

**Legislative
Fiscal Office**

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**Joint Committee on
Ways and Means**

Sen. Betsy Johnson, Senate Co-Chair
Sen. Elizabeth Steiner Hayward, Senate Co-Chair
Rep. Dan Rayfield, House Co-Chair

Sen. Jackie Winters, Senate Co-Vice Chair
Rep. David Gomberg, House Co-Vice Chair
Rep. Greg Smith, House Co-Vice Chair

To: Capital Construction Subcommittee
From: Michelle Deister, Legislative Fiscal Office
Date: June 17, 2019
Subject: SB 5512 – Housing and Community Services Department
Work Session Recommendations

Housing and Community Services Department – Agency Totals

	2015-17 Actual	2017-19 Legislatively Approved	2019-21 Current Service Level	2019-21 LFO Recommended
General Fund	27,328,954	59,963,031	62,464,549	78,972,539
Lottery Funds	11,676,461	17,507,282	21,868,790	21,868,790
Other Funds	199,406,108	324,497,248	266,077,019	286,189,343
Other Funds NL	721,451,233	902,349,381	816,988,340	1,056,668,660
Federal Funds	118,193,644	122,817,211	127,694,100	127,694,100
Federal Funds NL	119,200,845	133,265,609	133,231,628	152,131,628
Total Funds	1,197,257,245	1,560,399,762	1,428,324,426	1,723,525,060
Positions	151	171	138	210
FTE	137.65	155.62	136.00	205.91

The -4 amendment to SB 5512 which the Transportation and Economic Development Subcommittee adopted on June 13 contained an error which improperly reflected the subcommittee recommendations for debt service for the Housing and Community Services Department’s budget.

The Legislative Fiscal Office is recommending adoption of a new -5 amendment to SB 5512 to correct this issue. The total funds budget, positions and FTE for the agency do not change nor do any of the adjustments to current service level recommended by the Transportation and Economic Development Subcommittee on June 11.

Adjustments to Current Service Level

See attached “Work Session Presentation Report.”

Note: Statewide adjustments and six-year capital construction expenditures are not included in these recommendations. Any needed adjustments will be made in end of session bills.

Accept LFO Recommendation:

MOTION: I move the LFO recommendation to SB 5512. (VOTE)

OR

Change LFO Recommendation:

MOTION: I move the LFO recommendation to SB 5512 with modifications. (VOTE)

Performance Measures

See attached “Legislatively Proposed 2019-21 Key Performance Measures.”

Accept LFO Recommendation:

MOTION: I move the LFO recommendation on Key Performance Measures. (VOTE)

OR

Change LFO Recommendation:

MOTION: I move the LFO recommendation on Key Performance Measures, with modifications. (VOTE)

Budget Notes

In recognition of the need for consistent and accurate data gathering and state-wide reporting to inform policy choices regarding homelessness, the Legislative Fiscal Office recommends the following budget note:

The Housing and Community Services Department will report to the legislature by June of 2020 on options to implement a statewide homeless management information system that enables clear outcome tracking for homeless individuals. The report will focus on a system implementation that meets federal and state requirements, improves data driven decision making, and aligns with national best practice. Specific items to address include a recommendation on the capabilities of an optimal system, system governance, models from other states that enable data driven decisions, the organization that is best positioned to administer the system, and an assessment of administrative workload options to fund administration.

Accept LFO Recommendation:

MOTION: I move the LFO recommendation on Budget Notes. (VOTE)

OR

Change LFO Recommendation (any changes must be approved by the co-chairs):

MOTION: I move the LFO recommendation on Budget Notes, with modifications.
(VOTE)

Recommended Changes

LFO recommends a budget of \$60,184,619 General Fund, \$18,787,920 General Fund Debt Service, \$21,868,790 Lottery Funds, \$286,189,342 Other Funds, \$1 Other Funds debt service, \$127,694,100 Federal Funds, \$1,056,668,660 Other Funds Nonlimited, \$152,131,628 Federal Funds Nonlimited and 210 positions (205.91 FTE), which is reflected in the -5 amendment.

MOTION: I move adoption of the -5 amendment to SB 5512 (VOTE)

Final Subcommittee Action

LFO recommends that SB 5512 as amended by the -5 amendment, be moved to the Ways and Means Full Committee.

MOTION: I move SB 5512 as amended, to the Full Committee with a do pass recommendation. (VOTE)

