

OHCS Budget Presentation: Supplementary Materials

2023-25 Biennium

February 2023



Oregon Housing and Community Services (OHCS) provides housing solutions for low- and moderate-income Oregonians across the housing continuum. As Oregon's Housing Finance Agency, we offer financing for the development and preservation of affordable homes and competitive lending and assistance for homebuyers. OHCS also funds homeless services, antipoverty programs, and asset building. OHCS, with some notable exceptions, is not a direct service provider.

VISION: All Oregonians have the opportunity to pursue prosperity and live free from poverty.

MISSION: We provide stable and affordable housing and engage leaders to develop integrated statewide policy that addresses poverty and provides opportunity for Oregonians.



Working together to serve individuals, families
and communities throughout Oregon



OREGON HOUSING AND COMMUNITY SERVICES
CROSS-AGENCY STRATEGIC ALIGNMENT

**HEALTH
OUTCOMES**



**JUSTICE
OUTCOMES**



**EDUCATION
OUTCOMES**



**ECONOMIC
OUTCOMES**



HOUSING IS FOUNDATIONAL

In 2020, OHCS became a crisis response agency. Every aspect of our work shifted to COVID response, including deploying historic levels of rent assistance, providing guidance and support to Oregon's shelter network, responding to the devastating 2020 Labor Day wildfires, and more. The 2021-23 Biennium has continued much of this work, and [OHCS deployed more than \\$2 billion in one-time funds](#) to advance emergency response efforts and solutions to Oregon's housing crisis.

The next biennium is vital to addressing the longstanding housing crisis. OHCS, our partners, and Oregon as a whole, have collectively made progress on some intractable housing needs. Through the lens of humanity, Oregon is relentless in pursuing solutions that work in all corners of the state. We don't accept homelessness as a fact of life. OHCS and our partners are making measurable progress to address homelessness and create housing stability for Oregonians. The road will be long. It took us decades to get to this point, it will take concentrated action and coordination to create an Oregon where affordable, safe housing is a fact of life. Oregon must work in partnership – across public and private sectors, across disciplines – to create that future.



HOUSING STABILITY COUNCIL

The Oregon State Housing Stability Council holds regularly scheduled monthly meetings, usually the first Friday of each month, to review OHCS policy and make recommendations. The nine-member Council is charged with meeting the tremendous need for the provision of affordable housing for lower-income Oregonians. The Council members are appointed by the Governor, subject to confirmation by the Senate under ORS 171.562 and 171.565.

COUNCIL MISSION: To provide leadership in, and review and set policy for, the development and financing of affordable housing throughout the state of Oregon.



Council Chair
Claire Hall



Councilmember
Sami Jo Difuntorum



Councilmember
Barb Higinbotham



Councilmember
Mary Ferrell



Councilmember
Mary Li



Councilmember
Javier Mena



Councilmember
Sharon Nickleberry Rogers, CPA

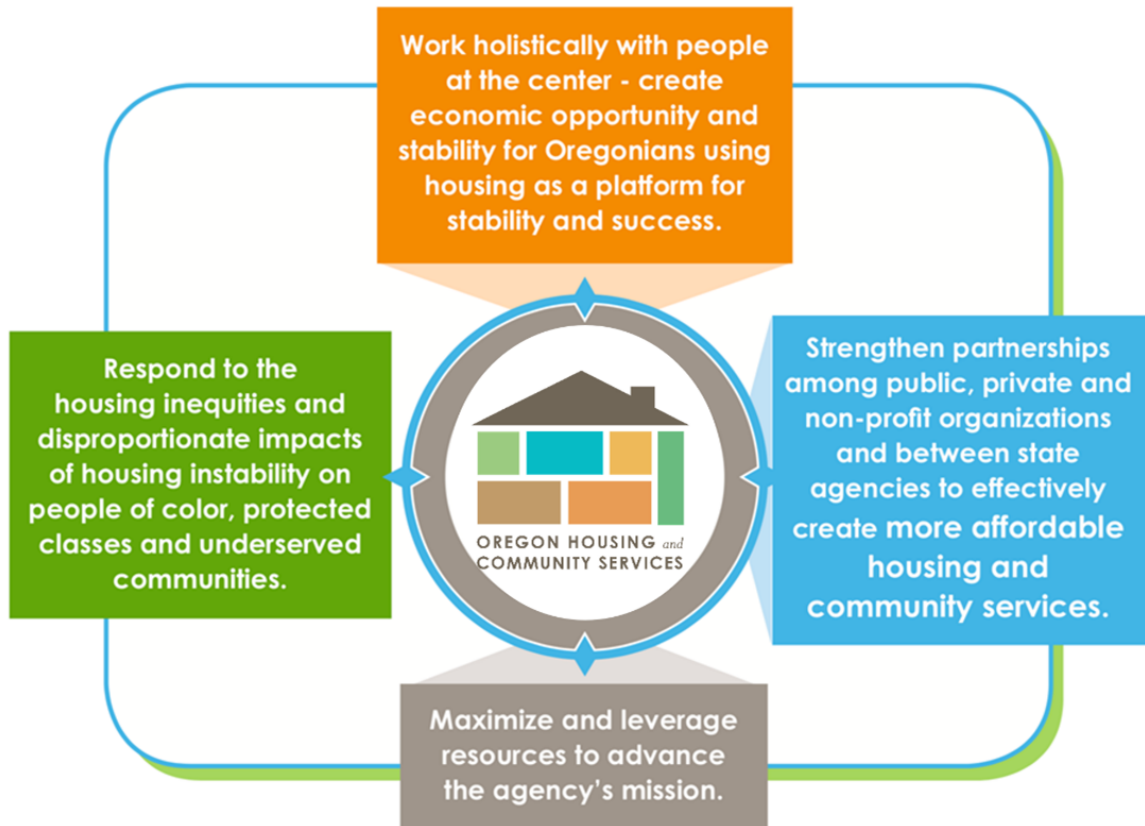


Councilmember
Gerard F. Sandoval, PhD



STATEWIDE HOUSING PLAN

Oregon's Statewide Housing Plan, titled [Breaking New Ground](#), was carefully crafted after coupling the input received in more than 40 community meetings held throughout the state with extensive analysis of community need data. *Breaking New Ground*, [Oregon's five-year Statewide Housing Plan](#), articulates how Oregon Housing and Community Services (OHCS) will pave the way for more Oregonians to have access to housing opportunities and achieve housing stability and self-sufficiency through six policy priorities. These priorities include [equity and racial justice](#), [ending unsheltered homelessness](#) for Oregon's veterans and children, [permanent supportive housing](#), bridging the [affordable rental housing gap](#) through an ambitious rental housing production agenda, [expanding homeownership opportunities](#), and addressing the [housing needs of rural Oregon](#). [The latest report on the Plan can be found online](#), and a summary of the priorities and progress is on the next page.





PRIORITY: EQUITY & RACIAL JUSTICE

Identify and address institutional and systemic barriers that have created and perpetuated patterns of disparity in housing and economic prosperity.



PRIORITY: HOMELESSNESS

Build a coordinated and concerted statewide effort to prevent and end homelessness, with a focus on ending unsheltered homelessness of Oregon's children & veterans.



PRIORITY: PERMANENT SUPPORTIVE HOUSING

Invest in permanent supportive housing, a proven strategy to reduce chronic homelessness and reduce barriers to housing stability.



PRIORITY: AFFORDABLE RENTAL HOUSING

Work to close the affordable rental housing gap and reduce housing cost burden for low-income Oregonians.



PRIORITY: HOMEOWNERSHIP

Expand homeownership for low and moderate income Oregonians with the tools to successfully achieve and maintain homeownership, particularly in communities of color.



PRIORITY: RURAL COMMUNITIES

Change the way OHCS does business in small towns and rural communities to be responsive to the unique housing and service needs and unlock the opportunities for housing development.



Equity & Racial Justice



Homelessness

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



On track



Permanent Supportive Housing

Funded over 1,200 units of permanent supportive housing.



Complete/
Will exceed



Affordable Rental Housing

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



On track



Homeownership

Assisted 1,568 households in becoming successful homeowners.



In progress



Rural Communities

Funded 3,612 affordable housing units in rural Oregon.



Complete/
Will exceed



OHCS SPONSORED LEGISLATION*

Bill	Summary
HB 2761	Expands OHCS ability to fund affordable units within mixed income developments
HB 3151	Extends the Manufactured Housing Dispute Resolution Advisory Committee and permits OHCS to provide grants for Legal Assistance for tenants, among other non-agency drafted provisions
HB 3215	Creates the Disaster Housing Recovery Fund. Additionally, OHCS is seeking the ability to contract directly with entities rebuilding residential homes post-disaster.
SB 225	Changes use of Private Activity Bonds for affordable housing
SB 892	OHCS statute clean up bill: confirms Tribal access to OHCs capacity building and income level for certain programs, streamlines rulemaking, expands procurement authority, ensures OHCS can lend down payment assistance with all mortgage productions, and cleans up account language and sunsets unused accounts.
SB 893	Placeholder (as of 2/13) that will be used to streamline how OHCS deploys grants related to the rental market

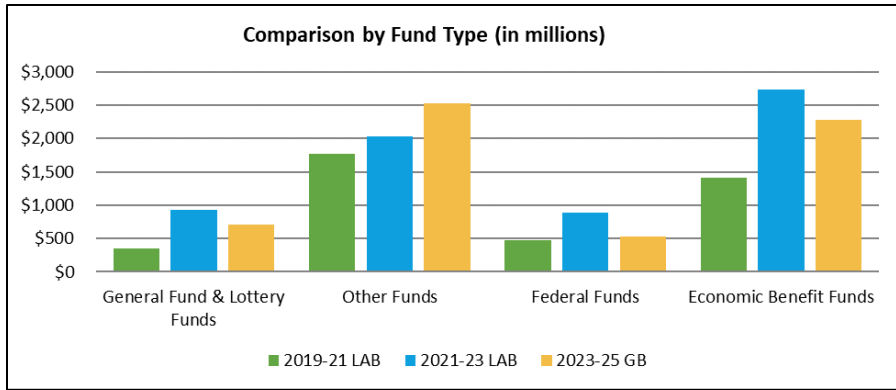
* Due to the timing of the Governor's transition, some agency bills have been introduced by legislators or committees,



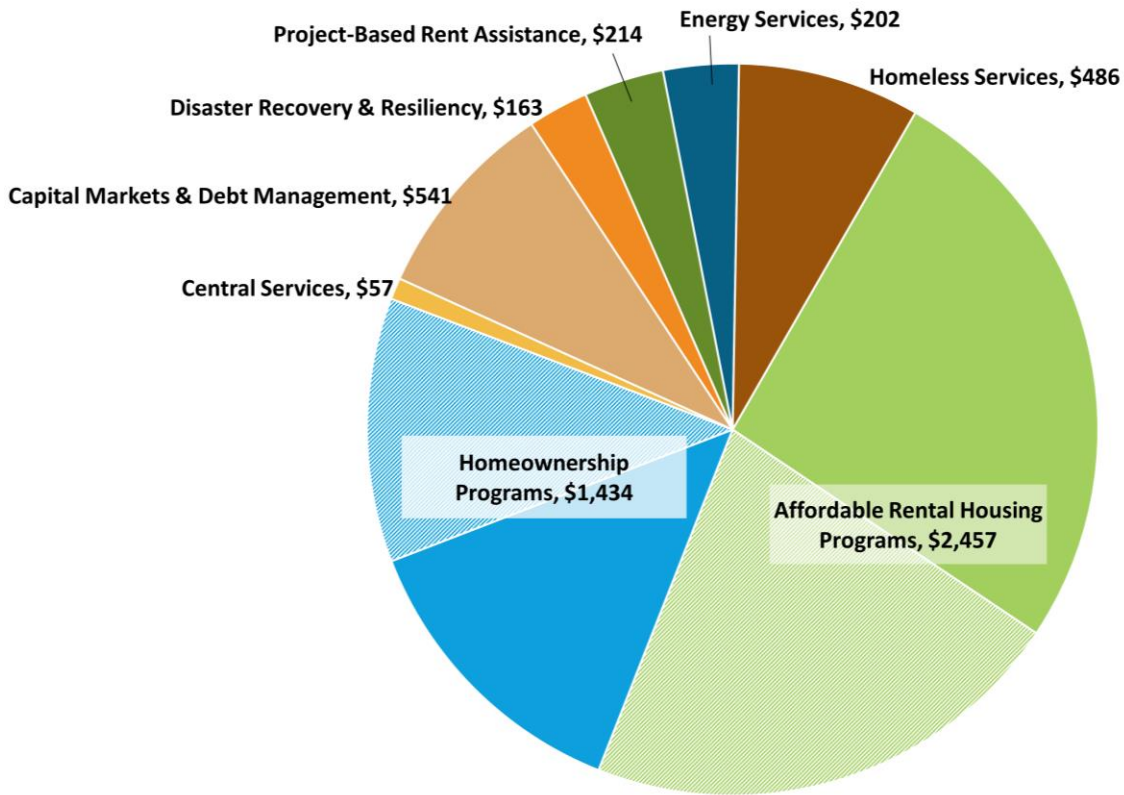
AGENCY BUDGET

FUND TYPE	2019-21 LAB	2021-23 LAB	2023-25 GB
General Fund & Lottery Funds	\$353	\$934	\$708
Other Funds	\$1,763	\$2,034	\$2,521
Federal Funds	\$469	\$885	\$533
Economic Benefit Funds	\$ 1,408.6	\$ 2,733.2	\$ 2,279.0
All Funds	\$3,994	\$6,587	\$6,041

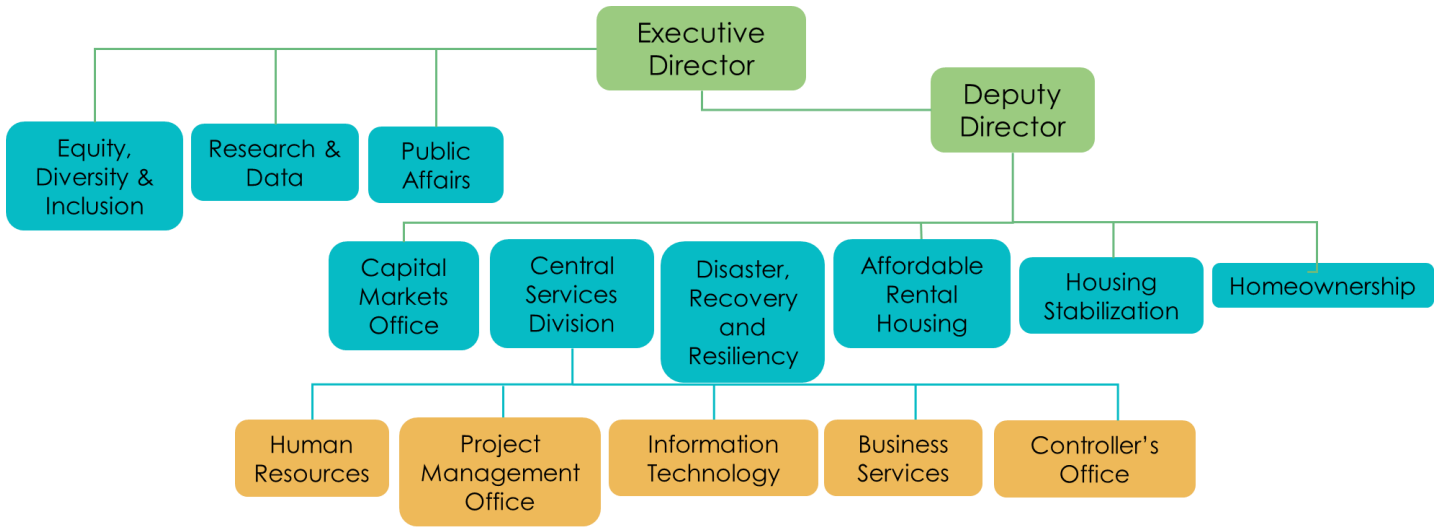
Read the [Governor's Recommended Budget](#) for more information.



