities including Prevention, Rapid Re-Housing, Outreach, and Shelter in addition to activities that do not fall under those categories.

- Funding sources:

- Emergency Housing Assistance \$4,556,416
- State Homeless Assistance Program \$1,658,639
- Low Income Rental Housing Fund \$279,527
- Emergency Solutions Grant \$1,612,636
- Housing Stabilization Program (TANF) \$401,485
- **Total Funding \$8,508,704**

HOMELESS SERVICES

Additional programs to reduce poverty and support antipoverty efforts:

2017-19 Governor's Budget:



State

- Elderly Rental Assistance (ERA) \$1,500,000
- Housing Choice Landlord Guarantee Program (HCLGP) \$280,418
- Housing PLUS \$461,504



Federal

- Community Services Block Grant (CSBG) \$10,694,841
- HOME Tenant Based Assistance (HTBA) \$2,395,132

BUDGET CHANGES TO HOMELESS SERVICES

- Elderly Rental Assistance from Department of Revenue:
 - \$1,500,000 to serve an estimate 240-270 clients
- EHA and SHAP at current service level:
 - 2016 legislature provided 1 time additional funding of \$10 million for these programs
- Housing Choice Landlord Guarantee Program reduced 12% from current service level:
 - \$280,418 in total funding is estimated to last 6 months into biennium

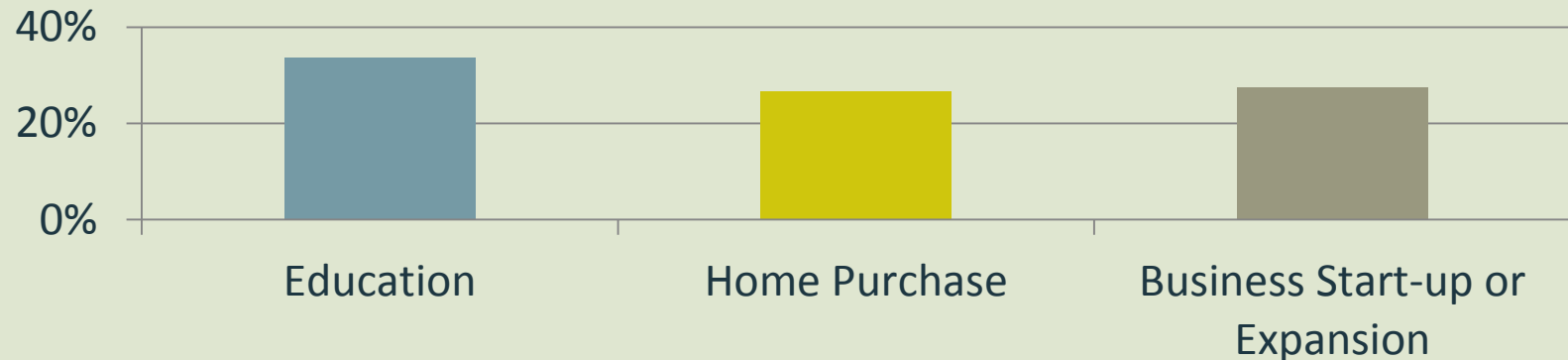
ASSET BUILDING PROGRAM

Individual Development Accounts

- Support individuals and families with low incomes through matched savings accounts combined with financial education

Individual Development Account (IDA) Initiative – 2017 Evaluation Report			
2016 Graduates	2016 Active Accounts	2016 New Accounts	2016 Total Accounts
1,102	3,512	1,478	4,990

How Oregonians Use IDAs



Source: 2017 Oregon Individual Development Account Initiative Evaluation Report

ENERGY SERVICES: WEATHERIZATION

Weatherization services are provided through combined state and federal programs to stabilize households.

2017-19 Governor's Budget:



State

- Energy Conservation Helping Oregonians (ECHO) \$17,641,956
- Multifamily Low-Income Weatherization \$1,449,493



Federal

- U.S. Department of Energy Weatherization Assistance Program (DOE) \$4,941,451
- Low-Income Home Energy Assistance Program – Weatherization (LIHEAP) \$9,249,296
- Bonneville Power Administration (BPA) \$3,093,575

ENERGY SERVICES: WEATHERIZATION

Weatherization (All Grants)	Homes Weatherized	Total People Served	Projected Annual Energy Savings
Fiscal Year 2016	2,277	4,642	\$1,003,650

■ Funding sources:

- Energy Conservation Helping Oregonians \$9,858,057
- Multifamily Low-Income Weatherization \$272,310
- Department of Energy Weatherization Assistance Program \$2,292,125
- Low-Income Home Energy Assistance Program – Weatherization \$4,919,001
- Bonneville Power Administration \$1,104,296
- **Total Funding \$18,445,788**

ENERGY SERVICES: BILL PAYMENT

Energy bill payment assistance is provided through combined state and federal programs to stabilize households.

2017-19 Governor's Budget:



State

- Oregon Energy Assistance Program (OEAP)
\$35,566,190



Federal

- Low-Income Home Energy Assistance Program (LIHEAP) \$62,821,373

ENERGY SERVICES: BILL PAYMENT

Energy Assistance (All Grants)	Households Assisted	Prevented Disconnection	Restored Utility	Total People Served	First time program users
Fiscal Year 2016	81,870	47,318	4,935	207,314	20,110

- Funding sources:

- Oregon Energy Assistance Program \$20,943,369
- Low-Income Home Energy Assistance Program \$28,182,377
- **Total Funding \$49,125,746**

PERFORMANCE BASED CONTRACT ADMINISTRATION

Federally funded programs designed to provide rent subsidy payments on behalf of low income or vulnerable households.

HUD Project Based Section 8 Housing Program – \$122,862,035

- In 2016, OHCS administered 257 Project Based Section 8 housing assistance payment contracts providing a total 9,708 apartment units

HUD Section 811 Project Rental Assistance – \$1,072,507

- New partnership with OHCS, DHS Office of Developmental Disabilities Services and OHA Addictions and Mental Health Division
- Will subsidize 75 units at 50% median market rents to serve individuals with severe and persistent mental illness, intellectual/developmental disability

HOUSING FINANCE PROGRAMS

- Programs designed to increase and retain the stock of affordable housing and increase homeownership opportunities:
 - Multifamily Housing Development
 - Single Family Housing Programs
 - Homeownership Stabilization Initiative
 - Asset Management and Compliance
 - Debt Management

2017-19 Governor's Budget

	Pos	FTE	General Fund	Other Funds	Federal Funds	Total
Multifamily Housing Development	24	23.5	\$778,635	\$143,347,129	\$14,279,126	\$158,404,890
Asset Management & Compliance	20	19.0	\$0	\$4,097,273	\$362,058	\$4,459,331
Single Family Housing Programs	7	6.5	\$0	\$172,415,511	\$721,221	\$173,136,732
Homeownership Stabilization Initiative	25	21.43	\$0	\$3,888,243	\$0	\$3,888,243
Debt Management Section	6	6.0	\$0	\$1,451,913	\$0	\$1,451,913
Total	82	76.43	\$778,635	\$325,200,069	\$15,362,405	\$341,341,109