Carriers

Full Committee: _____ Representative Gomberg_____

House Floor: _____ Representative Gomberg_____

Senate Floor: _____ Senator Golden_____

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2017-19 Agy. Leg. Adopted	54,438,010	16,357,282	289,274,996	122,692,797	631,849,381	121,165,609	1,235,778,075	164	152.65
2017-19 Ebds, SS & Admin Act	5,525,021	1,150,000	35,222,437	124,229	270,500,000	12,100,000	324,621,687	7	2.97
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2017-19 Leg Approved Budget	59,963,031	17,507,282	324,497,433	122,817,026	902,349,381	133,265,609	1,560,399,762	171	155.62
2017-19 Leg Approved Budget (Base)	59,963,031	17,507,282	324,497,433	122,817,026	731,849,381	121,165,609	1,377,799,762	171	155.62
Summary of Base Adjustments	9,554,228	5,682,225	(81,696,773)	218,666	85,638,959	12,066,019	31,463,324	(35)	(21.62)
2019-21 Base Budget	69,517,259	23,189,507	242,800,660	123,035,692	817,488,340	133,231,628	1,409,263,086	136	134.00
010: Non-PICS Pers Svc/Vacancy Factor	(5,071)	(495)	591,449	158,200	-	-	744,083	-	-
020: Phase In / Out Pgm & One-time Cost	(37,038,181)	(1,320,222)	15,198,130	(18,990)	(500,000)	-	(23,679,263)	2	2.00
030: Inflation & Price List Adjustments	518,732	-	7,486,780	4,519,198	-	-	12,524,710	-	-
2019-21 Current Service Level	32,992,739	21,868,790	266,077,019	127,694,100	816,988,340	133,231,628	1,398,852,616	138	136.00
Adjusted 2019-21 Current Service Level	32,992,739	21,868,790	266,077,019	127,694,100	816,988,340	133,231,628	1,398,852,616	138	136.00
Total LFO Recommended Packages	45,979,800	-	20,112,324	-	239,680,320	18,900,000	324,672,444	72	69.91
2019-21 Legislative Actions	78,972,539	21,868,790	286,189,343	127,694,100	1,056,668,660	152,131,628	1,723,525,060	210	205.91
Net change from 2017-19 Leg Approved Budget	19,009,508	4,361,508	(38,308,090)	4,877,074	154,319,279	18,866,019	163,125,298	39	50.29
Percent change from 2017-19 Leg Approved Budget	31.7%	24.9%	(11.8%)	4.0%	17.1%	14.2%	10.5%	22.8%	32.3%
Net change from 2019-21 Adj Current Service Level	45,979,800	-	20,112,324	-	239,680,320	18,900,000	324,672,444	72	69.91
Percent change from 2019-21 Adj Current Service Level	139.4%	0.0%	7.6%	0.0%	29.3%	14.2%	23.2%	52.2%	51.4%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2017-19 Agy. Leg. Adopted	42,717,155	350,000	82,388,426	98,755,981	-	121,165,609	345,377,171	31	29.50
2017-19 Ebds, SS & Admin Act	5,205,326	-	21,623,325	47,035	-	12,100,000	38,975,686	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2017-19 Leg Approved Budget	47,922,481	350,000	104,011,751	98,803,016	-	133,265,609	384,352,857	31	29.50
2017-19 Leg Approved Budget (Base)	47,922,481	350,000	104,011,751	98,803,016	-	121,165,609	372,252,857	31	29.50
Summary of Base Adjustments	(92,695)	-	447,069	217,021	-	12,066,019	12,637,414	1	1.00
2019-21 Base Budget	47,829,786	350,000	104,458,820	99,020,037	-	133,231,628	384,890,271	32	30.50
010: Non-PICS Pers Svc/Vacancy Factor	(1,281)	-	132,033	55,430	-	-	186,182	-	-
020: Phase In / Out Pgm & One-time Cost	(35,475,000)	(350,000)	(23,641,839)	-	-	-	(59,466,839)	-	-
030: Inflation & Price List Adjustments	440,646	-	2,776,541	3,620,681	-	-	6,837,868	-	-
060: Technical Adjustments	-	-	755,772	-	-	-	755,772	-	-
2019-21 Current Service Level	12,794,151	-	84,481,327	102,696,148	-	133,231,628	333,203,254	32	30.50
Adjusted 2019-21 Current Service Level	12,794,151	-	84,481,327	102,696,148	-	133,231,628	333,203,254	32	30.50
Total LFO Recommended Packages	39,479,800	-	1,897,064	-	-	18,900,000	60,276,864	11	12.00
2019-21 Legislative Actions	52,273,951	-	86,378,391	102,696,148	-	152,131,628	393,480,118	43	42.50
Net change from 2017-19 Leg Approved Budget	4,351,470	(350,000)	(17,633,360)	3,893,132	-	18,866,019	9,127,261	12	13.00
Percent change from 2017-19 Leg Approved Budget	9.1%	(100.0%)	(17.0%)	3.9%	0.0%	14.2%	2.4%	38.7%	44.1%
Net change from 2019-21 Adj Current Service Level	39,479,800	-	1,897,064	-	-	18,900,000	60,276,864	11	12.00
Percent change from 2019-21 Adj Current Service Level	308.6%	0.0%	2.3%	0.0%	0.0%	14.2%	18.1%	34.4%	39.3%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 101 Essential Program Delivery Staffing Needs

Package Description Other Funds expenditure limitation in the amount of \$1,598,498 is included for 7 additional positions (8.00 FTE) to better deliver services, work with stakeholders and monitor outcomes related to housing stabilization programs managed by the Housing and Community Services Department.

LFO Recommendation Approve. Agency-wide, budgeted program funding grew by \$200 million since the 2013-15 biennium, while the number of positions in the agency decreased by 2. These positions are supported by Other Funds revenue, including administrative allowances on document recording fee revenue, energy and weatherization programs, and fees for service from U.S. Housing and Urban Development.