Funding by Program Area (in millions)

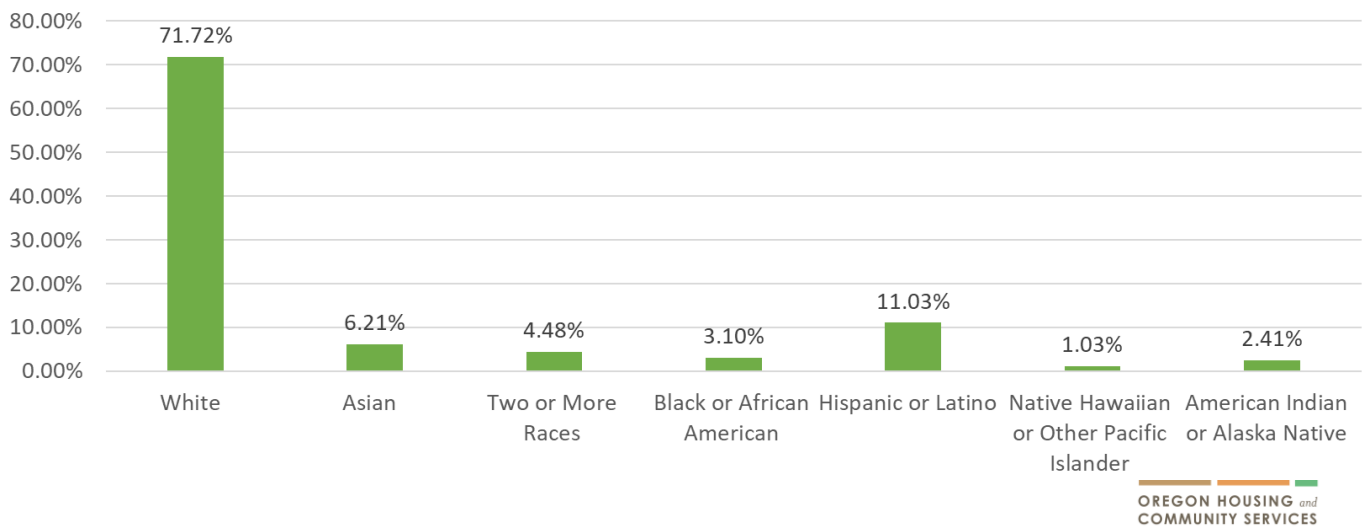


STAFFING & ORGANIZATIONAL STRUCTURE



Positions in Governor's Budget	Supervisory	Non-supervisory	Total
Central Services	19	142	161
Affordable Rental Housing Division	10	113	123
Disaster Recovery and Resilience	6	36	42
Homeownership Division	7	33	40
Housing Stabilization	6	54	60
Total	48	378	426

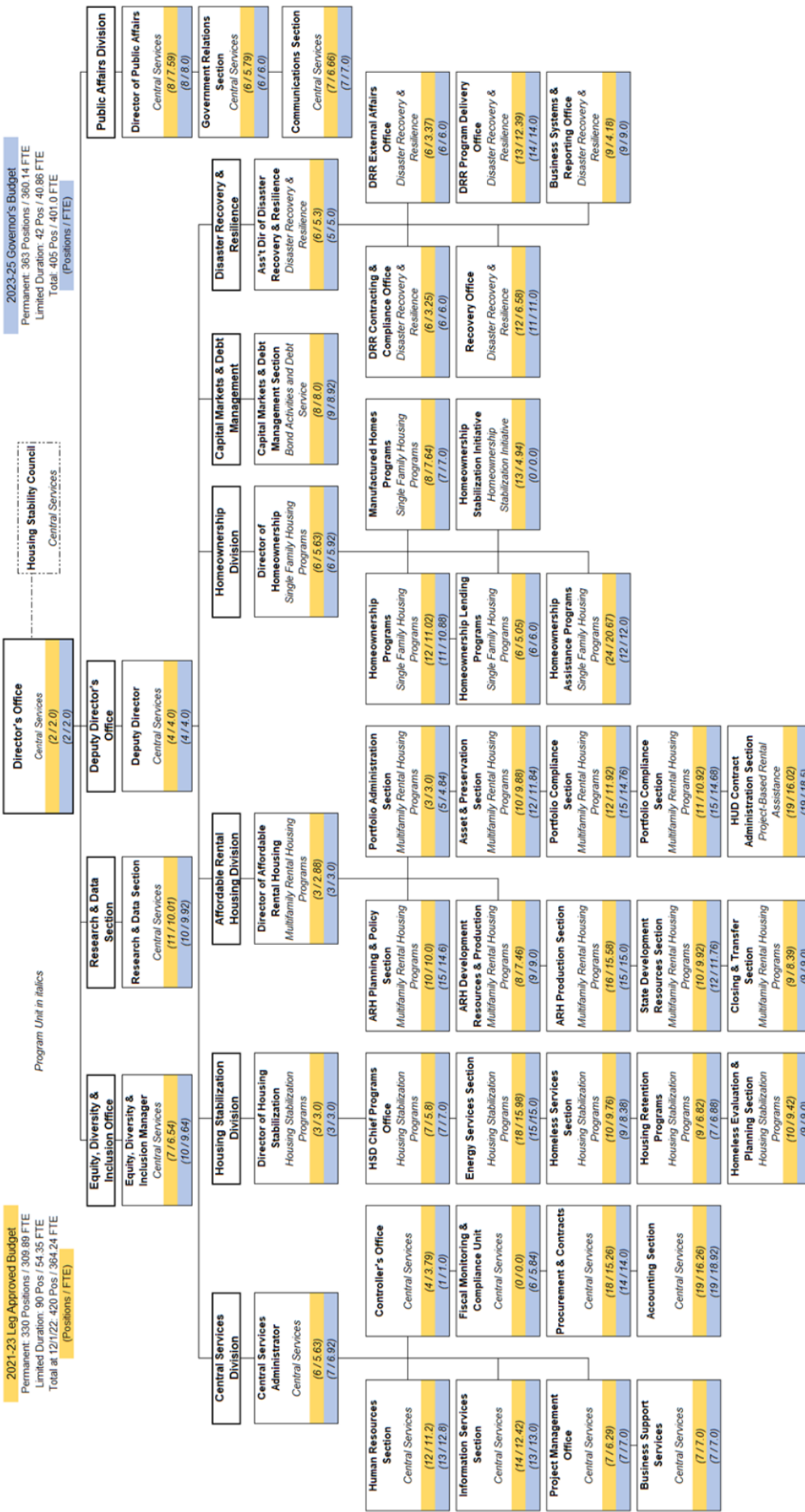
Staff Demographics (2/1/23)



2021-23 Leg Approved Budget
 Permanent: 330 Positions / 309.89 FTE
 Limited Duration: 90 Pos / 54.35 FTE
 Total at 12/1/22: 420 Pos / 364.24 FTE
 (Positions / FTE)

2023-25 Governor's Budget
 Permanent: 363 Positions / 360.14 FTE
 Limited Duration: 42 Pos / 40.86 FTE
 Total: 405 Pos / 401.0 FTE
 (Positions / FTE)

Program Unit in Italics

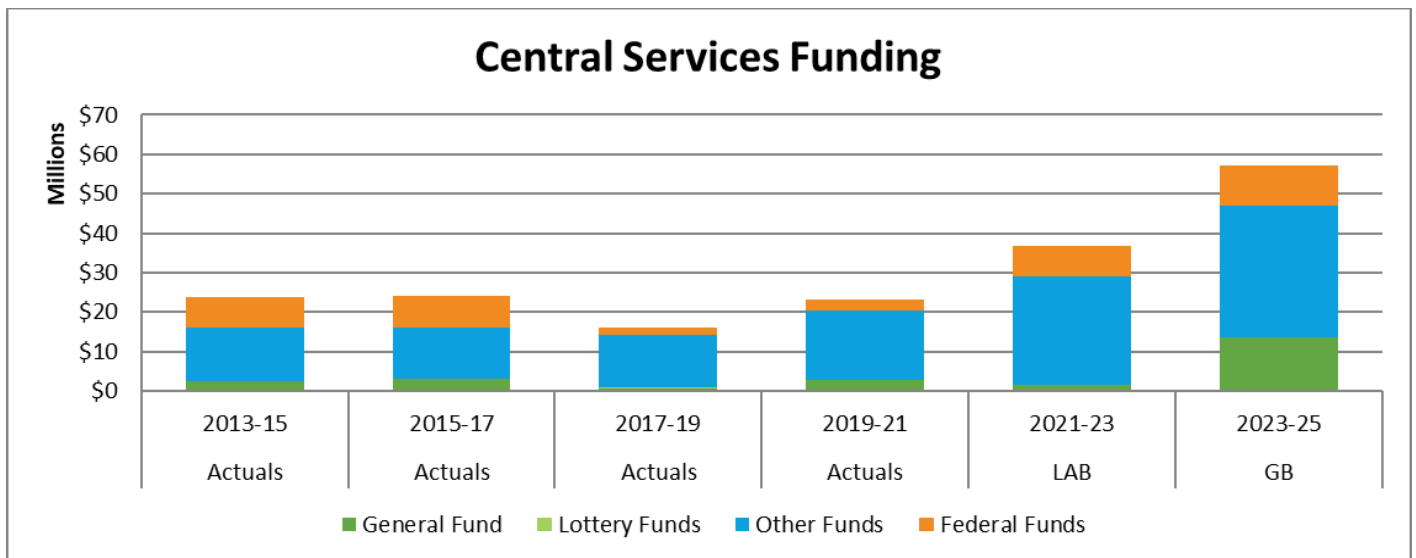


CENTRAL SERVICES

Budget Area Includes:

- Research and Analysis Section
- Equity, Diversity and Inclusion Office
- Central Services Division (procurement, human resources, information services, project management, controller/accounting, budget, business services)
- Public Affairs Division (communication, government relations, engagement)
- Deputy Director's Office (debt management)
- Executive Director's Office

Fund Type	2019-21 Actuals	2021-23 LAB	2023-25 GB
General Fund & Lottery Funds	3	2	14
Other Funds	18	27	33
Federal Funds	3	8	10
All Funds	24	37	57
Usage	2019-21 Actuals	2021-23 LAB	2023-25 GB
Operating Costs	24	37	57
Program Payments	0	0	0
All Funds	24	37	57
Postions/FTE	77/68.67	125/114.54	145/142.54



2023-25 Governor's Budget includes funds that would typically be in programmatic division budgets, including language access, training, and technical assistance (POP 103). The investments proposed include assessments to determine how best to fund that work moving forward.



The New Project Management Office (PMO)

The PMO supports coordinated program design and implementation of operational excellence and is responsible for providing project coordination, applying project management strategies, and creating appropriate project documentation for agencywide initiatives. This includes leading the Project Governance Committee, the decision-making body for project portfolio management at OHCS, responsible for ensuring the effective and efficient use of resources and technology to enable the agency to achieve its strategic goals. The PMO also manages the OHCS Project Portfolio Management framework, a set of tools and processes to strategically identify, prioritize, authorize, resource, and monitor projects in alignment with agency goals. The framework is intended to provide collective visibility and accountability for project selection and resource commitments, helping to ensure the agency is doing the right projects, allocating resources in the right areas, and continuously addressing resource challenges or other structural impediments to maximize project success. This work is vital to program development and delivery throughout the agency.

POLICY OPTION PACKAGES

- Policy Package 070 Revenue Reductions/Shortfall (agencywide):** phases out positions funded with one-time resources. Four positions were approved in House Bill 5011 (2021) and 14 positions were authorized by Senate Bill 5561 (2021 Second Special Session) in relation to the federal Emergency Rental Assistance program, which was funded through COVID 19 relief legislation. OHCS is requested permanent positions because the programmatic and agency support functions needed to continue regardless of the short-term (one-time funding) situation. GF \$0 | LF \$0 | OF \$-3,131,042 | FF \$-923,081 | Pos. -18, FTE -18.0
- Policy Package 101 Retaining Quality Staff:** Restores positions eliminated in POP 070 with on-going funding. All positions in the Housing Stabilization Division perform duties related to homeless services. In the Central Services program unit, we are requesting to restore positions in the Equity, Diversity, and Inclusion (EDI) Office, Research and Analysis Section, Communications Section, Public Affairs Division, Central Services Administration Office, Procurement and Contracts Section, and Information Services Section. GF \$0 | LF \$0 | OF \$3,787,885 | FF \$395,882 | Pos. 19, FTE 19.0
- Policy Package 102 Improving Program Delivery and Access (agencywide):** This package will enable OHCS to address the agency’s internal infrastructure by fill the various operational gaps to better support the agency.

Position Breakdown	Supervisory	Non-supervisory	Total
Affordable Rental Housing Division	0	20	20
Homeownership Division	2	2	4
Central Services	1	10	11
Total	3	32	35

GF \$0 | LF \$0 | OF \$6,495,650 | FF \$1,359,081 | Pos. 35, FTE 32.88



- Policy Package 103 Training, Technical Assistance, and Access (agencywide):** Resources will provide targeted support and resources to community-based organizations and Tribal partners to focus on a multitude of specialized services, skills, and training. This package includes distinct components to achieve the stated goals:

 - Language access (expand and provide assessment)
 - Tribal investments (additional investments in POPs 90 and 106)
 - Capacity building, training, and technical assistance
 - Internal infrastructure building to support this work moving forward

GF \$9,373,294 | LF \$0 | OF \$0 | FF \$0 | Pos. 3, FTE 2.64
- Policy Package 112 Modernizing Grant Management Systems (agencywide):** Improving OHCS' grant management system will allow us to implement a comprehensive approach to ensure our efforts remain sustainable as we grow. OHCS must proactively mitigate risks associated with custom systems that use aging architecture. Unprecedented emergency response efforts have illustrated the need to be agile and adaptive, necessitating this improvement.

GF \$0 | LF \$0 | OF \$1,000,000 | FF \$0 | Pos. 0, FTE 0

SUMMARY OF IT PROJECT: OHCS wishes to invest in the modernization of the grants management system to create efficiencies in delivery of funding, management and tracking of grants. Our current methodologies are a complex combination of in-house applications and spreadsheets making management of grant funding inconsistent and fractured across the agency. Moving to a centralized system would address the challenges associated with disparate systems, creating effective and efficient delivery of funding, reporting and offer partners a consistent experience across agency programs and grants.

A streamlined grants management process will better serve our partners, reduce time to delivery of grants and advance racial and equity goals. It has been determined that the current system is not equitable across programmatic divisions of the agency, therefore, OHCS must invest in resources to remove the barriers of disjointed systems. New programs, emergency response efforts, rapid organizational growth rate and increasing numbers of diverse partner organizations demands that the agency deliver grant programs quickly, and has illustrated the need to be agile, adaptive, and responsive by modernizing and enhancing how the agency manages the grant process. A centralized grants management system will provide the resources needed to engage in rapid delivery of funds, particularly in times of crisis.



PROGRAMMATIC DIVISIONS

Serving Oregonians across the housing continuum

HOUSING STABILIZATION



AFFORDABLE RENTAL HOUSING



HOMEOWNERSHIP



Core Programs

Energy & Water Assistance
Weatherization Programs
Individual Development Accounts (IDAs)
Homeless Services Programs
Housing Retention Programs

Core Programs

9% and 4% LIHTC
Agricultural Workforce Housing Tax
Credit
Permanent Supportive Housing
LIFT Rental
Gap Funding
Oregon Multifamily Energy Program
HOME American Rescue Plan
Housing Trust Fund

Core Programs

Home Ownership Assistance Program
Down Payment Assistance
Oregon Bonds Residential Loan Program
Oregon Homeownership Stabilization
Initiative
LIFT Homeownership
Flex Lending
Manufactured Home Replacement
Program
Homeowner Assistance Fund

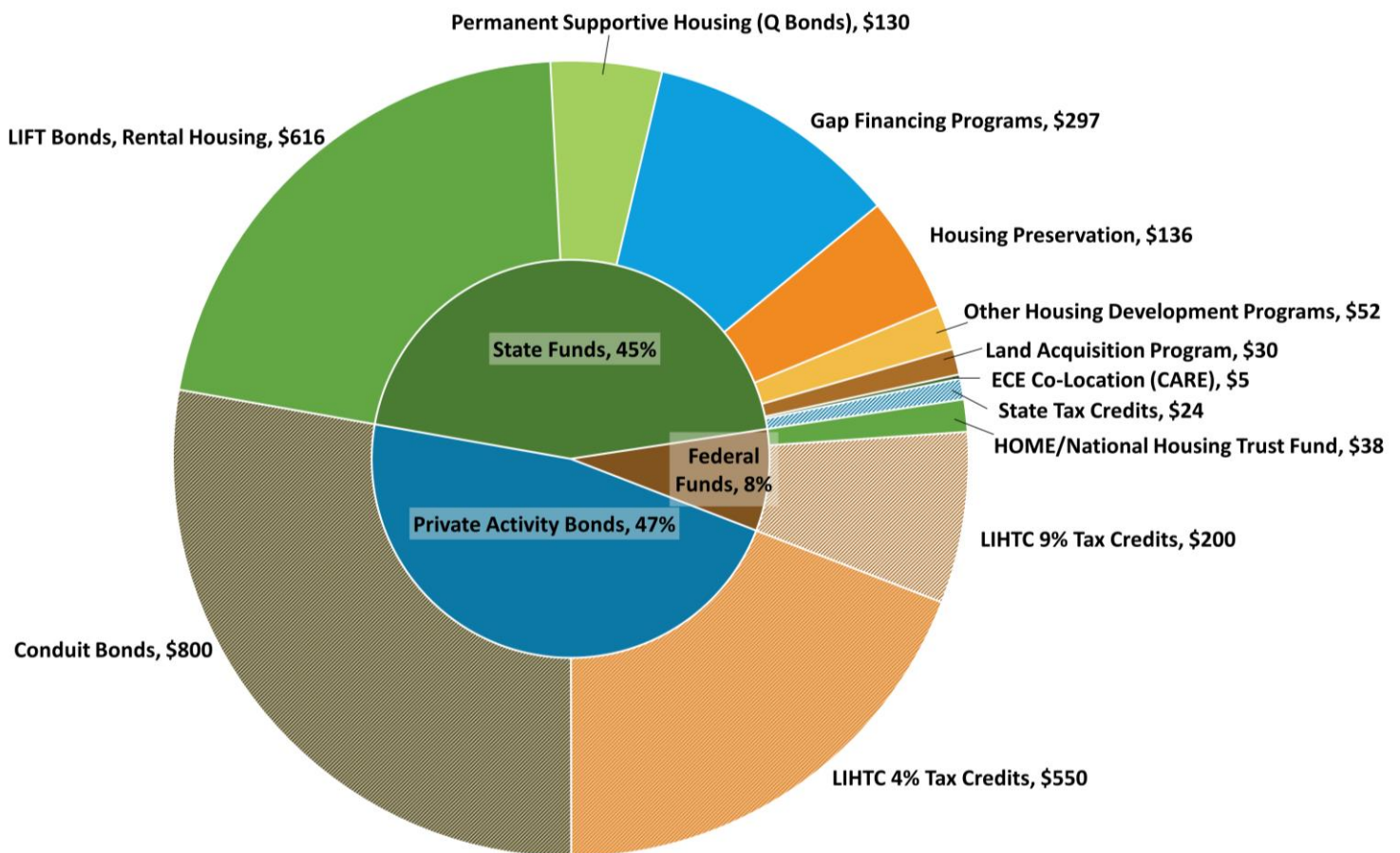
OHCS has four programmatic divisions to expand housing solutions across the continuum and prepare and recover from natural disasters. The divisions are:

1. Affordable Rental Housing Division
2. Homeownership Division
3. Housing Stabilization Division
4. Disaster Recovery and Resiliency Division

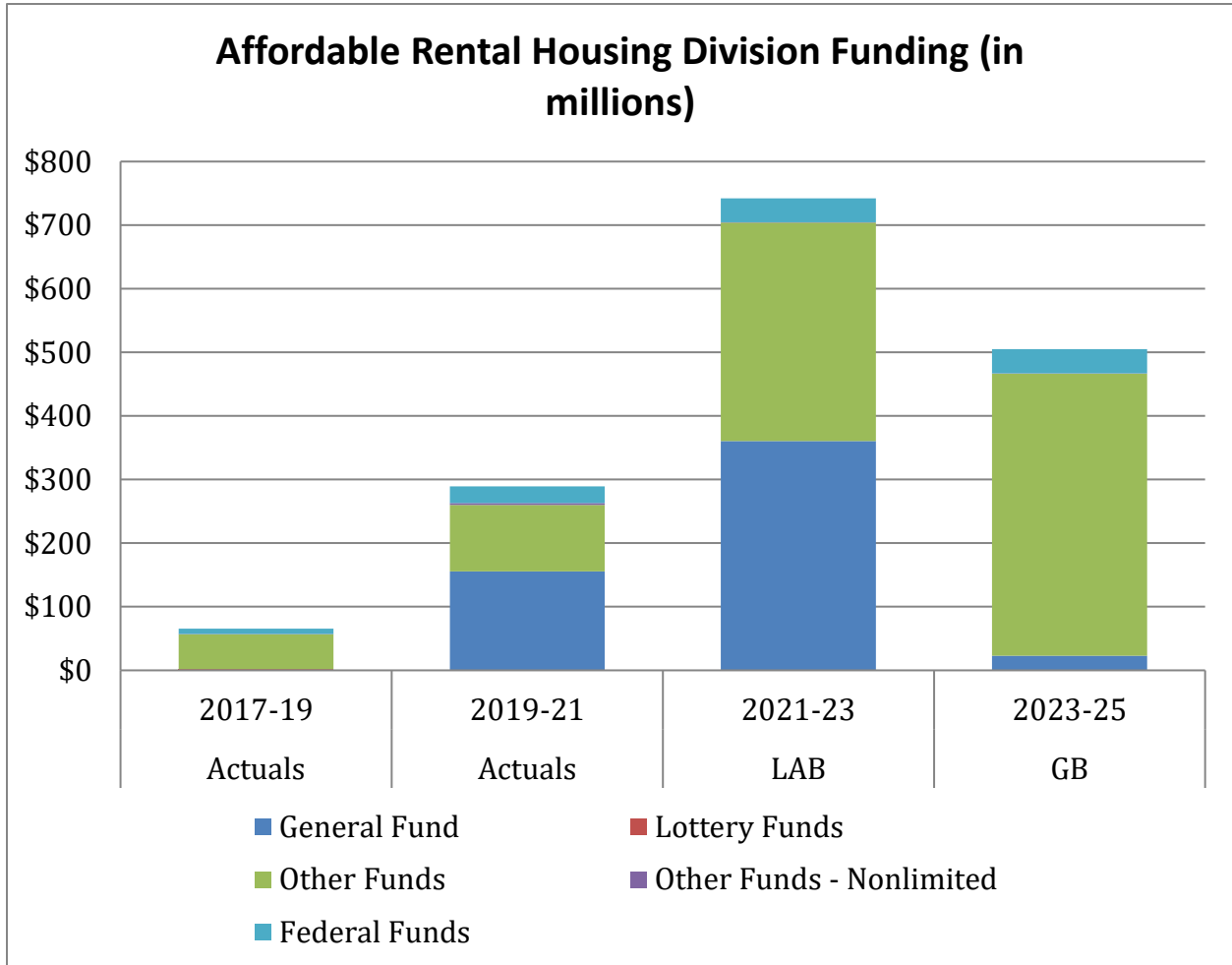
AFFORDABLE RENTAL HOUSING DIVISION

The Affordable Rental Housing Division programs provide partial financing for developing or preserving affordable rental housing and ensure that the units meet physical and financial standards. These programs include:

- **Affordable Rental Housing Development Programs** finance the development of multifamily properties that offer Oregon’s workforce, seniors and families a safe, stable and affordable place to call home. Federal and state-funded programs provide financing for the development of new homes, rehabilitation of existing properties, preservation of publicly supported housing, and preserving manufactured dwelling parks.
- **Asset Management and Compliance Monitoring** of projects that have received OHCS funding ensures that the projects meet regulatory requirements of the various funding sources. Many properties are physically inspected on a regular basis, and a review of management is conducted to ensure compliance with regulatory standards, federal regulations, and state rules. The projects’ financial statements are reviewed annually to ensure the fiscal viability of the project.



HOUSING FINANCE



These programs are designed to increase and retain the stock of affordable rental housing opportunities through development (funding construction) and asset management). Beginning Fiscal Year 2022, the impact of hitting Oregon’s Private Activity Bond will be felt. Use of one-time General Funds in 2021-23 prudent investment to respond to the volatility in the industry.

The federal [9% and 4% Low-Income Housing Tax Credit \(LIHTC\) program](#) provides tax credits for developers to; construct, rehabilitate, or acquire and rehabilitate qualified low-income rental housing. OHCS reserves and allocates 9% and 4% tax credits on eligible properties. The department set aside a minimum of 10 percent of the credit authority for each calendar year.

The [Conduit Program](#) provides additional flexibility by using tax-exempt bond financing (through an allocation of the State’s private activity volume cap). Experienced affordable housing development teams maximize control by selecting the financing team and negotiate financing terms.

The [General Housing Assistance Program \(GHAP\)](#) expands the state's supply of housing for low and very low-income Oregonians.



The [Agriculture Workforce Housing Tax Credit \(AWHTC\)](#) Program is designed to give a state income tax credit to investors who incur costs to construct, install, acquire or rehabilitate agriculture workforce housing.

[Permanent Supportive Housing \(PSH\)](#) provides housing stability to Oregon's most vulnerable residents through service-enriched affordable housing. A wide body of evidence supports the use of PSH to achieve better outcomes for people and lower costs across systems including health care, criminal justice and emergency services.

The [Local Innovation and Fast Track \(LIFT\) Rental Housing Program](#)'s objective is to build new affordable 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.

The [Loan Guarantee Program and General \(Lease\) Guarantee Program](#) provide guarantees to lenders to assist in the financing of new housing construction or for the acquisition and/or rehabilitation of existing housing for lower income families.

The [Oregon Affordable Housing Tax Credit \(OAHTC\) Program](#) provides a state income tax credit for affordable housing loans for which a lender reduces the interest rate by up to four percent. Applications must demonstrate a 20 year term that the benefit of the tax credit will be entirely passed on to reduce rents for the tenants.

The Oregon [Multifamily Energy Program \(OR-MEP\)](#). Owners and developers can use funds to increase energy efficiency in multifamily housing. Improvements include; Installing, energy-efficient insulation, windows, appliances, light fixtures and other energy-reducing activities. This opportunity is now open to all income-eligible developments through other OHCS funding offerings.

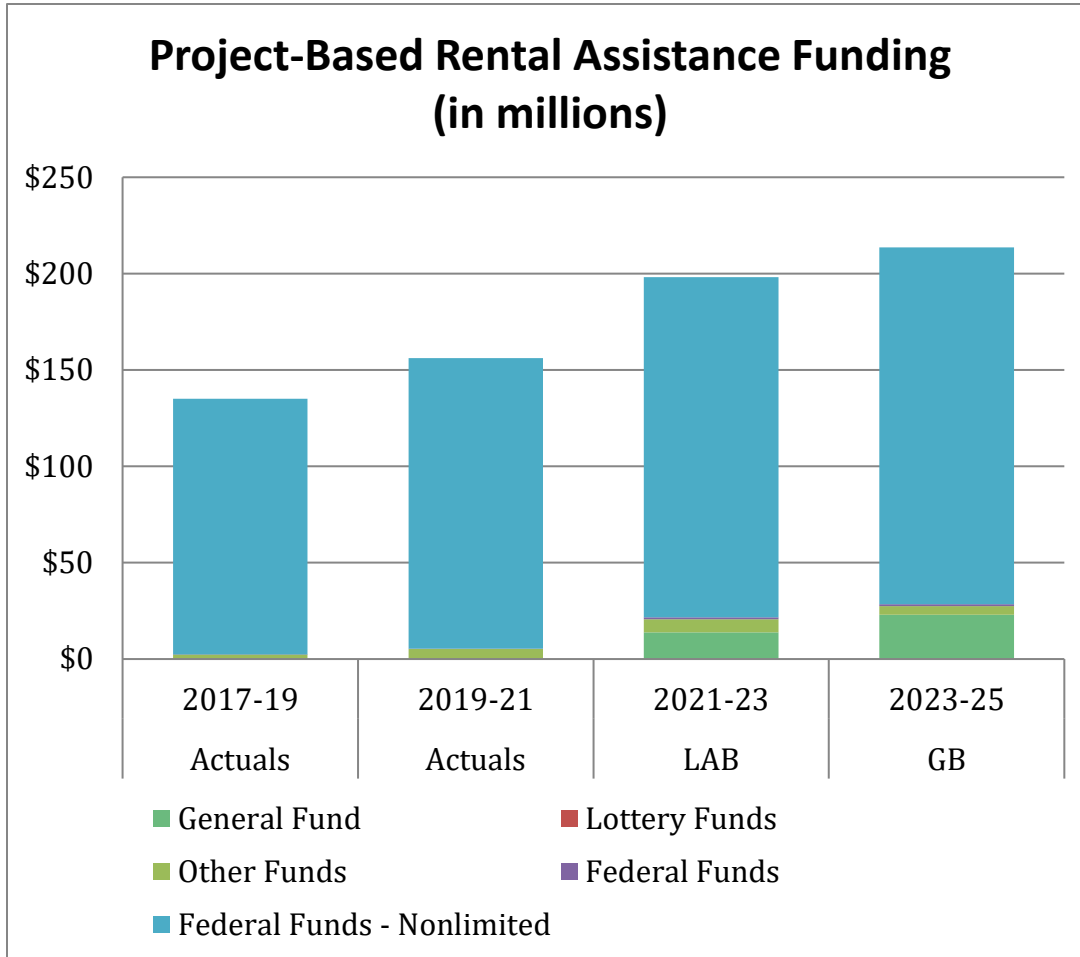
The [HOME Investment Partnerships Program](#) provides federal funds for the development of affordable housing for low- and very low-income households, and encourages partnerships among state agencies, local governments, non-profits, and for-profit organizations.

The [Housing Development Grant Program \("Trust Fund"\)](#) was created to expand Oregon's housing supply for low- and very low-income families and individuals by providing funds for new construction or to acquire and/or rehabilitate existing structures.

The [Oregon Rural Rehabilitation \(ORR\) Loan Program](#) is designed to defray costs associated with building, maintaining, and rehabilitating farmworker housing. The program's starting capital came from a transfer of funds from the Oregon Department of State Lands. The original funds were provided through the Secretary of Agriculture and designed to carry out the Bankhead-Jones Farm Tenant Act for the purpose of developing and/or preserving farmworker housing in accordance with the charter of the Oregon Rural Rehabilitation Corporation.



PROJECT-BASED RENT ASSISTANCE PROGRAMS



The Project-Based Rent Assistance programs provide state and federal rent subsidies for low-income tenants of specific units. The state-funded program, Permanent Supportive Housing or PSH, was initiated in the 2019-21 biennium. This budget unit was new in the 2021-23 biennium to make a distinction between these programs and the tenant-based rent assistance in the Housing Stabilization Division. These programs include:

- The [HUD Project-Based Rental Assistance Program](#) provides rent subsidy payments paid directly to property owners. These subsidies ensure that tenants pay no more than 30 percent of their income for rent. Contract administration of these programs includes contract renewals, rent adjustments, tenant complaint resolution, and on-site monitoring of owner policies, procedures, and practices, as well as follow-up on physical inspection findings.
- The [Section 811 Project Rental Assistance \(PRA\) Program](#) provides project-based rental assistance to extremely-low-income persons with mental, intellectual and/or developmental disabilities, and allows them to live in the community as independently as possible by increasing the supply of rental housing linked with support services.



- **Permanent Supportive Housing (PSH) Rental Assistance** combines lease-based, affordable housing with tenancy supports and other voluntary services to help individuals with high needs, including persons with disabilities and persons coming out of chronic homelessness, achieve stable housing and recovery in their communities.

POLICY OPTION PACKAGES:

- **Policy Package 090 Permanent Supportive Housing Risk Mitigation Fund: \$4.5M**
Permanent supportive housing providers, who serve people who have experienced homelessness, are experiencing spiraling insurance cost increases and the risk of potentially losing their insurance. This fund will help to manage the risk of Permanent Supportive Housing providers to support on-going access to affordable insurance.
GF \$4,500,000 | LF \$0 | OF \$0 | FF \$0 | Pos. 0, FTE 0
- **Policy Package 104 Addressing Homelessness with PSH:** PSH is a proven method to address chronic homelessness and improve outcomes for Oregonians. This package provides housing development funds coupled with resources for supportive tenancy services and rental assistance for residents. This investment is projected to create approximately 650 additional affordable homes.
GF \$5,737,279 | LF \$0 | OF \$131,041,222 | FF \$0 | Pos. 0, FTE 0.0
- **Policy Package 105 Lifting up OR: Building Affordable Housing:** This package addresses the ongoing lack of affordable rental housing supply in Oregon and continues production momentum across the state. LIFT focuses on developing new affordable homes for rent that serve historically underserved communities, including rural areas of the state and communities of color. The totals below reflect rental and homeownership developments.
GF \$33,982,343 | LF \$0 | OF \$775,682,891 | FF \$0 | Pos. 1, FTE 0.92
- **Policy Package 107 Preserving Oregon’s Affordable Housing Stock:** Oregon’s housing crisis demonstrates the importance of investments to secure our current affordable housing stock. This package will support the preservation of Oregon’s existing housing in four ways:
 1. Finance the acquisition of Publicly Supported Housing with expiring affordability
 2. Provide resources to address life, health, and safety concerns for affordable housing developments
 3. provide resources to intervene when properties are at risk of foreclosure or loan forfeiture
 4. and acquire and rehab manufactured home parks that will be owned by nonprofits and cooperative ownership (co-ops).
 GF \$18,000,000 | LF \$0 | OF \$119,247,376 | FF \$0 | Pos. 0, FTE 0.0
- **Policy Package 114 CARE for Children in Affordable Housing:** OHCS is seeking additional resources to expand opportunities to co-locate affordable housing and early care and education needs, building on the \$10M investment made during the 2021 session.



Additional investments will be administered through the selected entity and will address two critical issues in every Oregon community: the lack of affordable housing and early care and education.