MULTIFAMILY HOUSING ADDITIONAL FUNDING

2017-19 Governor's Budget above Current Service Level



- Local Innovation & Fast Track Housing (LIFT)
\$60,143,480
- Preservation \$10,000,000

MULTIFAMILY HOUSING DEVELOPMENT AND PRESERVATION

Federally funded programs designed to provide safe, stable, and affordable rental housing across Oregon through development of new housing and preservation of existing housing

- Low Income Housing Tax Credit
 - 9% competitive
 - 4% non-competitive
- HOME Investment Partnerships \$14,251,490
- Federal Housing Trust Fund \$6,000,000

2016 MULTIFAMILY DEVELOPMENT AND PRESERVATION: FUNDING AWARDS

In 2016, OHCS funded 2,866 units of affordable housing, leveraging these resources:

State Funds

- Gap Funding (GHAP & HDGP) \$9,105,248
- Weatherization \$852,633
- Mental Health Housing \$3,761,579
- Local Innovation & Fast Track Housing (LIFT) \$38,920,376
- Preservation \$5,000,000

State Tax Credits

- Oregon Affordable Housing Tax Credit \$12,352,000
- Agricultural Workforce Housing Tax Credit \$3,609,697

Federal Funds

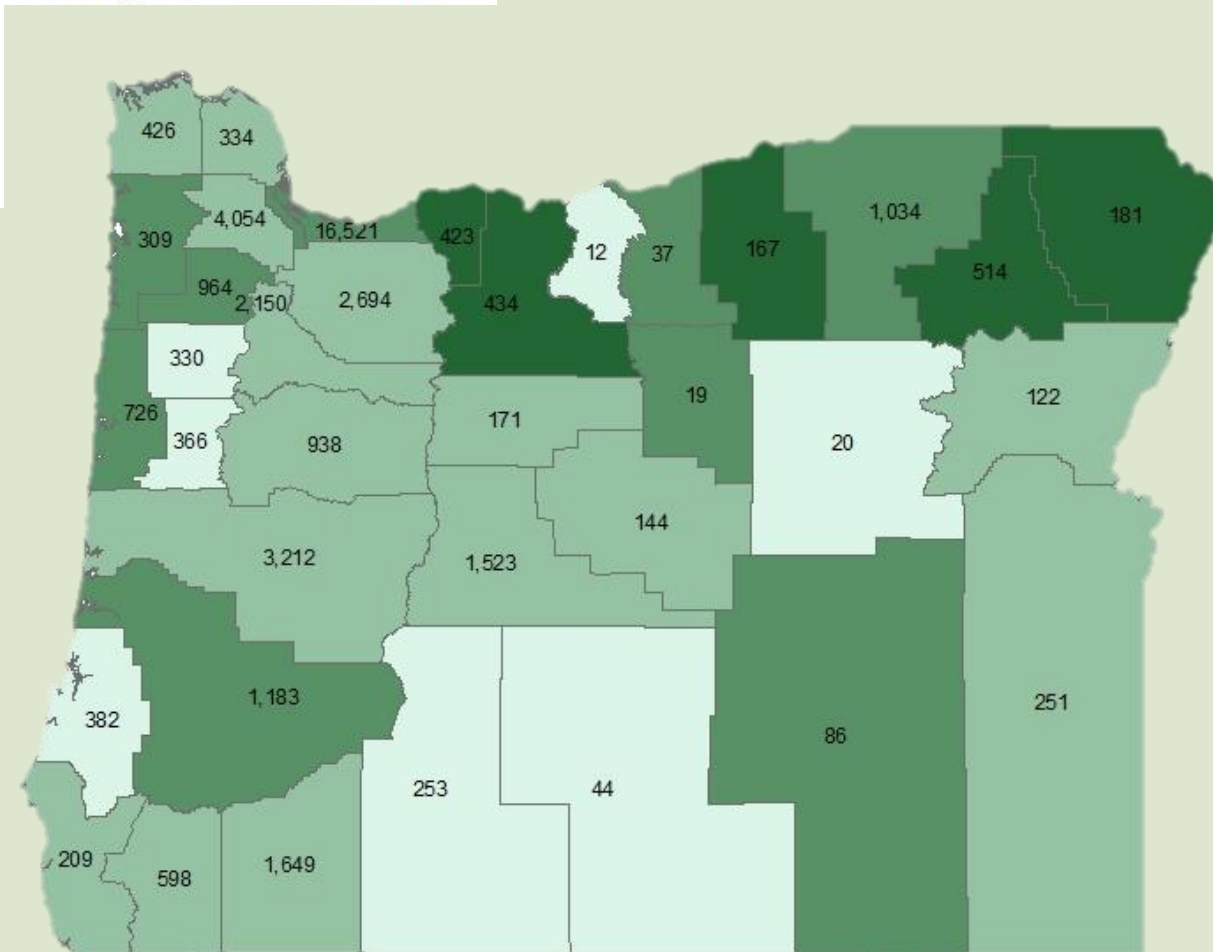
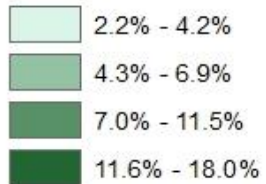
- HOME \$5,520,772

Federal Tax Credits

- 9% LIHTC \$8,752,230
- 4% LIHTC \$12,259,984

OHCS MULTIFAMILY HOUSING INVENTORY

OHCS Units as a Percentage of Total Rental Units



LIFT PROGRAM OVERVIEW

- In 2015, the Oregon Legislature committed \$40 million of general obligation Article XI-Q bonds to fund the LIFT program. Using this new funding source will allow Oregon Housing and Community Services (OHCS) and its partners to add to the supply of affordable housing, in particular, for historically underserved communities
- The primary goals of the LIFT program are:
 - 1. Create a large number of new affordable housing units to serve low income Oregonians.
 - 2. Serve historically underserved communities: a. Rural communities with less than 25,000 people; b. Communities of color.

Secondary goals of the LIFT program are:

1. Place affordable housing units in service as quickly as possible.
2. Serve families earning at or below 60% area median income, receiving services through Oregon's Department of Human Services (DHS).
3. Identify innovative building strategies that result in lower cost of affordable housing development that is replicable.