LFO Analyst Notes The additional positions for housing stabilization programs include the following:

- A Principle Executive Manager E position to provide dedicated management, policy development and oversight to housing stabilization programs (up to this point, a policy position has been performing managerial duties while providing oversight of significant funding increases);
- A permanent Operations and Policy Analyst 4 to continue work performed by an existing limited duration position related to homelessness policy and analysis;
- Increasing months for an existing part time Program Analyst 1 position related to the elderly rental assistance program;
- Reclassifying a program analyst 1 position to a Program Analyst 2 position pursuant to an audit of current duties.
- A Principle Executive Manager E position to provide dedicated oversight to energy services, audits, and efficiency activities;
- A Compliance Specialist 2 position to provide field support, training and quality assurance for energy efficiency programs administered by the department;
- Increasing Months on a Program Analyst position from 0.5 FTE to 1.0 FTE in energy services to coordinate rules, access, and administration of a program transferred from the Oregon Department of Energy in 2018.
- Converting an existing Limited Duration Compliance Specialist 1 position to permanent to monitor, respond to and resolve complaints from tenants in subsidized housing;
- A Compliance Specialist 2 to perform management occupancy reviews as required by HUD;
- A permanent Office Specialist 2 position.

LFO Recommended	-	-	1,598,498	-	-	-	1,598,498	7	8.00
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 109 Permanently Expand Progs to Reduce Homelessness

Package Description This package includes \$29,479,800 in General Fund to provide support from that fund type at a total (when including existing/base funding) of \$28 million for the Emergency Housing Assistance (EHA) program and \$12 million for the State Homeless Assistance Program (SHAP). The combined total of \$40 million is intended to be considered ongoing funding for the purposes of calculating Current Service Level in future biennia. Position authority for a Program Analyst 2 position and an Operations and Policy Analyst 3 position is also included in this package, to provide analysis and reporting supporting data-driven program decisions that result in measurable improvements to the number of people sheltered and housed.

LFO Recommendation Approve.

LFO Analyst Notes Analyst note: The Document Recording Fee is anticipated to provide an additional \$8,876,539 Other Funds support for the Emergency Housing Assistance program in the 2019-21 biennium; twenty five percent of this amount (\$2,219,135) is dedicated to veterans.

LFO Recommended	29,479,800	-	-	-	-	-	29,479,800	2	2.00
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 114 Healthy Homes for Vulnerable Populations

Package Description This package includes Other Funds expenditure limitation in the amount of \$149,283 to support an Operations and Policy Analyst position at 0.50 FTE for designing and implementing a healthy housing initiative that identifies weatherization recipients with elevate health risks due to or exacerbated by the condition of their housing, allowing those problems to be mitigated using existing funding.

LFO Recommendation Approve.

LFO Analyst Notes This position will be supported by administrative allowances on energy assistance programs administered by the Department.

LFO Recommended	-	-	149,283	-	-	-	149,283	1	0.50
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 115 Platform to Replace Distressed Manuf Housing

Package Description This package includes Other Funds expenditure limitation in the amount of \$149,283 to support an Operations and Policy Analyst position at 0.50 FTE to designing and manage a program which enables the replacement of aging (pre-1976), unsafe, substandard or inefficient manufactured housing. The program would include non-profits with funding sources that may include bond proceeds, local government financing, utility funds or tax credits.

LFO Recommendation Approve.

LFO Analyst Notes This package shares a position with Package 114 Healthy Homes for Vulnerable Populations

LFO Recommended	-	-	149,283	-	-	-	149,283	-	0.50
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 801 LFO Analyst Adjustments

Package Description This package adds Federal Funds Non-Limited to meet updated projections for HUD project-based housing vouchers. While the total volume of vouchers available is not increasing, the value of the payments has escalated to keep pace with rising rents.

A 2019-21 enhancement for housing assistance in the amount of \$10,000,000 General Fund is included in this package. \$5 million of this funding will be distributed through the Emergency Housing Assistance program, and \$5 million will be distributed through competitive awards by HCSD for the purpose of strengthening and increasing shelter capacity in high needs areas. HCSD will use results from its Statewide Shelter Survey to guide funding awards to applicants. One program analyst position is included to set up and manage the administration of this competitive shelter funding program.

This \$10 million in General Fund is not intended to be included in calculations of ongoing operating costs for future biennia.

LFO Recommendation Approve.

Budget Notes In recognition of the need for consistent and accurate data gathering and state-wide reporting to inform policy choices regarding homelessness, the Legislative Fiscal Office recommends the following budget note:

The Housing and Community Services Department will report to the legislature by June of 2020 on options to implement a statewide homeless management information system that enables clear outcome tracking for homeless individuals. The report will focus on a system implementation that meets federal and state requirements, improves data driven decision making, and aligns with national best practice. Specific items to address include a recommendation on the capabilities of an optimal system, system governance, models from other states that enable data driven decisions, the organization that is best positioned to administer the system, and an assessment of administrative workload options to fund administration.

LFO Analyst Notes Technical adjustments have also been made to shift expenditure limitation between the expenditure categories of services and supplies and special payments to true up expenditure categories. There is no net increase to these adjustments.

