

OREGON HOUSING AND COMMUNITY SERVICES

Co-Location of Affordable Housing & Early Childhood Services



Mitch Hannoosh, *Senior Operations and Policy Analyst*
Tanisha Rosas, *Legislative and Government Relations Coordinator*

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Why Co-Location?

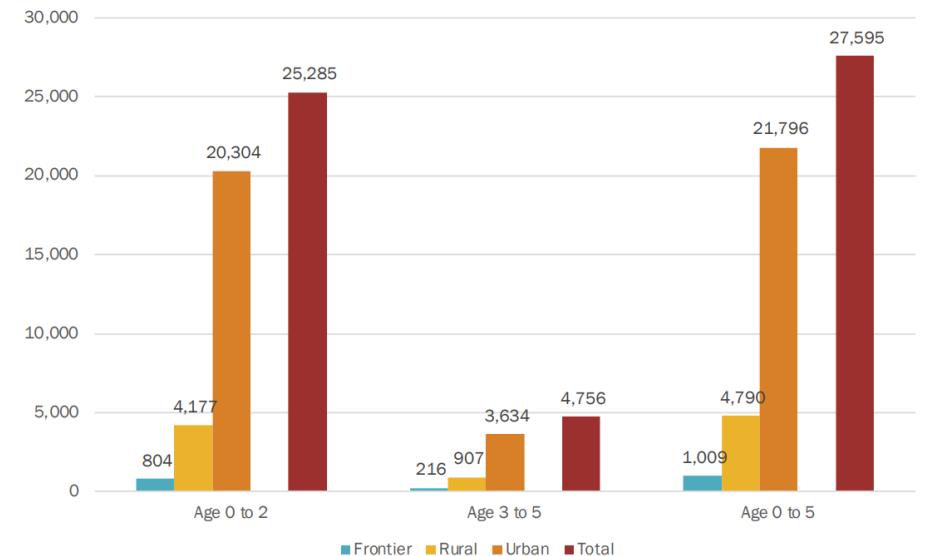
Need for new housing over the next 20 years, by region and income.

Median Family Income	Total	Portland Metro	North Coast	Willamette Valley	Southwest	Deschutes	Northeast	Southeast
Total	583,559	294,853	17,335	146,589	49,761	55,887	17,630	1,503
120%	209,381	110,257	6,444	42,745	18,098	23,462	7,972	403
80-120%	101,121	49,862	2,828	25,998	7,602	11,412	3,210	209
50-80%	101,462	51,759	3,054	26,791	9,073	8,143	2,477	166
30-50%	72,852	36,666	1,743	20,558	5,944	5,994	1,796	152
0-30%	98,742	46,309	3,265	30,498	9,044	6,877	2,175	573
Affordable units as a share of total	47%	46%	47%	53%	48%	38%	37%	59%

Source: ECONorthwest (2021), "Implementing a Regional Housing Needs Analysis Methodology in Oregon".



ECE slots and additional slots needed to eliminate ECE deserts, by age and county type.



Source: 2015-2019 ACS five-year estimates; Pratt and Sektan (2021); ECONorthwest



What is Co-Location?

- Early care and education (ECE) and affordable housing create family stability
- Co-Location connects affordable housing developments with ECE facilities/spaces, but affordable housing funds cannot support the development of ECE facilities
- One of the biggest challenges for ECE providers is finding ECE sites





State Co-Location Investment

- [HB 5011](#) (2021) set aside \$10 million
- **IF**, OHCS and the Department of Early Learning and Care (DELIC) produce a report that provided a framework for a program that would incentivize Co-Location of Early Care & Education (ECE) facilities with Affordable Housing Developments.
- OHCS and DELIC contracted with Low Income Investment Fund (LIIF) to create a Co-Location Report/ Study



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Co-Location Report

- Outlined current landscape, benefits to colocation, and a varied list of barriers
- Provided a framework for an impactful program, including examples or case studies
- Study presented to the Legislature as requested in the 2022 session
- OHCS and DELC were then required to request release of funds from the Emergency Board once a framework was developed from the study (June)