MULTIFAMILY HOUSING DEVELOPMENT: LIFT PROGRAM 2017 AWARDS

Project	Location	Serving	Units	LIFT Funds	Federal 4% LIHTC
The Fields Apartments	Tigard	Communities of Color	260	\$ 9,880,000	Yes
Fisterra Gardens Townhomes	Yachats	Rural Communities	21	\$ 797,979	Yes
Harvey Rice Heritage Center	NE Portland	Communities of Color	22	\$ 494,000	No
Holman 42	NE Portland	Communities of Color	59	\$ 2,242,000	Yes
IRCO Family Housing	SE Portland	Communities of Color	78	\$ 2,964,000	Yes
La Pine Townhomes	La Pine	Rural Communities	42	\$ 1,596,000	Yes
Portland Road Apartments	Salem	Communities of Color	180	\$ 4,877,919	Yes
St. Helens Homeless Housing	St. Helens	Rural Communities	17	\$ 646,000	No
Village Meadows Apartments	Sisters	Rural Communities	48	\$ 1,824,000	Yes
Willow Creek Crossing Apartments	Hillsboro	Communities of Color	122	\$ 4,636,000	Yes
Creskide Apartments & Freedom Square Part II	Central Point & White City	Rural Communities	100	\$ 5,500,000	Yes
Lincoln Apartments	Woodburn	Rural Communities	16	\$ 3,462,478	No

MENTAL HEALTH HOUSING PROGRAM

- In 2015 OHCS received \$20 million in proceeds from lottery-backed bonds to be used for housing development.
- The budget note directed OHCS and OHA to partner in awarding these funds to projects that will target individuals with Serious Mental Illness or Addiction disorders.
- 2016 NOFA Awards Included:
 - Arthur Street Duplex, Eugene: \$41,125
 - Douglas Fir Apartments, Portland: \$471,531
 - Eastside Campus Condo A, Portland: \$2,500,000
 - Swing Lane Supportive Housing, Medford: \$252,239
 - Jackson Crisis Resolution Center, Medford: \$500,084

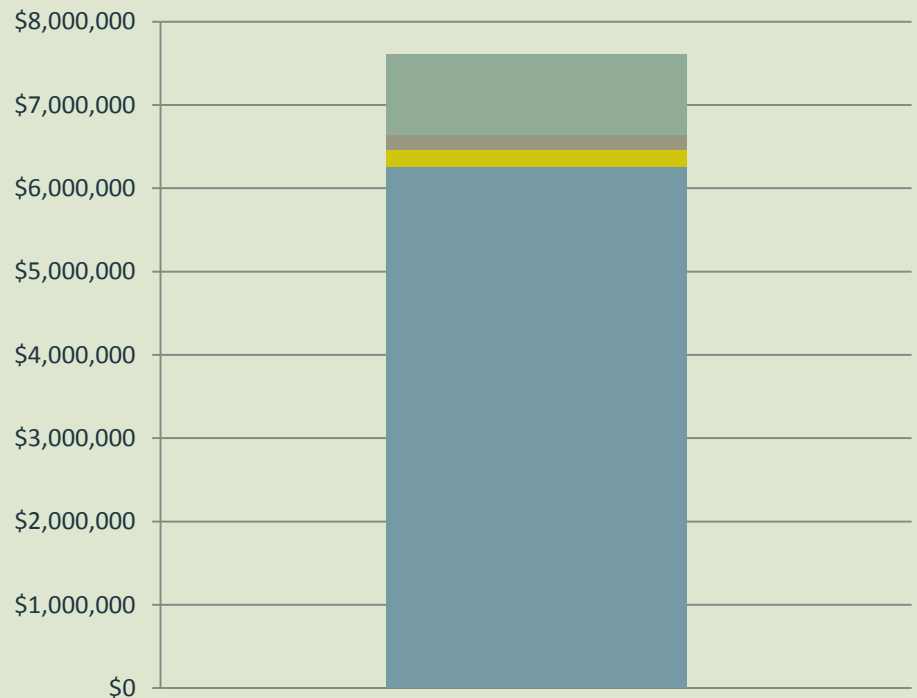
OHCS made NOFA more flexible and streamlined and added technical assistance component. 2017 NOFAs out now to award remaining \$16 million

MULTIFAMILY HOUSING: NEW CONSTRUCTION CASE STUDY

Blue Springs Crossing

La Grande-Family Housing

- 38 units
 - 2 units @ 50% AMI
 - 36 units @ 60% AMI
- LIHTC 9% - \$715,835
- OAHTC - \$915,000
- GHAP - \$200,000
- Leveraged Tax Credit Equity - \$6,200,000



- Permanent Debt
- Deferred Developer Fee
- OHCS Gap
- Leveraged Tax Credit Equity

MULTIFAMILY HOUSING: PRESERVATION CASE STUDY

Holiday Gardens

Grants Pass – Sandy – Talent

- 208 units:
 - 4 units @ 50% AMI
 - 204 units @ 60% AMI
- Federal rent assistance (USDA)
- Elderly/disabled housing



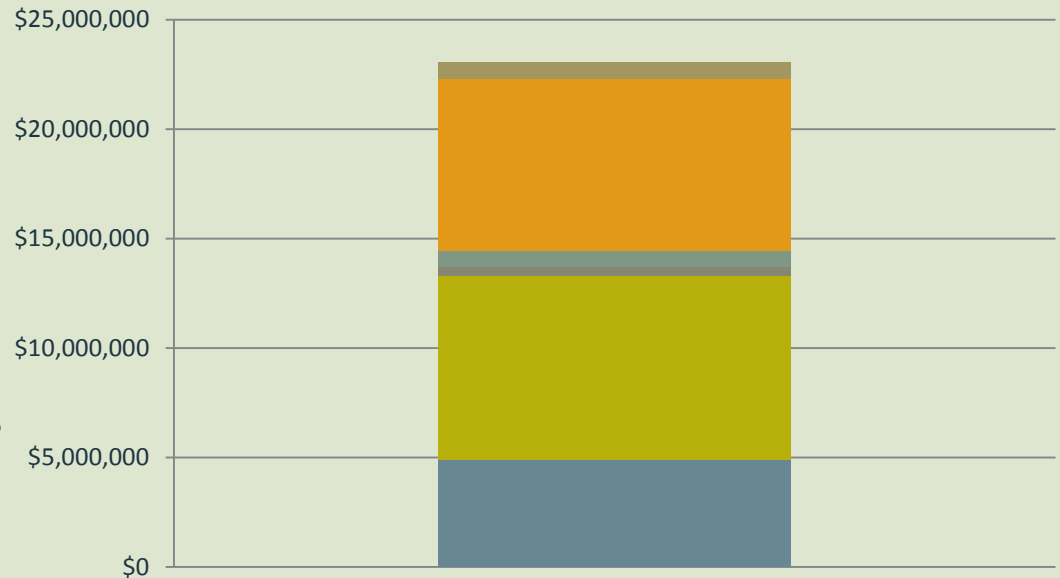
OHCS funded Holiday Gardens as an acquisition rehabilitation project that preserved three sites and 208 affordable apartments for seniors and persons with disabilities in Sandy, Talent, and Grants Pass. The project preserved the USDA Rural Development Rental Assistance contracts on 167 of the 208 units. This is the largest USDA Rural Development project in the state and OHCS worked with USDA, a private lender and a LIHTC equity investor to preserve and improve the development and safeguard the federal rental assistance dollars coming to Oregon.