LFO Recommended	10,000,000	-	-	-	-	18,900,000	28,900,000	1	1.00
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2017-19 Agy. Leg. Adopted	1,013,126	-	101,153,783	20,625,255	1,850,000	-	124,642,164	48	43.05
2017-19 Ebds, SS & Admin Act	34,983	760,000	8,859,141	19,200	-	-	9,673,324	5	1.88
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2017-19 Leg Approved Budget	1,048,109	760,000	110,012,924	20,644,455	1,850,000	-	134,315,488	53	44.93
2017-19 Leg Approved Budget (Base)	1,048,109	760,000	110,012,924	20,644,455	1,850,000	-	134,315,488	53	44.93
Summary of Base Adjustments	(141,602)	-	1,215,894	4,764	-	-	1,079,056	(6)	1.57
2019-21 Base Budget	906,507	760,000	111,228,818	20,649,219	1,850,000	-	135,394,544	47	46.50
010: Non-PICS Pers Svc/Vacancy Factor	(5,896)	-	270,832	23,460	-	-	288,396	-	-
020: Phase In / Out Pgm & One-time Cost	6,819	(760,000)	36,585,145	(18,990)	(500,000)	-	35,312,974	1	1.00
030: Inflation & Price List Adjustments	16,168	-	3,493,899	752,638	-	-	4,262,705	-	-
060: Technical Adjustments	-	-	(755,772)	-	-	-	(755,772)	-	-
2019-21 Current Service Level	923,598	-	150,822,922	21,406,327	1,350,000	-	174,502,847	48	47.50
Adjusted 2019-21 Current Service Level	923,598	-	150,822,922	21,406,327	1,350,000	-	174,502,847	48	47.50
Total LFO Recommended Packages	5,000,000	-	9,809,956	-	-	-	14,809,956	19	18.66
2019-21 Legislative Actions	5,923,598	-	160,632,878	21,406,327	1,350,000	-	189,312,803	67	66.16
Net change from 2017-19 Leg Approved Budget	4,875,489	(760,000)	50,619,954	761,872	(500,000)	-	54,997,315	14	21.23
Percent change from 2017-19 Leg Approved Budget	465.2%	(100.0%)	46.0%	3.7%	(27.0%)	0.0%	41.0%	26.4%	47.3%
Net change from 2019-21 Adj Current Service Level	5,000,000	-	9,809,956	-	-	-	14,809,956	19	18.66
Percent change from 2019-21 Adj Current Service Level	541.4%	0.0%	6.5%	0.0%	0.0%	0.0%	8.5%	39.6%	39.3%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 101 Essential Program Delivery Staffing Needs

Package Description Other Funds expenditure limitation in the amount of \$ \$2,360,373 is included for 11 additional positions (11.50 FTE) to better deliver services, work with stakeholders and monitor outcomes related to housing stabilization programs managed by the Housing and Community Services Department.

LFO Recommendation Approve. Agency-wide, budgeted program funding grew by \$200 million since the 2013-15 biennium, while the number of positions in the agency decreased by 2. These positions are supported by Other Funds revenue, including fees paid by entities utilizing HCSD's conduit bonding, application fees to various financing programs and vehicles, and interest on loan repayments.

LFO Analyst Notes Positions included are as follows:

- Three Operations and Policy Analyst 3 positions in the Housing Finance office, to create positions for work being performed by a temporary employee, an employee double-filled on another position, and increase capacity related to evaluating applications for financing, underwriting, and design and monitoring of competitive funding offerings that meet identified needs for specific populations or housing types.
- A Program Analyst 4 position to coordinate and lead efforts around housing equity policy, training, funding allocation, and procedures, a priority in the Department's strategic plan.
- A Program Analyst 3 position to focus efforts on building capacity in smaller communities or more rural areas of the state to develop partnerships and proposals resulting in successful housing finance applications;
- Two Loan Specialist 3 positions and a Loan Specialist 2 position to address the higher volume of funded projects, ensure timely closing of real estate projects, review assets and financial audits for determining compliance with funding awards; and
- Staffing to increase asset management and compliance. As the agency's funded project portfolio has grown, the need for additional staff to ensure the properties are maintained and resident needs are met requires a dedicated section manager (Principle Executive Manager D), an additional full-time permanent Compliance Specialist 1, and an increase of 12 months on an existing Compliance Specialist 2 (0.50 FTE).
- An Administrative Specialist 2 position is also added to support policy and program efforts in Multifamily housing.

LFO Recommended	-	-	2,360,373	-	-	-	2,360,373	11	11.50
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 105 Create Rural Housing Accelerator

Package Description This package consists of \$5 million General Fund for 2019-21 expenditures related to one limited duration Program Analyst 4 position (1.00 FTE) and special payments for a "Greater Oregon Housing Accelerator." The program involves incentives to employers in rural communities to invest in housing. Examples of eligible investments by employers include downpayment assistance programs, land acquisition funding, technical assistance funding, and investments in housing developments.

Technical assistance to local communities are also eligible expenditures of these funds.

The Program Analyst would administer the funding. Other Funds expenditure limitation is included to ensure that program funds can be fully disbursed. The goals of the project are: to increase the supply of homes in rural communities through public-private actions; enhance the capacity of rural communities to build or support the building of more housing; and reduce the financial risk so that more developers are able and interested in developing homes in rural areas.

LFO Recommendation Approve.

LFO Analyst Notes The investment in this program is not anticipated to be ongoing for the purpose of future calculations of the agency's ongoing operating expenditures.

