

HB 5012 A BUDGET REPORT and MEASURE SUMMARY

Carrier: Rep. Reardon

Joint Committee On Ways and Means

Action Date: 06/28/17

Action: Do pass with amendments. (Printed A-Eng.)

House Vote

Yeas: 10 - Gomberg, Holvey, Huffman, McLane, Nathanson, Rayfield, Smith G, Smith Warner, Stark, Williamson

Nays: 1 - Whisnant

Senate Vote

Yeas: 12 - DeBoer, Devlin, Frederick, Girod, Hansell, Johnson, Manning Jr, Monroe, Roblan, Steiner Hayward, Thomsen, Winters

Prepared By: Linnea Wittetkind, Department of Administrative Services

Reviewed By: Michelle Deister, Legislative Fiscal Office

Housing and Community Services Department

2017-19

Budget Summary*

	2015-17	2017-19	2017-19	Committee Change from	
	Legislatively Approved Budget ⁽¹⁾	Current Service Level	Committee Recommendation	2015-17 Leg. Approved	
				\$ Change	% Change
General Fund	\$ 28,591,263	\$ 13,673,231	\$ 25,612,305	\$ (2,978,958)	(10.4%)
General Fund Debt Service	\$ -	\$ 6,426,262	\$ 6,426,282	\$ 6,426,282	100.0%
Lottery Funds Debt Service	\$ 11,676,469	\$ 16,232,416	\$ 16,007,282	\$ 4,330,813	37.1%
Other Funds Limited	\$ 184,757,497	\$ 166,273,550	\$ 184,965,549	\$ 208,052	0.1%
Other Funds Nonlimited	\$ 231,980,523	\$ 185,683,523	\$ 185,683,523	\$ (46,297,000)	(20.0%)
Other Funds Debt Service Nonlimited	\$ 551,448,780	\$ 446,165,858	\$ 446,165,858	\$ (105,282,922)	(19.1%)
Federal Funds Limited	\$ 120,118,294	\$ 122,847,675	\$ 129,920,182	\$ 9,801,888	8.2%
Federal Funds Nonlimited	\$ 112,320,000	\$ 121,165,609	\$ 121,165,609	\$ 8,845,609	7.9%
Total	\$ 1,240,892,826	\$ 1,078,468,124	\$ 1,115,946,590	\$ (124,946,236)	(10.1%)

Position Summary

Authorized Positions	149	122	156	7
Full-time Equivalent (FTE) positions	135.15	120.75	148.68	13.53

⁽¹⁾ Includes adjustments through December 2016

* Excludes Capital Construction expenditures

Summary of Revenue Changes

Most of the Housing and Community Services Department (HCSD) programs are funded with either Federal or Other Funds. The agency’s General Fund of \$32,038,587 represents approximately 3% of overall revenues. The 2017-19 budget allocates \$16,007,282 Lottery Funds to pay debt service associated with previous Lottery Bond sales.

The primary sources of Other Funds include, but are not limited to, various fees charged for tax credits and other low-income housing development programs; public utility fees; revenue bonds; loan repayments; interest income; and various other revenues including document recording fees.

The Federal Funds received by the agency include grants from U.S. Department of Housing and Urban Development (HUD), the U.S. Department of Health and Human Services, the U.S. Department of Energy, the Corporation for National and Community Service, the Bonneville Power Administration and NeighborWorks.

Other Funds Nonlimited revenue is derived from loan interest payments, loan principal repayments and bond sale proceeds. Funds for tenant based rental assistance payments are received and expended as Federal Funds Nonlimited.

Summary of Transportation and Economic Development Subcommittee Action

The mission of HCSD is to provide stable and affordable housing and engage leaders to develop integrated statewide policy addressing poverty and providing opportunities for Oregonians. HCSD is Oregon's housing finance agency, providing financial and program support to create and preserve quality, affordable housing for Oregonians of lower and moderate income. HCSD administers federal and state antipoverty, homeless energy assistance and community service programs. HCSD also assists in the financing of single-family homes, the new construction or rehabilitation of multifamily affordable housing developments, and awards grants and tax credits to promote affordable housing.