MULTIFAMILY HOUSING: NEW CONSTRUCTION (LIFT) CASE STUDY

Portland Road Apartments

Salem

- 180 units @ 60% AMI
- Serving communities of color
- 36 units to serve DHS clients
- LIFT - \$4,877,919
- 4% LIHTC - \$809,184



- Deferred Developer Fee
- Long Term Bonds (Permanent Debt)
- Private Grant
- City HOME
- Leveraged Tax Credit Equity
- OHCS LIFT

MULTIFAMILY HOUSING CASE STUDY: MANUFACTURED HOME PARK PRESERVATION

Oak Leaf Mobile Home Park Portland

- 33 spaces @ 80 % AMI



OHCS helped the low income residents of Oak Leaf Mobile Home Park preserve and improve their community. OHCS contributed just over \$1 million and together with the City of Portland and its federal CDBG funds, and a private lender, preserved a 34 unit park through a purchase by a nonprofit organization. The restoration of the Park is now underway and residents will be protected from rent increases.

SINGLE FAMILY HOUSING PROGRAMS

State-funded programs to expand access to affordable homeownership through below-market rate loans, as well as assisting homeowners in purchasing and retaining their homes through education, foreclosure counseling and financial assistance services.

- **Homeownership Assistance Program:** funded through Document Recording Fee \$1,476,974

2016 Pre-Purchase Classes	2016 Pre-Purchase Counseling	2016 Down Payment Assistance Loan ²	2016 Foreclosure Counseling
2,008 Households	3,105 Households	281	2,153 Households

- **Residential Loan Program:** funded through issuing mortgage revenue bonds

2016 Single-Family Mortgage Loans	2016 Total Loans	2016 Average Loan Amount
410	\$71,664,632	\$174,792

OREGON HOMEOWNERSHIP STABILIZATION INITIATIVE (OHSI)

Federal program assisting at-risk homeowners to avoid foreclosure through:

- Mortgage Payment Assistance
- Loan Preservation Assistance
- Loan Refinancing Programs

Program Successes:

- Since 2010, a total of \$204,158,734 has been provided to keep Oregonians in their homes
- Overall, 11,809 struggling homeowners have received assistance from a variety of OHSI programs

CENTRAL SERVICES

Central Services includes:

- Director's Office
- Public Affairs Office
- Administrative and Employee Services
- Chief Financial Office
- Finance
- Information Services
- Oregon Volunteers
 - Court Appointed Special Advocates

2017-19 Governor's Budget

	Pos	FTE	General Fund	Other Funds	Federal Funds	Total
Director's Office	3	3.0	\$0	\$1,115,857	\$140,845	\$1,256,702
Public Affairs Office	8	8.0	\$0	\$1,974,678	\$509,119	\$2,483,797
Administrative and Employee Services	9	9.0	\$0	\$1,468,167	\$570,173	\$2,038,340
Chief Financial Office	4	4.0	\$0	\$883,247	\$170,174	\$1,053,421
Finance Section	12	11.25	\$35,015	\$3,418,764	\$945,706	\$4,399,485
Information Services	9	9.0	\$334,635	\$2,834,367	\$308,330	\$3,477,332
Oregon Volunteers	1	1.0	\$0	\$192,200	\$7,107,780	\$7,299,980
Court Appointed Special Advocates	1	1.0	\$3,498,334	\$3,381,872	\$0	\$6,880,206
Total	47	46.25	\$3,867,984	\$15,269,152	\$9,752,127	\$28,889,263

OREGON VOLUNTEERS

Oregon Volunteers Program Unit includes:

- Oregon Volunteers
- Court Appointed Special Advocates (CASA)

2017-19 Governor's Budget

Program Area	General Funds	Lottery Funds	Other Funds	Federal Funds	All Funds	Positions	FTE
Oregon Volunteers Commission	\$0	\$0	\$192,200	\$7,107,780	\$7,299,980	1	1.0
CASA	\$3,498,334	\$0	\$3,381,872	\$0	\$6,880,206	1	1.0

OREGON VOLUNTEERS

■ Oregon Volunteers

- Promotes and supports volunteerism and civic engagement
- AmeriCorps: Support for quality AmeriCorps programs to address local needs

■ **Court Appointed Special Advocates:** Provides advocacy for children who have experienced neglect or abuse.

- In 2014, 1,850 CASA volunteers served 5,135 children
- HB 2006 would transfer the CASA program to the Criminal Justice Commission

KEY PERFORMANCE MEASURES

CURRENTLY APPROVED 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

CRITERIA FOR NEW KPMS



They are simple to explain and use clear language



Data is readily available both for agency performance and targets



We are measuring performance for all major program areas, if possible



The methodologies are standardized and well-documented



Targets are either based on past performance, actual goals, or some other identifiable measure and the reasoning is documented



The new KPMS should be related to agency goals



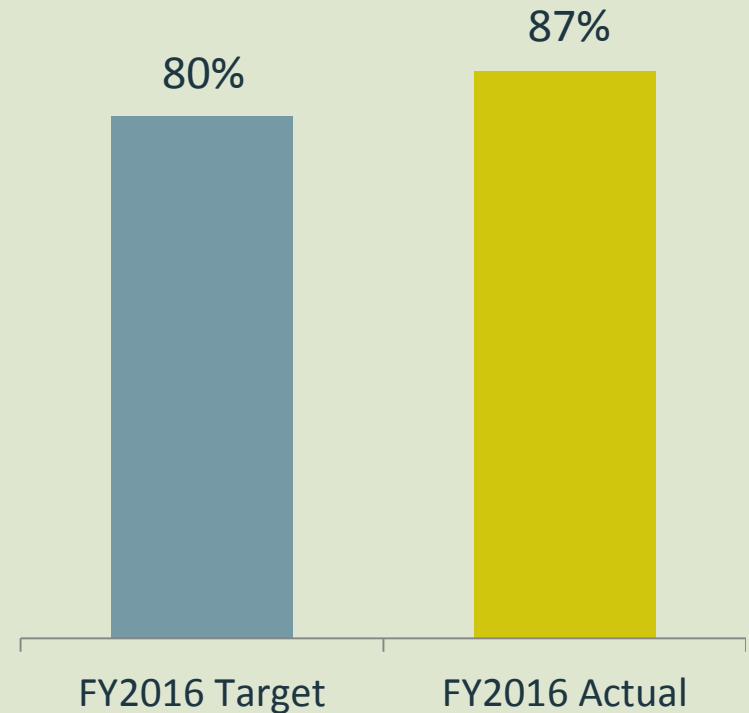
The agency should be able to influence the KPMS

RECOMMENDED KEY PERFORMANCE MEASURES

#	Area
1	Homeless Services: Preventing and Ending Homelessness
2	Energy Services: Energy Assistance
3	Multifamily: Affordable Rental Housing (incomes served)
4	Multifamily: Affordable Rental Housing (special needs populations)
5	Multifamily: Affordable Rental Housing (construction costs)
6	Multifamily: Affordable Rental Housing (high opportunity areas)
7	Single Family: Homeownership (incomes served)
8	Single Family: Homeownership (serving people of color)
9	Agency: Customer Service

KPM: REDUCING HOMELESSNESS

- **Currently approved KPM:**
 - Percentage of homeless households who exited into permanent housing and retained that housing for six months or longer.
- **Recommend keeping**