LFO Recommended	5,000,000	-	4,727,822	-	-	-	9,727,822	1	1.00
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 801 LFO Analyst Adjustments

Package Description This package increases limitation for attorney general charges by \$1.5 million, due to an increase in the number of multifamily housing transactions, which must be reviewed by the Attorney General's office. Further 7 positions (6.16 FTE) and attendant services and supplies are added in response to new federal requirements that increase the incidents of inspections of low income multi-family housing units. The costs for these positions are supported by fees assessed on property owners to ensure compliance with low-income housing covenants put in place when the developments received financing.

LFO Recommendation Approve.

LFO Recommended	-	-	2,721,761	-	-	-	2,721,761	7	6.16
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2017-19 Agy. Leg. Adopted	1,300,000	-	4,348,245	720,794	-	-	6,369,039	7	6.50
2017-19 Ebds, SS & Admin Act	-	-	4,326,657	922	-	-	4,327,579	1	0.46
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2017-19 Leg Approved Budget	1,300,000	-	8,674,902	721,716	-	-	10,696,618	8	6.96
2017-19 Leg Approved Budget (Base)	1,300,000	-	8,674,902	721,716	-	-	10,696,618	8	6.96
Summary of Base Adjustments	-	-	98,791	156	-	-	98,947	(1)	0.04
2019-21 Base Budget	1,300,000	-	8,773,693	721,872	-	-	10,795,565	7	7.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	38,007	647	-	-	38,654	-	-
020: Phase In / Out Pgm & One-time Cost	(1,300,000)	-	4,008,906	-	-	-	2,708,906	1	1.00
030: Inflation & Price List Adjustments	-	-	280,060	26,591	-	-	306,651	-	-
2019-21 Current Service Level	-	-	13,100,666	749,110	-	-	13,849,776	8	8.00
Adjusted 2019-21 Current Service Level	-	-	13,100,666	749,110	-	-	13,849,776	8	8.00
Total LFO Recommended Packages	1,500,000	-	465,919	-	-	-	1,965,919	2	2.00
2019-21 Legislative Actions	1,500,000	-	13,566,585	749,110	-	-	15,815,695	10	10.00
Net change from 2017-19 Leg Approved Budget	200,000	-	4,891,683	27,394	-	-	5,119,077	2	3.04
Percent change from 2017-19 Leg Approved Budget	15.4%	0.0%	56.4%	3.8%	0.0%	0.0%	47.9%	25.0%	43.7%
Net change from 2019-21 Adj Current Service Level	1,500,000	-	465,919	-	-	-	1,965,919	2	2.00
Percent change from 2019-21 Adj Current Service Level	100.0%	0.0%	3.6%	0.0%	0.0%	0.0%	14.2%	25.0%	25.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 101 Essential Program Delivery Staffing Needs

Package Description The single family housing division split from the multi-family housing division, but have no dedicated division management to help further the goal of homeownership, and closing the minority homeownership gap. This package includes Other Funds expenditure limitation in the amount of \$265,347 to support a Limited Duration Principle Executive Manager F position to serve as a manager for single family home-ownership programs, including the Home Ownership Stabilization Initiative.

LFO Recommendation Approve. The agency will reevaluate the need for this position in preparation for the 2021-23 biennium.

LFO Analyst Notes This position is funded with Other Funds, comprised of proceeds from bond issuances, loan repayments, and application fees associated with the agency's homeownership programs.

LFO Recommended	-	-	265,347	-	-	-	265,347	1	1.00
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 112 Down Payment Assistance Lending Program

Package Description This package includes \$200,870 Other Funds expenditure limitation and one permanent Loan Specialist 1 position (1.00 FTE) underwrite oans associated with a new down payment assistance lending program for low-to-moderate income families through a 30 year fixed rate mortgage. Down payments are a significant barrier to homeownership. OHCS has authorization from HUD, Fannie Mae, and Freddie Mac to create down payment assistance through the origination of mortgages. The prospective home buyer will be offered a down payment between 0 and 5 percent and in exchange the homebuyer will pay a slightly higher interest rate than a comparable mortgage without down payment assistance. The down payment is provided as a zero percent interest loan, due on sale of the home, payable to OHCS. The funding for down payment assistance is generated though premiums paid by financial market investors. The revenue realized from investors will also be used to pay for administration of this new program.

LFO Recommendation Approve.

LFO Recommended	-	-	200,572	-	-	-	200,572	1	1.00
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 801 LFO Analyst Adjustments

Package Description General Fund support is included for homeownership counseling services, including for those homeowners facing foreclosure.

LFO Recommendation Approve.

LFO Analyst Notes The agency will administer these resources in alignment with its previously established Oregon Foreclosure Avoidance program, and Homeownership Assistance Program, as applicable.