GF \$5,000,000 | LF \$0 | OF \$0 | FF \$0 | Pos. 0, FTE 0.0

Program Outcomes:

Increasing the Affordable Rental Housing Pipeline:

OHCS will triple the existing pipeline of affordable rental housing up to 25,000. So far we have increased existing pipeline of affordable rental housing by 24,321 homes. In addition to providing unprecedented levels of funding, OHCS and our partners continue to break down systemic barriers to preserve and produce affordable housing quickly. OHCS is using all the financing tools at our disposal and developing new, innovative strategies, to push the limits on both the quantity and quality of homes we're able to help our partners develop.



Building Permanent Supportive Housing: OHCS has surpassed our goal by funding 1,255 permanent supportive homes. As a result, OHCS increased our commitment by working with partners to align resources for and eliminate barriers to producing permanent supportive housing (PSH). PSH is a proven national model for serving individuals and families experiencing chronic homelessness by pairing on-site, individualized services with stable housing. PSH effectively serves populations experiencing long-term homelessness and allows people to live with autonomy and dignity. However, developing quality PSH can be a complicated undertaking. That's why OHCS launched the Supportive Housing Institute. Since 2019, 27 teams have graduated from the institute, significantly increasing Oregon's capacity to develop and operate quality PSH and resulting in the program winning the National Council of State Housing Agencies (NCSHA) 2022 Special Needs Housing: Combating Homelessness award. As outlined in the award application, each graduating group leaves with a plan to develop affordable housing with access to supportive services. Today, thanks partly to the institute and the many other supportive homes in the pipeline, the agency has funded 1,255 PSH homes, helping improve housing stability for vulnerable Oregonians. OHCS has funded 1477 homes so far, and the 2023 funding offering has open now for new developments.

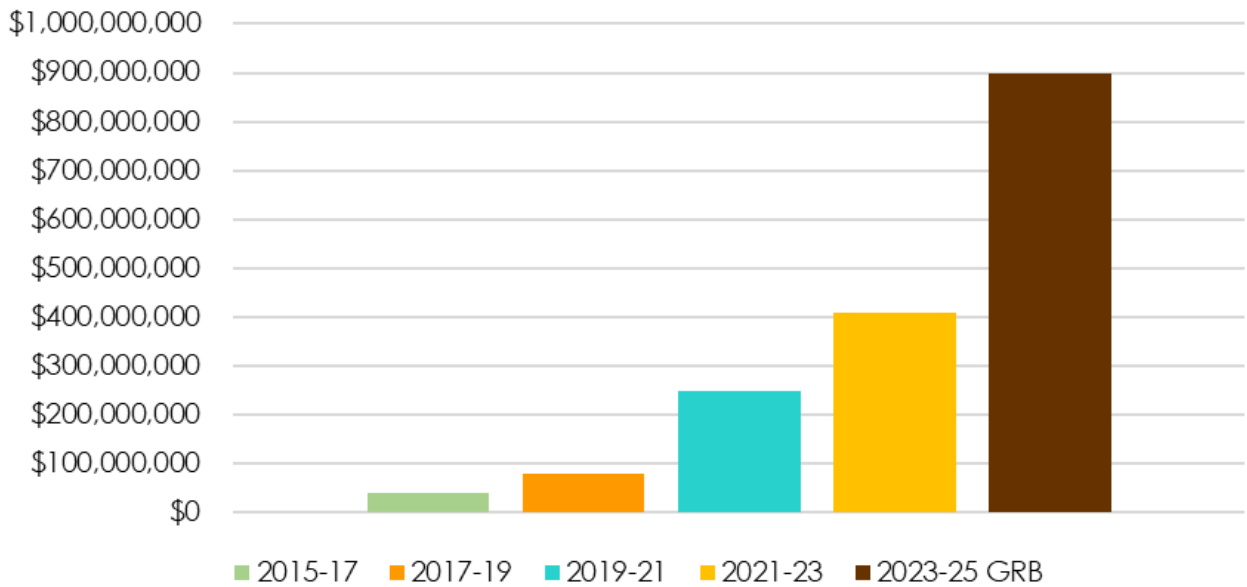


LIFT AND PSH FUNDING AND DEVELOPMENT OUTCOMES 2015-2025:

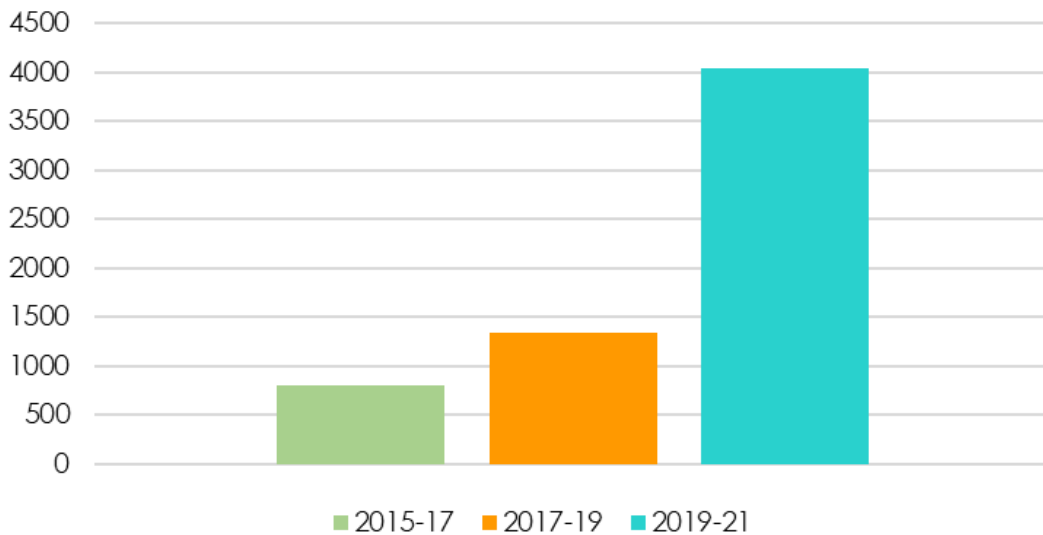
LIFT: LIFT Rental and Homeownership

PSH: Permanent Supportive Housing

LIFT and PSH Funding Amounts



LIFT and PSH Number of Homes



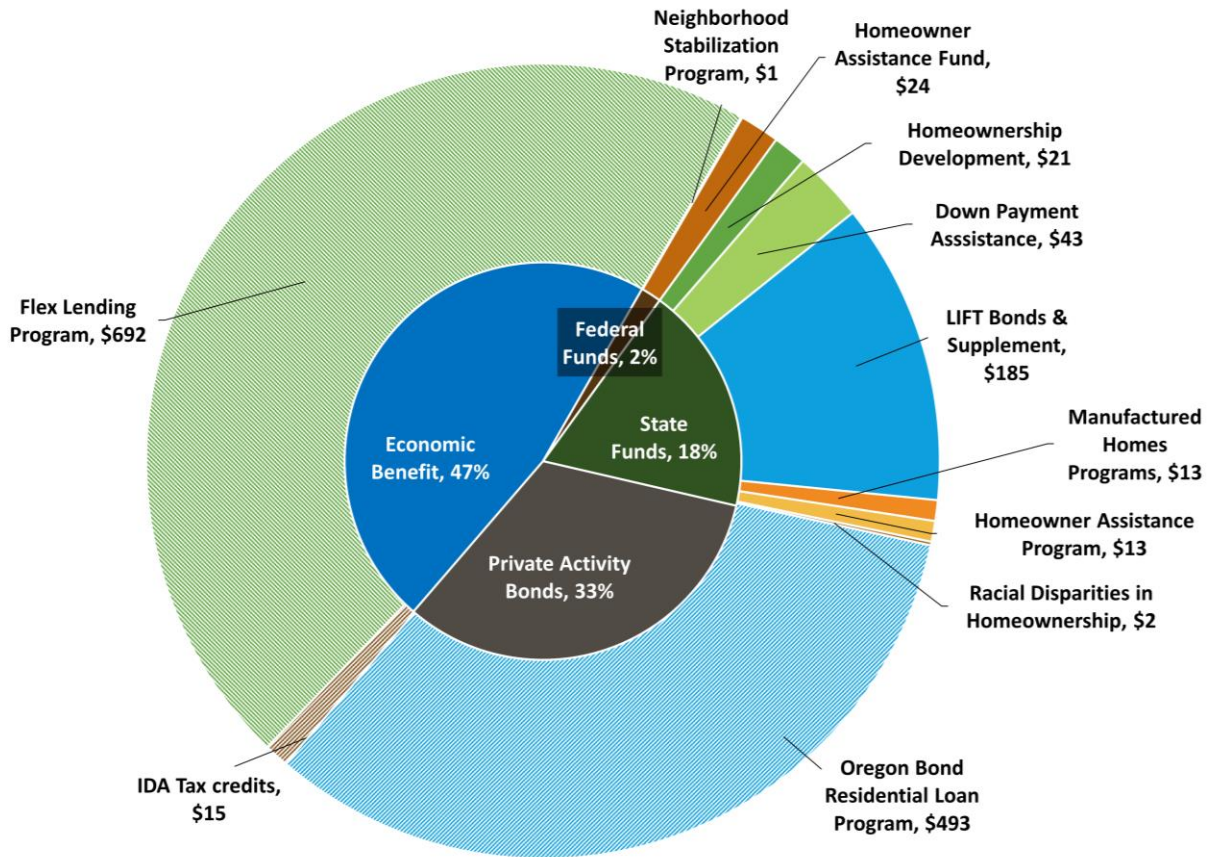
HOMEOWNERSHIP DIVISION

The Homeownership Division programs offer homeownership opportunities and assist with foreclosure prevention for low- and moderate-income Oregonians. Sections of this division include:

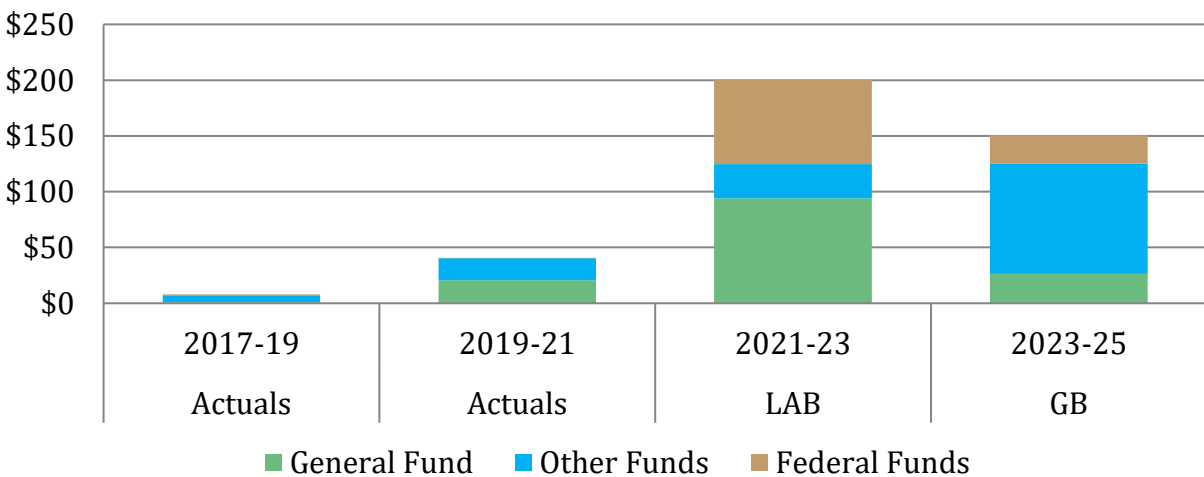
- **Homeownership Programs** expand access to affordable homeownership through below market rate residential loans, as well as assisting homeowners in purchasing and retaining their homes through education, foreclosure counseling, and financial assistance services. These programs benefit homebuyers and homeowners who are typically not served by traditional lenders, and who would not otherwise have access to the housing market and homeownership services.
- **Manufactured Housing** programs include mediation services for marina and manufactured home park residents and owners, park preservation, and manufactured home replacement. The [Marinas and Manufactured Communities Resource Center \(MMCRC\)](#) provides assistance to park owners and tenants to resolve disputes outside of court by promoting cooperation, open communication, and a positive environment. In 2019, resources were made available through House Bill 2896 to provide loans to preserve manufactured home parks and to replace older homes with newer, more energy-efficient models. The bill also provided grants for the costs of decommissioning the older homes.
- **Homeownership Lending** facilitates financing through the development and oversight of mortgage lending programs and products to assist low- to moderate-income Oregon homebuyers. Programs offered through this section include the Oregon Bond Residential Loan Program and the Flex Lending Program which are provided through approved mortgage lenders. Leveraging both mortgage revenue bonds and mortgage-backed security markets allows OHCS to assist more Oregonians to achieve the goal of homeownership.
- **Homeowner Assistance Programs** primarily supports homeowners through the [Homeowner Assistance Fund \(HAF\)](#). HAF is a federally funded program that replaced OHCS' former mortgage assistance program (Oregon Homeownership Stabilization Initiative) in 2022. HAF preserves homeownership through mortgage reinstatement by curing delinquent mortgages, assisting with future payments, and connecting struggling homeowners to housing counselors and legal aid services.



Homeownership and Foreclosure Prevention Funding (in millions)



Homeownership Division funding (in millions)



Programs

The [Homeownership Assistance Fund](#) is a federally funded program that helps homeowners who are in a difficult financial situation due to the coronavirus pandemic. As part of the American Rescue Plan Act of 2021, Oregon received \$90 million to help eligible homeowners avoid mortgage foreclosures, delinquencies, defaults and displacements. Oregon Housing and Community Services is working to help eligible homeowners, focusing first on homeowners who are the most at-risk of foreclosure or who have the fewest options to prevent losing their housing.

The Home Ownership Assistance Program (HOAP) is funded by the document recording fee. Provide homebuyer education, counseling, financial counseling to potential, and default and post-purchase counseling to current homeowners throughout the state. There are currently 17 homeownership centers. Five of them are culturally specific. It additionally includes:

- [Restore Health and Safety](#) which provides financial assistance to homeowners to repair and modify their homes for better health and safety. The program includes repairs that affect the house structure and/or repairs that are not limited to; accessibility/adaptability modifications, updates to code compliance, emergency repairs, repairs for structural integrity.
- [Down Payment Assistance program](#) funds are awarded to organizations throughout the state to create, continue and expand their existing down payment assistance programs. Eligible homebuyers who have completed Homebuyer Education and the recommended coaching from a qualified organization, may qualify for up to \$30,000 in down payment and/or closing costs assistance.

[Oregon Bond Residential Loan Program](#), provides competitive rates helping eligible families increase their home purchasing power and keep their monthly house payments affordable.

[Flex Lending](#) is a new mortgage lending product that will launch this spring. It will offer mortgages on par with the rates of the competitive market, down payment assistance funds will be available with each loan.

The [Local Innovation and Fast Track \(LIFT\) Housing Program](#) creates affordable homes for vulnerable families. The program focuses on communities of color and rural communities. The program supports new construction or conversion of existing non-housing structures only, and can be used for homeownership development.

The [Homeownership Development Incubator Program](#) creates affordable homeownership opportunities for low- to moderate-income families by providing funding to developers in Oregon.

The [Manufactured & Marine Communities Resource Center \(MMCRC\)](#) provides services and information to residents and landlords of manufactured dwelling parks and marine communities. We promote cooperative community relationships and positive alternatives to the court system if conflicts arise. Our confidential, neutral and voluntary services provide assistance to resolve disputes by promoting open communication and a positive environment.



POLICY OPTION PACKAGES:

- **POP 108: Supporting Owners of Manufactured Homes:** This package helps provide affordable resources for manufactured homeowners to replace dilapidated and unsafe homes with new, energy-efficient homes, allowing them to safely and securely remain in their homes and build wealth through homeownership. With a focus on underserved manufactured housing residents, many of whom are well under 100% median family income (MFI) and live in rural areas, these programs align with the Homeownership and Rural Communities priorities of the Oregon Statewide Housing Plan.
GF \$4,000,000 | LF \$0 | OF \$4,00,000 | FF \$0 | Pos. 0, FTE 0.0
- **Policy Package 109 Building Starter Homes:** This request is for \$5 million to pair with LIFT Homeownership for affordable homeownership development that prioritizes generational wealth building for households of color that have been historically excluded from homeownership by governments, lending institutions, and other institutions of power. Partners need a funding source that can be flexible to meet the ever-changing market. The Governor's Racial Justice Council would like OHCS to explore different financing options, including co-operative ownership and fee simple developments.
GF \$5,000,000 | LF \$0 | OF \$45,000,000 | FF \$0 | Pos. 0, FTE 0.0
- **Policy Option Package 116 Supporting Homebuyers:** This package requests general fund for Down Payment Assistance tied to OHCS Lending Products: Flex Lending and Oregon Residential Bond Loan Program. The biggest barrier to homeownership for most people is the lack of cash for a down payment, particularly reaching a 20 percent down payment which removes the additional cost of mortgage insurance. The problem is exceptionally acute in communities of color that have been systematically excluded from homeownership opportunities, and thus have lower personal and family wealth. The goal of this funding is to increase the impact of taxpayer dollars while allowing families to build equity. Providing down payment assistance (DPA) paired with OHCS mortgage lending products will allow public dollars to stretch farther by creating efficiencies in DPA delivery.
GF \$13,600,000 | LF \$0 | OF \$18,600,000 | FF \$0 | Pos. 0, FTE 0.0

Program Outcomes

Providing Keys to Homeownership:

With the help of approved Housing Counselors more than 4,000 individuals received homeownership counseling and education to purchase a home and remove barriers to financing. More than 500 new homebuyers saved money with below market interest rates thanks to the Oregon Bond Residential Loan Program since 2021. Together our programs expanded access to homeownership and assisted nearly 1,000 Oregonians purchase and receive keys to their first home! In addition to assisting current and first-time homeowners, we're also working to ensure Oregonians stay in their homes when hard times hit with targeted outreach to communities of color and historically marginalized groups. Since 2022, the Homeownership Assistance Fund has provided mortgage assistance to 633 Oregonians, totaling nearly \$18M in assistance.



