



OREGON HOUSING *and* COMMUNITY SERVICES

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March 31, 2023

Joint Committee On Ways and Means
Subcommittee On Transportation and Economic Development
900 Court Street NE
Salem, OR 97301

RE: Key Performance Measures (KPMs) Information

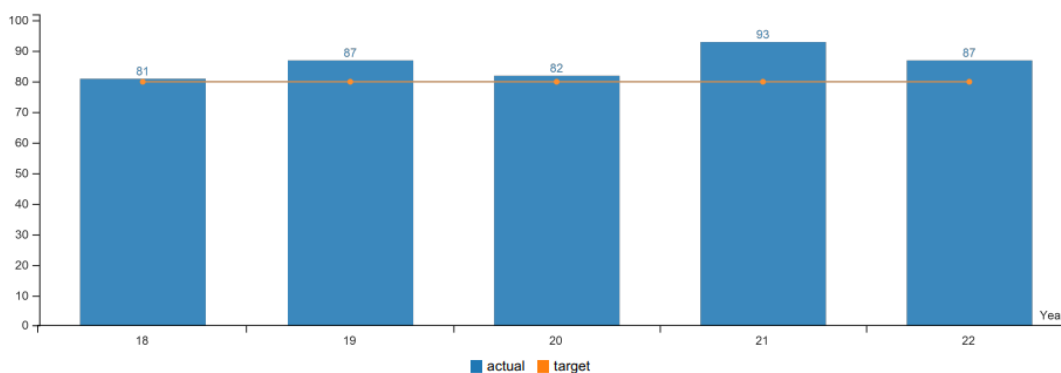
Co-Chairs Woods and Gomberg, Members of the Joint Committee On Ways and Means Subcommittee On Transportation and Economic Development,

OHCS appreciate the unrushed time to discuss the remaining elements of the agency budget presentation. We appreciated the thoughtful dialogue on reduction options, key performance measures, and pending legislations. A number of questions were raised that required more detailed follow up.

Trends across KPMs:

Senator Woods asked for the five-year trends on our Key Performance Measures. The images below come from OHCS' [2022 Key Performance Report](#), and provide additional data. Each of the Key Performance Measures show the past five years unless the Key Performance Measure has not been monitored for that length of time.

KPM 1 on Homeless Prevention and Services: This KPM measures the percentage of households who were previously experiencing homelessness and were able to move into permanent housing who retained that housing for six months or longer. OHCS aims to ensure that 80% of households maintain stable housing for six months or longer and has met that goal for at least the last 5 years.



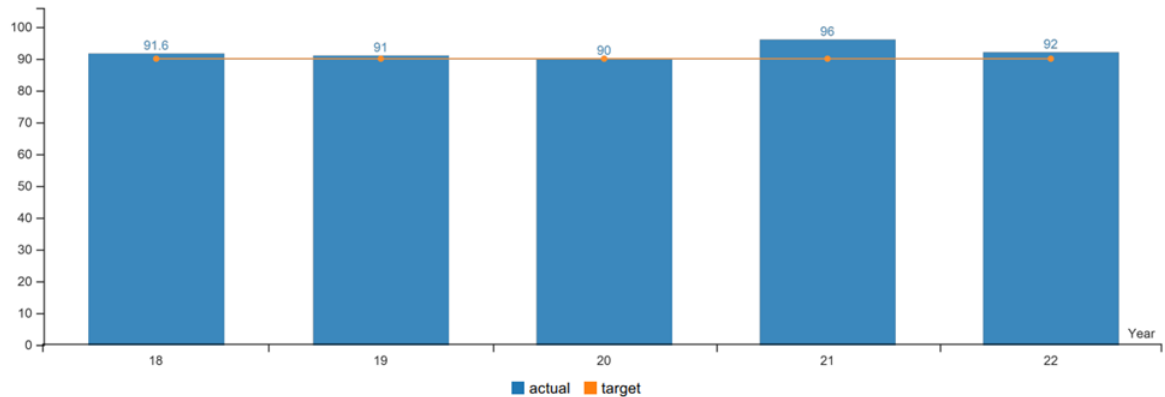
Report Year	2018	2019	2020	2021	2022
Percentage of homeless Oregonians remaining in permanent housing six months or longer					
Actual	81%	87%	82%	93%	87%