LFO Recommended	1,500,000	-	-	-	-	-	1,500,000	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2017-19 Agy. Leg. Adopted	-	-	3,888,243	-	-	-	3,888,243	25	21.43
2017-19 Ebds, SS & Admin Act	-	-	184,748	-	-	-	184,748	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2017-19 Leg Approved Budget	-	-	4,072,991	-	-	-	4,072,991	25	21.43
2017-19 Leg Approved Budget (Base)	-	-	4,072,991	-	-	-	4,072,991	25	21.43
Summary of Base Adjustments	-	-	(3,653,178)	-	-	-	(3,653,178)	(25)	(21.43)
2019-21 Base Budget	-	-	419,813	-	-	-	419,813	-	-
010: Non-PICS Pers Svc/Vacancy Factor	-	-	(148,682)	-	-	-	(148,682)	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	(271,131)	-	-	-	(271,131)	-	-
2019-21 Current Service Level	-	-	-	-	-	-	-	-	-
Adjusted 2019-21 Current Service Level	-	-	-	-	-	-	-	-	-
Total LFO Recommended Packages	-	-	3,885,174	-	-	-	3,885,174	20	17.25
2019-21 Legislative Actions	-	-	3,885,174	-	-	-	3,885,174	20	17.25
Net change from 2017-19 Leg Approved Budget	-	-	(187,817)	-	-	-	(187,817)	(5)	(4.18)
Percent change from 2017-19 Leg Approved Budget	0.0%	0.0%	(4.6%)	0.0%	0.0%	0.0%	(4.6%)	(20.0%)	(19.5%)
Net change from 2019-21 Adj Current Service Level	-	-	3,885,174	-	-	-	3,885,174	20	17.25
Percent change from 2019-21 Adj Current Service Level	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	100.0%	100.0%	100.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 116 Restore OHSI Staffing

Package Description This package includes \$3.9 million in Other Fund expenditure limitation and 20 limited duration positions (17.25 FTE) to continue the Oregon Homeownership Stabilization Initiative. This program began in 2019-11 and was anticipated to end on December 31, 2017. However, the federal government awarded Oregon an additional \$95.4 million to continue the program, the anticipated end date is December 31, 2021. Most of the funding is directed to homeowners' mortgage services or county tax authorities to address the issues creating a risk of foreclosure. Those direct payments are paid through the Oregon Affordable Housing Assistance Corporation. The staff to administer the program are established in OHCS' budget as limited duration employees of the agency.

LFO Recommendation Approve. This package will phase out completely in 2021-23, but it is likely that OHCS will request some of the limited duration positions in a 2021-23 package to perform wind-down activities and process lien satisfactions.

LFO Recommended	-	-	3,885,174	-	-	-	3,885,174	20	17.25
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2017-19 Agy. Leg. Adopted	341,208	-	11,587,606	2,590,767	-	-	14,519,581	47	46.17
2017-19 Ebds, SS & Admin Act	284,712	390,000	211,501	57,072	-	-	943,285	1	0.63
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2017-19 Leg Approved Budget	625,920	390,000	11,799,107	2,647,839	-	-	15,462,866	48	46.80
2017-19 Leg Approved Budget (Base)	625,920	390,000	11,799,107	2,647,839	-	-	15,462,866	48	46.80
Summary of Base Adjustments	67,126	(179,283)	105,713	(3,275)	-	-	(9,719)	(4)	(2.80)
2019-21 Base Budget	693,046	210,717	11,904,820	2,644,564	-	-	15,453,147	44	44.00
010: Non-PICS Pers Svc/Vacancy Factor	2,106	(495)	255,169	78,663	-	-	335,443	-	-
020: Phase In / Out Pgm & One-time Cost	(270,000)	(210,222)	2,284	-	-	-	(477,938)	-	-
030: Inflation & Price List Adjustments	45,787	-	941,394	119,288	-	-	1,106,469	-	-
2019-21 Current Service Level	470,939	-	13,103,667	2,842,515	-	-	16,417,121	44	44.00
Adjusted 2019-21 Current Service Level	470,939	-	13,103,667	2,842,515	-	-	16,417,121	44	44.00
Total LFO Recommended Packages	-	-	4,054,210	-	-	-	4,054,210	20	20.00
2019-21 Legislative Actions	470,939	-	17,157,877	2,842,515	-	-	20,471,331	64	64.00
Net change from 2017-19 Leg Approved Budget	(154,981)	(390,000)	5,358,770	194,676	-	-	5,008,465	16	17.20
Percent change from 2017-19 Leg Approved Budget	(24.8%)	(100.0%)	45.4%	7.4%	0.0%	0.0%	32.4%	33.3%	36.8%
Net change from 2019-21 Adj Current Service Level	-	-	4,054,210	-	-	-	4,054,210	20	20.00
Percent change from 2019-21 Adj Current Service Level	0.0%	0.0%	30.9%	0.0%	0.0%	0.0%	24.7%	45.5%	45.5%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 102 Essential Agency Support Staffing Needs

Package Description Other Funds expenditure limitation in the amount of \$3,817,664 is included to support the addition of 18 permanent and 1 limited duration positions (19.00 FTE). The positions included in this package support the agency as a whole, providing centralized functions (such as human resources, legislative and public affairs, budgeting, procurement and contracting, and information technology support) on which specific programs rely. The package and recommended staffing levels are in response to growth of programmatic resources (both funding, and, to a lesser extent, related staff) administered by the agency since the 2013-15 biennium; while the agency has received some additional staff to administer programmatic funds, it has not received commensurate central services/support positions.

LFO Recommendation Approve.