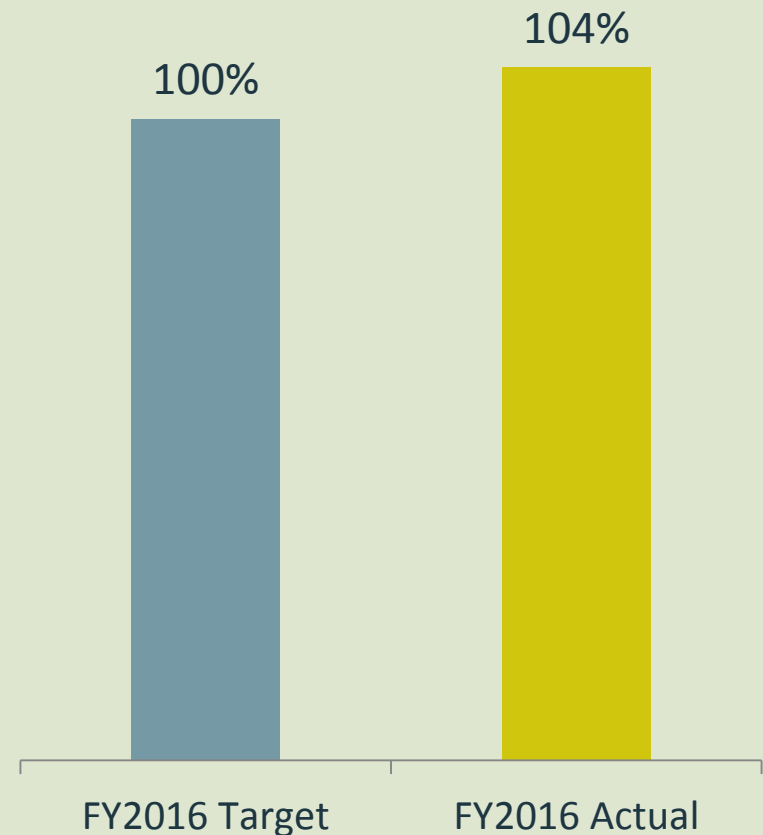
KPM: INCREASING ENERGY SAVINGS

Currently approved KPM:

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

Replacement KPM:

- Of all crisis energy payments, the percentage of payments made to prevent power disconnections.
 - *Crisis payments include those for preventing disconnection of service or restoring service which was shut off.*



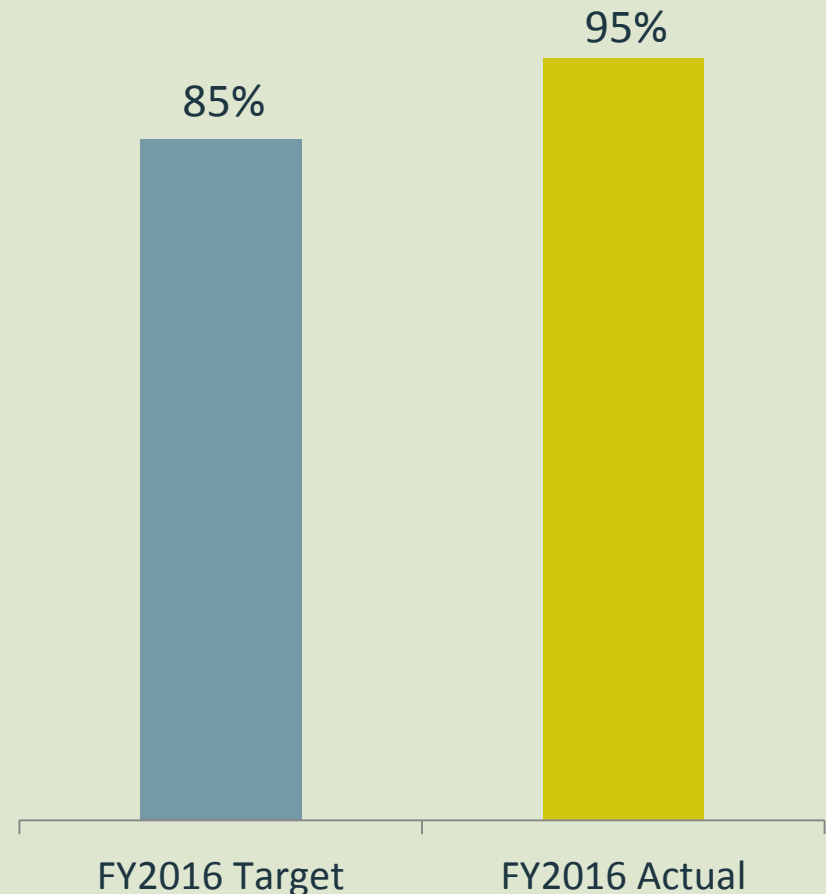
KPM: AFFORDABLE RENTAL HOUSING

Currently approved KPM:

- Affordable Rental Housing through Bonds, Grants, and Tax Credits. Percentage of housing units funded with grants, tax credits, and bonds, excluding market rate housing units, that will be affordable to households earning less than 60% of Area Median Income.

Replacement KPM:

- Percentage of affordable multifamily housing units funded with grants, tax credits, project based rent assistance and bonds, that will be affordable to households earning at or below 50% of the area median income.



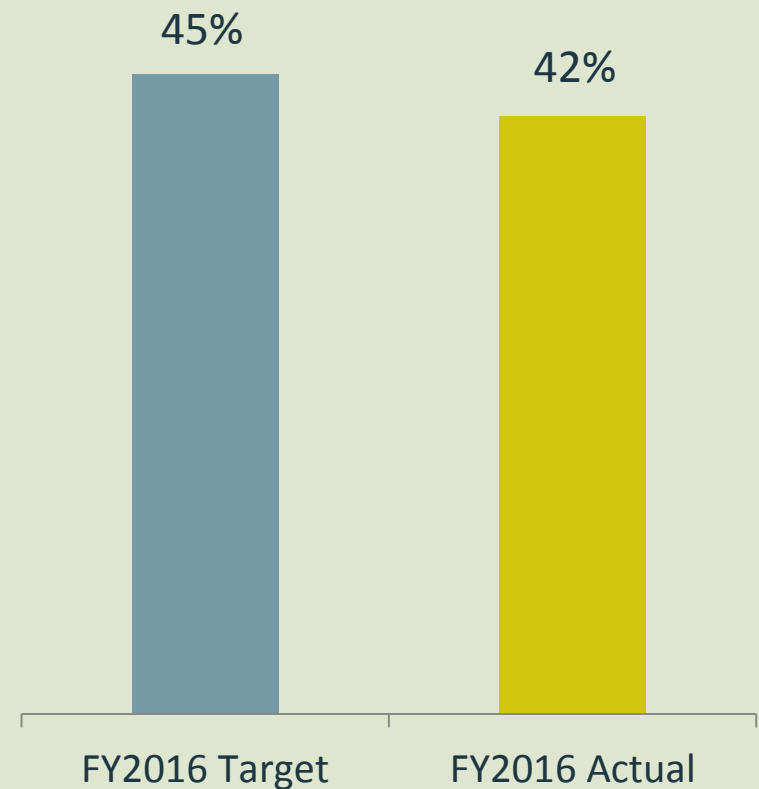
KPM: INCREASING HOUSING FOR SPECIAL NEEDS INDIVIDUALS

Currently Approved KPM:

- Percentage of Affordable rental housing units developed that provide rental opportunity for low income elderly or people with special needs; compared to the percentage of the state's population that are low income elderly or people with special needs

Replacement KPM:

- Percentage of affordable rental housing units funded that provide rental opportunities for low-income individuals with physical or mental disabilities.