Gaining Access to State Co-Location Funds

June 2022

- OHCS presented a framework to the Emergency Board
- OHCS and DELC recommended a third-party administrator be responsible for the program
- The framework called for Technical Assistance and the creation of a pipeline and “matchmaker” list
- Partial funds were released

September 2022

- Asked to go to Sep. E-Board for release of remaining funds
- OHCS developed a Request for Proposals based on the approved framework
- OHCS and DELC returned in September 2022 to present the RFP concept to the E-Board, and funds were released



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RFP Process

- Throughout the process, OHCS and DELC have worked with Multnomah County Pre-school For All (PFA) on RFP alignment
- Early 2023 the Colocation of Affordable Rental Housing and Early Care and Education (CARE) RFP and the PFA RFP were released independently with some overlapping scoring criteria
- June 2023, OHCS selected and contracted with **Build Up Oregon**, a collaborative with Craft 3 as the lead Community Development Finance Institution (CDFI), to implement, manage, and administer the CARE Program.





Craft 3 / Build Up Oregon

- The Build Up Oregon collaborative will use the first 6-9 months to:
 - Onboard and train program staff
 - Establish program parameters
 - Recruit and convene an advisory committee
 - Develop and launch program marketing and outreach plan
 - Seek to achieve a resource leverage of at least 1.8:1 of state grants funds
- Quarterly reporting beginning October 30
- Build Up Oregon initially aims to create or preserve 600 ECE slots. Increased ECE slots will help low-income families access early education, provide economic development opportunities, and strengthen communities.
- Eager to see this as proof of concept for policymakers to consider





Questions?



Why Isn't This Happening Already?

1. Cost: Costs are increasing for affordable housing construction, and construction generally
2. Wage Determinations: Affordable Housing is exempt from Wage Determinations. Introducing a business to the property can nullify that exemption.



REFERENCE SLIDES: Barriers & Framework



Barriers and Challenges

3. Complexity: ECE facilities are also complex, nuanced, and expensive construction projects
4. Early Care & Education Business Model: ECE operations are under financed and often have difficulty finding capital to expand.
5. TA & Connection List: Both housing developers and ECE providers need significant technical assistance (TA) to help make connections





CARE Timeline

- First 6-9 months
 - Finalize program design and launch
- Years 1-2
 - Initiate program implementation
- Years 3-5
 - Learn, refine, and continue implementation





Framework Highlights / Program Parameters

- Create an investment fund seeded with HB-5011 investment (\$10 Million)
- Build pipeline of projects through strategic marketing/outreach and matchmake with ECE providers
- Provide technical assistance and training to both ECE providers and affordable housing developers
- Originate grants and loans to pipeline of qualified applicants





CARE Reporting

Year 1 quarterly reports, semi-annual after

- Advisory Committee progress and updates
- TA plan, establishment, summary of identified community needs
- Marketing and outreach plan
- Program guideline updates or completed documents
- Community engagement work
- Staffing updates
- Partner updates
- Concerns, issues, improvements, needs, etc.
- Estimated program launch timelines





CARE Reporting

Ongoing annual reports

- Due by September 30 every year beginning 2024
- Awards provided and detail
- Financial records sufficient to track grant expenses
- Technical assistance provided and detail
- Program evaluation, impact analysis
- Monitoring activities
- Program change suggestions/barriers
- Recommendations to better target areas with greatest need
- Project pipeline
- Advisory Committee suggestions or compilation change
- Budget updates including leveraged resources





Additional Resources

- [Co-Location Report](#) created by the Low Income Investment Fund (LIIF) & ECONorthwest
- [Washington Early Learning Loan Fund \(WELL\)](#)
- Oregon Housing & Community Services [Statewide Housing Plan](#)
- Oregon Department of Education, Early Learning Division [Programs webpage](#)
- [House Bill 5011](#) (2021) Budget Report and Measure Summary

