

OREGON HOUSING AND COMMUNITY SERVICES

Shelter Operations Funding Update

January 11, 2024



Caleb Yant, OHCS Deputy Director

Key Background

- Shelter funded as an eligible use for ongoing programs historically.
- In 2019-21 and 2021-23 biennia, the Oregon Legislature made one-time investments in Project Turnkey sites, Navigation Centers, and warming/cooling shelters, **marking the beginning of a state-funded shelter system**
- One-time state investments paired with emergency federal COVID-19 resources, which have now subsided, expanded the number of shelter beds during the pandemic.
- **One-time investments create challenges for shelter providers** statewide in providing continuous and reliable services with consistent staffing and services. **Consistency and predictability is needed.**

2023 Legislative Session

In the 2023 Session, the Oregon Legislature allocated \$24.1 million General Fund to OHCS to:

*“Continue operational support through 2023-25 for shelters and navigation centers that were **funded by one-time investments in the last two biennia**, including Navigation Centers and Project Turnkey sites”*

-SB 5511 Budget Report



Shelter Needs Survey & Outreach

95%

response rate to
shelter needs
survey and/or
outreach.

86

Shelters closed or
at risk of closure
due to operational
funding needs.

3,669

shelters beds
statewide at risk of
closure.

Deployment of \$24.1M

- OHCS opted to fund all eligible shelters for a shorter period to **preserve the maximum number of beds statewide** through the Winter season
- OHCS required eligible shelters to submit budget information to **verify need data** submitted through the survey/outreach process in order to receive funds
- Financial and bed utilization **reporting required**
- This data represents OHCS' **most complete data set on shelter operations need to date**—and the data was collected voluntarily with an emphasis on operational needs and risk of closure.

Shelters eligible for \$24.1 million



54*

shelters eligible for
and accepting
\$24.1M



2,475

shelter beds
across Oregon

\$48.7 million
in total need for 23-25

— **\$24.1 million**
allocated by the Legislature

\$24.6 million

in remaining need for 23-25



**9 shelters declined OHCS contract, primarily due to temporary nature of funding*

Shelters ineligible for \$24.1 million



23

shelters
ineligible for
\$24.1M



717*

shelter beds
across Oregon



\$20.2* million

anticipated funding
needed for the 2023-25
biennium.



* OHCS has not requested detailed budget and bed count information from shelters ineligible for SB 5511 funds. As such, these figures may shift.

Regional shelter needs

County	Number of Shelters		County	Number of Shelters	
	Eligible	Ineligible		Eligible	Ineligible
Baker			Lake		
Benton	3		Lane	7*	6
Clackamas			Lincoln		
Clatsop	1		Linn	2	1
Columbia			Malheur	1	
Coos	2		Marion	10	2
Crook	1		Morrow		
Curry	2		Multnomah	5*	4
Deschutes	6*	2	Polk	1	
Douglas	4		Sherman		
Gilliam			Tillamook		1
Grant			Umatilla	1	1
Harney			Union		1
Hood River	1		Wallowa		
Jackson	6*	2	Wasco	3	
Jefferson	1		Washington	1	1
Josephine	2*		Wheeler		
Klamath			Yamhill	3	2

**at least one eligible shelter declined operational funding*

OHCS' Research Team will conduct a more robust analysis as data from contracting is finalized.

Housing- focused services

- Per the Legislature, \$24.1M provided funding for shelter **operations only**. Services and administrative costs are not eligible.
- Previous one-time funds to Project Turnkey, Navigation Centers, and other shelters **did include** housing-focused services and admin. for shelter operators.
- Housing-focused services are **essential to transitioning individuals accessing shelter into stable housing** and can include case management, ID access support, housing navigation, etc.
- Investments in housing-focused services contribute to the **creation of a system of care and housing stabilization.**

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Affordable Rental Housing Update

January 11, 2024



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Modular Housing Development Fund (MHDF) HB 2001 & 2889 (2023)

MHDF Program Overview

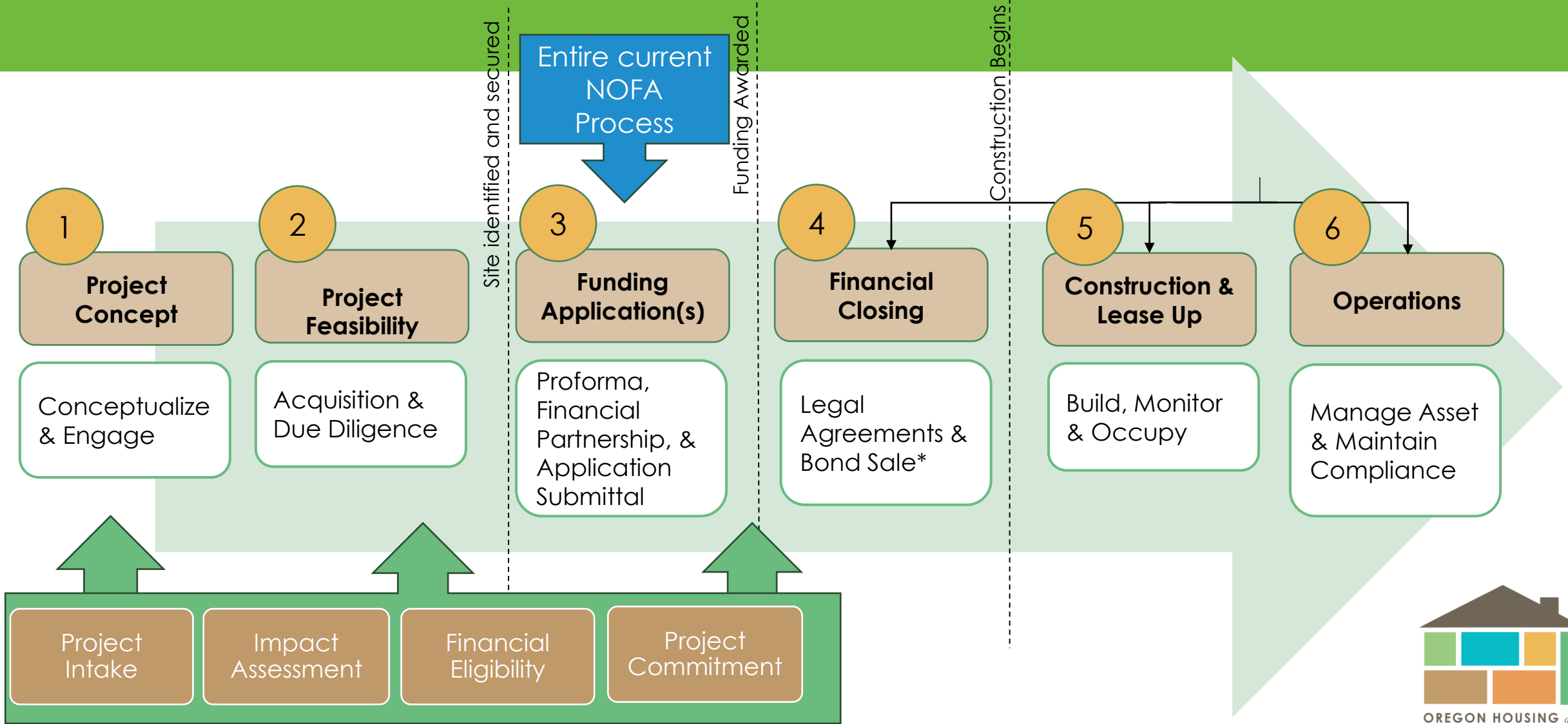
- \$20M General Fund allocated for modular industry production capacity expansion; OHCS received funds July 2023.
- Awards not to exceed \$5M per application
- Grant activity objectives: expand or create production capacity, meet demands of disaster recovery and low- and middle-income housing
- Eligible uses (not limited to): increase manufacturing space, equipment purchase, standardize design, advancements in materials and technology

Request for Application (RFA) At a Glance

- RFA was open from November 9th – December 20th, 2023 ✓
- 17 eligible applications received; more than \$105M total requested ✓
- Application scoring currently underway
- Notice of Intent to Award in late January or early February

OHCS Resource and Funding Process Updates

Reconfiguration of OHCS Funding Process



Why is OHCS re-imagining the funding process?

- Governor Kotek's Executive Order 23-04 articulating housing supply goals
- Scale of resources allocated for the biennium mandates that we do business differently
- [Budget Report](#) for [SB 5511](#)
- A centralized Notice of Funding Availability should:
 - Result in projects to develop sooner,
 - Lessen the risk of market volatility on projects, and
 - Reduce the time between final funding commitments and project completion.



Detailed Topics for Engagement

- Readiness to proceed
- Preservation
- Pre-development programming
- Resource Set-Asides
- Pre-qualification process
- Loan Guarantees (Construction and Permanent)
- Equity and Racial Justice Strategies
- Resident Services and Operating Costs
- DEI Agreement
- Subsidy Limits
- Construction Costs
- Resident Services and Operating Costs
- Funding Source Programming
- Policies/Thresholds/Scoring

Recap of Engagement Meetings

- All Development Stakeholders:
 - 6 structured engagement session for input on detailed topics
- Additional Meetings:
 - LCIS & Monthly Tribal Housing Workgroup
 - Racial Justice Council/Housing and Homelessness Committee
 - Oregon Housing Authorities Quarterly Meeting
 - Culturally Specific Developers Group
 - Agricultural Workers Housing Facilitation Team
 - Housing Oregon Conference and Policy Committees
 - Participating Jurisdictions/Public Funders/Metro
 - Rural Public Funders/Entitlement Jurisdictions

Strategy: Resource Offering Priorities

Loan & Grant Resources that are layered into project funding sources

**except for state tax credits*

- Available Development Resources for 2024:
 - Predevelopment
 - Article XI-Q Bond: LIFT and Permanent Supportive Housing
 - Agricultural Workforce Housing resources
 - Federal HOME and HTF resources
 - State Programs: GHAP, HDGP, OAHTC*, AWHTC* etc
 - Preservation resources

Federal Tax Credits that generate equity through an investor

- Federal Low Income Housing Tax Credits:
 - 9% LIHTC in 2025
 - 4% LIHTC / Private Activity Bonds, over-subscribed



Next Steps

- Engagement to Preview New Process- January 2024
- Update at Housing Stability Council- February 2024
- Application Process Testing- February 2024
- Launch New Process Spring- 2024

New Funding Updates



Pre-development Resources

- **\$9.7 million** to be loaned for predevelopment ([SB 5511](#))
- Agency Goals:
 - Support partners in equitable manner
 - Maximize impact
 - Align with existing offerings, public and private
 - Sustainable resource

Proposed framework:

- Organizational eligibility
 - Align with other early funding programs (Land Acquisition Program, Capacity Building)
 - Non-profits, Tribes, Housing Authorities
- Two products:
 - Feasibility Loans (FL)
 - Predevelopment Loans (PL)
 - Collaborative Predevelopment Loan option



PSH Risk Mitigation Pool

- **\$4 million** ([SB 5511](#))
- Purpose: To pay for damages in excess of normal wear and tear and to provide Operational support due to high acuity of residents in Permanent Supportive Housing (PSH) developments in the OHCS portfolio
- Resources accessible to all PSH units within the OHCS statewide portfolio

Agriculture Worker Community Housing

- **\$10 million** to be granted ([HB 3395](#))
- Purpose: To fund community-based housing for agricultural workers
- Prioritizes:
 - Non-profit developers
 - Nonprofit developers who serve agricultural workers or nonprofit providers or services for agricultural workers that partner with a developer
 - Leverage of funding
 - Housing development located close to significant agricultural employment
 - Housing development that will include or be near amenities designed to support agricultural workers and their families



Questions?