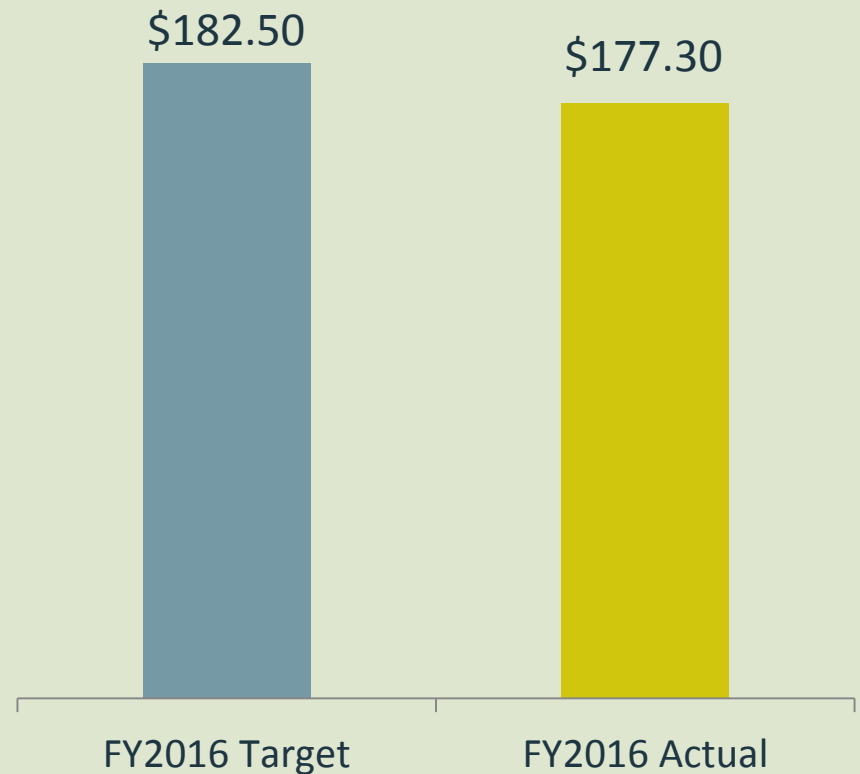
KPM: CONSTRUCTION COSTS

Currently Approved KPM:

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

Replacement KPM:

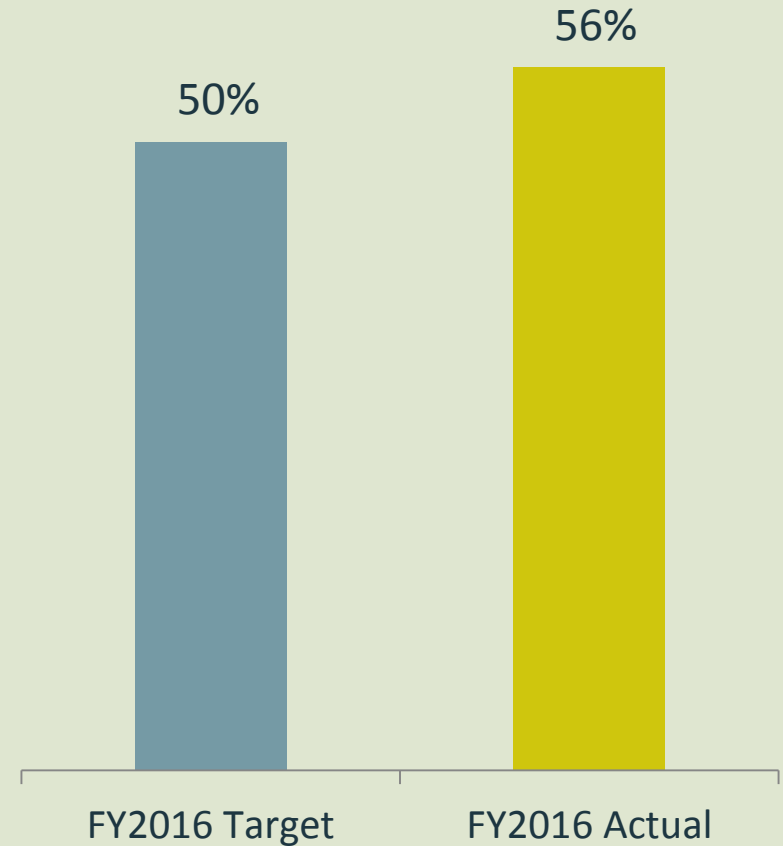
- Construction costs per square foot for housing units developed through grant and tax credit programs



KPM: AFFORDABLE HOMEOWNERSHIP

Currently Approved KPM:

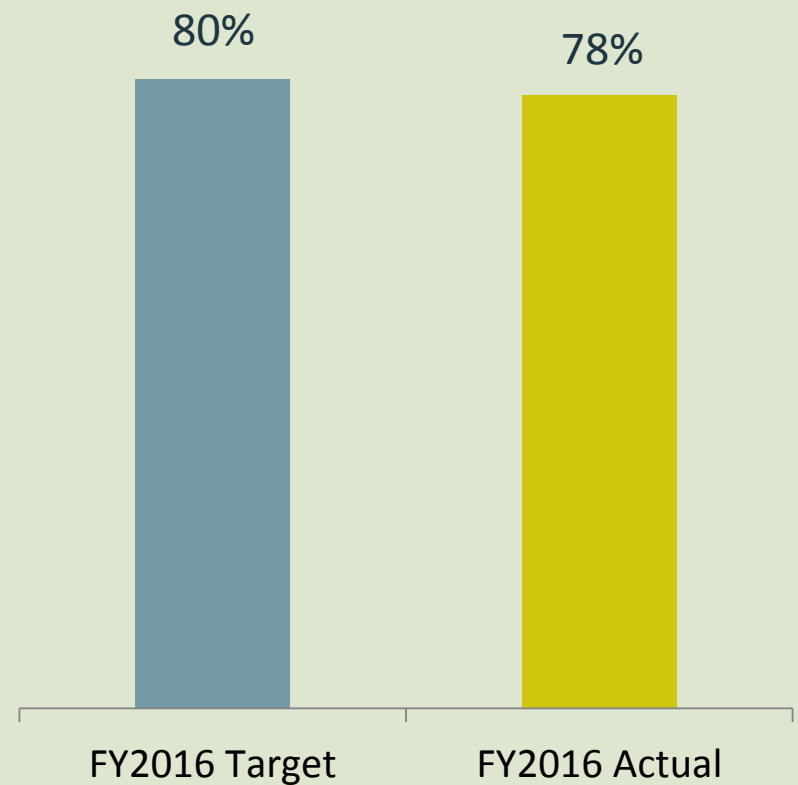
- Percent of households at or below the State's median income served by our single family programs
- **Recommend keeping**



KPM: AGENCY CUSTOMER SERVICE

Currently Approved KPM:

- Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent"; timeliness, accuracy, helpfulness, expertise, availability of information overall.
- **Recommend keeping**



KPM: AFFORDABLE RENTAL HOUSING (NEW)

New KPM:

- Percentage of affordable rental housing units funded with 9% Low Income Housing Tax Credits or HOME program funds that will be developed in high opportunity areas.
 - High opportunity areas are defined as census tracts that meet two of the following three criteria: low poverty rate, below average unemployment rate, high ratio of jobs to labor force.

