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Sept. 24, 2022

Representative Paul Evans, Chair  
Representative Rick Lewis, Vice-Chair  
Representative Pam Marsh, Vice Chair  
House Interim Committee on Wildfire  
900 Court Street NE  
Salem, OR 97301-4048

**Re: OHCS Administered State and Federal Wildfire Recovery Resources**

Chair Evans, Vice Chairs Lewis and Marsh, Members of the House Interim Committee on Wildfire:

Oregon is two years out from the most expensive disaster in Oregon’s history. The 2020 Labor Day Fires burned over a million acres and destroyed over 4,300 homes, more homes than any other disaster the state has experienced. Resources have been slow to roll out from the federal government and survivors have been waiting for more assistance to be made available so they can fully recover from this disaster. We want to acknowledge the heartache of this disaster and that recovery is taking longer than anyone hoped; recognize that far too many survivors are still suffering and reaffirm our commitment to serving them.

We look forward to future opportunities to brief the committee on the Community Development Block Grant-Disaster Recovery (CDBG-DR) Action Plan, including both the \$42 million that has been set-aside under the Planning Infrastructure and Economic Revitalization (PIER) program for infrastructure, economic revitalization and planning project and plans to fund infrastructure projects that are directly impeding housing development from CDBG-DR housing programs, Homeowner Assistance and Reconstruction Program (HARP - \$204M) and Homeownership Opportunities Program (HOP - \$119M), which make up the majority of the \$422 million. We strongly agree with the views expressed by the county commissioners today that there are intensive infrastructure costs, such as reconstructing roads and expanding natural gas pipeline capacity, that are almost certainly beyond the scope of the fund allocations made in the state’s CDBG-DR Action Plan. CDBG-DR, per federal requirements, is limited in funds that are not tied to the recovery of households at or below 120% of are median income level without alternative requirements or waivers. Additionally, HUD requires that at least 70% of all funds must benefit Low-to-Moderate income survivors, defined as earing a household income at or below the median income threshold. OHCS anticipate resources from the HARP program will also support infrastructure needs in impacted counties.

For the record, I would like to clear up one misunderstanding. In the letter from Director Bell referenced by Commissioner Buch, Director Bell’s statement that the county would have “little role” in housing development programs was in response to a perceived request for administrative funding support for Lane County in administering these programs themselves. OHCS is well aware that Lane County has a myriad of responsibilities to assist with infrastructure development and land use. For this reason, OHCS is committed to supporting the county through: (A) the flexible fund sub-allocation from state funds



discussed in committee; (B) an allocation of PIER funds to be used as directed by Lane County and local partners; and (C) infrastructure investments tied directly to housing.

OHCS does recognize that the recovery needs in different parts of the state do vary. We look forward to continuing to work with our county and local partners to make sure that no opportunities to support survivor recovery is missed.

In terms of some specific questions from the Committee:

**Rep. Morgan asked how the targets for geographic sub-allocations of dollars are being developed.**

In allocating and re-balancing the expenditure of the \$150 million in state funds, OHCS is using the percentage of lost housing, housing units either with major damaged or destroyed, as the target for the county “share” of locally allocable funds.

In the context of CDBG-DR, we are taking a different approach, our housing programs do not have sub-allocation targets. Our planned approach is very survivor focused, serving all low- to moderate-income survivors across the state first, and then consider, as funds allow, expanding the eligibility to higher income survivors and/or providing for some cost reimbursement for low-/moderate-income survivors, particularly older Oregonians who had to borrow from limited retirement savings. For our CDBG-DR infrastructure program, Planning Infrastructure and Economic Revitalization (PIER), which does have geographic sub-allocations, OHCS used four factors, housing loss, infrastructure damage, business impacts, and mitigation needs.

**Rep. Morgan asked if OHCS has sufficient capacity to deliver recovery funds.**

In terms of dollar currently on the ground for direct assistance to survivors, Community Action Agencies and other non-profit partners are already carrying out these activities on OHCS’s behalf with Wildfire Recovery and Resilience Account (WRRRA) funds. Although some have been slow to get started, these programs are now functioning and putting dollars in survivors’ hands. Over 2,300 survivors have been assisted through this program.

We want to acknowledge that the agency has struggled to be as flexible and nimble as is required to acquire land, and to address that issue we are pivoting to give those financial resources to counties, who are better suited.

Once we have CDBG-DR dollars in hand from HUD we intend to move as quickly as we can. To this end we are already taking steps to make sure that these dollars can roll out quickly. We expect to release significant procurements which will substantially increase the state’s capacity to administer CDBG-DR soon. our Request for Proposals for both Program Management contract and our System of Record, a HUD requirement for the program, in the coming weeks. OHCS has begun procurement for additional procurement staff dedicated to delivering these resources. Additionally, our team is already developing program manuals for the programs we intend to launch first:

- Homeowner Assistance Replacement Program (HARP), which will provide new homes – or assistance to complete rebuilding – for low- and moderate-income Oregonians who lost homes.
- Planning Infrastructure and Economic Revitalization (PIER), through which local partners will designate priority community recovery and mitigation projects.