The Subcommittee approved budget is \$1,115,946,590 total funds, with \$32,038,587 General Fund, \$16,007,282 Lottery Funds, \$184,965,549 Other Funds expenditure limitation, \$631,849,381 Other Funds Nonlimited, \$129,920,182 Federal Funds expenditure limitation, \$121,165,609 Federal Funds Nonlimited and 156 positions (148.68 FTE). This is a 10.1% decrease from 2015-17 Legislatively Approved Budget, largely due to the discontinuation of one-time programs.

The agency re-organized its budget structure during the 2015-17 biennium, to align more closely with the organizational program delivery. As a result, some of the program names have changed or been eliminated.

Housing Stabilization Programs

Formerly the Safety Net programs, the Housing Stabilization Programs division passes through federal and state resources to Oregon's community action network and their partners, supporting a continuum of services helping low-income individuals and households. The division also manages federal housing resources through the HUD Contract Administration section. The four main programs in this area are (1) homeless prevention and assistance services, (2) energy bill payment assistance and weatherization services, (3) low income rental assistance, (4) and performance-based contract administration.

The Subcommittee approved budget for the Housing Stabilization Programs is \$324,782,681 (\$22,347,511 General Fund, \$82,473,510 Other Funds limitation, \$98,796,051 Federal Funds limitation and \$121,165,609 Federal Funds Nonlimited) and 30 positions (29.00 FTE).

The Subcommittee approved the following packages:

Package 109, HUD Project Rental Assistance. This package provides \$952,813 Federal Funds limitation for the 2017-19 biennium associated with the Section 811 Project Rental Assistance grant program. The program provides rental assistance to extremely low-income persons with disabilities. A part-time Administrative Specialist II, for processing rent subsidy payments, is included in the package (one position and .50 FTE).

Package 110, Elderly Rental Assistance Program. This package reflects the transfer of the Elderly Rental Assistance program from the Oregon Department of Revenue to HCSD, approved by the 2015 Legislative Assembly. Due to General Fund constraints, the recommended funding for

the program is \$1,410,000 General Fund and one position (0.50 FTE). The General Fund appropriation is transferred to the Elderly Rental Assistance Account and expended as Other Funds. Corresponding Other Funds limitation is also included in this package.

Package 801, LFO Analyst Adjustments. The recommended General Fund for the Housing Stabilization Programs (and corresponding Other Funds limitation, unless otherwise noted) for the following programs, are as follows:

- Emergency Housing Account, \$14,696,832
- State Homeless Assistance Program, \$5,426,228 (No Other Funds limitation)
- Low Income Rental Housing Fund, \$514,913 (No Other Funds limitation)
- Housing Choice Landlord Guarantee, \$299,538

A corresponding adjustment to Other Funds limitation is made in the programs, except as noted above, and General Fund is transferred and spent as Other Funds for program payments to local partners.

In addition, this package adds \$5 million Other Funds limitation to reflect the passage of House Bill 2134 (2017), which has been signed by the Governor. This results in the collection of \$5 million by the Public Utility Commission, for bill payment assistance to low-income persons. These funds are distributed by HCSD to Community Action agencies.

Package 802, LFO Technical Adjustments. This package transfers two positions (2.00 FTE) and associated Other Funds limitation from the Multifamily division to the Housing Stabilization division. These positions were inadvertently omitted from a technical adjustment the agency made when building the base 2017-19 budget. A corresponding decrease in positions is made in the Multi-Family program and the adjustment nets to \$0 between the two divisions.

Multifamily Rental Housing Programs

The Multifamily Rental Housing Programs provide financing for a continuum of rental housing options for low-income and fragile Oregonians. This includes grants and loans to enable the development of new housing units, rehabilitation of existing housing units and preservation of affordable housing projects with project-based Section 8 and Rural Development rental subsidies, and administration of the U.S. Department of Housing and Urban Development rental assistance contracts with private owners. This division also administers the Manufactured Communities Resource Center, which provides mediation services to manufactured dwelling park residents and owners. The program aims to provide impartial assistance to resolve disputes between park owners and tenants outside of the court process.

The Subcommittee approved budget for the Multifamily Rental Housing Programs is \$98,663,114 (\$561,182 General Fund, \$75,610,369 Other Funds limitation, \$20,641,563 Federal Funds limitation and \$1,850,000 Other Funds Nonlimited) and 40 positions (38.50 FTE).