Homeownership Rates:

As is true nationally, homeownership rates in Oregon fell dramatically as a result of the foreclosure crisis. However, as of 2017, they have started rising again, reaching 62.4% in 2019, a rate that is still well below the high of 69% in 2004. Homeownership for middle-income Oregonians, especially those who are first-time home buyers, is increasingly out of reach. Home purchase prices are rising faster than incomes; even the current low interest rates cannot keep monthly mortgage costs within the affordable range. Rising prices also mean higher down payments, which is especially challenging for those who are not also selling an existing home. And, in most of Oregon's urban markets, competition for limited supply of homes for purchase is fierce.

People of color experience disproportionately low homeownership rates compared to white households or the population, with homeownership rates ranging from 33 percent among African Americans to 66 percent among White households in 2019.

Changes made to underwriting standards as a result of the housing crisis have disproportionately affected low-income households with higher debt to income ratios and lower credit scores, characteristics which are more likely to affect young people and people of color. Adding to this disparity, even when they own their homes, people of color build less wealth through homeownership than White homeowners do.

Across the income spectrum, Oregon's communities of color have lower home ownership rates than whites. Redlining resulted in households of color receiving just two percent of the FHA loans made between 1934- 1968. This, combined with other forms of discriminatory lending, has fueled the current disparity in homeownership we see today and has had a lasting impact on the neighborhoods in which households of color live and the schools they attend. These are ongoing concerns that continue to reverberate and compound. Families that were denied loans a generation ago did not build wealth to pass on to their children, who therefore lack down-payments for their own homes today. Discriminatory lending practices and disparate access to home financing persist today. Mortgage loan applications from nearly all non-white racial and ethnic groups are denied at rates that exceed those of white applicants.



HOUSING STABILIZATION DIVISION

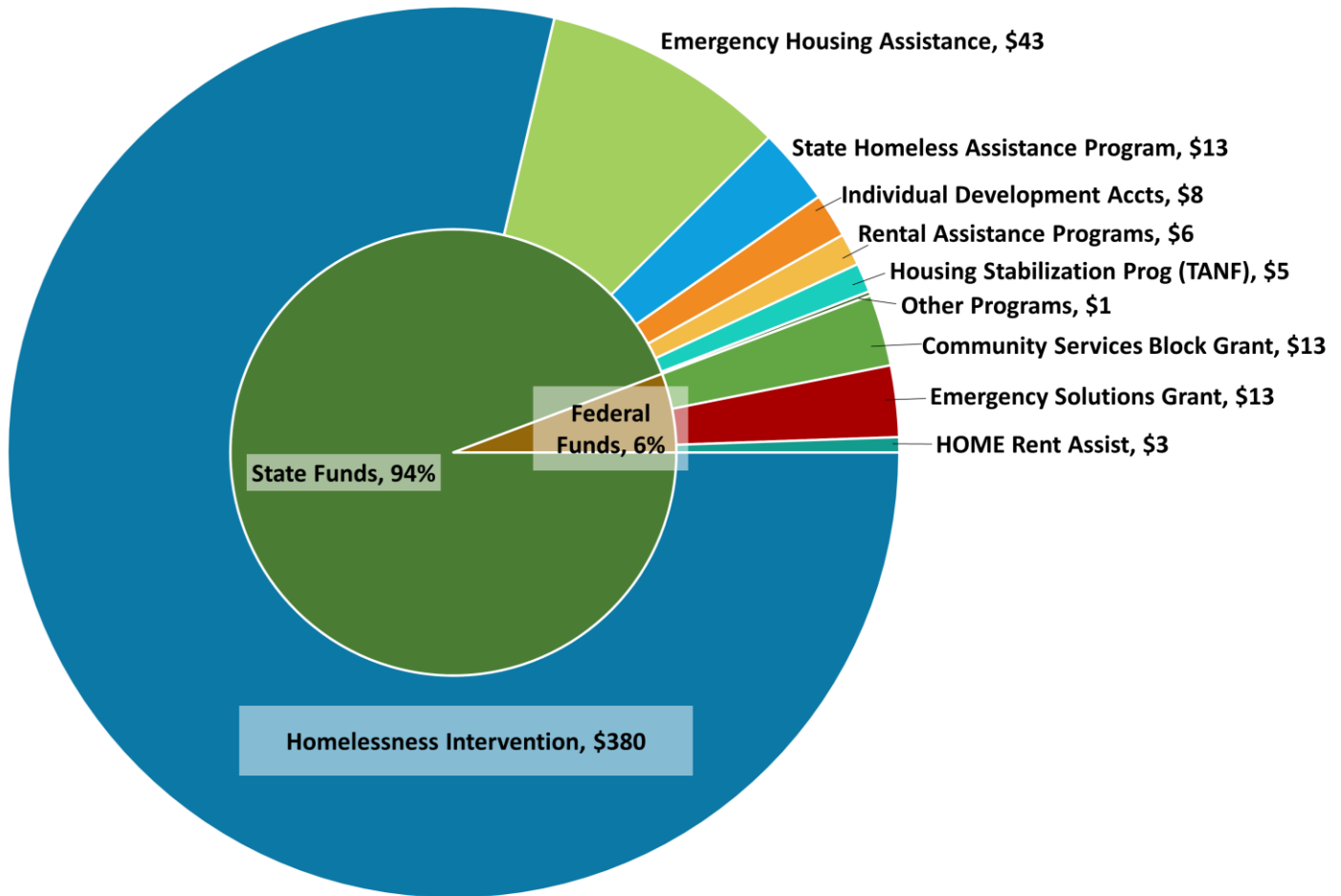
OHCS' Housing Stabilization Division programs are designed to stabilize housing for low-income Oregonians and support community resiliency, including programs to prevent and end homelessness and reduce energy costs. These programs include:

- **Homeless Services Programs** deliver services that enable households that are homeless or at risk of homelessness to maintain or regain housing stability. Rental Assistance Programs are available to low- and very low-income Oregonians. These programs offer rental assistance and refundable security deposits paid directly to property owners on the tenants' behalf.
- **Housing Retention Programs** provide services to support Oregon tenants maintain housing stability through rental assistance programs, mediation services, legal services, and case management.
- **Energy Services & Weatherization Programs** provide bill payment assistance and weatherization services to Oregon households with lower incomes to make their energy and water costs more affordable, help households in avoiding or responding to shut offs, and increase energy savings.
 - Low-Income Water and Energy Assistance Programs provide bill payment assistance to eligible households earning 60% or less of Oregon's median income.
 - Low-Income Weatherization Assistance Programs provide home health and safety improvements, heating system repair and replacement, energy conservation services, and baseload measures to households earning 200% or less of the federal poverty level.
- **Individual Development Accounts** provide matched savings to help low-income Oregonians save for a specified goal, such as a home, an education, a micro-business, and more.

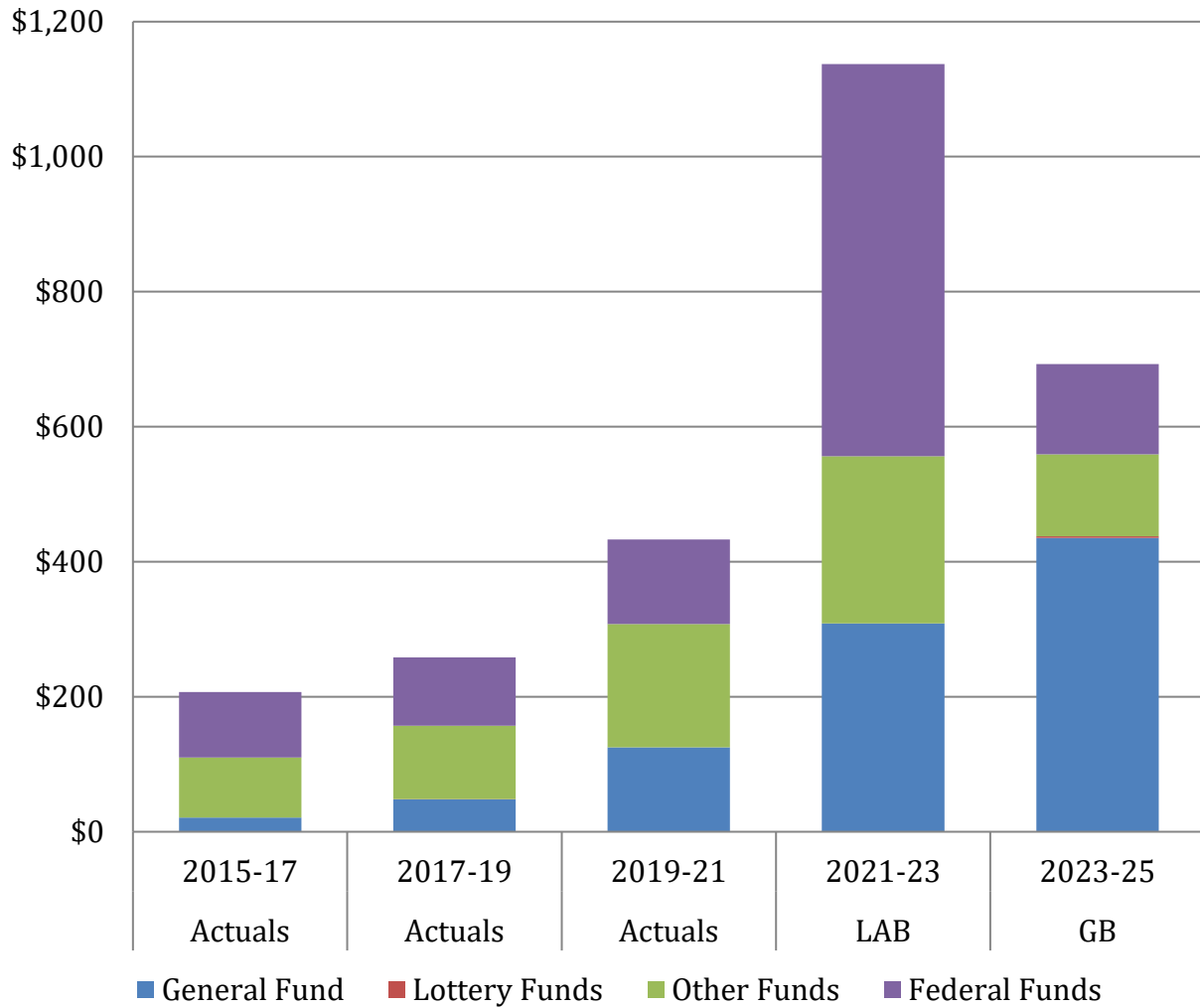


HOMELESS SERVICES & HOUSING RETENTION SECTION: BUDGET SUMMARY

Homelessness Prevention Funding (in millions)



Housing Stabilization Programs Funding (in millions)



\$539.2M

in one-time federal
funding in 2021-23

\$346.2M

in one-time state
funding in 2021-23



HOMELESS SERVICES SECTION

Programs

The [Emergency Housing Assistance \(EHA\) Program](#) assists low or very-low income persons who are homeless or are unstably housed and at risk of becoming homeless.

The [State Homeless Assistance Program \(SHAP\)](#) helps meet the emergency needs of homeless Oregonians by providing operational support for emergency shelters and supportive services to shelter residents.

The Low Income Rental Housing Fund (LIRHF) program gives a subgrantee a tool for assisting very low income renters. LIRHF enables an eligible tenant to receive rental assistance for a unit of their own choosing, provided the unit meets basic program requirements.

The [Rent Guarantee Program](#) provide incentives and financial assistance to landlords that rent or lease to low income households by guaranteeing payments to landlords for unpaid rent and for eviction and property damage costs.

The [Housing Choice Landlord Guarantee Program](#) provides financial assistance to landlords to mitigate damages caused by Housing Choice Voucher (also known as Section 8) tenants as a result of their occupancy.

The [Wildfire Damage Housing Relief Program](#) assists households of lower income that suffer a loss of housing due to wildfire.

The [Housing Stabilization Program](#) assists low-income families who are receiving a state Temporary Assistance for Needy Families (TANF) grant or who are otherwise eligible and are homeless or are unstably housed and at risk of becoming homeless.

The [Community Services Block Grant \(CSBG\)](#) is a federal program that assists communities for the reduction of poverty, the revitalization of low-income communities and the empowerment of low-income families and individuals to become fully self-sufficient.

The federal [Emergency Solutions Grant Program](#) assists low-income individuals and families quickly regain stability in permanent housing after experiencing a housing crisis or homelessness.

The [Elderly Rental Assistance Program](#) assists very-low income seniors who are homeless or are unstably housed and at risk of becoming homeless.

The federal [HOME Tenant Based Assistance Program](#) assists very low-income families to stabilize their housing.



2021-23 One-Time Funds

OHCS saw a five-fold increase in homeless services funding in the 2021-2023 biennium from the 2019-2021 biennium, and many of those investments were one-time. An overview of one-time funded work can be found below. Additional information and updates on the status of one-time funded projects [can be found here](#).

Investment	Description	Allocated
Emergency Solutions Grant- Coronavirus Relief (ESG-CV)	Federal funds to prevent, prepare for, and respond to coronavirus among individuals and families who are experiencing homeless and to support additional homeless assistance and homelessness prevention activities to mitigate the impacts created by coronavirus, including street outreach, emergency shelter, rapid rehousing, homelessness prevention, and data collection.	\$56.4M – Federal Funds
Navigation Centers—operational funding	Operational funds to support ongoing shelter operations and infrastructure for 8 Navigation Centers launched via HB 5042 in 2021.	\$12.6M
Project Turnkey—operational funding	Operational funds to support ongoing shelter operations and infrastructure for 17 Project Turnkey sites stood up as part of the site selection process through Oregon Community Foundation.	Round 1: \$8.3M Round 2: \$2.5M
Out of the Cold and Homelessness Response and Prevention Services	Funds to support shelter infrastructure, operations, and services across the 18 Community Action Agencies (CAA's) which were awarded primarily to support winter sheltering needs during the concurrent crises of COVID-19 and the 2020 wildfires.	\$35M
By and For Initiative, Native American Tribes of Oregon investments	Flexible funding for homeless services pilots and homelessness prevention programs to serve the nine Federally recognized tribes in Oregon through rental assistance, wrap around services, shelter support and operations, and more.	\$9M
ODHS Youth Experiencing Homelessness	OHCS partnered with the ODHS Youth Experiencing Homelessness Program (YEHP) to engage in an Inter-Agency Agreement (IAA) to further support the creation or expansion of outreach, drop-in prevention services, shelter and transitional housing opportunities	\$9M
Shelter Technical Assistance	Contracted support for OHCS grantees providing homeless services to help align state and community partners in providing innovative and modern service delivery practices.	\$2M
Community Action Agency (CAA) Provider Equity & Capacity Investment	Funds for each CAA to dedicate to areas that will promote growth, development, and increase agency capacity to better support homeless services delivery and strengthen community efforts around supporting people experiencing homelessness. Funding can be used to procure and provide needed technical assistance related to grant administration, homeless services best practices, system design, and other critical areas of learning and growth that both CAAs and/or partnering CSOs may need.	\$686K



PSU Homelessness Research Action Center (HRAC) Evaluation	Investments will build capacity to enhance and improve a centralized resource system with up-to-date information on rental assistance resources, shelter beds, and homeless and behavioral health providers throughout the state of Oregon.	\$770K
Built for Zero & Continuums of Care	Further investments into Continuums of Care and Built for Zero, a private/public partnership to support communities in ending homelessness to support systems capacity.	\$1M
Wildfire Impacted Homeless Response-ODHS Partnership	Through a partnership with ODHS, funds provide support to individuals who were experiencing homelessness in affected areas prior to the 2020 wildfires.	\$3M
Mid-Willamette Valley Community Action Agency Shelter+ Pilot	Support for Mid-Willamette Valley Community Action Agency's (MWVCAA) "shelter plus" model in Salem, a temporary medical respite program for individuals experiencing homelessness discharged from hospitals or care facilities who still need ongoing care but have nowhere to go to receive such care.	\$2M

Below are some key outcomes associated with the funds and programs listed above:



During the past biennium, OHCS homeless services funding has served over 58,240 people¹



40% of individuals receiving services are BIPOC Oregonians

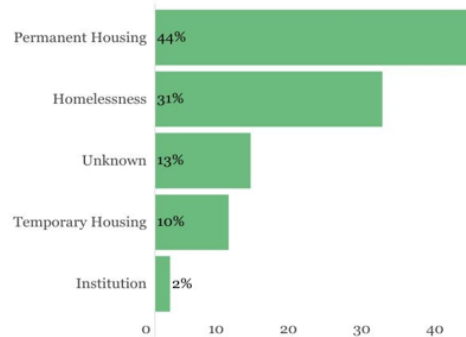


3,200 shelter beds were created



507 Oregonians rehoused

Previous living situation of persons experiencing homelessness²



POLICY OPTION PACKAGES:

- Policy Package 106 Shelter for Oregonians:** \$5,000,000 in General Funds for the nine sovereign tribes in the State of Oregon to continue engaging in homeless services work.
 GF \$5,000,000 | LF \$0 | OF \$0 | FF \$0 | Pos. 0, FTE 0.0



HOUSING RETENTION SECTION

Programs

The [Oregon Emergency Rental Assistance](#) Program (OERAP) provided emergency rental assistance to help Oregonians recover from the economic fallout of the COVID-19 pandemic. To date, OHCS has distributed [\\$426,360,604 to over 67,522 households](#).