While we understand that it is always better to under-promise, rather than under-deliver, it looks like we are tentatively on track to begin taking applications from survivors in the first quarter of 2023.

**Rep. Morgan asked what the spend down deadline is for the \$150 million allocated by the Legislature during the 2021 Session.**

Any General Fund (GF) dollars unexpended by the end of the biennium, June 30<sup>th</sup>, 2023 —unless converted into Other Funds by the legislature—revert to state coffers. Lottery Bond revenues can be used over a longer timeframe. Given that \$50 million of the \$150 million is lottery bond revenues, we intend to mostly expend GF dollars first, to ensure that we meet the end of the biennium deadline. That said, housing development often takes one to two years between financial closing, permitting and land use actions, and actual infrastructure and construction activities. Because there are several large housing developments that OHCS has committed to, we expect some portion of the \$150M to be spent in the 2023-25-biennium. That said, and to be clear, any dollar unspent will be tied to an executed contract, and development schedules will exist to ensure housing is built on time and made available for survivors. To be clear: OHCS is committed to deploying these funds as quickly as we can to support wildfire survivors.

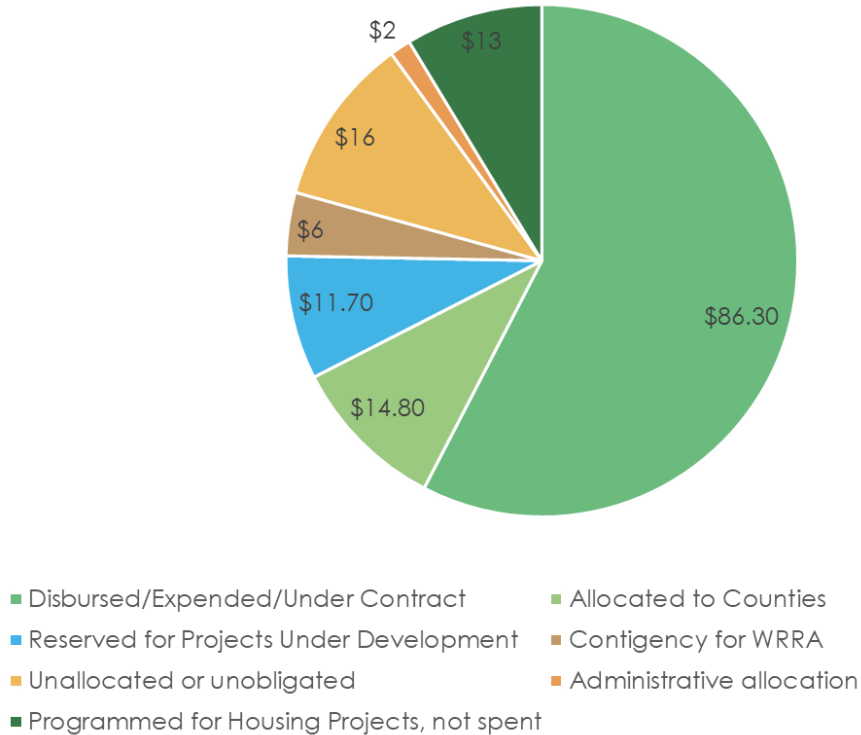
**Chair Evans asked for to date how much of the \$150 million has been spent or obligated.**

Roughly \$50.5 million of the \$150 million has been disbursed/expended as of start of September 2022. Not all indirect or administrative costs are posted immediately, which does make this potentially slightly lower than the true expenditure. An additional \$35.8 million is under contract, for a total of \$86.3 million.

The total funds offered for flexible sub-allocations to Lincoln (\$2M), Marion (\$4.8M) and Lane (\$8M) Counties is \$14.8 million. There are approximately \$11.7 million in funds reserved for projects under development that can be carried out by OHCS or, if it is the county's preference, could be included in their flexible sub-allocation.

Of the remaining funds, \$13 million has been programmed for completion of two permanent housing project, \$6 million has been set aside as a contingency specifically for WRRRA and other shelter housing costs, and \$2 million (less than 1.4%) is reserved for expected administrative costs. A final \$16 million is unallocated or unobligated, which allows the agency flexibility in responding to opportunities as they arise. We expect to review on a quarterly basis funds expended by county partners and remaining unobligated funds held by OHCS to potentially reallocate more funds to the county sub-allocations as a range of project costs become firmer.

### 2021 Session Funds (in millions)



OHCS appreciates working in partnership with this committee. We will consider this the first monthly report, we will provide our second monthly report, with a higher level of detail and including September expenditures, the third week of October.

We will be in touch,

Ryan Flynn  
Assistant Director of Disaster Recovery and Resilience  
Oregon Housing and Community Services