The Subcommittee approved the following packages:

Package 101, Local Innovation and Fast Track Housing. This package provides \$561,218 General Fund and \$143,261 Other Funds limitation to support a limited duration Loan Specialist 3 position (1.00 FTE), funded with General Fund; a permanent Program Analyst 3 position (0.50 FTE), funded with General Fund; and an Other Funds limitation supported permanent Compliance Specialist 3 (0.50 FTE). These positions will provide appropriate underwriting and project monitoring for affordable housing units funded through the issuance of \$40 million in Local Innovation and Fast Track Housing (LIFT) bonds issued in accordance with Article XI-Q, authorized by the 2015 Legislative Assembly.

Package 102, Essential Staffing Needs. This package includes one permanent Loan Specialist 3 position (1.00 FTE) to manage additional transactions associated with the Low Income Housing Tax Credit 4% program. This position is supported by \$217,381 Other Funds, generated from charges to the projects using the program.

Package 109, HUD Project Rental Assistance. Federal Funds expenditure limitation in the amount of \$119,694 and one half-time limited duration position (0.50 FTE) are associated with administration of the HUD Project Rental Assistance program. The position is a program analyst responsible for working with housing partners and state agencies to integrate, develop and report on units supported through the grant program.

Package 801, LFO Analyst Adjustment. Additional Federal Funds limitation of \$6 million is recommended to reflect a new state allocation of \$3 million per year, of National Housing Trust Fund dollars from the federal Housing and Urban Development agency.

Package 802, LFO Technical Adjustments. This package transfers two positions (2.00 FTE) from the Multifamily division to the Housing Stabilization division. These positions were inadvertently omitted from a technical adjustment the agency made when building the base 2017-19 budget. A corresponding increase in positions and attendant limitation is made in the Housing Stabilization program and the adjustment nets to \$0 between the two divisions.

Single Family Housing Programs

The Single Family Housing Programs provide financing and services that increase homeownership, provide homebuyer education and stabilize residential neighborhoods. HCSD achieves these objectives by offering affordable, at or below market rate, residential loans to qualified first time homebuyers. This program also offers down payment assistance to first time, low- and moderate-income homebuyers. The Residential Loan Program uses a network of lenders to finance residential loans under the program guidelines. HCSD invests in and purchases these loans from these lenders using mortgage revenue bonds. Economic conditions and financial markets affect program loan volumes and interest income.

The Subcommittee approved budget for the Single Family Housing Programs is \$5,089,221 (\$4,368,000 Other Funds limitation and \$721,221 Federal Funds limitation) and seven positions (6.50 FTE).

The Subcommittee approved the following package:

Package 102, Essential Staffing Needs. This package provides \$408,589 Other Funds limitation to support two permanent positions (2.00 FTE), a Program Analyst 4 and Loan Specialist 1 in the Single Family loan program. These positions will develop new loan products and enhancements, in an effort to increase volume in the residential loan program to \$100 million annually.

Oregon Homeownership Stabilization Initiative

The Oregon Home Stabilization Initiative (OHSI) is a foreclosure prevention program assisting at-risk homeowners to avoid foreclosure. The program, known nationally as the Hardest Hit Fund program, is funded entirely by federal Troubled Asset Relief Program resources from the U.S. Department of Treasury. Oregon is one of 18 states and the District of Columbia awarded funds because of severe impacts suffered during the 2008 economic recession. HCSD administers the Hardest Hit Funds program under contract with the Oregon Affordable Housing Assistance Corporation, a non-profit 501(c)(3) formed at the direction of the U.S. Treasury. Only costs associated with this contract are included in HCSD's budget and are classified as Other Funds limitation. The Oregon Affordable Housing Assistance Corporation administers direct assistance to homeowners and these payments do not show up in HCSD's budget.

The Subcommittee approved budget for OHSI is \$3,888,243 Other Funds limitation and 25 positions (21.43 FTE).

The Subcommittee approved the following package:

Package 108, Oregon Homeownership. The Homeownership Stabilization Initiative is entirely funded by federal Troubled Asset Relief Program (TARP) resources from the U.S. Department of Treasury. Oregon received \$220 million for this program and expended all of these resources before the 2017 program end date. In late 2015, the U.S. Congress committed additional funding to the Hardest Hit Fund, the name given to the TARP allocation. In February 2016, US Treasury announced that Oregon was awarded another \$95.4 million to be expended by December 2021.