KPM: AFFORDABLE RENTAL HOUSING (NEW)

New KPM:

- Percentage of OHCS residential loan program loans issued to people of color.
 - American Community Survey data from 2014 show that 16.6% of Oregon households are non-white, non-Hispanic, and just 8% are homeowners.

POLICY PACKAGES

PACKAGE 090

■ Analyst Adjustments:

■ General Fund

- Reduce Housing Choice Landlord Guarantee Program by \$38,239
- Increase CASA program by \$850,000
- Increase Debt Service by \$2,145,270 for \$60 million in new LIFT bonds

■ Lottery Funds

- Increase Debt Service by \$849,114 for \$10 million in new bonds

■ Other Funds

- Increase LIFT program by \$60,830,000 (including Cost of Issuance)
- Increase Lottery Bonds Cost of Issuance by \$225,886

General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
\$2,957,031	\$849,114	\$61,055,886	\$0	\$64,862,031	0	0.00

PACKAGE 101

- Local Innovation and Fast Track Housing (LIFT):
 - One Limited Duration position for underwriting
 - Two Permanent positions to begin 7/1/18

General Fund	Other Funds	Federal Funds	Total Funds	Positions	FTE
\$561,218	\$143,261	\$0	\$704,479	3	2.00

PACKAGE 102

- Essential Staffing Needs
 - Multifamily Finance Section capacity
 - Two permanent Loan Specialist 3 positions
 - Single Family Section capacity
 - One permanent Loan Specialist 1, one permanent Program Analyst 4
 - Data and Research Section capacity
 - Two permanent Research Analyst 2 positions

General Fund	Other Funds	Federal Funds	Total Funds	Positions	FTE
\$552,052	\$626,006	\$0	\$1,178,058	6	6.00

PACKAGE 105

- Lottery Bonds for Multifamily Housing
 - \$10M with flexibility

General Fund	Other Funds	Federal Funds	Total Funds	Positions	FTE
\$0	\$10,000,000	\$0	\$10,000,000	0	0.00

PACKAGE 108

- Restore Oregon Homeownership Stabilization Initiative (OHSI) Limited Duration positions

General Fund	Other Funds	Federal Funds	Total Funds	Positions	FTE
\$0	\$3,888,243	\$0	\$3,888,243	25	21.43

PACKAGE 109

- HUD Section 811 Project Rental Assistance
 - One Limited Duration 0.5 FTE Program Analyst 2 position
 - One Permanent 0.5 Admin Specialist 2 position

General Fund	Other Funds	Federal Funds	Total Funds	Positions	FTE
\$0	\$0	\$1,072,507	\$1,072,507	2	1.00

PACKAGE 110

- Elderly Rental Assistance Program
 - One Permanent 0.5 Program Analyst 1 position

General Fund	Other Funds	Federal Funds	Total Funds	Positions	FTE
\$1,500,000	\$1,500,000	\$0	\$3,000,000	1	0.50

PENDING LEGISLATION

PENDING LEGISLATION

OHCS Priority Bill

HB 2315	Provides that Oregon Affordable Housing Tax Credit is not barred by receipt of housing vouchers by tenants
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Housing Stabilization and Homeless Services

SB 794	Establishes Oregon Renter Assistance Program for purpose of providing temporary rent subsidies to tenants of privately owned rental housing
SB 821	Directs Oregon Housing Stability Council, with advice of Community Action Partnership of Oregon, to develop policy for awarding grants to organizations that shall use funds in Emergency Housing Account to align with federal strategies and resources available to prevent and end homelessness
HB 2724	Directs OHCS to develop and implement Rent Guarantee Program to provide incentives and financial assistance to landlords that rent or lease to low income households by guaranteeing payments to landlords for unpaid rent and for eviction and property damage costs within certain limits.
HB 2741	Appropriates money from General Fund for deposit into Wildfire Damage Housing Relief Account
HB 2742	Increases household income limitation for receipt of financial assistance from Wildfire Damage Housing Relief Account.
HB 2944	Limits landlord assistance under Housing Choice Landlord Guarantee Program to damages awarded in a judgment following a hearing in which landlord proves amount of damages
HB 3250	Provides block grants to specified counties for two-year period to assume duties of DHS, OHA and OHCS for community mental health services, developmental disability services, alcoholism and substance abuse treatment services, child welfare services and homelessness prevention and assistance services

PENDING LEGISLATION

Energy Assistance and Weatherization

SB 539	Changes distribution of amounts collected as public purpose charge by electric companies and Oregon Community Power
SB 656	Increases frequency of conducting independent management evaluation of nongovernmental entity's operations, efficiency and effectiveness, if public purpose charge moneys are transferred to nongovernmental entity for specified energy efficiency purposes
SB 657	Reduces public purpose charge
SB 659	Requires nongovernmental entity, as condition of receiving public purpose charge moneys, to be assessed by independent third party
SB 952	Establishes Oregon Energy Commission as policy and rulemaking body for State Department of Energy. Transfers administration of fuel oil dealer program from State Department of Energy to OHCS
HB 2134	Repeals sunset on collection of additional moneys for low-income electric bill payment assistance
HB 2758	Transfers administration of fuel oil dealer program from State Department of Energy to Housing and Community Services Department
HB 3019	Provides that certain amount of moneys collected from retail electricity consumers as public purpose charge may be used for transportation electrification

PENDING LEGISLATION

Single Family Programs

HB 2570	Directs OHCS to establish Affordable Homeownership Grant Program to provide grants to eligible nonprofit organizations with affordable homeownership programs to provide opportunities for homeownership to persons in low income households
HB 2961	Establishes Homeownership Repair and Rehabilitation Program within OHCS to provide grants to eligible nonprofit organizations to provide financial assistance to persons in low income households for repair and rehabilitation of residences
HB 3192	Establishes Homeownership Down Payment Assistance Program within OHCS to provide grants to eligible nonprofit organizations, housing authorities and local governments to provide financial assistance to first-time home buyers in low income households
HB 3240	Directs OHCS to establish Homeownership Grants for Grads Program to provide grants to individuals who are first-time home buyers and who have obtained post-secondary degrees

