

ANALYSIS

Item 48: Housing and Community Services Department Expenditures and Outcomes

Analyst: Michelle Deister

Request: Acknowledge receipt of a report on expenditures and outcomes related to state investments in programs administered by the Housing and Community Services Department.

Analysis: The budget report for the Housing and Community Services Department's (HCSD) budget bill, SB 5511 (2023), contained the following budget note:

The Housing and Community Services Department is directed to maintain and update – at least semi-annually - data dashboards or other publicly accessible information that provides information on outcomes, and information on state investments provided to the Department. The information should include the amount of the state investment compared to how much of the investment has been spent down and should compare state investments to Department funding from other sources. The information should be available by program, date, county or region, and local service provider, as applicable. This information shall be available and maintained on the agency's web site. At least once per year, the agency shall report to the Joint Committee on Ways and Means on progress to date in expending appropriated funds, and on related outcomes for homeownership, affordable rental housing and homeless services that include the number housing units funded and number of households served through the Department's programs, as applicable.

HCSD's report provides information regarding the data currently available on HCSD data dashboards. With the exception of the Affordable Rental Housing (Multifamily) Funding dashboards, data provided reflects actual expenditures, rather than funds that are currently obligated but not spent. However, amounts provided are not identified by fund type, limiting the utility of the dashboards for purposes of comparing state investments to the agency's actual progress in program implementation.

In lieu of expected changes to the dashboards to reflect fund types, the Legislative Fiscal Office (LFO) requested and received information on actual expenditures and current obligations funded by General Fund, lottery bond proceeds, and Article XI-Q general obligation bond proceeds for select programs in the Housing Stabilization¹, Homeownership, and Multifamily Housing division, compared to the 2023-25 legislatively approved budget. Expected outcomes in terms of households or persons served, units funded, or other relevant metrics were also requested. An analysis of that information showed the following:

- Of the \$911.5 million in programs funded by General Fund, lottery bond proceeds, or Article XI-Q bond proceeds, 32.6% of funds had been awarded, while 19.5% had been expended.
- The division with highest percentage of funds remaining to be committed is the Multifamily Housing Division.

¹ Executive-Order and Balance of State homelessness emergency funding, including eviction prevention services, is not included in this analysis, as it is the subject of a separate report (September 2024 Emergency Board Item #49).

- Funding designated for specific community partners are among the slowest to be committed and expended.
- Other legislatively approved programs with no disbursements to-date include:
 - \$4 million General Fund for a Permanent Supportive Housing Risk Mitigation Fund
 - \$7.5 million General Fund for downpayment assistance
 - \$10 million General Fund for community-based agricultural worker housing
 - \$20 million General Fund for a Loan Guarantee Program
 - \$75 million approved for a housing project revolving loan program
 - \$25 million lottery bonds (issued to date) for affordable housing preservation

HCSD reports they are entering the application review phase for several of these programs, but have had delays caused by creation of these new programs, which require program design, feedback, administrative rule adoption, and solicitation of funding proposals. In the Multifamily Housing Division, changes were adopted to redesign the application funding review process in an effort to shorten timelines for housing development. Delays in programs funded with bond proceeds are partly attributable to project completion and bond issuance schedules.

The following table summarizes commitments (as defined by executed contracts) and outcomes for select agency programs, as requested by LFO:

Program	2023-25 Legislatively Approved			Assumed Households or persons served	
	Budget	Fund Type	Committed	/ Units Funded*	
<u>Housing Stabilization Division</u>					
Homelessness Prevention - Urban League	\$ 7,000,000	GF	\$ 7,000,000		420
Elderly Rental Assistance	\$ 1,663,697	GF	\$ 1,470,479		751
Emergency Housing Assistance (EHA)	\$ 31,026,751	GF	\$ 29,174,104		43,423
EHA - School Age Homelessness	\$ 5,000,000	GF	\$ 5,000,000		-
Shelter Support - Project Turnkey/Navigation Centers	\$ 24,100,000	GF	\$ 12,931,563		9,662
State Homeless Assistance Program	\$ 13,468,478	GF	\$ 12,172,723		47,092
Tribal Assistance - Homelessness, Rehousing, Eviction Prevention	\$ 10,000,000	GF	\$ 6,362,074		1,103
Tenant Resources	\$ 6,000,000	GF	\$ 6,000,000		21,000
Tenant Resources - Seeding Justice	\$ 1,000,000	GF	\$ -		-
Individual Development Account Program	\$ 5,000,000	GF	\$ 5,000,000		1,620
<u>Project-Based Rental Assistance Programs</u>					
Permanent Supportive Housing - Production Financing (\$40m issued)	\$ 80,000,000	XI-Q	\$ -		-
Permanent Supportive Housing - Rental Assistance and Services	\$ 16,304,225	GF	\$ 15,143,255		761
Permanent Supportive Housing - Risk Mitigation Fund	\$ 4,000,000	GF	\$ -		-
<u>Home Ownership Division</u>					
LIFT - Homeownership	\$ 80,000,000	XI-Q	\$ 29,593,733		290
LIFT - Subsidy	\$ 5,000,000	GF	\$ 4,571,873		761
Affordable Homeownership Loans - Network for Affordable Housing	\$ 7,500,000	GF	\$ -		-
Down Payment Assistance	\$ 7,500,000	GF	\$ -		-
Manufactured Home Repair and Replacement Program	\$ 2,500,000	GF	\$ 2,500,000		19
<u>MultiFamily Housing Division</u>					
LIFT - MultiFamily (\$257.9m issued)	\$ 440,000,000	XI-Q	\$ 135,509,982		453
Affordable Housing Preservation (\$25m issued)	\$ 50,000,000	LB	\$ -		-
Modular Housing Development Capacity	\$ 20,000,000	GF	\$ 20,000,000	4 Businesses	
Predevelopment Loans	\$ 9,700,000	GF	\$ -	12 Projects	
Community-Based Agricultural Worker Housing	\$ 10,000,000	GF	\$ -		-
Loan Guarantee Program	\$ 20,000,000	GF	\$ 20,000,000		-
Housing Production Revolving Loan Program	\$ 75,000,000	GF	\$ -		-

* From commitments to date; where no data appears, outcome information was not provided or deemed not applicable.

Further analysis of project development and completion timeframes and program expenditures will be required to better align funding with actual cashflow needs going forward.

Recommendation: The Legislative Fiscal Office recommends that the Emergency Board acknowledge receipt of the report.

Request: Report on data dashboards or other publicly accessible data providing information on outcomes related to state investments provided to the Oregon Housing and Community Services Department, per a budget note related to Senate Bill 5511 (2023).

Recommendation: Acknowledge receipt of the report.

Discussion: The Oregon Housing and Community Services Department (OHCS) is submitting a report per the following budget note contained in the Department's budget report for Senate Bill 5511 (2023):

Budget Note

"The Housing and Community Services Department is directed to maintain and update – at least semi-annually - data dashboards or other publicly accessible information that provides information on outcomes, and information on state investments provided to the Department. The information should include the amount of the state investment compared to how much of the investment has been spent down and should compare state investments to Department funding from other sources. The information should be available by program, date, county or region, and local service provider, as applicable. This information shall be available and maintained on the agency's web site. At least once per year, the agency shall report to the Joint Committee on Ways and Means on progress to date in expending appropriated funds, and on related outcomes for homeownership, affordable rental housing and homeless services that include the number housing units funded and number of households served through the Department's programs, as applicable."

This is OHCS's first report on this budget note. The Department reports that through August 2, 2024, it has spent 38.5 percent of its total funds budget, excluding the six-year limitation for capital construction. The 2023-25 total funds budget is \$3.1 billion (including \$126.7 million General Fund debt service and \$29.7 million Lottery Funds debt service). An additional \$308 million in Housing Stabilization and \$30 million in LIFT homeownership are obligated, but not yet spent. Another round of LIFT homeownership funding will open January 2025. OHCS also anticipates obligating up to \$590 million in the first round of the Oregon Centralized Application (ORCA) process in the fall of 2024. ORCA offers loans, grants, and tax credit funds to develop affordable housing throughout Oregon.

The homeownership dashboard is publicly available and shows program activity for the LIFT Homeownership program, the Oregon Bond Residential Loan Program (OBRL), the Home Ownership Assistance Program, the Down Payment Assistance Program, the Homeowner Assistance Fund (HAF), and Foreclosure Avoidance Counseling. The Homeownership Dashboard is updated on a quarterly basis for most programs and the

most recent update was completed in June for data through March 31, 2024. For most programs, OHCS receives data from grantees 45 days after the quarter ends. Data can be filtered by grantee, if applicable, or by county if not (for instance the HAF and OBRL programs go directly to clients, so those dashboards are filterable by county rather than homeownership center).

The Affordable Rental Housing Funding Dashboard is publicly available and shows funding activity for the LIFT rental housing program, General Housing Accounting Program, Housing Development Grant Program, the federal HOME program, the federal National Housing Trust Fund program, the Low-Income Housing Tax Credit program, the Low-Income Weatherization Program, and the Permanent Supportive Housing program. This dashboard is updated two times a year to show activity through the end of the calendar year and through the end of the fiscal year. The update through December 31, 2023, was completed in April 2024 and the update through June 30, 2024, will be completed in September 2024.

The Homeless Services and Housing Retention Dashboard is not yet available to the public but is available privately as development of the dashboard continues. This report is the newest divisional dashboard and continues to be refined and verified with partners before making it public. This dashboard includes data on the following programs: State Homeless Assistance, Emergency Housing Assistance, Emergency Housing Assistance for Pets, Oregon Eviction Diversion Assistance Program, Emergency Solutions Grant for COVID, Emergency Solutions Grant, Operational Support for Shelters, Navigation Centers, Project Turnkey, Housing Stabilization Program, Home Tenant Based Assistance, By and For Initiative, Native American Tribes of Oregon, Wildfire Recovery and Resilience Account, Project Empowerment, Elderly Rental Assistance, Out of the Cold, Affordable Rental Housing Permanent Supportive Housing, and Youth Rental Assistance. The data is submitted by grantees on the 20th of each month. Currently, the dashboard contains information on activity from July 1, 2023, to April 30, 2024. Moving forward, the next updated dashboard is anticipated to display activity through June 30, 2024 (to be posted in September). The home page shows an unduplicated count of clients served with all the programs listed above.



Oregon

Tina Kotek, Governor

August 19, 2024

The Honorable Senator Rob Wagner, Co-Chair
The Honorable Representative Julie Fahey, Co-Chair
State Emergency Board
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Dear Co-Chairs:

Nature of the Request

On July 27, 2023 [SB 5511](#), the Oregon Housing and Community Services Department biennial budget bill, was signed into law. The [SB 5511 Budget Report](#) for the bill included a Budget Note directing OHCS to *“maintain and update – at least semi-annually - data dashboards or other publicly accessible information that provides information on outcomes, and information on state investments provided to the Department. The information should include the amount of the state investment compared to how much of the investment has been spent down and should compare state investments to Department funding from other sources. The information should be available by program, date, county or region, and local service provider, as applicable. This information shall be available and maintained on the agency’s web site. At least once per year, the agency shall report to the Joint Committee on Ways and Means on progress to date in expending appropriated funds, and on related outcomes for homeownership, affordable rental housing and homeless services that include the number housing units funded and number of households served through the Department’s programs, as applicable.”*

Agency Action

Through August 2, 2024, OHCS has expended 38.5% of its total funds budget excluding the six-year limitation for capital construction. In addition, \$308 million in Housing Stabilization and \$30 million in Lift Homeownership have been obligated but remain unspent. The next round of Homeownership LIFT funding will open in January 2025, and in the Fall of 2024, Affordable Rental Housing anticipates obligating up to \$590 million as part of the first round of ORCA funding.

OHCS has been producing various dashboards on the number of households served and units funded through our homeownership, affordable rental housing, and homeless services programs for a number of years and have made the majority of those available to the public. The homeownership dashboard has been updated on a quarterly basis since 2017 and the affordable rental housing funding dashboard has been updated annually since 2019. The data collection

methods for the homeless services and housing retention services sections have changed over time and we continue to work with grantees to ensure high data quality and reporting.

Homeownership Dashboard:

The homeownership dashboard is publicly available at [OHCS Homeownership Dashboard | Tableau Public](#). This dashboard shows program activity for the LIFT Homeownership program, the Oregon Bond Residential Loan Program (OBRL), the Home Ownership Assistance Program (HOAP), the Down Payment Assistance (DPA) Program, the Homeowner Assistance Fund (HAF), and Foreclosure Avoidance Counseling (FAC). The Homeownership Dashboard is updated on a quarterly basis for most programs and the most recent update was completed in June through March 31, 2024. For most programs, we receive data from grantees 45 days after the quarter ends. This dashboard is filterable by grantee, if applicable, or by county if not (for instance the HAF and OBRL programs go directly to clients, so those dashboards are filterable by county rather than homeownership center).

LIFT Homeownership – The LIFT Homeownership program was created to expand the state's supply of affordable homes available for purchase to low-income households. As of 3/31/24 there were no LIFT Homeownership approvals in the 23-25 biennium. The Housing Stability Council did approve 10 projects with 157 units including \$19.4 million in LIFT Homeownership funds and \$3,750,000 in LIFT Supplemental funds on May 3, 2024, so those approvals will show up on the dashboard in August during our June update.

Oregon Bond Residential Loan (OBRL) Program – The OBRL program provides competitive rates through the sale of tax-exempt mortgage revenue bonds, helping Oregon families achieve their homeownership goals while keeping their monthly payments affordable. The dashboard is currently updated through 03/31/24. It shows that from July 1, 2023 – March 31, 2024 this program has served 361 new homeowners in 25 counties across the state. The average income of these homebuyers is \$82,367 and the average loan amount they've received is \$301,345. Twenty-eight percent of the borrowers or co-borrowers identifies as Black, Indigenous, or a Person of Color (BIPOC). This is an increase from 21% for the first fiscal year we created this dashboard (FY18). In the near future, the OBRL dashboard will be merged with data from the newly initiated Flex Lending program, an additional lending program from OHCS, that helps borrowers with their down payment and closing cost.

Home Ownership Assistance Program (HOAP) – OHCS invests in homeownership centers throughout the state who provide counseling and education to their communities. All homeownership centers provide homebuyer counseling and education, financial literacy counseling and education, and default and post-purchase counseling. The dashboard is updated through June 30, 2024 and shows that 2,360 new clients have received services from homeownership centers since July 1, 2023. The most used service was foreclosure prevention

counseling (497 clients) followed by pre-purchase counseling (444 clients). Additionally, it is possible to see some of the resolution and counseling outcomes for these clients. There were 251 clients who purchased a home after receiving services from a homeownership center.

Down Payment Assistance (DPA) – DPA is funded by the HOAP and Construction Excise Tax funds. Program funds are awarded to eligible organizations to offer DPA funds to low-to moderate-income households with a focus on first generation homebuyers. The dashboard is updated through March 31, 2024 and shows that 244 clients received \$8.5 million from July 1, 2023 to March 31, 2024. The average amount provided to households was \$35,626 and they needed an average additional amount of \$31,130 to purchase a home. Overall, the program served 129 first-generation homebuyers and 115 first-time homebuyers.

Homeowners Assistance Fund (HAF) – HAF is a federal program to help households who are behind on their mortgages and other housing-related expenses due to the impacts of COVID-19. The dashboard shows activity through June 30, 2024. HAF has assisted 1,118 households with an average amount of \$26,378 in fiscal year 2024.

Foreclosure Avoidance Counseling (FAC) – FAC assists homeowners who may be at risk of losing their home. FAC offers counseling services meant to prevent foreclosure and intervene before a homeowner enters the foreclosure process. The dashboard shows activity through October 31, 2023 and shows 236 clients have received this service since July 1, 2023. The most common resolution for clients is a modified mortgage at 57%.

Affordable Rental Housing Funding Dashboard:

The Affordable Rental Housing Funding Dashboard is publicly available at [Affordable Rental Housing Dashboard | Tableau Public](#). This dashboard shows funding activity for the LIFT rental housing program, General Housing Accounting Program (GHAP), Housing Development Grant Program (HDGP), the federal HOME program, the federal National Housing Trust Fund (HTF) program, the Low Income Housing Tax Credit program (LIHTC), the Low Income Weatherization Program (LIWX), and the Permanent Supportive Housing (PSH) program. This dashboard is updated two times a year to show activity through the end of the calendar year and through the end of the fiscal year. The update through December 31, 2023 was completed in April 2024 and the update through June 30, 2024 will be completed in September 2024. It is important to note that this dashboard reflects projects that have been approved for funding by the Housing Stability Council and that the program amounts, number of units, affordability mix, and other components are all subject to change as the projects go through underwriting and work towards financial closing. It is also important to note that the funds are committed but won't be spent down until financial closing has been reached, which may take 1-3 years. Finally, these funding sources are often layered on top of each other and occasionally the approval dates cross quarters or years. The total units shown on the dashboard duplicates the units across sources and uses the approval date of the HSC, if available. This dashboard is filterable by county and city.

LIFT Rental Housing – The Local Innovation and Fast Track (LIFT) Rental Housing Program’s objective is to build new housing for low income households, in particular families. The primary goals of the LIFT Rental Program are to create a large number of new affordable housing units to serve low income Oregonian families and to serve historically underserved communities, such as rural communities and communities of color. In the first two quarters of fiscal year 2024 LIFT funds have gone to 10 properties including 646 units. A total of \$103.4 million was approved.

GHAP – The 2009 Legislature created the General Housing Account Program (GHAP) to expand the state’s supply of housing for low- and very low-income Oregonians. GHAP resources support two primary activities: affordable multifamily housing development and increasing the capacity of OHCS partners to meet the state’s affordable housing needs. In the first two quarters of fiscal year 2024, GHAP funding has gone to 9 properties and 496 units for \$64 million.

HDGP - In the first two quarters of fiscal year 2024 HDGP funds have gone to 1 property including 39 units in Springfield, Oregon. A total of \$7.9 million was approved.

LIHTC – The 1986 Tax Reform Act created the Low Income Housing Tax Credit Program (LIHTC) as an incentive to encourage the construction and rehabilitation of rental housing for lower-income households. The LIHTC program has been utilized by 9 total properties including 685 units in the first six months of the fiscal year. This program is most often used in conjunction with the LIFT program.

PSH – Permanent Supportive Housing (PSH) projects must be affordable to households with extremely low incomes (less than 30% AMI) and provide pre-tenancy services, housing retention support, and other wraparound services. Four projects with 176 units received Permanent Supportive Housing funds from July 1, 2023 through December 31, 2023.

Homeless Services and Housing Retention Programmatic Dashboard

The DRAFT HMIS Reported Program Dashboard is privately available at [23-25 FundingSource June2024 | Tableau Public](#). This is the Agency’s newest divisional dashboard and continues to be refined and verified with partners before making it public. This dashboard includes data on the following programs: State Homeless Assistance (SHAP), Emergency Housing Assistance (EHA), Emergency Housing Assistance for Pets (EHA Pets), Oregon Eviction Diversion Assistance Program (OREDAP), Emergency Solutions Grant for COVID (ESGCV), Emergency Solutions Grant (ESG), Operational Support for Shelters (OPSS), Navigation Centers, Project Turnkey, Housing Stabilization Program (HSP), Home Tenant Based Assistance (HTBA), By and For Initiative, Native American Tribes of Oregon (BAFI-NATO), WRRA, Project Empowerment (PROEMP), Elderly Rental Assistance (ERA (Elderly)), Out of the Cold (OOTC), Affordable Rental Housing Permanent Supportive Housing, and Youth Rental Assistance (RAY). HMIS data is submitted by grantees on the 20th of each month and this dashboard is showing activity from July 1, 2023-April 30, 2024. Going forward, this will be

updated on a quarterly basis. The next update will show activity through June 30, 2024 and will be posted in September. The home page shows an unduplicated count of clients served with all the program listed above. As of April 30, 2024 OHCS has served 61,660 people and 35,132 with these 21 funding sources. SHAP has served the highest number of clients at 19,622, followed by EHA at 18,093. However, if you combine the Eviction Prevention programs EO 23-02 EP and EO ORE-DAP SB5511 it shows 23,628 people served with these programs. The Eviction Prevention EO programs are included on this dashboard because they primarily went to Community Action Agencies (CAAs). The other EO activities, including Shelter development and Rehousing activities that were directed by MAC groups, are included on other dashboards here for the Balance of State: [OHCS Emergency Homeless Response BoS Dashboard | Tableau Public](#) and here for the original EO Regions: [OHCS Emergency Homeless Response Dashboard | Tableau Public](#). All of these dashboards are filterable by funding agency. These numbers are still subject to change as we work with the funding agencies to ensure accuracy.

Action Requested

The Oregon Housing and Community Services Department requests acceptance of this report.

Legislation Affected

None.

Sincerely,



Andrea Bell, Executive Director
Oregon Housing and Community Services
cc: Amanda Beitel, Legislative Fiscal Office
Michelle Deister, Legislative Fiscal Office
Kate Nass, Chief Financial Office
Tamara Brickman, Chief Financial Office