Only costs associated with this contract are included in the agency budget and are classified as Other Funds. The package includes Other Funds limitation of \$3,888,243 and 25 positions (21.43 FTE), all of which are limited duration positions.

Central Services

Central Services includes the Director's Office, agency finance and budgeting, Public Affairs, Administrative Services, Human Resources, Oregon Commission for Voluntary Action and Service (Oregon Volunteers) and Court Appointed Special Advocates (CASA). Oregon Volunteers

administers AmeriCorps, the national service program providing a stipend and educational benefits in exchange for a year's commitment to service, as well as supporting efforts to enhance volunteerism and civic engagement.

The Subcommittee approved a 2017-19 budget for Central Services of \$26,594,311 (\$2,703,632 General Fund, \$14,129,332 Other Funds limitation and \$9,761,347 Federal Funds limitation) and 48 positions (47.25 FTE).

The Subcommittee approved the following package:

Package 102, Essential Staffing Needs. This package includes \$167,318 General Fund for a permanent Research Analyst 2 position (1.00 FTE), to address data needs and to support the development and execution of the State Housing Plan. The need for more robust data compilation, analysis and management was described in the agency's most recent Secretary of State audit. The additional support will assist the agency, its advisory committee and stakeholders in targeting investment of scarce resources toward the most efficient and effective programs to meet the most urgent housing needs throughout the state.

Package 801, LFO Analyst Adjustments. This package reduces General Fund support of the Court Appointed Special Advocates program (CASA) by \$147,420, due to General Fund constraints. The 2017-19 recommended budget results in funding for CASA of \$270,047 for administration and \$2,231,252 for special payments.

Package 812, Vacant Position Elimination. This package eliminates an internal audit position (1.00 FTE) and reduces attendant Other Funds limitation by \$208,972. This position has been vacant for over a biennium, as the agency has had exemptions from regular audit requirements during an internal review of its administrative structure and policies. A recent audit by the Secretary of State has largely fulfilled this function for 2017. For the 2018-19 fiscal year, internal audit activities can be performed by the Department of Administrative Services under contract.

Bond Activities and Debt Service

HCSD sells tax-exempt bonds to investors and uses the proceeds to finance multifamily and single-family mortgage loans. Bond related activities include disbursement of bond proceeds to finance multifamily and single-family mortgage loans, bond issuance costs, administrative expenses related to outstanding debt and asset protection costs associated with foreclosures and acquired properties. Debt service activities represent Nonlimited expenditures that repay investors and other parties' obligations owed on the outstanding debt issued by the agency to finance various loan program activities.

The Subcommittee approved budget for this program is \$656,929,020 (\$6,426,262 General Fund, \$16,007,282 Lottery Funds, \$4,496,095 Other Funds limitation, and \$629,999,381 Other Funds Nonlimited) and six positions (6.00 FTE).

The Subcommittee approved the following package:

Package 815, Updated Base Debt Service Adjustment. This package updates Lottery Funds debt service.

Summary of Performance Measure Action

See attached Legislatively Adopted 2017-19 Key Performance Measures form.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Housing and Community Services Department
Linnea Wittekind -- (503) 378-3108