The [Rental Assistance for Youth \(RAY\) Program](#) is establishing a long-term rental assistance program supporting individuals younger than 25-years-old and are transitioning out of foster care, homelessness, behavioral health or treatment facility, or a corrections or detention facility. The program is currently being implemented as a pilot program in three regions of the state.

2021-23 One-Time Funds

Oregon has seen record-level investments in housing stability and homelessness prevention efforts in the 2021-2023 biennium. A majority of these investments have been one-time in nature. An overview of one-time funded work can be found below. Additional information and updates on the status of one-time funded projects [can be found here](#).

Investment	Description	Allocated
Oregon Eviction Diversion and Prevention (ORE-DAP) Program	Provides local rental assistance in tandem with providers of other critical eviction and housing related resources to support Oregonians facing eviction in maintaining housing stability.	\$58M
Eviction Prevention Rapid Response (EPRR) Program	EPRR funds allowed for rapid financial assistance for Oregonians at most imminent risk of eviction—those with eviction court summons to allow them to maintain housing stability.	\$8.95M
OHA Community-Based & Culturally-Specific Organizations	OHA's network of culturally specific providers and community-based organizations received allocations to support their homelessness prevention.	\$11M
Mediation Pilots	Through a partnership with the Oregon Office for Community Dispute Resolution (OOCDR), 5 pilot sites have been providing mediation services to people facing eviction in order to reach satisfactory resolutions to cases between landlords and tenants.	\$1.25M
Immigrant and Refugee Community Organization (IRCO) Project	Funding to support a full range of homelessness prevention efforts, including rental assistance, legal services, case management and more for communities served by IRCO.	\$3.2M
Project Empowerment	Supports equitable access to housing for African American and BIPOC communities by providing wraparound services for community members experiencing homelessness or housing instability. This project has formed a cohort of participants who will receive long-term housing supports and work with staff to address housing, healthcare and employment needs.	\$9M
PSU Program Evaluation	Portland State University's Homelessness Research & Action Collaborative will provide ongoing program evaluation and program design support around Oregon's housing stability and homelessness prevention efforts.	\$2M

Oregon State Bar	Funds allocated to the Oregon State Bar to expand access to legal services and information for Oregonians with low incomes and complete an assessment of Oregon’s eviction defense services.	\$700K
Oregon Worker Relief Coalition	Investments in the Oregon Worker Relief Coalition will allow for rental assistance and other flexible services to be provided to Oregonians statewide through the Coalition’s network of community organizations.	\$14.5M
Key Partner Investments	Funding to support key partners in OHCS’ homelessness prevention work including Community Alliance of Tenants (CAT), Springfield Eugene Tenant Association (SETA), Oregon Law Center, Domestic Violence and Sexual Assault partners, 211 Info, Fair Housing Council, and a local pilot for communities with expiring affordability.	\$8.2M

Below are some key outcomes associated with the funds and programs listed above:

Investment	Outcomes
Mediation Centers	948 people served for a total of 58 cases of conflict coaching and 258 mediations .
Immigrant and Refugee Coalition (IRCO)	3,407 clients served with ORE-DAP funds and 3,000 clients assisted with housing navigation services
Oregon Eviction Diversion and Prevention Program (ORE-DAP)	8,910 households stabilized
Eviction Prevention Rapid Response (EPRR)	876 households have avoided eviction

POLICY OPTION PACKAGE:

- **Policy Package 110 Keeping Oregonians in their Homes:** \$1,500,000 in General Funds to support the Fair Housing Council of Oregon.
GF \$1,500,000 | LF \$0 | OF \$0 | FF \$0 | Pos. 0, FTE 0.0



HOMELESSNESS RESPONSE & PREVENTION INVESTMENTS

Proposed Early Session Package (POP 090):

The Early Session package proposed by Governor Tina Kotek and currently under discussion in the Oregon Legislature will invest in proven strategies to prevent and reduce homelessness.

This package should be considered a “down payment” on the work to come and will allow Oregon Housing and Community Services (OHCS), the Office of Emergency Management (OEM), and local communities and partners to launch emergency response efforts sooner. A portion of these resources will be deployed in the 2021-2023 biennium, and the remainder will be deployed in the 2023-2025 biennium.

Funding Priority	Goal	Investment	
Homelessness Prevention	Prevent 8,750 households from becoming homeless by funding rent assistance and other eviction prevention services	Total: \$33.6M	
		21-23	23-25
		\$7.4M	\$26.2M
Homelessness Response		Total: \$85.2M	
		21-23	23-25
		\$20.9M	\$64.3M
Shelter & Housing Navigation	Add 600 low-barrier shelter beds statewide and hire more housing navigators to ensure unsheltered Oregonians can get connected to the shelter and services they need.	Total: \$23.8M	
Rehousing unsheltered households	Rehouse at least 1,200 unsheltered households by funding prepaid rental assistance, block leasing at least 600 vacant homes, landlord guarantees and incentives, and other re-housing services	Total: \$54.4M** <i>(**\$0.2M in 21-23 for planning)</i>	
Capacity Building	Support wrap-around services provided by culturally specific agencies to assist people living outside to move into more stable housing	Total: \$5M	
Local Sanitation Services	Supporting local communities for sanitation services	Total: \$2M	
Support for 9 Tribes of Oregon	Emergency response funds for Tribal members living in emergency areas	Total: \$5M	
		21-23	23-25
		--	\$5M
Emergency Response Coordination	Funds will support the emergency response being coordinated by the Office of Emergency Management (OEM) and Oregon Housing and Community Services (OHCS)	Total: \$3.8M	



Governor’s Recommended Budget - POP 090

These urgent investments will address the homelessness emergency facing communities across Oregon today, but it is only one piece of the larger strategy required to address this humanitarian crisis. The Governor’s recommended budget builds on these targeted investments to ensure we are reducing homelessness and providing resources to address this issue in every corner of the state.

These investments housed in POP 90, combined with additional investments in Homeless Services and Housing Retention, will support Oregon Housing and Community Services and our partners in delivering results for Oregonians.

Funding Priority	Goal	Investment
On-going Homelessness Prevention	Build on the one-time investment in the early investment package and create an on-going homelessness prevention program in Oregon.	\$73M
Maintaining Shelter Operations	Maintain shelter operations in the state, including the operation of the 600 new shelter beds created through the early investment package and Project Turnkey projects.	\$24.1M
Rehousing unsheltered households	Funding includes both rapid rehousing resources and long-term rent assistance for those households, if needed, to maintain housing stability after first 12 months in housing. This reflects the state’s first investment in an on-going, long-term rent assistance program.	\$172.2M
Addressing Veterans Homelessness	Seeks to invest in the needs of veterans experiencing homelessness	\$2.15M

POLICY OPTION PACKAGE:

- **Policy Package 090 Analyst Adjustments:** Key investments in homelessness prevention and response.
GF \$375,241,131 | LF \$2,150,341 | OF \$4,270,156 | FF \$0 | Pos. 12, FTE 11.5

ENERGY SERVICES SECTION

The [Oregon Energy Assistance Program \(OEAP\)](#) is a low-income electric bill payment assistance program for customers of Pacific Power and Portland General Electric. The purpose of this program is to effectively reduce service disconnections to those customers. Priority assistance shall be directed to customers who are in danger of having their electricity service disconnected.

The [Low Income Home Energy Assistance Program \(LIHEAP\)](#) provides low income Oregonians assistance with their home energy expenses. The LIHEAP program includes bill payment assistance, energy education, case management, and home weatherization services.

The [Low Income Water Assistance \(LIHWA\) Program](#) provides low-income households with assistance for their drinking water and wastewater services costs.

The [Low Income Weatherization Program \(WAP\)](#) provides weatherization and energy conservation services at no cost to households at or below 200% of federal poverty income level. The U.S.



Department of Energy, the U.S. Department of Health and Human Services, Bonneville Power Administration, and the Public Purpose funds (ECHO) provide funding for the program.

The [State Home Oil Weatherization \(SHOW\) Program](#) provides cash payments to eligible homeowners and contractors (both for-profit and non-profit) for reimbursement of energy-efficient heating equipment and home weatherization improvements. Eligible dwellings must receive their primary heating fuel from a fuel oil dealer. Cash payments are awarded by a two-tier system to allow for varied income eligibility.

The Oregon [Multifamily Energy Program \(OR-MEP\)](#). Owners and developers can use funds to increase energy efficiency in multifamily housing. Improvements include; Installing, energy-efficient insulation, windows, appliances, light fixtures and other energy-reducing activities. This opportunity is now open to all income-eligible developments through other OHCS funding offerings.

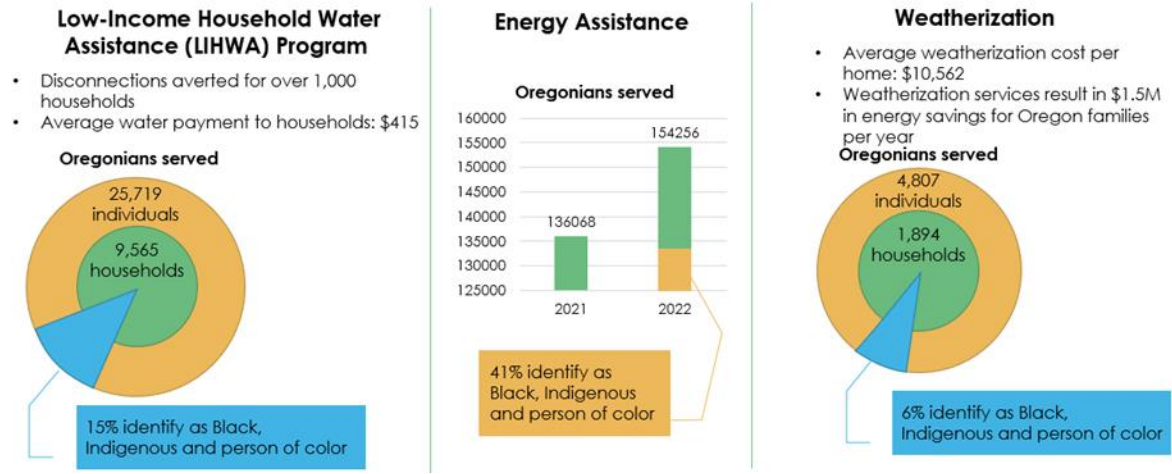
2021-23 One-Time Funds

OHCS saw additional investments, primarily federal, into energy assistance, water assistance, and weatherization to meet the needs of Oregonians during the COVID-19 pandemic. These investments have been impactful in our ability to serve additional households.

Investment	Description	Allocated
Oregon Energy Assistance Program	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 in addition to ongoing OEAP and LIHEAP assistance	\$15M
Low Income Household Water Assistance (LIHWA) Program	Established by Congress in 2021 through ARPA and Consolidated Appropriations Act, designed to provide households with low-income assistance for their drinking water and wastewater services costs	\$13.8M
US DOE Weatherization	Additional COVID-related supplemental funding to support low-income families to reduce their energy bills by making their homes more energy efficient	\$15.3M
DOE Low Income Energy Assistance Program (LIHEAP)	Additional COVID-related supplemental funding to help, "prevent, prepare for, or respond to" home energy needs surrounding the national emergency created by COVID-19	\$57M



Below are some key outcomes associated with the funds and programs listed above:



INDIVIDUAL DEVELOPMENT ACCOUNTS (IDAS)

The IDA Initiative is a matched savings program funded by the State of Oregon through individual and business taxpayer donations. The donor receives a tax credit for up to 90 percent of the value of the donation, with an annual statewide maximum of \$7.5 million in credits. The IDA Initiative helps families with lower incomes and limited net worth build assets and financial skills, which bring stability, financial security, and opportunity to their lives. With incentivized saving, personalized support, and financial education, Oregonians can access assets that can start an upward spiral of mobility. Through the IDA Initiative, Oregonians with low incomes are purchasing their first homes, completing post-secondary education, growing a microenterprise, or investing in one of several other asset categories. Oregonians who participate in the IDA Initiative express an increased sense of security, financial resilience, and hope for their future. Many participants note that they believe these changes would not have been possible without the IDA Initiative.

2021-23 One-Time Funds

Investment	Description	Allocated
Individual Development Account (IDA) Initiative	Additional General Funds dollars allocated in the 2021 Session to support IDA savers and expand access to the Initiative	\$7M

Below are some key outcomes associated with the funds and programs listed above:



\$7.4M total distributed to IDA savers in 2021:

- Average total deposit: **\$2,450**
- Average match earned: **\$6,470**



775 IDA savers enrolled in 2021

- 71% women, 27% men, 2% other gender
- 25% immigrant/refugee, 75% USA country of origin



1149 IDA savers met their savings goals in 2021:

- 10% Black
- 24% Latinx
- 7% Native American
- 5% Asian/Pacific Islander
- 51% White



Most common completed IDA types:

- Education (319)
- Home purchase (231)
- Microenterprise (185)
- Vehicle (172)

POLICY OPTION PACKAGE:

- **Policy Package 117 Investing in Oregonians' Futures (IDAs):** \$7,500,000 in General Funds to expand match savings for homeownership savers and expand network capacity.
GF \$7,500,000 | LF \$0 | OF \$0 | FF \$0 | Pos. 0, FTE 0.0

DISASTER RECOVERY AND RESILIENCY DIVISION

The unprecedented 2020 wildfire season worsened the ongoing housing crisis for many communities in Oregon. FEMA declared a disaster in 8 counties, where over 5,000 homes were destroyed: Clackamas, Douglas, Jackson, Klamath, Lane, Lincoln, Linn, and Marion Counties. Almost half of the destroyed housing was manufactured or mobile homes, located in manufactured home parks. Many of the former residents of the manufactured home parks are low income and losing this naturally occurring affordable housing is difficult to replace. Three publicly supported buildings with 127 units, 83 of which were rent-restricted were destroyed as well. The below map shows how many homes were affected by the fires, including damages to remaining residences.

OHCS is responsible to implement State Recovery Function 5 – Disaster Housing as outlined in the Oregon Disaster Recovery Plan (2018). Yet the already short supply of affordable housing across the state creates an incredibly difficult situation for over 1,400 people who may not qualify for FEMA assistance and cannot find other options. HUD is working with OHCS on a Housing Impact Assessment to quantify and describe the full impact of the fires within the landscape of pre-existing housing need. Meanwhile, the shelter system, already at reduced capacity and increased demand because of COVID, is scrambling to bring temporary relief to many of the wildfire survivors' hardest hit.

The Emergency Board funded the Oregon Wildfire Damage Housing Relief Program with \$10 million to support low-income renters and homeowners with cash assistance of up to \$6500. As of March 1, 2021, the program has helped 440 households with over \$2.8 million in assistance. Program payments must come *after* FEMA Individual Assistance to avoid duplication of benefits concerns, which has delayed distribution of funds as FEMA claims can be lengthy. OHCS has prioritized affordable rental housing development funds such as Low-Income Housing Tax Credits for the next three years to support long term recovery efforts in Disaster Declared Counties.