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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LFO Analyst Notes Positions included in this package are as follows:

- An internal auditor position.
- An Executive Support Specialist 2 position to provide administrative support to the Chief Operating Officer;
- An Operations and Policy Analyst 3 position to provide analysis and support for Human Resources, including training, onboarding, leadership development, and retention practices;
- An Office Manager 2 position serve as a lead for administrative services related employees;
- An Office Specialist 2 to provide customer support, reception and other administrative duties;
- An Information Specialist 6 position to increase help desk capacity;
- An Executive Support Specialist 2 position to provide support to the public affairs office, which interacts with legislators, applicants, other stakeholders, and the public;
- Continuation of a limited duration Operations and Policy Analyst 3 position to complete work begun in 2017-19 to streamline delivery of services to homeless veterans;
- A Procurement and Contracts Specialist 3 position to address capacity shortages associated with additional funding levels and increased volume of transactions, and to ensure that procurement policies are procedures and trainings are up to date and followed;
- A Procurement and Contracts Specialist 2 position, to address transaction volume;
- A Government Auditor position for fiscal compliance audits at community action agencies;
- An Accountant 1 position to support payment reconciliation and processing;
- A Human Resource Analyst 2 position to meet demands of recruiting, hiring, classifying, and serving agency employee needs (including leave and workplace policies);
- A Facilities Operations Specialist 1 for workplace design, space, and planning needs;
- An Information Services Specialist 7 position to meet demands for data gathering, tracking and reporting, and ensuring that the agency's IT systems function according to demands.
- A Program Analyst 2 position in the Public Affairs Office to ensure appropriate levels of communication and stakeholder engagement are reflected in program design and execution;
- An Operations and Policy Analyst 4 position to assist the Chief Financial Officer by completing financial and risk analysis of housing programs, funding streams and policy choices; and
- An Executive Support Specialist 2 position to support the Chief Financial Officer;
- A Program Analyst 3 position to promote state and local collaboration, data sharing, and analysis as it relates to information on homelessness gathered at the local level;
- Reclassification of a Housing Integrator position from an Operations and Policy Analyst 3 level to an operations and Policy Analyst 4, to address work out of class issues;
- Reclassification of a Public Affairs Specialist One position to a Policy Analyst 2 position, to adequately reflect the duties of the agency's administrative rules coordinator.

LFO Recommended	-	-	3,817,664	-	-	-	3,817,664	19	19.00
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 112 Down Payment Assistance Lending Program

Package Description This package is requesting \$236,546 in Other Funds expenditure limitation and a permanent Fiscal Analyst 3 position (1.00 FTE) to assist OHCS in launching a new program that provides down payment assistance to low to moderate income families through a 30 year fixed rate mortgage. Down payments are a significant barrier to homeownership. OHCS has authorization from HUD, Fannie Mae, and Freddie Mac to create a down payment assistance program through the origination of mortgages. The prospective home buyer will be offered a down payment between 0 and 5 percent and in exchange the homebuyer will pay a slightly higher interest rate than a comparable mortgage without down payment assistance. The down payment is provided as a zero percent interest loan, due on sale of the home, payable to OHCS.

The funding for down payment assistance is generated though premiums paid by financial market investors. When a lender originates a loan, OHCS will pay a services release premium and direct all servicing to a Master Servicer. The Master Servicer will create pools of securities backed by the mortgage loans, and those securities will be sold through financial markets to investors under a second professional services contract. Investors are willing to pay a premium as a result of the federal guarantee and the expected amount of time that the favorable rate of return will be realized on their investments.

The revenue realized from loan origination earnings will be used to pay for administration of this new program including a Fiscal Analyst 3 position requested here and a Loan Specialist 1 in the Single Family Housing Program. The positions will be responsible for performing complex reconciliations and analysis associated with this new program and reviewing loan files.

This package is recommended in the Single Family Housing Program.

LFO Recommendation

LFO Recommended	-	-	236,546	-	-	-	236,546	1	1.00
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2017-19 Agy. Leg. Adopted	9,066,521	16,007,282	5,908,693	-	629,999,381	-	660,981,877	6	6.00
2017-19 Ebds, SS & Admin Act	-	-	17,065	-	270,500,000	-	270,517,065	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2017-19 Leg Approved Budget	9,066,521	16,007,282	5,925,758	-	900,499,381	-	931,498,942	6	6.00
2017-19 Leg Approved Budget (Base)	9,066,521	16,007,282	5,925,758	-	729,999,381	-	760,998,942	6	6.00
Summary of Base Adjustments	9,721,399	5,861,508	88,938	-	85,638,959	-	101,310,804	-	-
2019-21 Base Budget	18,787,920	21,868,790	6,014,696	-	815,638,340	-	862,309,746	6	6.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	44,090	-	-	-	44,090	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	(1,485,235)	-	-	-	(1,485,235)	-	-
030: Inflation & Price List Adjustments	16,131	-	(5,114)	-	-	-	11,017	-	-
2019-21 Current Service Level	18,804,051	21,868,790	4,568,437	-	815,638,340	-	860,879,618	6	6.00
Adjusted 2019-21 Current Service Level	18,804,051	21,868,790	4,568,437	-	815,638,340	-	860,879,618	6	6.00
Total LFO Recommended Packages	-	-	1	-	239,680,320	-	239,680,321	-	-
2019-21 Legislative Actions	18,804,051	21,868,790	4,568,438	-	1,055,318,660	-	1,100,559,939	6	6.00
Net change from 2017-19 Leg Approved Budget	9,737,530	5,861,508	(1,357,320)	-	154,819,279	-	169,060,997	-	-
Percent change from 2017-19 Leg Approved Budget	107.4%	36.6%	(22.9%)	0.0%	17.2%	0.0%	18.2%	0.0%	0.0%
Net change from 2019-21 Adj Current Service Level	-	-	1	-	239,680,320	-	239,680,321	-	-
Percent change from 2019-21 Adj Current Service Level	0.0%	0.0%	0.0%	0.0%	29.4%	0.0%	27.8%	0.0%	0.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 090 Analyst Adjustments

Package Description To address the increase in bonding authority for the Single/Multi Family Housing Revenue Bonds and the Elderly & Disabled Housing Bond Program, Other Funds Non-Limited expenditure limitation was increased \$239,680,320.