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2015-17 Legislatively Approved Budget at Dec 2016 *	\$ 28,591,263	\$ 11,676,469	\$ 184,757,497	\$ 783,429,303	\$ 120,118,294	\$ 112,320,000	\$ 1,240,892,826	149	135.15
2017-19 Current Service Level (CSL)*	\$ 20,099,493	\$ 16,232,416	\$ 166,273,550	\$ 631,849,381	\$ 122,847,675	\$ 121,165,609	\$ 1,078,468,124	122	120.75
SUBCOMMITTEE ADJUSTMENTS (from CSL)									
SCR 91400-010 - Housing Stabilization Programs									
Package 109: HUD Project Rental Assistance									
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ 79,898	\$ -	\$ 79,898	1	0.50
Services and Supplies	\$ -	\$ -	\$ -	\$ -	\$ 8,100	\$ -	\$ 8,100		
Special Payments (Other Special Payments)	\$ -	\$ -	\$ -	\$ -	\$ 864,815	\$ -	\$ 864,815		
Package 110: Elderly Rental Assistance									
Personal Services	\$ -	\$ -	\$ 89,478	\$ -	\$ -	\$ -	\$ 89,478	1	0.50
Services and Supplies	\$ -	\$ -	\$ 60,522	\$ -	\$ -	\$ -	\$ 60,522		
Special Payments (Dist to Non-Profit Organizations)	\$ -	\$ -	\$ 1,350,000	\$ -	\$ -	\$ -	\$ 1,350,000		
Special Payments (Intra-Agency Gen Fund Transfer)	\$ 1,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,500,000		
Special Payments	\$ (90,000)	\$ -	\$ (90,000)	\$ -	\$ -	\$ -	\$ (180,000)		
Package 801: LFO Analyst Adjustments									
Special Payments	\$ 9,948,014	\$ -	\$ 12,980,881	\$ -	\$ -	\$ -	\$ 22,928,895		
Package 802: LFO Technical Adjustments									
Personal Services	\$ -	\$ -	\$ 311,320	\$ -	\$ -	\$ -	\$ 311,320	2	2.00
SCR 91400-030 - Multifamily Rental Housing									
Package 101: LIFT									
Personal Services	\$ 279,977	\$ -	\$ 78,134	\$ -	\$ -	\$ -	\$ 358,111	3	2.00
Services and Supplies	\$ 281,241	\$ -	\$ 65,127	\$ -	\$ -	\$ -	\$ 346,368		
Package 102: Essential Staffing Needs									
Personal Services	\$ (36)	\$ -	\$ 189,059	\$ -	\$ -	\$ -	\$ 189,023	1	1.00
Services and Supplies	\$ -	\$ -	\$ 28,358	\$ -	\$ -	\$ -	\$ 28,358		
Package 109: HUD Project Rental Assistance									
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ 100,704	\$ -	\$ 100,704	1	0.50
Services and Supplies	\$ -	\$ -	\$ -	\$ -	\$ 18,990	\$ -	\$ 18,990		
Package 801: LFO Analyst Adjustments									
Special Payments	\$ -	\$ -	\$ -	\$ -	\$ 6,000,000	\$ -	\$ 6,000,000		
Package 802: LFO Technical Adjustments									
Personal Services	\$ -	\$ -	\$ (311,320)	\$ -	\$ -	\$ -	\$ (311,320)	(2)	(2.00)
SCR 91400-040 - Single Family Housing									
Package 102: Essential Staffing Needs									
Personal Services	\$ -	\$ -	\$ 355,296	\$ -	\$ -	\$ -	\$ 355,296	2	2.00
Services and Supplies	\$ -	\$ -	\$ 53,293	\$ -	\$ -	\$ -	\$ 53,293		

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
SCR 91400-050 - Homeownership Stabilization Initiative									
Package 108: Oregon Homeownership									
Personal Services	\$ -	\$ -	\$ 3,617,112	\$ -	\$ -	\$ -	\$ 3,617,112	25	21.43
Services and Supplies	\$ -	\$ -	\$ 271,131	\$ -	\$ -	\$ -	\$ 271,131		
SCR 91400-070 -Central Services									
Package 102: Essential Staffing									
Personal Services	\$ 145,493	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 145,493	1	1.00
Services and Supplies	\$ 21,805	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,805		
Package 801: LFO Analyst Adjustments									
Services and Supplies	\$ (5,000)	\$ -	\$ (5,000)	\$ -	\$ -	\$ -	\$ (10,000)		
Special Payments	\$ (142,420)	\$ -	\$ (142,420)	\$ -	\$ -	\$ -	\$ (284,840)		
Package 812: Vacant Position Elimination									
Personal Services	\$ -	\$ -	\$ (208,972)	\$ -	\$ -	\$ -	\$ (208,972)	(1)	(1.00)
SCR 91400-080 -Bond Activities and Debt Service									
Package 815: Updated Base Debt Service Adjustment									
Debt Service	\$ 20	\$ (225,134)	\$ -	\$ -	\$ -	\$ -	\$ (225,114)	0	0.00
TOTAL ADJUSTMENTS	\$ 11,939,074	\$ (225,134)	\$ 18,691,999	\$ -	\$ 7,072,507	\$ -	\$ 37,478,466	34	27.93
SUBCOMMITTEE RECOMMENDATION *	\$ 32,038,567	\$ 16,007,282	\$ 184,965,549	\$ 631,849,381	\$ 129,920,182	\$ 121,165,609	\$ 1,115,946,570	156	148.68
% Change from 2015-17 Leg Approved Budget	12.1%	37.1%	0.1%	(19.3%)	8.2%	7.9%	(10.1%)	4.7%	10.0%
% Change from 2017-19 Current Service Level	59.4%	-1.4%	11.2%	0.0%	5.8%	0.0%	3.5%	27.9%	23.1%

*Excludes Capital Construction Expenditures

Legislatively Approved 2017 - 2019 Key Performance Measures

Published: 6/20/2017 9:13:17 AM

Agency: Housing and Community Services

Mission Statement:

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

Legislatively Approved KPMs	Metrics	Agency Request	Last Reported Result	Target 2018	Target 2019
1. Reducing Homelessness - Percentage of homeless households who exited into permanent housing and retained that housing for six months or longer.		Approved	87%	80%	80%
2. Energy Assistance - 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.		Approved	No Data	90%	90%
3. Affordable Rental Housing - Percentage of regulated multifamily housing units funded with grants, tax credits, and bonds, that will be affordable to households earning at or below 50% of the area median income.		Approved	No Data	50%	50%
4. Affordable Rental Housing for People with Disabilities - Percentage of affordable rental housing units funded that provide rental opportunities for low-income individuals with physical or mental disabilities.		Approved	No Data	12%	12%
5. Affordable Rental Housing (Construction Costs) - Construction costs per square foot for: newly constructed housing units developed through grant and tax credit programs; and construction costs per square foot for rehabilitated housing units developed through grant and tax credit programs, as compared to national RS Means data.		Approved	No Data	100%	100%
6. Affordable Rental Housing (Areas of Opportunity) - 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.		Approved	No Data	40%	40%
7. Homeownership - Percentage of households at or below the state's median household income served by our single family programs.		Approved	56%	55%	55%
8. Homeownership (People of Color) - Percentage of OHCS residential loan program loans issued to people of color.		Approved	No Data	20%	20%
9. Agency Customer Service - Percentage of customers rating their satisfaction with the agency's customer service as "good" or "excellent": timeliness, accuracy, helpfulness, expertise, availability of information, overall.	Availability of Information	Approved	74%	80%	80%
	Overall		78%	80%	80%
	Timeliness		74%	80%	80%
	Accuracy		70%	80%	80%
	Expertise		74%	80%	80%
	Helpfulness		82%	80%	80%
2. 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, will be affordable to households earning less than 60% of the area median income.		Legislatively Deleted	95%	TBD	TBD

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Legislatively Approved KPMs	Metrics	Agency Request	Last Reported Result	Target 2018	Target 2019
3. Increasing Housing for Special Needs Individuals - Percentage of affordable rental housing units developed that provide rental opportunities for the low-income elderly or individuals with special needs compared to the percentage of the state's population that are low-income elderly or individuals with special needs.		Legislatively Deleted	42%	TBD	TBD
5. Construction Costs - Cost per square foot for housing units developed through Grant and Tax Credit programs.		Legislatively Deleted	\$177.30	TBD	TBD
6. Increasing Energy Savings - For all funds invested, the percentage of energy savings generated from the Department's Energy Conservation Helping Oregonians (ECHO) weatherization program.		Legislatively Deleted	104%	TBD	TBD

LFO Recommendation:

The Legislative Fiscal office recommends Key Performance Measures as proposed above.

With regard to newly proposed KPM #5, LFO recommends that the Housing and Community Services Department differentiate between the cost per square foot of newly constructed housing, vs. the cost per square foot for rehabilitated housing units developed through grant and tax credit programs, and report on both. The targets for these measures are recommended to align with RS means data, taken from a national construction data base, with the goal being that the agency's actual cost per square foot be the same or lower than the RS means reported for that year, for building type. RS means averages are available for both new construction and for renovations. With this methodology, however, targets cannot be determined ahead of time.

SubCommittee Action:

The Subcommittee approved the LFO recommendation but recommended that the target for KPM #5 be amended to reflect a percentage. The target was established at 100%, which would represent the same cost per square foot as the RS Means data, the object being for the agency not to exceed the RS Means construction cost for either newly constructed or rehabilitated housing units. Key Performance Measures above have been updated above to reflect the Subcommittee recommendation.