PENDING LEGISLATION

Multifamily Programs

HB 2002	Expands laws regarding preservation of participating properties that are publicly supported housing
HB 2007	Requires city or county to review and decide on applications for certain housing developments containing affordable housing units as first priority
HB 2210	Directs OHCS to develop and implement Retaining Affordable Rental Housing Program to provide grants to owners of multifamily rental housing to rehabilitate and maintain housing at affordable rental rates
HB 2410	Directs OHCS to develop and implement pilot program to provide certain community college students with affordable housing and services
HB 2433	Directs OHCS to establish pilot program in which department constructs low-income senior housing development on school district land and school district rents to low-income seniors at reduced rent in exchange for classroom assistance
HB 2446	Directs OHCS and Oregon Housing Stability Council to seek, obtain and renew waivers of certain federal rental subsidy and assistance payment requirements to increase availability of payments under federal rent subsidy program
HB 2912	Establishes Affordable Housing Land Acquisition Revolving Loan Fund Program within OHCS to make loans to eligible organizations to purchase land for affordable housing development and to provide supportive services to residents and low income households
HB 3063	Establishes Mental Health Housing Fund, appropriates moneys to Oregon Health Authority and requires authority to seek out and apply for additional moneys for fund to pay for construction and start-up costs of housing for individuals with mental illness
HB 3175	Makes changes to definition of "low income households" in Local Innovation and Fast Track Housing Program

PENDING LEGISLATION

Manufactured Home Parks

HB 2008	Requires landlord of manufactured dwelling park to pay tenant necessary relocation costs or applicable manufactured dwelling park closure penalty, as determined by Office of Manufactured Dwelling Park Community Relations, upon closure of park to convert to other use
HB 2009	Advances sunset for subtraction for sale of manufactured dwelling park to certain entities
HB 2990	Increases time period during which tenants of manufactured dwelling park must identify or form tenants committee for purpose of purchasing park from 10 days to 60 days
SB 277	Increases notice period for termination of rental agreement and removal of manufactured dwelling or floating home
SB 880	Permits landlord with cause to terminate tenancy for manufactured dwelling to give tenant courtesy notice of violation and opportunity to correct violation prior to giving notice to terminate tenancy
HB 3331	Directs Office of Manufactured Dwelling Park Community Relations to establish and administer landlord-tenant dispute resolution program for disputes arising from notices of certain rent increases
HB 3332	Limits amount and procedure by which landlord may increase rent for manufactured dwelling space or floating home space

PENDING LEGISLATION

Tax Programs and Fees

SB 1	Creates income tax credit for operation costs of housing for agricultural workers
SB 166	Extends sunset for Oregon Affordable Housing Tax Credit
HB 2006	Disallows, for purposes of personal income taxation, mortgage interest deduction for residence other than taxpayer's principal residence
HB 2070	Extends sunset for Oregon Affordable Housing Tax Credit
HB 2286	Requires that transfer of tax credit follow uniform transfer procedures
HB 2520	Requires OHCS to take into account counties from which document recording fees are charged and collected in making distributions accounts
HB 2767	For purposes of personal income taxation, phases out availability of itemized deductions, other than charitable contribution deductions, for taxpayer with federal adjusted gross income of \$125,000 or more for single return, or \$250,000 or more for joint return
HB 2852	Extends sunset for Oregon Affordable Housing Tax Credit. Increases total amount of tax credits allowed for all taxpayers
HB 2879	Exempts from taxation amounts received from sale of real property to nonprofit corporation or housing
HB 3304	Allows taxpayer to direct portion of income tax refund to purpose of providing housing to low income persons
HB 3357	Increases amount of document recording fee charged and collected by county clerks

PENDING LEGISLATION

Task Force / Study

SB 434	Creates Task Force on Wildfire Damage Financial Relief to be staffed by OHCS
SB 689	Reestablishes Task Force on Reentry, Employment and Housing
HB 2010	Establishes Task Force on Addressing Racial Disparities in Home Ownership to be staffed by OHCS
HB 2011	Directs OHCS to administer study to assess disparities between federal and local calculations of fair market rent
HB 2209	Establishes Task Force on Housing Supply to be staffed by OHCS
HB 2689	Establishes Task Force on Innovative Housing Strategies for Veterans to be staffed by OHCS
HB 3155	Establishes Task Force on Use of Surplus Public Lands for Housing
HB 3255	Directs OHCS to conduct study regarding emergency shelters for persons experiencing homelessness
HB 3256	Directs OHCS to conduct study regarding emergency shelters for persons experiencing mental health crises who are in need of transitional housing.
HB 3257	Directs Housing and Community Services Department to conduct study regarding affordable housing

PENDING LEGISLATION

Program/Admin

SB 61	Expands list of state agencies, entities and officials required to designate liaisons to coordinate emergency preparedness and response functions with Office of Emergency Management
SB 191	Directs State Chief Information Officer to provide sections on Oregon transparency website relating to energy tax incentives, cleanups of brownfields, tourism and affordable housing
SB 310	Removes vertical housing development program from OHCS
SB 376	Requires Senate confirmation of appointments by Governor of directors of Housing and Community Services Department and State Department of Energy
SB 377	Provides that Governor may appoint Director of Oregon Business Development Department, in consultation with Oregon Business Development Commission. Requires Senate confirmation of appointments by Governor of directors of Housing and Community Services Department and State Department of Energy
HB 2600	Removes the Court Appointed Special Advocate Program from Oregon Volunteers
HB 2773	Removes vertical housing development program from OHCS
HB 2171	Requires Oregon Volunteers Commission for Voluntary Action and Service to maintain volunteer staff of court appointed special advocates sufficient to meet statutory requirement to appoint court appointed special advocate in every juvenile dependency proceeding.
HB 3373	Appropriates moneys to OHCS and DLCD to employ two full-time equivalent employees to perform services relating to increasing availability of affordable housing

15% REDUCTION OPTIONS

GENERAL FUND REDUCTION OPTIONS

Program Area	Program Name	Impact of 15% Reduction	General Fund	Other Funds
Homeless Services	Emergency Housing Assistance	OHCS estimates that 3,717 low and very low income persons would not receive homeless and homelessness prevention services. Grantee capacity and regional capacity could also be impacted, which has the potential of reducing the state's ability to acquire and maintain federal homeless assistance funding.	\$1,009,777	\$1,009,777
Homeless Services	Elderly Rental Assistance	This reduction would mean that approximately 112 low-income elderly households would not receive assistance with rent subsidy or arrearages, utility or moving costs, or move-in deposits. The affected households could potentially lose housing and become homeless.	\$225,000	\$225,000
Homeless Services	State Homeless Assistance Program	Approximately 5,231 homeless persons would not receive shelter and related services. The reduction could also impact the state's ability to secure and maintain federal homeless assistance funding.	\$513,934	\$0
Homeless Services	Low Income Rental Housing Fund	This reduction would mean that up to 26 low-income households would not receive rent assistance and could potentially become homeless. This could also impact Oregon's ability to secure and maintain federal homeless assistance funding, as this program can be used to meet match requirements.	\$82,167	\$0
Homeless Services	Housing Choice Landlord Guarantee Program	This reduction would impact the number of landlords who could receive reimbursement, and OHCS would run out of program funds in approximately five months.	\$47,799	\$47,799
Central Services	Court Appointed Special Advocates	A 15% reduction in funding would result in a loss of services to more than 1,500 children, further reducing the total percentage of children served.	\$397,308	\$397,308

QUESTIONS?