State Wildfire Recovery Resources

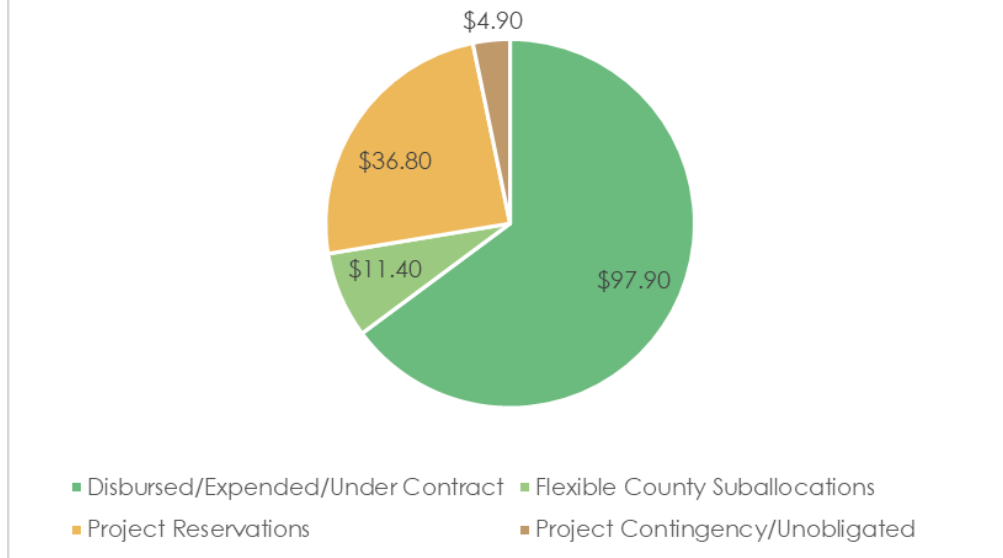
During the 2021 Session, the Oregon Legislature allocated \$151 million, as part of House Bill 5006, to Oregon Housing and Community Services to assist fire survivors and their communities with recovery from the 2020 Labor Day fires. The appropriation included \$100.4 million of General Fund and \$50.8 million of lottery-backed bond revenues.

Roughly \$62.4 million of the \$151 million had been expended as of November 30, 2022. An additional \$35.5 million was under contract, for a total of \$97.9 million. Approximately \$36.8 million has also been reserved for specific projects.

OHCS staff have committed to providing Lane, Marion, and Lincoln counties sub-allocations. The Lincoln County sub-allocation of \$2 million is under contract. Another \$11.4 million will be granted to Lane and Marion counties for land acquisition, infrastructure development and other recovery activities. Counties have a deep understanding of the needs of their communities and are able to move more nimbly to respond to new opportunities in recovery. Additionally, these sub-allocations are being made to ensure rough geographic equity of resources.



2021 Session Funds (in millions)



Funds Expended & Committed as of December 30, 2022

Category	Current
Disbursed/ Expended	\$62.4 M
Under Contract (but not expended)	\$35.5 M
Flexible County Suballocations	\$11.4 M
Expended/Under Contract/Committed Subtotal	\$109.3 M
Project Reservations*	\$36.8 M
Unobligated (contingency)	\$4.9 M
Project Reservations & Unobligated	\$41.7 M

*Project Reservations are reserved for specific projects under development that are not yet under contract.

Breakdown of Funding by Use

	Amount
WRRRA (inc. an additional \$3M recently added to contracts)	\$35.4 M
Permanent housing project development (inc. modular purchases)	\$69.2 M
Interim housing project development	\$10.3 M
Land acquisition	\$11.5 M
Admin (staff, indirect charges, etc.)	\$6.3 M
County flexible suballocations	\$13.4 M
Project contingency/unobligated	\$4.9 M
Total	\$151.1 M



Wildfire Recovery and Resilience Accounts (WRRRA): Funds used by Community Action Agencies and others to assist wildfire survivors directly. Roughly a third of the funding is being used for rent and assistance with temporary housing while the rest is being used for repair or replacement of permanent housing. Over 1,100 households have been assisted with intermediate or permanent housing solutions.

County Flexible Suballocations: Eligible uses overlap with the other categories listed; given the flexibility provided, we cannot yet directly allocate to the ultimate use. Eligible uses of funds include: land acquisition, infrastructure, and recovery operations staffing. The targets for suballocations were: \$4.8M for Lane County, \$2M for Lincoln County, and \$6.5M for Marion County (based on proportion of housing lost and funding commitments already made). Depending on county preferences, some additional funding currently accounted for in “Project reservations” may be included as part of the suballocation agreements. Jackson County project commitments were already in line with geographic targets and thus did not receive a suballocation.

The proposed Inter-Governmental Agreements were provided to the counties in the first week of November. The agreement with Lincoln County was executed late in 2022. Negotiations on which projects currently reflected under project reservations should be included and allowable uses have been completed with Lane and Marion Counties and their respective agreements were at Department of Justice as of early February.

Geographic Breakdown to Date

To ensure rough geographic equity among the impacted counties, OHCS considered the proportion of the total ~4,500 homes lost across the state in each county.¹ Particular care is being applied to the balance of funds being spent in the four counties/fires with the greatest housing losses: Jackson, Lane, Lincoln, and Linn/Marion, which accounted for over 95% of total housing losses in the 2020 Labor Day fires. (For geographic equity tracking, OHCS is grouping the losses in Linn and Marion County.)

County	% Homes Lost	Funding Target ²	Allocated Funding (including WRRRA and specific development projects)
Clackamas	1.4%	\$1.9 M	\$0.8 M
Douglas	3.1%	\$4.2 M	\$1.5 M
Jackson ³	55.8%	\$75.3 M	\$82.3 M ⁴
Klamath	2.5%	\$3.3 M	\$.76 M
Lane	13.7%	\$18.5 M	\$18.2 M
Lincoln	8.0%	\$10.8 M	\$10.7 M
Linn/Marion	15.6%	\$21.5 M	\$20.7 M
Total	100%	\$135 M	\$135M

Allocations for the four most severely impacted counties are being tracked more closely because additional new housing projects are being developed there that impact how much funding has been allocated to their recovery. Allocations for the smaller counties have been driven more by their ability to spend Wildfire Recovery and Resilience Account (WRRRA) allocations.



Community Development Block Grant – Disaster Recovery:

Disaster Recovery & Resilience (DRR) performance in the 2023-25 biennium will consist primarily of activities related to the Community Development Block Grant - Disaster Recovery (CDBG-DR) Action Plan, branded and marketed as the ReOregon program. These efforts will support recovery from the 2020 Labor Day fires and mitigation actions in Clackamas, Douglas, Jackson, Klamath, Lane, Lincoln, Linn, and Marion counties. The goal of CDBG-DR is that all fire-impacted individuals and households have equitable access to the resources necessary to be housed safely, sustainably, permanently, affordably and in their housing of choice. The ReOregon housing programs, expected to launch late in the 2021-23 biennium, will provide resources to help wildfire survivors who have not yet been able to rebuild or return to safe, affordable homes. The plan was drafted with an explicit concern for—and implementation will be guided by—the particular needs of Latino/a/x residents, low-income residents, and individuals living with disabilities who have been disproportionately impacted by this disaster and face hurdles in recovery. OHCS will partner with culturally specific and community-based organizations to support survivors through application and recovery processes. The core elements of the plan, which were refined through extensive public engagement in fire-impacted areas in May 2022, are described below. No less than 15 percent of program funds must be spent on mitigation activities, including building homes that are resistant to fires and other natural disasters. The total amount listed is the program budget for the life of the grant, which can be up to six years.

Homeowner Assistance and Reconstruction Program (HARP) (\$204.6 million): A housing replacement program for homeowners who lost homes to the fires. The program will provide new homes or help survivors complete rebuilding. At this time, the program does not include any benefits for survivors who have completed their reconstruction. If sufficient funds are available, a reimbursement program could be added in a future amendment to the Action plan.

Homeownership Opportunities Program (HOP) (\$119.3 million): A new homeownership program for fire survivors who were renters and displaced by the fires. This program will fund development of affordable opportunities for former renters to buy homes. OHCS will partner with nonprofit and other developers to build new housing. When developing new “parks,” the program will focus on quality construction (ideally, modular units as opposed to manufactured homes) and cooperative or other land ownership models that ensure long-term affordable space rents. Both of the above programs will be opened first to applications by low- and moderate-income fire survivors (defined as those whose income is no more than 80 percent of area median income). ReOregon as a whole must devote at least 70 percent of funds to benefit low- and moderate-income survivors. OHCS has requested that HUD allow the income maximum to be Survivor Support Services: The Action Plan has funds for services such as rent support, housing navigation, legal assistance, and case management: Intermediate Housing Assistance (\$20.1 million); Housing and Recovery Services (\$6.0 million); Legal Services (\$6.0 million).

Planning, Public Infrastructure and Economic Revitalization Program (PIER) (\$42.1 million): PIER is a fund to support local priority projects to build new infrastructure, carry out mitigation activities to prepare for future disasters, and support economic revitalization. OHCS, with input from the impacted counties, will suballocate PIER funding by county. Local governments and other key recovery stakeholders (such as the housing authorities and economic development districts) will be asked to select and define the priority projects to receive these funds.



Community Planning and Revitalization (CPR) (\$3 million): This program allows the state to carry out housing and mitigation planning for disaster-impacted areas. The Action Plan budget reserves the maximum allowable amount (5 percent or \$21.4 million) for administrative costs.

Any future substantial amendments to the Action Plan would require another formal public comment period. OHCS is also committed to involving local partners working with fire survivors in the process of program design, which is one of the primary next phases of work in the development of ReOregon.

POLICY OPTION PACKAGE:

- **Policy Package 118 Deploying Federal Recovery Resources:** Federal Funds expenditure limitation of \$264.9M of the \$422M allocated by the federal government as part of CDBG-DR for the 2023-2025 biennium, including staffing. This POP is modeled after the CDBG-DR Action Plan, which is summarized above.
GF \$0 | LF \$0 | OF \$21,889,550 | FF \$136,828,056 | Pos. 32, FTE 31.92

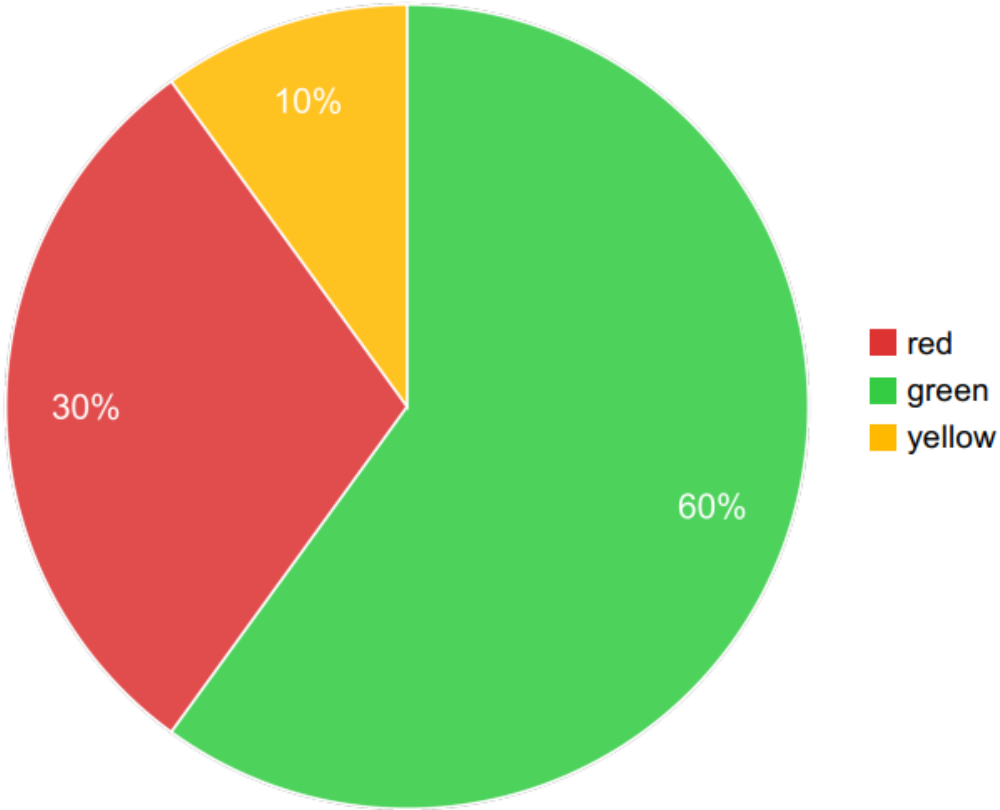


KEY PERFORMANCE MEASURES

	Approved Key Performance Measures (KPMs)
1	Reducing Homelessness - Percentage of homeless households who exited into permanent housing and retained that housing for six months or longer.
2	Energy Assistance - Of all crisis energy payments, the percentage of payments made to prevent power disconnections. Crisis payments include those for preventing disconnection of service or restoring service which was shut off.
3	Affordable Rental Housing - 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.
4	Affordable Rental Housing for People with Disabilities - Percentage of affordable rental housing units funded that provide rental opportunities for low-income individuals with physical or mental disabilities.
5	Affordable Rental Housing (Construction Costs) - 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.
6	Affordable Rental Housing (Areas of Opportunity) - 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.
7	Affordable Rental Housing in Rural Areas - 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.



8	Homeownership - Percentage of households at or below the county median family income served by the Oregon Bond Residential Loan program.
9	Homeownership Services to People of Color - Percentage of people served by all OHCS homeownership programs who identify as people of color.
10	Agency Customer Service - Percentage of customers rating their satisfaction with the agency's customer service as "good" or "excellent": timeliness, accuracy, helpfulness, expertise, availability of information, overall.



Performance Summary		
Green	Yellow	Red
Target to -5%	Target -5% to -15%	Target > -15%
60% of KPMs	10% of KPMs	30% of KPMs

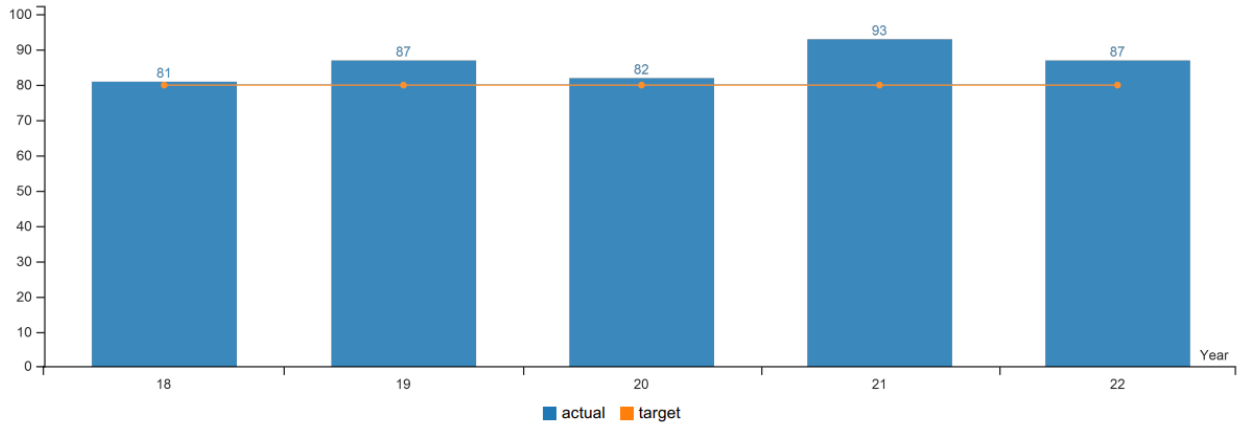


Key Performance Measure 1: Reducing Homelessness

Percentage of homeless households who exited into permanent housing and retained that housing for six months or longer.

Data Collection Period: Jul 01- Jun 30

*Upward Trend = positive result



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%
Target	80%	80%	80%	80%	80%

How Are We Doing

From July 1, 2021 through June 30, 2022, 87% of households who exited into Permanent Housing after receiving state homeless assistance funds had retained their permanent housing for six months. This is above the target of 80%.

Factors Affecting Results

Shifting program attention from emergency shelters toward a "housing first" model, which prioritizes putting people into permanent housing immediately, has been ongoing for the past few years and may contribute to meeting this goal. In fiscal year 2022 there were also a significant number of continuing rental assistance programs designed to keep people housed through the COVID-19 pandemic, which could have contributed to meeting this goal this year.