OHCS Response to Questions – March 31, 2023

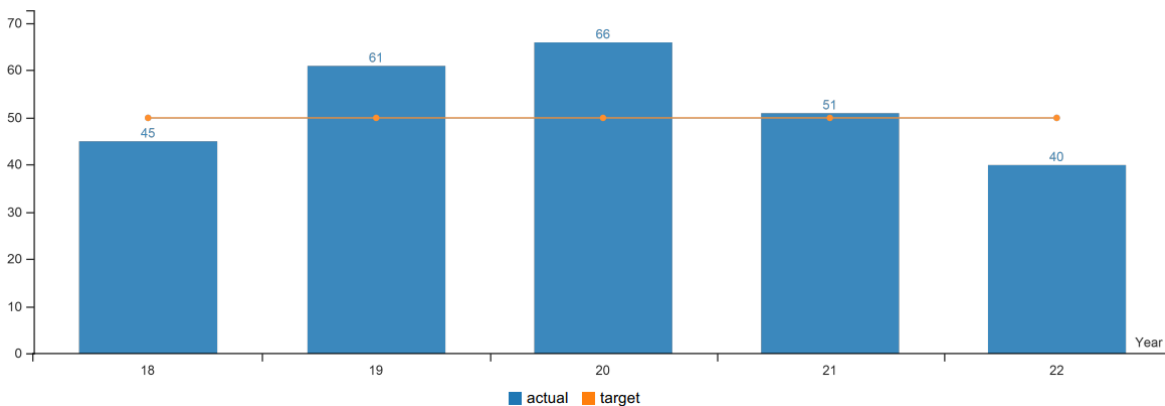
Target	80%	80%	80%	80%	80%
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KPM 2 on Energy Assistance: This KPM measures the percentage of payments made to prevent power disconnections out of all crisis energy assistance payments. OHCS aims to ensure that 90% of households receiving crisis energy assistance received payment for the prevention of power disconnections and has met that goal for the last five years.



Report Year	2018	2019	2020	2021	2022
Energy Assistance					
Actual	91.60%	91%	90%	96%	92%
Target	90%	90%	90%	90%	90%

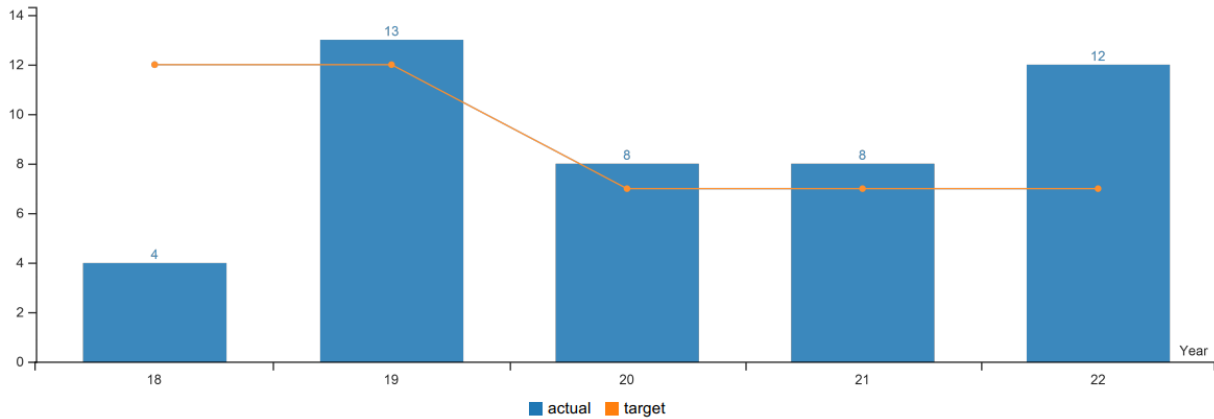
KPM 3 on Affordable Rental Housing: This KPM measures the percentage of regulated multifamily housing units funded with grants, tax credits, and bonds, that will be affordable to households earning at or below 50% of the area median income. OHCS aims that 50% of rental units approved for funding will be affordable to households at or below 50% of the area median income. We did not meet this goal in 2022.



Report Year	2018	2019	2020	2021	2022
Affordable Rental Housing					
Actual	45%	61%	66%	51%	40%
Target	50%	50%	50%	50%	50%

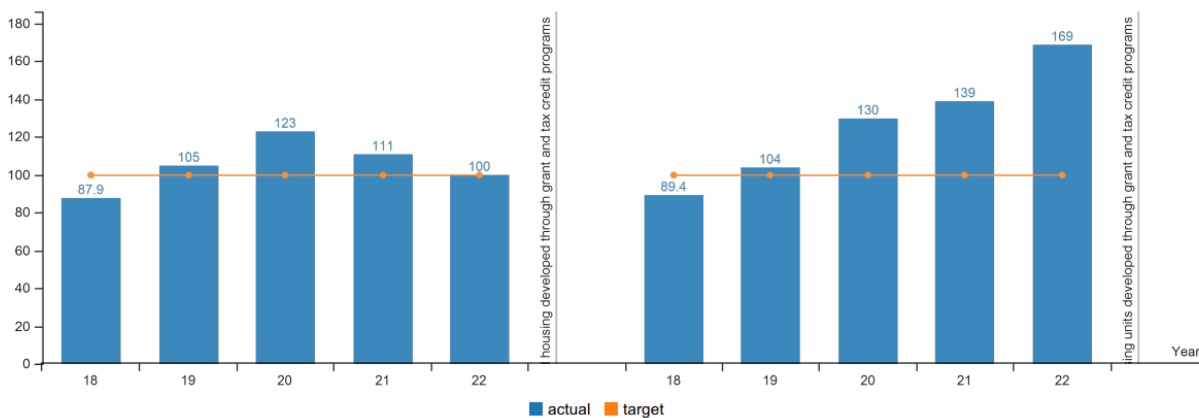


KPM 4 on Affordable Rental Housing for People with Disabilities: This KPM measures the percentage of affordable rental housing units funded that provide rental opportunities for low-income individuals with physical or mental disabilities. OHCS aims to ensure that 7% of rental units approved for funding, will be set-aside for individuals with physical, developmental, or mental disabilities. OHCS has met this goal the past four years.



Report Year	2018	2019	2020	2021	2022
Affordable Rental Housing					
Actual	4%	13%	8%	8%	12%
Target	12%	12%	7%	7%	7%

KPM 5 on Affordable Rental Housing Construction Costs: This KPM measures the construction costs per square foot for: newly constructed housing units developed through grant and tax credit programs; and construction costs per square foot for rehabilitated housing units developed through grant and tax credit programs, as compared to national RS Means data. OHCS aims to ensure that the average cost per square foot of construction is equivalent to the national cost of construction and has met that goal for the past four years. This KPM does not take into account cost drivers unique to Oregon or affordable housing. Additionally, meeting this is more challenging for preservation developments as affordable housing developments may have more deferred maintenance, thus undertaking larger rehabilitation efforts in lengthier intervals than private housing.

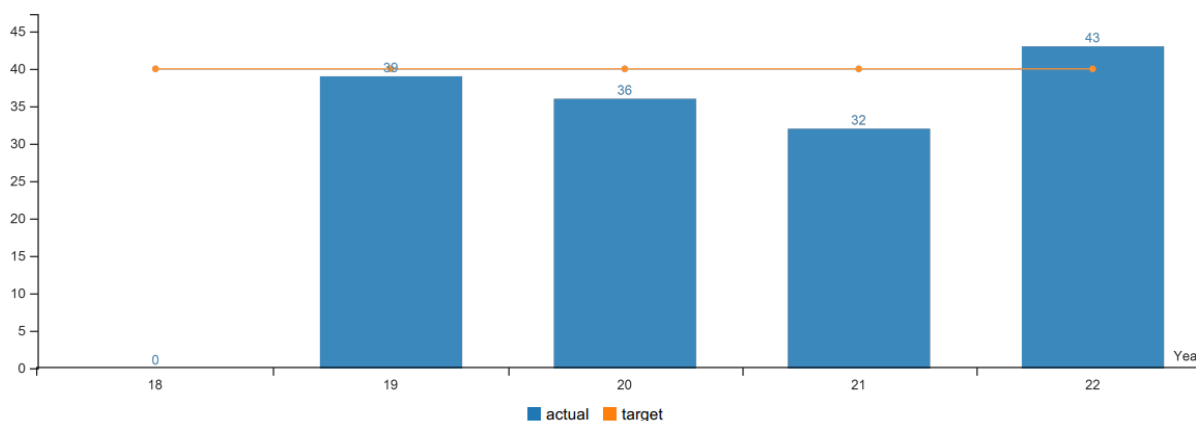


Report Year	2018	2019	2020	2021	2022
a. Cost per square foot of newly constructed housing developed through grant and tax credit					



programs					
Actual	87.90%	105%	123%	111%	100%
Target	100%	100%	100%	100%	100%
b. Cost per square foot for rehabilitated housing units developed through grant and tax credit programs					
Actual	89.40%	104%	130%	139%	169%
Target	100%	100%	100%	100%	100%

KPM 6 on Affordable Rental Housing Areas of Opportunity: This KPM measures the percentage of affordable rental housing units funded with 9% Low Income Housing Tax Credits or HOME program funds that will be developed in high opportunity areas. High opportunity areas are defined as census tracts that meet two of the following three criteria: low poverty rate, below average unemployment rate, high ratio of jobs to labor force. OHCS aims to ensure that 40% of 9% LIHTC or HOME program funds are used in high opportunity census tracks. OHCS met this goal for the first time in 2022.

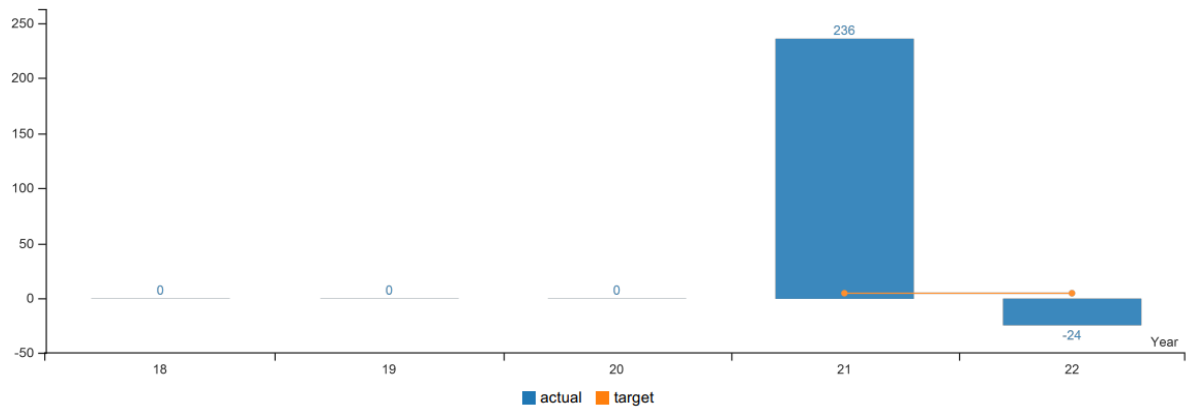


Report Year	2018	2019	2020	2021	2022
Affordable Rental Housing					
Actual	0%	39%	36%	32%	43%
Target	40%	40%	40%	40%	40%

KPM 7 on Affordable Rental Housing in Rural Areas: This KPM measures the percent increase in the number of affordable rental housing units that will be developed in rural areas. Rural areas are defined as: communities with population 15,000 or less outside of the Portland Urban Growth Boundary in counties within Metropolitan Statistical Areas (Benton, Clackamas, Columbia, Deschutes, Jackson, Josephine, Lane, Marion, Multnomah, Polk, Washington and Yamhill Counties) and communities with 40,000 population or less in the balance of the state. OHCS aims to ensure that a 5% increase of affordable rental housing units be developed in rural areas. OHCS met this goal in 2021 but not in 2022. LFO has approached OHCS about rewriting this KPM to align with yesterday’s committee conversation.

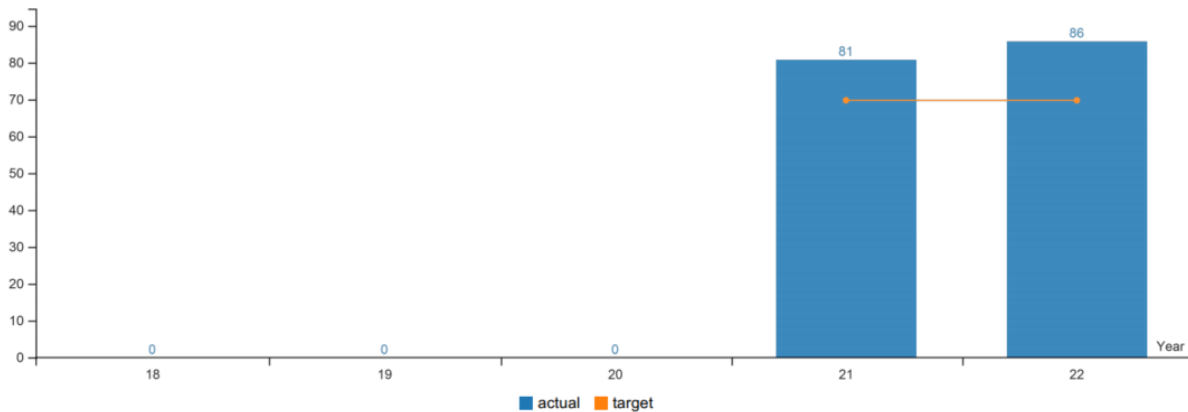


OHCS Response to Questions – March 31, 2023



Report Year	2018	2019	2020	2021	2022
Affordable Rental Housing in Rural Areas					
Actual				236%	-24%%
Target				5%	5%

KPM 8 on Homeownership: This KPM measures percentage of households at or below the county median family income served by the Oregon Bond Residential Loan program. OHCS aims to ensure that that 70% of loans made through the Oregon Bond Residential Loan Program goes to households at or below the county median family income and has met that goal the past two years.

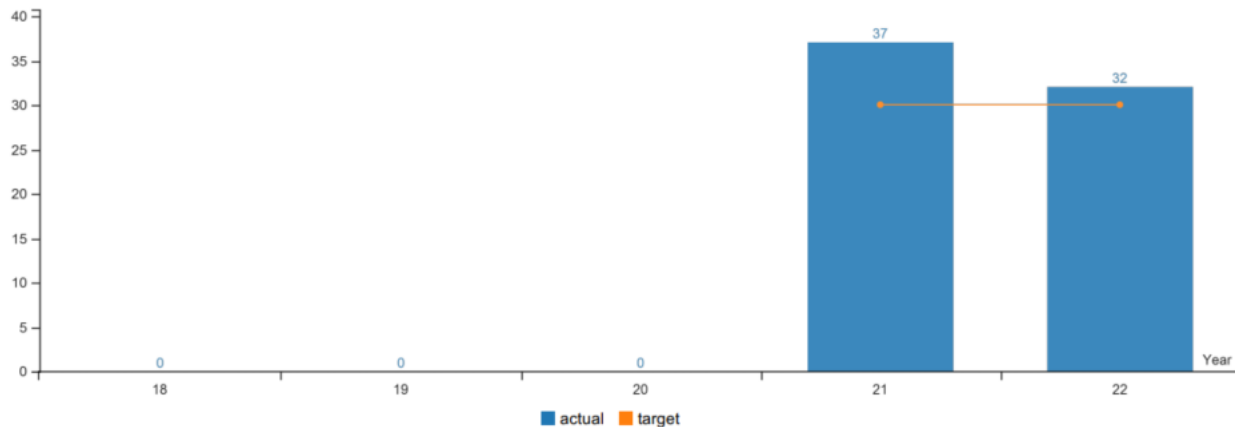


Report Year	2018	2019	2020	2021	2022
Homeownership					
Actual				81%	86%
Target				70%	70%

KPM 9 on Homeownership Service to People of Color: This KPM measures the percentage of people served by all OHCS homeownership programs who identify as people of color. OHCS aims to ensure that 30% of those served by OHCS homeownership programs identify as people of color and has met that goal for two years.

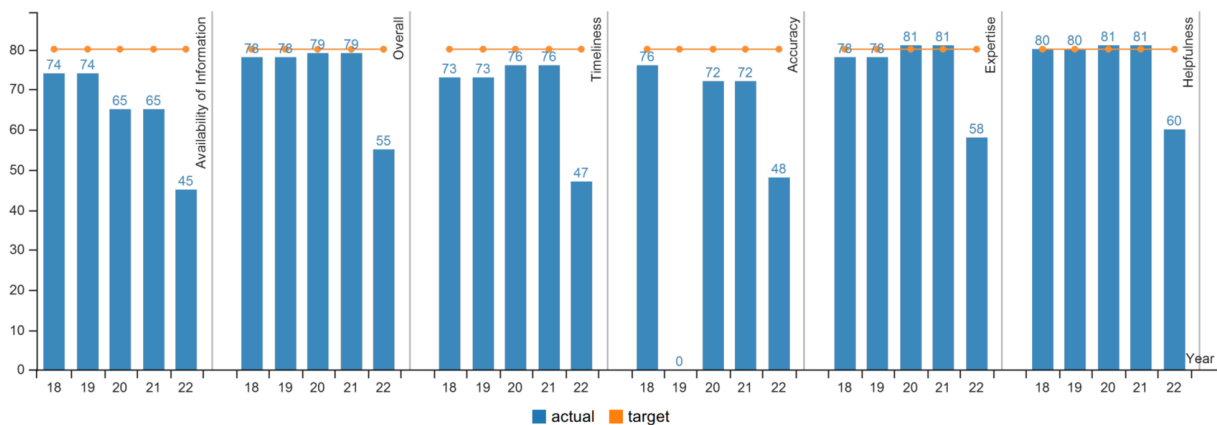


OHCS Response to Questions – March 31, 2023



Report Year	2018	2019	2020	2021	2022
Homeownership Services to People of Color					
Actual				37%	32%
Target				30%	30%

KPM 10 on Agency Customer Service: This KPM measures percentage of customers rating their satisfaction with the agency’s customer service as “good” or “excellent”: timeliness, accuracy, helpfulness, expertise, availability of information, overall. OHCS aims to ensure that 80% of customers rate their satisfaction with the agency’s customer service. OHCS did not meet this goal in 2022.



Report Year	2018	2019	2020	2021	2022
Availability of Information					
Actual	70%	74%	65%	65%	45%
Target	80%	80%	80%	80%	80%
Overall					
Actual	78%	78%	79%	79%	55%



OHCS Response to Questions – March 31, 2023

Target	80%	80%	80%	80%	80%
Timeliness					
Actual	73%	73%	76%	76%	47%
Target	80%	80%	80%	80%	80%
Accuracy					
Actual	76%	-	72%	72%	48%
Target	80%	80%	80%	80%	80%
Expertise					
Actual	78%	78%	81%	81%	58%
Target	80%	80%	80%	80%	80%
Helpfulness					
Actual	80%	80%	81%	81%	60%
Target	80%	80%	80%	80%	80%

Cost drivers for affordable housing:

Representative Gamba asked about the impact of prevailing wage on affordable housing. In 2019 an [OHCS commissioned study](#) looked at forces that drive the cost of developing affordable multi-family rental housing in Oregon. The study found that local factors, size of project, height of building, and land costs all impacted the cost of development. One cost driver the study found, was prevailing wage requirements. Projects that pay prevailing wages ended up costing nine percent more on average after controlling for other project characteristics. A related conclusion was also reached in [a study examining co-location](#) of affordable housing and childcare facilities.

State Subsidy per Unit:

Representative Cate asked what the average state subsidy per affordable home funded by OHCS. Affordable housing costs vary based on several factors. Overall, the average subsidy cap (or maximum) per affordable home funded by OHCS is \$205,000. This number averages maximum subsidies set for rural and urban development, various federal and state funding sources, and all unit bedroom sizes.

In the last two biennia, OHCS has expanded our work and is poised to make meaningful progress on our housing production and services goals using stress tested systems. You should expect OHCS to continue to bring forward housing solutions to address needs across the housing continuum, from homelessness to rental housing to homeownership, for Oregonians in every corner of the state. In doing so, you will hear us raise administrative considerations and efficiencies as we work collectively to solve Oregon's housing crisis. We look forward to that work.

In partnership,
Caleb Yant
OHCS Deputy Director