In base the analyst made a revenue adjustment at the request of the agency Other Fund Non-Limited revenue was adjusted in base in SCR 080: Single/Multi Family Housing Revenue Bonds Account 0570 was adjusted to \$500,000,000 and Elderly & Disabled Housing Bond Program Account 0560 adjusted to \$50,000,000.

LFO Recommendation Approve.

LFO Recommended	-	-	-	-	239,680,320	-	239,680,320	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 801 LFO Analyst Adjustments

Package Description Package 801 establishes Other Funds expenditure limitation of \$1 for debt service on outstanding Article XI-Q bonds. Other Funds expenditure limitation may be increased during the 2019-21 biennium for excess proceeds and interest earnings that may be applied to debt service payments, reducing General Fund debt service requirements.

LFO Recommendation Approve.

LFO Recommended	-	-	1	-	-	-	1	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2017-19 Agy. Leg. Adopted	-	-	80,000,000	-	-	-	80,000,000	-	-
2017-19 Ebds, SS & Admin Act	-	-	-	-	-	-	-	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2017-19 Leg Approved Budget	-	-	80,000,000	-	-	-	80,000,000	-	-
2017-19 Leg Approved Budget (Base)	-	-	80,000,000	-	-	-	80,000,000	-	-
Summary of Base Adjustments	-	-	(80,000,000)	-	-	-	(80,000,000)	-	-
2019-21 Base Budget	-	-	-	-	-	-	-	-	-
2019-21 Current Service Level	-	-	-	-	-	-	-	-	-
Adjusted 2019-21 Current Service Level	-	-	-	-	-	-	-	-	-
Total LFO Recommended Packages	-	-	-	-	-	-	-	-	-
2019-21 Legislative Actions	-	-	-	-	-	-	-	-	-
Net change from 2017-19 Leg Approved Budget	-	-	(80,000,000)	-	-	-	(80,000,000)	-	-
Percent change from 2017-19 Leg Approved Budget	0.0%	0.0%	(100.0%)	0.0%	0.0%	0.0%	(100.0%)	0.0%	0.0%
Net change from 2019-21 Adj Current Service Level	-	-	-	-	-	-	-	-	-
Percent change from 2019-21 Adj Current Service Level	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Legislatively Proposed 2019 - 2021 Key Performance Measures

Published: 5/29/2019 9:18:09 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 Proposed KPMs	Metrics	Agency Request	Last Reported Result	Target 2020	Target 2021
1. Reducing Homelessness - Percentage of homeless households who exited into permanent housing and retained that housing for six months or longer.		Approved	81%	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	91.60%	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	45%	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	4%	7%	7%
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.	a) Cost per square foot of newly constructed housing developed through grant and tax credit programs	Approved	87.90%	100%	100%
	b) Cost per square foot for rehabilitated housing units developed through grant and tax credit programs		89.40%		
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	0%	40%	40%
7. Homeownership - Percentage of households at or below the state's median household income served by our single family programs.		Approved	69%	55%	55%
8. Homeownership (People of Color) - Percentage of OHCS residential loan program loans issued to people of color.		Approved	25%	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%		
	Timeliness		73%		
	Accuracy		76%		
	Expertise		78%		
	Helpfulness		80%		

LFO Recommendation:

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

Targets for KPM 4 (percentage of housing for people with disabilities) has proven difficult to meet, depending on the availability of specific types of funding and the applicant/developers that come forward. It's worth noting that more than 30% of agency financed projects had one or more units set aside for people with disabilities, but the Legislative Fiscal Office believes that this measure continues to be a worthwhile gauge of service to a particularly vulnerable population of Oregonians. The target of 12% was set in 2017, utilizing data from the previous biennium when two large projects specifically for disabled Oregonians were approved for financing; these projects temporarily inflated results, which the agency used to suggest targets for the measure. If those projects are not considered in overall results, only 2.2% and 2.9% of units would have been set aside in 2013 and 2014 respectively, considerably lower than the 12% target. The Legislative Fiscal Office recommends adjusting the target downward from 12% to 7%, to reflect more realistic but still aspirational goals for serving this population.

KPM 6's 2018 actual result was a result of timing - awards of 9% Low Income Housing Tax Credits occurred just outside the 2018 fiscal year data range; had that not occurred, the result would have been 36%. This KPM was instituted in 2017, and the Legislative Fiscal Office recommends that a couple more years of data be collected and evaluated before entertaining changes to this measure or resulting targets.

The new Down Payment Lending Assistance program created by Policy Option Package 112 will likely affect future results for KPM 7. The Legislative Fiscal Office recommends leaving the target as proposed above, but that when reporting on this measure, the agency discuss the results of each program individually, as well as in the aggregate, to ensure that targeted income levels are being served.

SubCommittee Action: