



Oregon Housing & Community Services

2021-23 One Time Housing Investments | Jan. 30, 2023

Introductions

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Working together to serve individuals, families
and communities throughout Oregon

Breaking New Ground

- Quantitative and qualitative data to illuminate areas of need across the state and within specific communities;
- Communicates six priorities to build support and inspire coordinated action;
- Describes how OHCS will lead, fund, and support our partners on priority issues over the next five years; and
- Provides a framework and direction for OHCS to prepare annual work plans, set goals, monitor progress and implement our priorities.



Breaking New Ground

OREGON'S STATEWIDE HOUSING PLAN

Statewide Housing Plan Progress

Equity and Racial Justice

Homelessness

- 86% of households served are stabilized in housing for six months or longer



Permanent Supportive Housing

- Funded over 1,200 units of permanent supportive housing



Affordable Rental Housing

- Increased existing pipeline of affordable rental housing by 20,624 homes



Homeownership

- Assisted 1,568 households in becoming successful homeowners



Rural Communities

- Funded 3,612 affordable housing units in rural Oregon



One Time Funds 2021-23 by Division: Over \$2 billion

Affordable Rental Housing	Homeownership
\$719.94M	\$234.6M
Housing Stabilization	Disaster Recovery*
\$885.4M	\$163.54M
Research Projects*	
\$1.15M	

OHCS 2021-23 Legislative Approved Budget was >50% one-time funds

**OHCS will not review these funds today*



One Time Funds 2021-23 by Type: Over \$2 Billion

- \$644.33M in Federal Funds (not allocated by the Legislature)
- \$777.48M in General Fund*
- \$410M in Article XI-Q General Obligation Bonds
- \$50M in Lottery Bonds
- \$105M in ARPA funds (federal but allocated by the Legislature)
- \$17.85M in CARES Act funds (federal but allocated by the Legislature)



**Excludes Debt Service and Current Service Level*



Affordable Rental Housing

\$719.94M in one-time investments



Housing Development Resources

More than \$390M to support the development of affordable rental homes:

- Local Innovation Fast Track (LIFT) Rental - \$288M (Article XI-Q General Obligation Bonds)
- Permanent Supportive Housing - \$50M (Article XI-Q General Obligation Bonds)
- Small scale affordable housing projects - \$35M (General Fund)
- Land Acquisition Program - \$20M (General Fund)
- Market Cost Offset Fund - \$55M (General Fund)



Local Innovation & Fast Track Housing (LIFT) Rental

LIFT focuses on developing new affordable homes for rent that serve historically underserved communities, including rural areas of the state and communities of color.



Moorehouse Apartments, Hermiston

Allocated: \$288M Article XI-Q bond

Awarded: \$199.3M to 23 projects building 1,503 affordable homes

Coming soon: 2023 applications opened January 17 and awards will be made this spring

Lessons Learned:

- Insignificant funds to award all quality developments
- Limitations in federal leveraged funds
- LIFT is nationally awarded and a successful tool to provide gap financing

Permanent Supportive Housing (PSH)

PSH combines affordable rental housing with tenancy support services to house people experiencing chronic homelessness and help them achieve stable housing in their communities.



Tukwila Springs, Gladstone

Allocated: \$50M of Article XI-Q Bond proceeds

Awarded: \$25M to 9 projects comprising 328 PSH homes

Coming soon: 2023 applications opened January 17 and awards will be made this spring

Lessons Learned:

- Need for service dollars are increasing as PSH reaches different corners of the state
- Development delays due to labor and supply challenges, some Current Service Level General Fund will revert as units come online later than anticipated
- OHCS' PSH Institute is a nationally awarded strategy to help PSH projects materialize
- Insignificant funds to award all quality developments

Small Scale Affordable Housing Project

Money allotted for small scale (40 homes or less) multifamily rental housing developments that will serve statewide qualified low-income households who are earning at or below 80% area median income (AMI). OHCS sets aside a larger portion of resources for rural Oregon than for urban – 60% for rural, 40% for urban.

Allocated: \$35M in General Fund (2022), will be leveraged with ongoing resources and made part of the General Housing Account Program

Application will open: June

Takeaway: This resource is extremely valuable for projects that have difficulty competing for other larger profile, high dollar programs.



Land Acquisition Program (LAP)

LAP assists organizations to purchase land for the development of affordable housing, both for rent and purchase.

Loans are repaid upon the construction financing and have a maximum 8-year timeframe.

Allocated: \$20M in General Fund

Spent: \$12.6M across 11 sites

Lessons Learned:

- Recycling funds allow OHCS to make more loans
- Very popular program that is resulting in new homes

Market Cost Offset Fund (MCOF)

The MCOF was established to provide resources to address funding gaps created by unanticipated market conditions. OHCS considers:

- Whether the development's financials had closed (or were near closing)
- If the development had OHCS funds or other judication funds
- Whether features can be scaled back

Allocated: \$55M in General Fund

- Wave 1: \$10.9 M
 - \$5M in General Fund (2021)
 - \$5.9M General Housing Account Program (GHAP)
- Wave 2: \$50M in General Fund (2022)

Awarded:

- Wave 1: \$10.9M of GHAP → 7 projects, 365 homes
- Wave 2: \$39.3M → 13 projects, 1,667 homes so far

Takeaways:

- Macroeconomic factors are impacting developers, including labor and supply chain issues
- These flexible resources ensured more than 2,000 homes will come online in the next few years
- OHCS will build in cost increases to future fund offerings, though existing funds are not enough to address funding gaps in all developments





Chaucer Court, Portland, OR

Housing Preservation Resources

More than \$185M to support the development of affordable rental homes:

- General preservation: \$165M in General Fund
- Preservation of manufactured home parks: \$20M in General Fund

General Preservation Funds, \$165M General Fund

- \$62.5M for competitive applications for larger preservation needs (paired with other resources), to be awarded in the Spring
- \$2.5M for direct wildfire awards awaiting HSC approval, one development of 36 homes
- \$30 M for Funding the acquisition of Publicly Supported Housing (PuSH) properties with expiring affordability
 - \$21M for 2 properties, 255 homes
 - One application in the queue
- \$5M for Portfolio Stabilization Fund to avoid large rent increases and intervene before financial challenges, launching in the Spring
- \$40M (other \$7M gap funds) for preservation pool to address small scale and timely needs
 - \$21.2M for 617 homes
 - Remaining funds will roll over to open application
- \$25M for Acquiring and rehabbing manufactured home parks (see next slide)

Lessons learned:

- Need outweighs the available resources, even with historic investment
- Extending affordability periods for housing at initial funding award



Manufactured Home Park Preservation

OHCS helps preserve manufactured housing parks with permanently affordable home sites through park ownership by nonprofit organizations or resident cooperatives.

Allocated: \$20M in General Fund in 2022, supplemented \$25M from 2021 general preservation resources (\$45M total)

Awarded: \$11.6M for 2 parks totaling 290 spaces/homes

Up for Approval: \$12.1M for two parks totaling 133 spaces/homes

Total: \$23.7M

Future: 5 pre-applications



Oak Leaf Mobile Home Park, Portland, OR

Innovative Approaches: Legislative Priorities

Early Learning and Affordable Housing Co-Location (CARE)

- \$10M in General Fund to support co-locate affordable homes with childcare slots
- Will be deployed through a Community Development Financial Institution, which will include private fundraising
- Report approved 2022 → fund released in September and December → Request for Proposals to be released in the next couple weeks
- **Expected Award date:** April 2023

Acquisition of Naturally Occurring Affordable Housing

- \$10M in General Fund to purchase existing housing to be converted to deed restricted housing
- Will be deployed through a Community Development Financial Institution → Request for Proposals to be released February 2023
- **Expected Award date:** May 2023



Landlord-Based Rental Assistance

- Landlord Compensation Fund - \$30M in General Fund
 - OHCS delivered \$150M in assistance to nearly 5,500 landlords (on behalf of more than 23,600 renter households) during the 2019-21 biennium
 - \$13.1M of additional resources went to increase compensation from 80% to 100%
 - Standing up an untested program quickly leads to challenges on the back end and to customer service
- Home Forward Landlord Guarantee Program - \$15M in General Fund
 - Provided compensation to landlords who could not evict tenants due to the state's safe harbor period if rental assistance payments via tenant based rental assistance programs didn't cover all or any missed rent
 - \$2.8M distributed to over 85 landlords as of October 31, 2021
 - Program was undersubscribed, likely reverting \$8.4-\$10.6M
- Home Forward Affordable Housing Stabilization Program - \$5M in General Fund
 - Provided \$4.95M in assistance with <1% administrative cost
 - 30% oversubscribed





Homeownership

\$234.6M in one-time investments

Housing Development Resources



Habitat for Humanity, Redmond, OR

More than \$110M to support the development of affordable homes for purchase:

- Local Innovation Fast Track (LIFT) Homeownership: \$72M Article XI-Q Bonds
- Homeownership Development Incubator Program: \$20M in General Fund
- Homeownership Market Cost Offset Fund: \$6.5M in General Fund
- LIFT Supplemental - \$13.5M in General Fund

Local Innovation Fast Track (LIFT) Homeownership

Creates affordable homeownership opportunities for low- to moderate-income families. Due to the funding source, LIFT requires the state to have an ownership or operational interest in any property developed.

Allocated: Soft set aside of \$72M in Article XI-Q bonds (2021)

Awarded: \$12,494,582

Outcomes:

- In 2022, 11 projects were funded amounting to \$12.5M in LIFT loans.
- 118 homes to be built within 3 years
- In 2023, \$32.4M is available for LIFT Homeownership (HO).
 - Applications due by March 4, 2023
 - Awards announced by June 1

2023 LIFT HO Pre-Application LIFT HO 2023	Projects	Homes	Total Request Amount	% Subscribed
	25	676	\$64,778,966	200%



Homeownership Development Incubator Program (HDIP)

With a focus on increasing housing supply, HDIP funds can be used for:

- New construction of affordable homes for purchase
- Conversion of existing structures into new affordable homes for purchase
- Building capacity for new and existing developers
- Increasing homeownership for Tribal and related entities.

Allocated: \$20M in General Fund

- Application currently open
- Application closes March 3 (March 17 for Tribal Grants)

	Projects	Homes	Total Request Amount	% Subscribed
Development Subsidies	13	267	\$ 15,965,000	120%
Tribal Grants	6	19	\$ 7,925,000	159%
Pre-Development & Capacity Building Grants	32	N/A	\$ 4,375,000	292%



Homeownership Market Cost Offset Fund (HMCOF) and LIFT HO Supplemental

HMCOF supplements funding gaps created by unanticipated market conditions and inflation that affected labor, material, and supply costs resulting in increased hard construction costs for developments awarded LIFT HO funds.

Allocated: \$20M in General Fund (2022)

Awarded: \$6.5M for HMCOF (2022)

Outcomes:

- Partner applications came in over \$14.3M
- 11 projects, atotal of 159 homes
 - Averaging \$650,000 per project to fully use the \$6.5M

Available: \$13.5M in General Fund (2022)

LIFT HO Supplemental bridges gaps for new projects funded by LIFT HO, increasing OHCS' ability to support the development of homes in high-density and rural areas by providing a subsidy that is not limited by the appraised value of the land. **LIFT HO Supplemental application closes March 3.**

LIFT Supplemental 2023 Pre-Application	Projects	Homes	Total Amount Requested	% Subscribed
	16	512	\$ 35,324,234	276%



Homeownership Development Lessons Learned

- Partners are still facing **funding gaps** due to market conditions and are resourceful but will need additional resources in the future
- **Construction costs increasing** means overall subsidy resources needed to be increased
- **Capacity building** is crucial for our partners to be able to build to meet the housing need. State funding for the construction of homes for sale is newer (General Fund is brand new).
- Continued need to **expand the network** of culturally specific and rural partners
- **Difficulty hiring** for positions that require high technical knowledge. Limited Duration positions are challenging to hire.
- **Ongoing resources** outside of Article XI-Q bonds needed to continue to spur development on Tribal land and for the construction of other homeownership opportunities that meet communities needs and expand beyond a shared equity model
- **Layering of multiple funding sources** is increasingly necessary to make projects pencil out, underscoring the need for resources outside of Article XI-Q Bonds



Down Payment Assistance (DPA)

Tied to OHCS Lending

Allocated: \$10M in General Fund (2021), transferred to Other Fund as DPA will be provided as a loan that may be forgivable

- DPA will pair with new lending product, targeted launch in a few months
- Establishing technical lending program within the confines of state government required intensive coordination with OHCS, Oregon Treasury, and Department of Justice. This took longer than anticipated to mitigate program risk.

Through Culturally Responsive Organizations

Allocated: \$10M in General Fund (2021)

Application opened: October 2022

Requested: \$5,497,800 due to June 30 use or lose date
– OHCS will request funds transfer to retain funds

- Paired with Home Owner Assistance Program (HOAP) DPA adds focus on first-generation homeowners and increases DPA amount in response to home prices
- Extensive engagement process for developing a new DPA framework took time, but allowed OHCS to be responsive to partner and homebuyer needs



Manufactured Housing Investments



Manufactured Home Replacement Program | \$2.5M | Fully spent

Over 45 manufactured homes replaced since program launch in 2021

- 12 older homes replaced (average loan: \$65,000)
 - 7 more homes in the pipeline
- 35 homes destroyed by wildfire (average loan: \$54,000)
- 15 more homeowners on program waiting list (growing waiting list)

Manufactured Home Park Preservation Loans | \$4.5M | Fully spent

- CASA and Network For Oregon Affordable Housing (NOAH) were awarded funds
- 372 manufactured home park spaces preserved as affordable
- CASA and NOAH were able to leverage the funds into \$32M in project capital

Homeowner Support Services

Grant funding to eligible organizations serving low-income homeowners to support:

- Technology and software
- Operational capacity-building support
- Additional expenses incurred related to the coronavirus pandemic (COVID-19)
- Expansion to unserved and underserved populations

Application closes: January 30, 2023

Awards expected: mid-February to early March

Allocated: \$15M in General Fund (2022)

Outcomes:

- Organizations will receive up to \$300,000.
- If additional funds are available, OHCS will work with partners to see if more should be added to the contracts already awarded.

Lessons Learned:

- Expanded reach beyond our typical partners, to both rural and culturally responsive partners
- Procurement barriers delayed release





Housing Stabilization

\$885.4M in one-time investments

Individual Development Accounts (IDAs)

- IDA Initiative builds financial assets through matched savings and supports Oregonians living on low incomes to build hope and financial stability.
- Administered by Neighborhood Partnerships with statewide network of partners
- Funded via IDA tax credit and General Fund investments

Allocated and deployed: \$7M

Lessons Learned:

- Continued need for expanded network of providers
- Human and equity-centered design shift
- IDAs can be a part of building a bridge from survival to stability and gives the opportunity to start saving

775 participants enrolled in 2021

- 12% Black, 30% Latinx, 11% Native American, 5% Asian/Pacific Islander, 41% White
- 71% Women, 27% Men, 2% other gender
- 25% immigrant/refugee, 75% USA country of origin

1149 program completers in 2021, highest rate in last 5 years

- 10% Black, 24% Latinx, 7% Native American, 5% Asian/Pacific Islander, 51% White
- Average total deposit: \$2,450 | Average match earned: \$6,470
- \$7.4M total distributed to IDA savers in 2021
- Most common completed IDA types:
 - Education (319)
 - Home purchase (231)
 - Microenterprise (185)
 - Vehicle (172)



Homelessness Prevention Funds

Oregon Emergency Rental Assistance Program (OERAP)

Allocated:

- \$399,039,247— Federal funds
- \$105M – American Rescue Plan Act funds
- \$3M— Provider support
- \$2,854,021— balance of transfer from '19-21

Since May 2021:

\$426,360,604

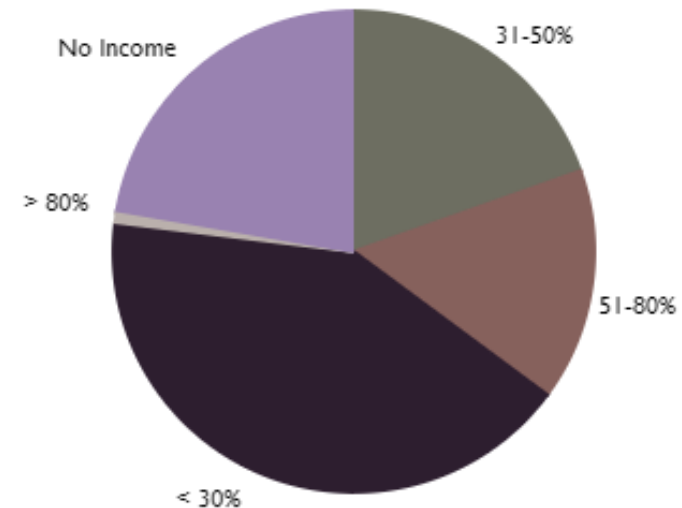
in emergency
rental assistance
distributed

67,522

tenant households

Applications by their % of Area Median Income

*area median income is determined by county and is a % of the median income for that county. Federal Treasury guidelines required we prioritize applications of no income or less than 30% ami



Homelessness Prevention State Funds

- **Rental Assistance for Youth (RAY): \$4.5M**
 - \$2.7M this biennium and \$1.8M next biennium (partnering with three regions to pilot long-term rental assistance for youth)
- **Eviction Prevention funds: \$100M, allocated Dec. 2021 and \$18M allocated March 2022**

Eviction Prevention Rapid Response \$8.95M Fully spent	ORE-DAP & Local Emergency Rental Assistance \$58M On track
OHA Community based orgs \$11M On track	Mediation Pilots \$1.25M On track
Immigrant and Refugee Community Organization (IRCO) case management & legal services \$3.2M On track	Project Empowerment via Urban League of PDX \$8.3M On track
Partner Investments (CAT, SETA, OLC, DVSA, 211 Info, Fair Housing Council, Expiring Subsidy Pilots) \$8.2M On track	PSU Program Evaluation \$2M 25% of funds needed to continue in 2023-25
Oregon State Bar \$700k Awaiting final contracting; may request \$200k Other Funds transfer	Oregon Worker Relief Coalition \$14.5M Intervention planning and pilot successful; ongoing negotiations on full project plan



Eviction Diversion & Prevention Funds Outcomes

- **8,910** tenant households served through Oregon Eviction Diversion and Prevention (ORE-DAP) program in FY 2022
- **850** tenant households served through Eviction Prevention Rapid Response (EPRR) program
- **6** mediation service providers funded across the state
- Culturally-specific **Project Empowerment cohort** launched
- **17** new partnerships through Oregon Health Authority network
- New culturally specific partnerships
 - Urban League of Portland and network
 - Immigrant and Refugee Community Organization (IRCO)
 - Oregon Worker Relief Coalition
 - Oregon Housing Authority network
 - Domestic Violence & Sexual Assault (DSVA) network providers
 - Individual Development Account (IDA) network providers



Homelessness Prevention Funds Lessons Learned



- Level of need is overwhelming statewide, even with historic resources not all Oregonians in need can be served
- Critical need for adequate staffing at agency and local organizations for large-scale and emergency programs, and increased ramp up time needed to hire and address other needs (software solutions, program design, etc.)
 - Procurement staffing was challenging, OHCS did not receive procurement rotations requested during the 2021 December Special Session
- Legal interpretation of bill language does not always align with legislative intent, which can lead to lengthy negotiations or delays
- Long-term assistance programs need commitments of long-term funds (RAY program)

COVID Oregon Energy Assistance Program (OEAP)

- Funded via House Bill 2739 (2021), \$10M per year for calendar year '22-23 to provide additional, temporary low-income electric bill payment assistance program for customers of Pacific Power and Portland General Electric
- Priority assistance directed to customers who are in danger of having their electricity service disconnected
- Coordinated wherever possible with federally-funded Low Income Home Energy Assistant Program (LIHEAP) and ratepayer-funded Oregon Energy Assistance Program (OEAP).
- 6,722 households served
 - 1,941 elderly households
 - 1,391 households with young children
 - 670 veteran households
- 4,641 prevented utility disconnections
- 368 households with services restored
- 2,273 first-time recipients

Lessons Learned:

- Need alignment of eligibility requirements with ongoing OEAP program to ensure best integration of funds

Allocated: \$15M; full spend-down anticipated



Homelessness Response Funds

State Funds: \$58M for homelessness system infrastructure support from 2022 short session, \$25M for Shelter Capacity and \$2M for Shelter technical assistance from 2021 session

Out of the Cold & Homelessness Response and Prevention Services \$35M Reallocations likely, reversion not	Project Turnkey 1.0 operational funds \$8.3M On track	Navigation Centers \$12.6M (1 contract pending)
ODHS Youth Experiencing Homelessness \$9M	Shelter Technical Assistance \$2M RFP currently live	CAA Capacity \$600k On track
PSU Homelessness Research Action Center (HRAC) Evaluation \$770k	Built for Zero & Continuums of Care \$1M May revert some funds	Tribal Investments \$9M 5 out of 9 contracts complete
Wildfire Impacted Homeless Response- ODHS Partnership \$3M On track	Mid-Willamette Valley Community Action Agency Shelter+ Pilot \$2M On track	

Emergency Solutions Grant- Coronavirus Relief (ESG-CV)

Allocated:
\$56,437,695 in Federal funds

Spent down:
\$45,991,434 spent to date; on track to spend down by September 2023 (Federal deadline)



Homelessness Response Outcomes

Emergency Solutions Grant- Coronavirus Relief (ESG-CV): 28 new provider partners and 25,012 individuals served

State Funds

- 4 of 8 **Navigation Centers** operational, 7 contracts executed
 - 287 shelter beds online currently across Deschutes, Douglas, Lane and Multnomah counties
 - 243 additional shelter beds will come online from the remaining 4 Navigation Centers by June 30, 2023
- 17 of 17 **OHCS-sponsored Project Turnkey 1.0 sites** operational, 777 shelter beds online currently across Benton, Deschutes, Douglas, Jackson, Lane, Lincoln, Marion Multnomah, Umatilla, Washington, and Yamhill counties
- **Tribal Contracting:** 5 contracts executed and representing the first time OHCS is contracting directly with Tribal governments. Once operational, will provide homelessness prevention assistance to 225 households and create 50 new shelter beds.
- **Out of the Cold & Homelessness Response and Prevention Services (HR-PS):** 762 additional beds created and 451 beds in development, in partnership with additional programs
- 26 new provider partners received funding through these investments



Project Turnkey 1.0 Sites

Homelessness Response Lessons Learned

- One-time state and federal **funds met longstanding need** for homeless services, ongoing resources needed to make measurable impacts
- **Provider capacity is limited**, Oregon has asked a lot of providers with zero to no ramp-up time
- New program development **requires additional time** to launch
- **New partnerships** create opportunity and new challenges
 - New providers created innovative and critical responses to homelessness during the pandemic
 - Contracting constraints
 - Education and support around management of public funds
- Federal program flexibilities allowed for **innovation in shelter care** (i.e.: pallet shelters)
- **Quick action** from the Legislative Assembly allowed for flexible delivery to new partners from the August 2020 Special Session



Considerations for One-Time Funds

- One-time development funds address a capital need without creating an ongoing program
- One-time investments in shelter, homeless services, eviction prevention, and other programs will not have lasting impacts on policy goals without meaningful long-term investments
- Rapidly scaling up programs to shelve creates a feast-or-famine situation for service providers and for the agency
 - OHCS faced challenges in hiring time (exacerbated by Limited Duration positions)
 - Smaller organizations, culturally specific and rural organizations, are particularly impacted
- Addressing Oregon's housing crisis is an enterprise effort that requires government to change the way it does business
- Collaboration needed before legislation passes to ensure legislative intent can be met with bill language (statutory interpretation does not allow match legislative intent)
- Innovation takes time and can be risky, but can also transform into rewards if done right

Questions?





Reference Slides

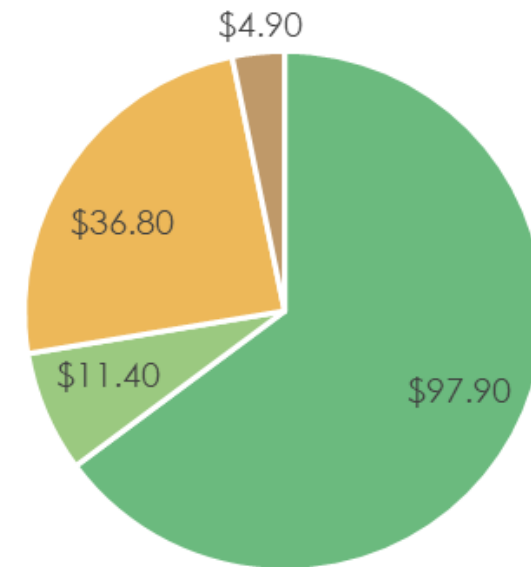
Additional one-time funds OHCS received during the 2021-23 biennium and more information

State Wildfire Recovery Funds

- \$151M, as part of [House Bill 5006](#) (2021), to Oregon Housing and Community Services to assist fire survivors and their communities with recovery from the 2020 Labor Day fires.
 - \$100.4M in General Fund
 - \$50.8M of Lottery-backed Bond revenues
- Flexible suballocations are being provided to counties to ensure geographic equity.



2021 Session Funds (in millions)



- Disbursed/Expended/Under Contract
- Flexible County Suballocations
- Project Reservations
- Project Contingency/Unobligated

Federal Wildfire Recovery Funds

In November 2021, the U.S. Department of Housing and Urban Development (HUD) announced it was awarding Oregon \$422 million in Community Development Block Grant Disaster Recovery (CDBG-DR) funds for recovery efforts in response to the 2020 Labor Day Fires.

- Funds must be allocated according to need for Housing, infrastructure, and economic revitalization
- 70% must benefit Low- to Moderate-Income (LMI) households
- 15% must be used for mitigation activities

Programs:

- Homeowner Assistance and Reconstruction Program (HARP) - \$204.6M
- Homeownership Opportunities Program (HOP) - \$119.4M
- Intermediate Housing Assistance (IHA) - \$20.1M
- Housing and Recovery Services - \$6 M
- Planning Infrastructure and Economic Revitalization (PIER) - \$42.1M
- Planning -\$3.0M
- Administrative Costs – \$21.1M

HARP, PIER and IHA will launch this spring



Legislatively Directed Research

System Development Charges (SDCs) Study

- \$ 914,936 General Fund
- [House Bill 3040](#) (2021) direct OHCS to study SDCs and their role as a cost-driver for housing and funding source for needed infrastructure
- OHCS contracted with ECONorthwest, Galardi Rothstein Group, and FCS GROUP in February 2022 to lead the study
- HB 4014 (2022) extended timeline for more robust stakeholder engagement and analysis
- [Final report submitted to legislature Dec 2022](#)

Oregon Housing Needs Analysis (OHNA)

- \$238,223 General Fund
- HB 5006 (2021 Session) – OHNA Implementation OHCS and DLCD “to study and make legislative recommendations on the incorporation of a regional housing needs analysis into state and local planning programs” by December 31, 2022
- Background: HB 2003 (2019 Session) – Pilot Methodology OHCS “shall develop a [methodology](#) for calculating... A regional housing needs analysis” | DLCD to develop an [evaluation report](#)



Affordable Rental Housing

Investments not covered or not covered in detail

Market Cost Offset Fund (MCOF)

Considerations:

- Has the project closed financial dealings yet? Can tax credit pricing be negotiated? Can developer fees be deferred?
- If the project is in construction can other contingencies for cost over runs be shown?
- Can features be “value engineered” out to reduce costs?
- Is OHCS the tax credit allocator and bond issuer?
- Has the project received MCOF funds already?
- Is capital funding from other metropolitan jurisdictions involved?

[More information.](#)



Early Learning and Affordable Housing Co-Location (CARE)

- 33 of 36 counties are childcare deserts for children ages 0-5.
- CARE uses affordable housing developments to create additional childcare opportunities.

Allocated: \$10M in General Fund

Expected RFP release: Within a week, the RFP will be open for one month.

Expected Award date: April 2023

Lessons Learned:

- Cross-agency collaboration takes time but provides efficiencies in the long term.
- Legislative intent does not always align with statutory interpretation.



Acquisition of Naturally Occurring Affordable Housing

This is a new, innovative program to expand public support for affordable housing beyond the status quo. OHCS will provide funds to a Community Development Financial Institution (CDFI) administered, third-party impact fund to acquire low-income market housing to ensure it remains affordable.

Allocated: \$10M in General Fund

Request for Proposals (RFP) in final review

Expected RFP release date: Early February 2023

Expected Award Date: May 2023

Lessons Learned: These funds will act as a pilot and demonstrate a proof of concept in using a CDFI to leverage public funds for supporting affordable housing.



Landlord Compensation Fund (LCF)

LCF provides relief to landlords who have tenants who have been unable to pay rent.

Original program provided landlords 80% of unpaid rent and if they agree to forgive 20%. June 2021, the legislature increased compensation by 20%.

Nearly 5,500 landlords awarded funds, erasing debt for >23,600 renter households



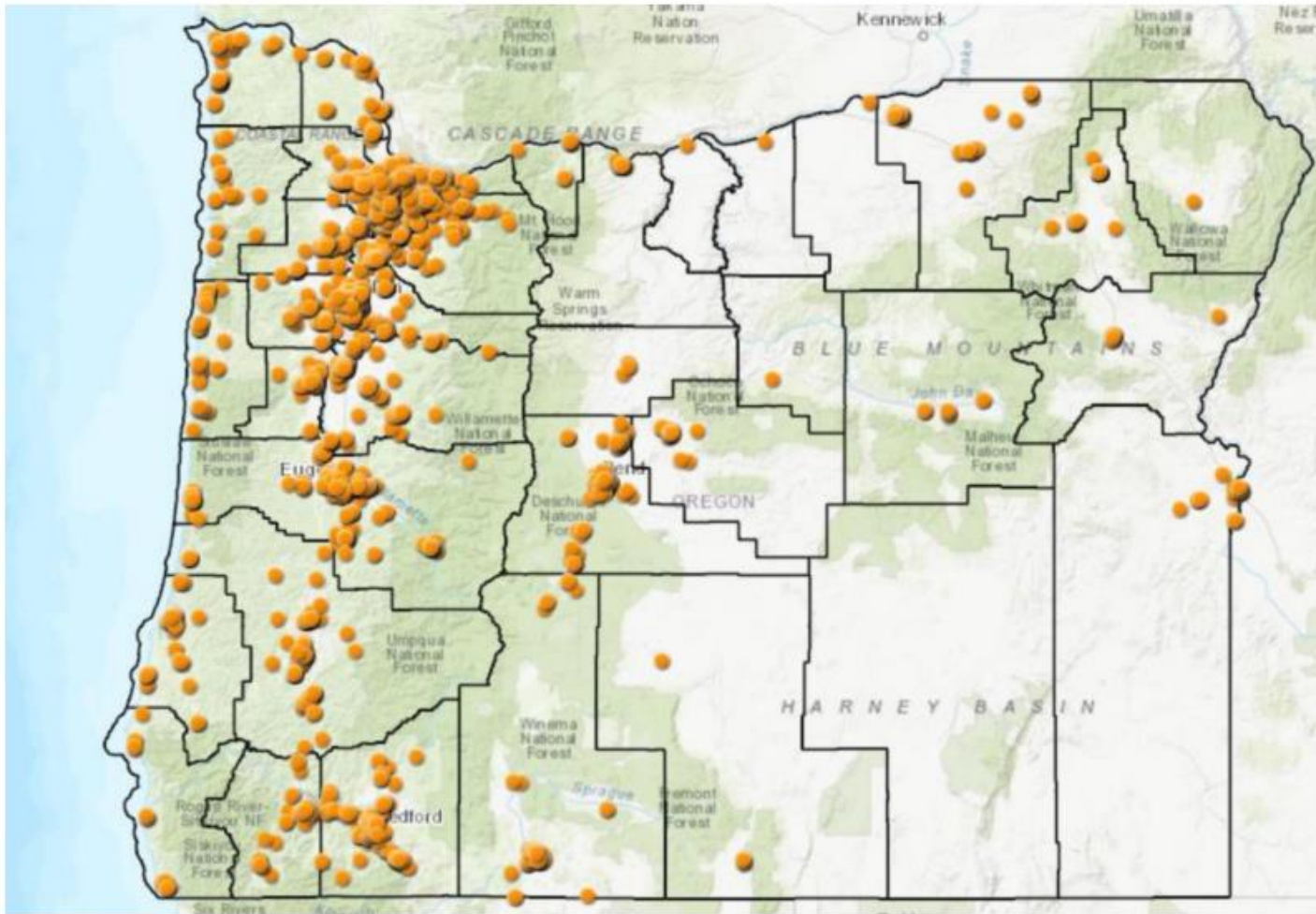
Allocated: \$30M in General Fund for the 20% compensation (\$150M in 2019-21 for 80%)

Spent: \$13.1M

- Program: \$11.6M
- Administrative*: \$1.5M
 - **included program close out for the \$150M allocated during the 19-21 biennium*

Lessons learned:

- Standing up an untested program quickly leads to challenges on the back end
- Insufficient legislative timelines didn't allow for software development or hiring, leading to poor customer service



Landlord Compensation Fund Map

Home Forward Landlord Guarantee Program

The program compensates landlords for missed payments during a “safe harbor” period.

Tenants initiate a “safe harbor” from eviction by notifying their landlord that they have applied for rent assistance.

Awarded: \$15M in General Fund



Home Forward Application Summary 8/30/21 to 10/31/22

Applications Received	3,162
Incomplete	1,463
Complete	1,699

Total Funds Requested	\$2,983,551
Rent	\$2,701,517
Utilities	\$93,386.82
Other	\$188,647

Application Process status	1,699
Approved Pending Payment	3
Approved Paid	850
Denied	677
Under Review	62
Withdrawn	67

Fund Processing Status	\$2,869,804
Funded	\$2,822,560
Under Review	\$47,244

Home Forward Affordable Housing Stabilization Program

The Affordable Housing Stabilization Program provides grant funding to housing providers who have debt due to missed rent payments.

Eligibility Requirements

- Missed payments occurred between April 1, 2020 and April 30, 2022
- Affordable Housing Provider
- Debt is from units for those making under 80% of the area median income

Allocated: \$5M in General Fund

Spent: Home Forward is allocating funds to providers

Outcomes

- \$6.6M in eligible requests were submitted.
- \$4.95M was awarded, admin cost for this program was less than one percent.
- Every eligible applicant received 75% of their eligible requested amount.





Homeownership

Investments not covered or not covered in detail

DPA to Culturally Responsive Organizations

Grant funds available for Culturally Responsive Organizations to provide Down Payment Assistance (DPA) to First-Time Homebuyers and First-Generation Homebuyers earning at or below 100% the area median income.

Partner application released October 2022

Allocated: \$10M in General Fund (2021)

Requested: \$5,497,800

New Home Owner Assistance Program (HOAP) DPA Framework:

- Added focus on first generation homebuyers
- New model for Veteran DPA to give them more time to become mortgage ready
- Raised DPA max from \$15k per household to \$30k or \$60k

Lessons Learned:

- If these funds can be transferred to other funds, we expect to be able to expend all funds
- Extensive engagement process for developing a new DPA framework took time, but allowed OHCS to be responsive to partner and homebuyer needs.



OREGON HOUSING and
COMMUNITY SERVICES

Down Payment Assistance with Flex Lending

Flex Lending is the first of its kind in the state of Oregon. Flex Lending is a mortgage lending program that provides mortgages as well as down payment/closing cost assistance for low-to median-income homebuyers.

- Flex offers:
- 30-year fixed rate mortgages
- No minimum borrower contribution required
- Multiple DPA sources allowed
- Gifts allowed

Allocated: \$10M in General Fund (2021)

Approved to transfer to Other Funds

Outcomes:

- Finalized contracts with a Master Servicer (Idaho HFA) and the TBA Provider (Hilltop Securities)
- Adopted "focus population" criteria for DPA (second mortgage product).
- Flex will launch in the coming months.
- General Funds will recycle back into the DPA program.

Lessons Learned:

- In order to safely and accurately assess and mitigate program risk, the State prioritized ensuring that all partner agencies with program oversight roles clearly understood Flex Lending's complexities and processes.
- Translating highly technical program understanding between OHCS, Treasury and DOJ led to program delays.



Down Payment Assistance with Flex Lending

OHCS Terms	Forgiven DPA Focused Demographics	Forgiven DPA	Repayable DPA Focused Demographics	Repayable DPA	Repayable DPA
Max. DPA	5.000%	4.000%	5.000%	4.000%	4.000%
Rate	0.000%	0.000%	First +1%	First +1%	First +1%
Payments	None	None	Amort.	Amort.	Amort.
Term (months)	120	240	360	240	120
AMI Limits	Up to 80% AMI Focused Demographics	Up to 80% AMI	80.01-120% AMI Focused Demographics	80.01-120% AMI	>120% AMI up to \$125,000



AMI: Area Median Income

Manufactured Housing Replacement Program

Provides grants and loans to low-income (up to 100% AMI) Oregonians to decommission and replace older, energy inefficient, and unhealthy manufactured homes.

Over 45 manufactured homes replaced since program launch in 2021:

- 12 older homes replaced (average loan \$65,000)
 - 7 more homes in the pipeline
- 35 homes destroyed by wildfire (average loan \$54,000)
- 15 more homeowners on program waiting list (growing waiting list)

Allocated: \$2.5M in General Fund

Awarded: \$2.5M

Lessons Learned:

- Due to the increase demand, replacement costs and interest rates rose dramatically.
- Participants have difficulty finding loan products that will finance replacement homes

Manufactured Home Park Preservation Loans

Provided loans to Community Development Financial Institutions (CDFIs) to fund manufactured dwelling park programs that invest in and provide loans for the preservation and affordability of parks in Oregon.

- CASA and Network For Oregon Affordable Housing (NOAH) were awarded funds
- 372 manufacture home park spaces preserved as affordable
- CASA and NOAH were able to leverage the funds into \$32M in project capital

Allocated: \$4.5M in General Fund

Awarded: \$4.2M, \$300k admin for manufactured home programs

Lessons Learned:

- Demand is high and project volume is limited by capital availability and timelines for projects to convert to permanent subsidies and financing
- Unpredictability of parks coming on the market and the limited time frame present some of the largest barriers to program success.



Homeowner Assistance Fund (HAF)

HAF keeps pandemic-impacted families in their homes by providing up to \$50k to bring delinquent housing costs current (150% AMI or below). The program increases housing stability for low-income homeowners (100% AMI) by providing up to \$15k or 12 months of ongoing payments of housing costs. Pursuant to US Treasury guidance, OHCS focused its HAF program to serve as a safety net to homeowners facing foreclosure or displacement. The program runs through September 2025 or until the funds are spent.

Allocated: \$90M in Federal Funds

Awarded: \$7.2M (as of December 31st, 2022)

- 472 applications approved through December 31st, 2022
- Average award: \$29,350
- 1,314 applications in the pipeline for a total potential reservation of \$38,565,939

Lessons Learned:

- Federal forbearance options and state foreclosure moratoria helped extend timelines and increased workout options for homeowners
- Homeownership Centers play a key role in this program's success
- Longer program timeline allows funds to be targeted for foreclosure prevention



Pass-Through & Small Grants

Tiny Home/Shared Equity Pilot: \$2.0M in General Fund for SquareOne Villages – contract signed and funds expended.

Accessory Dwelling Unit Pilot: [House Bill 3335](#) (2021): \$1.0M in General Fund (2021) for Hacienda CDC to develop a pilot program – grant agreement is currently being amended to reflect market changes

Manufactured Home Park in Springfield: \$3.0M in General Fund (2021) for a new park – contract signed and funds expended.

Housing Stabilization Counseling Program \$1.68M in Federal NeighborWorks COVID response grant funding through February 28, 2024 – funds awarded to partners to provide counseling to homeowners. This grant has proven complicated for both OHCS and partners to administer.





Housing Stabilization

Investments not covered or not covered in detail

Rental Assistance for Youth (RAY)

House Bill 2163 (2021) established a long-term rental assistance pilot program to support individuals younger than 25-years-old who are transitioning out of foster care, homelessness, behavioral health or treatment facilities or corrections or detention facilities.

Allocated: \$4.5M in Other Funds

Deployed: \$2.7M under contract

Remaining: \$1.8M in Other Funds remaining to be expended beyond 21-23 to provide ongoing, long-term rental assistance to youth

Lessons Learned:

- Challenges in securing partners without program permanency
- Rental assistance must be paired with supportive services to deliver long-term stability
- Ongoing need to connect local community partners to most effectively deploy supportive services and bolster referral networks
- OHCS must continue to provide information and education around housing-focused case management models and best practices

Pilot programs:

Northwest Oregon Housing Authority

- Target: 15 independent youth households served in Clatsop, Columbia and Tillamook Counties, leveraging community-based systems
- Current Results: Increased local partner collaboration prior to full launch

Housing Authority of Washington County

- Target: 40 independent youth households served with rental assistance & tailored services

Mid-Willamette Valley Community Action Agency

- Target: 20 independent youth households served in Polk County.
- Current Results: MWCAA is beginning to identify individuals from transitional housing programs to be best served by program



OREGON HOUSING and
COMMUNITY SERVICES

Oregon Emergency Rental Assistance Program (OERAP) + Provider Support

OERAP launched in May 2021 to provide emergency rental assistance to Oregon tenants serve with incomes less than 80% of Area Median Income (AMI) and experienced significant financial hardship related to the COVID-19 pandemic and individuals at risk of homelessness or housing instability.

Allocated: \$399,039,247— Federal funds

\$105M— State funds (ERA 3)

\$3M— Provider support

\$2,854,021— balance of transfer from 19-21

Deployed:

- All assistance dollars have all been distributed
 - Uncashed checks totaling ~\$3M have been recouped (~0.5% of funds); eligible dollars may be redistributed to other rental assistance programs
- OHCS is currently working to right-size remaining administrative funds as a part of program wrap up. Full use of funds expected.

- \$426,360,604 in rental assistance distributed to 67,522 tenant households
- Nationally recognized prioritization scoring & self-attestation processes, top three ERA program in the nation
- 36% of households served had no income, 85% below 50% AMI
- Tenant household demographics: 13% Black, 15% Latinx, 4% Native American/Alaska Native, 2% Asian, 1% Native Hawaiian/Pacific Islander
- Provider support - \$3M in OERAP capacity building dollars: tenant application assistance, resource referral, and supportive activities

Lessons Learned:

- High level of need across the state
- Centralization resulted in faster distribution of funds but requires resources at scale
- Community feedback on application & payment processes resulted in improved accessibility and efficiency
- Critical need for adequate staffing for large-scale and emergency programs, and increased time needed for establishing new software solutions
- Consider agency and enterprise readiness in implementing large-scale programs and software solutions



Eviction Diversion & Prevention Funds

Package includes national best practices combining local rental assistance, mediation, case management, and legal services

Pending:

- Oregon Worker Relief Coalition | \$14.M— Intervention planning & pilot successful; ongoing negotiations on full project plan
- Portland State University (PSU) Program Evaluation | \$2M
- \$500k expended this biennium, requesting Other Funds transfer for remainder
- Oregon State Bar | \$700k — awaiting final contracting; may request \$300k Other Funds transfer

Allocated: \$100M, allocated in December 2021 + \$18 million allocated in March 2022

Deployed:

- Oregon Eviction Diversion and Prevention (ORE-DAP) | \$58M – on track to spend down fully
- Eviction Prevention Rapid Response (EPRR) | \$8.95M – fully spent down
- Oregon Health Authority (OHA) community-based orgs | \$11M – on track to spend down fully
- Mediation Pilots | \$1.25M – on track to spend down fully
- ICF Eviction Prevention System Design Contract | \$748k on track to spend down fully
- Partner Investments (CAT, SETA, OLC, DVSA, 211 Info, Fair Housing Council, Expiring Subsidy Pilots)| \$8.2 M – on track to spend down fully
- Project Empowerment via Urban League of PDX| \$8.3M – on track to spend down fully
- IRCO case management & legal services | \$3.2M – on track to spend down fully



Low-Income Home Water Assistance Program (LIHWA)

- Established by Congress in 2021 through ARPA and Consolidated Appropriations Act; one-time funds
- OHCS was designated as State of Oregon grantee
- Designed to provide households with low-income assistance for their drinking water and wastewater services costs; payments made directly to utilities
- 9,565 unduplicated households served
- 25,719 individuals served
- \$415 average payment
- 16% of individuals served are BIPOC Oregonians
- 56% of households served are renters

Allocated: \$13,859,132 — COVID Federal Funds via US Dept. of Health & Human Services (DHHS)

Spent down: \$5,140,253 expended— full spend-down anticipated with key program shifts including:

- Increasing allowable base assistance amount from \$100 to \$300 to match high need and create greater household stability
- Reallocations across providers based on need

Lessons Learned:

- Due to federal rules, LIHWA cannot support Oregonians who live in multi-family dwellings
- Water assistance is a new form of assistance in Oregon; the need is high
- Vendor policies regarding disconnection and arrearage accrual require flexible operations



Emergency Solutions Grant- Coronavirus Relief (ESG-CV)

Funds allocated via CARES Act “to prevent, prepare for, and respond to coronavirus, among individuals and families who are homeless or receiving homeless assistance and to support additional homeless assistance and homelessness prevention activities to mitigate the impacts created by coronavirus”

- 25,012 individuals served through ESG-CV
- 28 new provider partners

Allocated: \$56,437,695 in Federal funds

Spent down: \$45,991,434 spent to date and full spend-down anticipated by September 2023

Lessons Learned:

- Federal program flexibilities allowed for innovation in shelter (i.e.: pallet shelters)
- New providers created innovative and critical responses to homelessness during the pandemic
- Quick action from the Legislative Assembly to allow for flexible delivery to new partners from the August 2020 Special Session
- One-time federal funds met ongoing need for homeless services funds



Homelessness Response & Capacity Building – State Funds

Allocated: \$50M for homelessness system infrastructure support from 2022 Short Session
\$25M for Shelter Capacity & \$2M for Shelter technical assistance from 2021 Session

Pending:

- Navigation Centers- 7 of 8 contracts executed
- Tribal Contracting- 5 of 9 contracts executed
- Project Turnkey 2.0 – \$2.5M set aside, funded as project are selected by OCF
- OOTC: Reallocations to meet highest needs and expand shelter capacity anticipated
- CoC and Partner Capacity Investments: Anticipate \$500k remaining by end of biennium

Deployed:

- Out of the Cold (OOTC) and Homelessness Response and Prevention Services | \$35M
- Project Turnkey 1.0 operational funds | \$8.3M – Full spend-down anticipated by June 2023
- Navigation Centers | \$12.6M – Full spend-down anticipated by June 2023
- Tribal Investments | \$9M – Full spend-down anticipated by June 2023
- ODHS Youth Experiencing Homelessness (YEH) program | \$9M – Funds transferred via IAA
- PSU Homelessness Research Action Center (HRAC) Evaluation | \$770k– Contract secured, anticipate full spend down
- MWVCAA Shelter+ Pilot | \$2M, expect full spend down by June 2023
- CAA Capacity | \$686k - Expect a full spend down by June 2023
- Built for Zero & CoC | \$1M - Anticipate \$500k remaining by June 2023
- Wildfire Impacted Homeless Response – ODHS Partnership| \$3M – Full spend-down anticipated by June 2023
- Shelter Technical Assistance | \$2M – RFP currently live



Homelessness Response & Capacity Building – State Funds

Outcomes:

- Navigation Centers: 287 shelter beds online currently across Deschutes, Douglas, Lane and Multnomah counties
 - 243 additional shelter beds will come online from the remaining 4 Navigation Centers by June 30, 2023
- All 17 Project Turnkey 1.0 sites operational: 777 shelter beds online currently across Benton, Deschutes, Douglas, Jackson, Lane, Lincoln, Marion, Multnomah, Umatilla, Washington, and Yamhill Counties
- Tribal Contracting, 5 contracts executed
 - First time OHCS is contracting directly with Tribal governments
 - Once operational, will provide; homelessness prevention assistance to 225 households and will create 50 new shelter beds.
- Out of the Cold (OOTC) and Homelessness Response and Prevention Services (HRPS): 762 additional beds created and 451 beds in development
- 26 new provider partners received funding

Lessons Learned:

- New program development requires additional time to launch
- Contracting constraints
- New partnerships create opportunity and new challenges, including contracting constraints, additional support, etc.
- Limited provider capacity



Homeless System Improvement Investments

Taskforce on Homelessness & Racial Disparities

- Taskforce established via [House Bill 2100](#) (2021)
- \$362,977 provided after Taskforce extension in 2022 via House Bill 4051
- Funds support ongoing contract for facilitation
- Taskforce meets monthly with more frequent subcommittee meetings to discuss specific topics
- Full spend-down of funds anticipated by June 2023

Interagency Council on Homelessness

- Established via [Executive Order](#) from Governor Kate Brown in 2022
- \$500,000 allocated in 2022 Session
- Interagency Council on Homelessness has launched and is staffed by OHCS with support from contracted experts
- Full spend-down of funds anticipated by June 2023