In 2022 OHCS shifted the methodology to measure this KPM to improve the data. Prior to 2022, Community Action Agencies used data collected from 6-month follow-up client contacts. In 2022 the method shifted to measuring "return to homeless" data reported in Homeless Management Information Systems (HMIS). The 2022 method queries all clients who exit into Permanent Housing from a Street



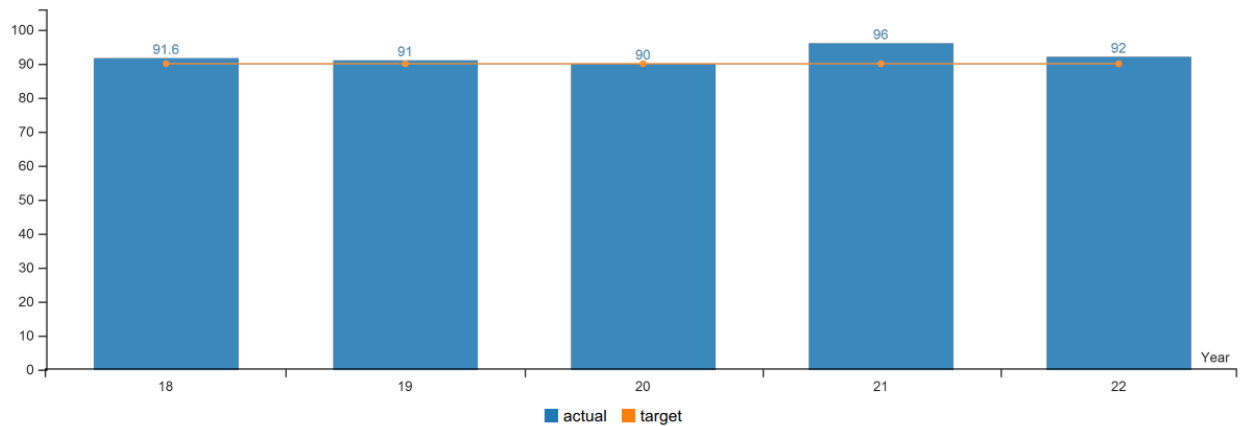
Outreach, Emergency Shelter, Transitional Housing, Safe Haven, or a Permanent Housing program in the date range, 6-months prior to the report date range. Of those clients, the measure reports on how many of them did not return to homelessness as indicated in the HMIS system. A return is an entry into a Street Outreach, Emergency Shelter, Transitional Housing, Safe Haven or a new entry into a Permanent Housing program. This method matches the HUD System Performance Measure 2 methodology.

Key Performance Measure 2: Energy Assistance

Of all crisis energy payments, the percentage of payments made to prevent power disconnections. Crisis payments include those for preventing disconnection of service or restoring service which was shut off.

Data Collection Period: Jul 01- Jun 30

*Upward Trend = positive result



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

How Are We Doing

From July 1, 2021 through June 30, 2022, 92% of households receiving crisis energy assistance received payment for the prevention of power disconnections. This is above the target of 90%.

Factors Affecting Results

There has been a concerted effort by the state and our community action partners to get restoration numbers down and prevention numbers up – and in fact, they have gone from 82% of crisis payments in FY11 up to a high point of 96% in FY21. Measuring the prevention of disconnections compared to restorations is an established and well-researched method of understanding the effectiveness and efficiency of energy assistance programs. Disconnections are expensive for families, for utility companies, and it is expensive to restore services. Prevention is a much better strategy.

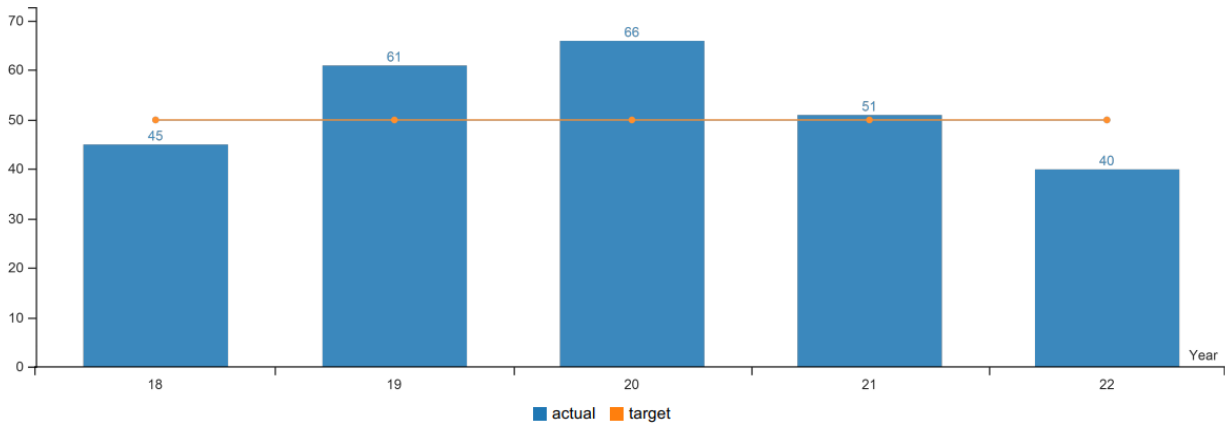


Key Performance Measure 3: Affordable Rental Housing

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.

Data Collection Period: Jul 01 - Jun 30

*Upward Trend = positive result



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

How Are We Doing

From July 1, 2021 through June 30, 2022, 1,858 units, or 40% of rental units approved for funding, will be affordable to households with income at or below 50% of the area median income. This is below our goal of 50%.

Factors Affecting Results

The majority of our funding sources serve households earning at or below 60% of AMI, and in fiscal year 2022 several programmatic policies, including points in competitive LIFT and 9% LIHTC funding and continued investment in Permanent Supportive Housing (PSH) development for chronically homeless individuals, gave further preference to serving lower incomes. As a result, we approved a number of projects that focused on housing for people with income at or below 50% of AMI. These figures include the rehabilitation and preservation of public housing properties in addition to other preservation and new construction of projects that include project-based rent assistance, which ensure that households only pay 30% of their income towards rent. This fiscal year 32% of the units funded either preserved or created project-based assistance, which is similar to the 28% of units with project-based assistance approved last fiscal year.

There has been an improvement in the methodology for capturing project-based assistance in units, which has likely resulted in this number being lower than in past years. In past years, it is possible that



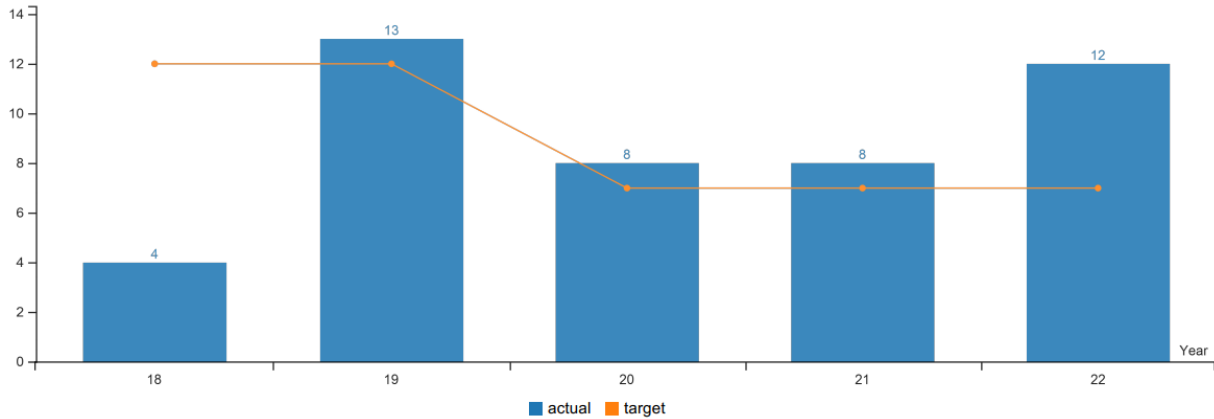
we occasionally double counted units with project-based assistance, if that project-based assistance was also counted as a unit affordable to households at or below 30% AMI. That has been corrected.

Key Performance Measure 4: Affordable Rental Housing for People With Disabilities

Percentage of affordable rental housing units funded that provide rental opportunities for low-income individuals with physical or mental disabilities.

Data Collection Period: Jul 01 - Jun 30

*Upward Trend = positive result



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

How Are We Doing

From July 1, 2021 through June 30, 2022, 564 units, or 12% of rental units approved for funding, will be set-aside for individuals with physical, developmental, or mental disabilities. This is above our goal of 7%

Factors Affecting Results

There were several properties approved this fiscal year that set-aside a large number of units for those with mental, developmental, or physical disabilities. Not reflected in these numbers are 391 additional units that will be Permanent Supportive Housing (PSH). While these units are not directly set-aside for persons with disabilities, the populations they are designed to target do also have disabilities. For example, anyone who is served with our Permanent Supportive Housing resources would be chronically homeless – which is a population defined both by the duration and recurrence of homelessness in addition to having co-occurring disabilities. Housing for those with disabilities like these often require intensive services be provided in order to make the projects successful and ensure tenants remain stable within their housing. It is only with these specifically dedicated PSH resources that we are able to serve these populations with higher needs. In addition, we work with our partners at Oregon Health Authority (OHA) and Oregon Department of Human Services (ODHS) for the HUD 811 Project-based Rent Assistance (PRA) program. This program is funded through a grant from the US Dept. of Housing and Urban Development and pays project-based rent assistance for persons who are living with a mental

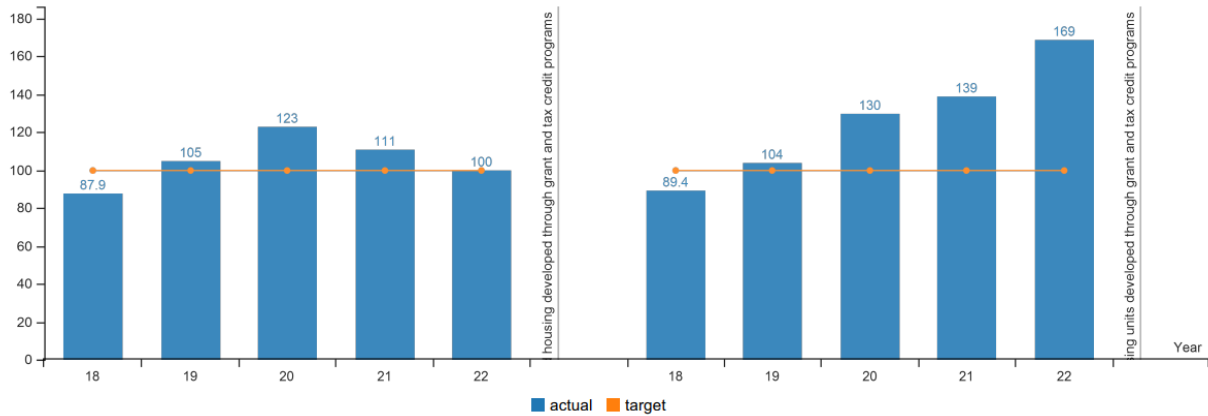


illness or an intellectual/developmental disability. The rent assistance is matched with services through OHA and ODHS, who are also responsible for the referral of prospective program participants.

Key Performance Measure 5: Affordable Rental Housing (Construction Costs)

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.

Data Collection Period: Jul 01 - Jun 30



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%

How Are We Doing

From July 1, 2021 through June 30, 2022, the average cost per square foot of new construction properties that completed construction during that period was \$217, or 100% of the combined 2021 and 2022 national average construction costs per square foot as reported by RS Means data (\$217). This meets the target of 100%. For properties that were preserved and went through significant rehabilitation, the average cost per square foot of that rehabilitation was \$178, which is 169% of the combined 2021 and 2022 national average rehabilitation costs per square foot as reported by RS Means data (\$105). This is above the target of 100%, which is a negative result.



Factors Affecting Results

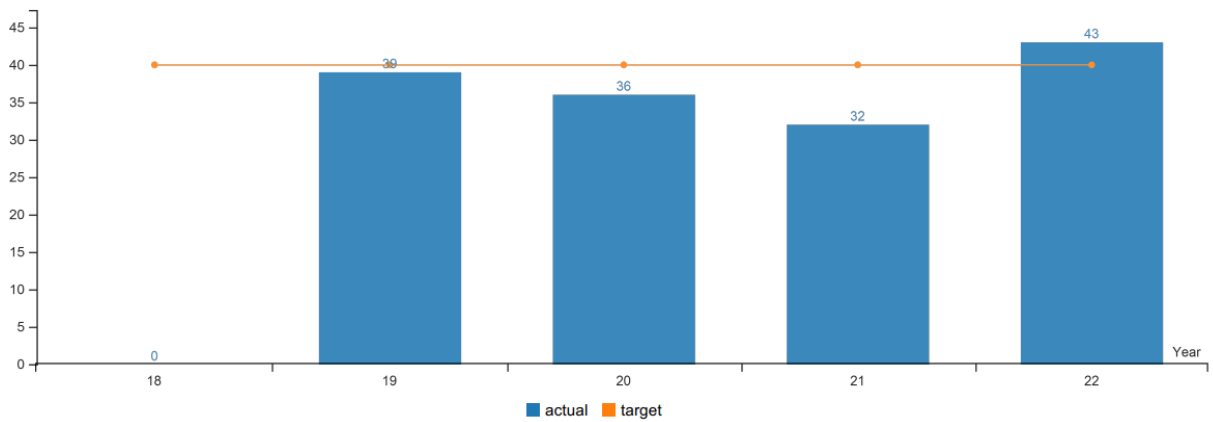
Many requirements can increase costs in the development or rehabilitation of affordable housing, including but not limited to: paying workers prevailing wages, building to LEED standards, site work, design standards, the fluctuating costs and availability of materials, and locational factors. In addition, for many of our older projects needing rehabilitation we are finding the need to invest in large systems upgrades that would be less likely to have seen reflected in a normal market rehab that would be more aligned with the national average rehabilitation costs from RS Means. A large driver for the costs for rehabilitation projects over this period to be higher than average is likely due to the focus of rehabilitation and preservation offerings on those projects with multiple system failures putting tenant health and safety at risk. In addition, costs escalations were exacerbated by the COVID-19 pandemic, and its impact on supply chain and labor. Furthermore, we are using national RS Means data because statewide data is not available, but Oregon construction costs tend to be higher than the national average, especially in urban areas.

Key Performance Measure 6: Affordable Rental Housing (Areas of Opportunity)

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.

Data Collection Period: Jul 01- Jun 30

*Upward Trend = positive result



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

How Are We Doing

From July 1, 2021 through June 30, 2022, 43% of units funded with 9% Low Income Housing Tax Credits or HOME program funds will be developed in “high opportunity” census tracts according to the KPM definition of meeting two of three criteria. This is above the target of 40%. A fourth criterion, high



scoring schools, is also used to evaluate “high opportunity” census tracts in a separate mapping tool. With the inclusion of this variable in the analysis, the percentage of units that will be developed in “high opportunity” census tracts increases to 52%.

Factors Affecting Results

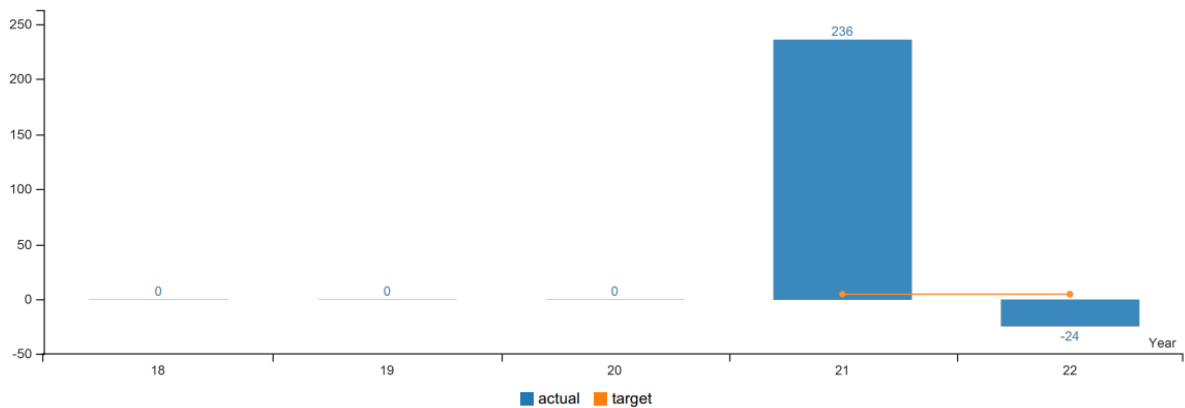
Beginning in 2016, we provided points to 9% LIHTC and HOME applications that develop new units, or preserve existing units in high opportunity census tracts. This was done to encourage developers to create housing outside of high poverty census tracts, near employment opportunities, and near good schools. As developers have incorporated knowledge of these scoring incentives over time we are hopeful that we will continue to see sites located in high opportunity areas. However, as overall development costs continue to escalate it is possible that the added cost of more expensive land will serve as a deterrent, especially given that as required by the 9% LIHTC program, we also must provide points to applications for developments in qualified census tracts, which are higher poverty census tracts.

Key Performance Measure 7: Affordable Rental Housing in Rural Areas

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.

Data Collection Period: Jul 01- Jun 30

*Upward Trend = positive result



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



How Are We Doing

From July 1, 2021 through June 30, 2022, 24% of rental units approved for funding were in rural areas. The number of units funded in rural areas decreased by 34%, from 1,759 in FY 2021 to 1,153 in FY 2022. This rate of decrease was higher than the overall decrease in housing production for the state; statewide, there was a 21% decrease in the number of units funded in both rural and urban locations. This is below the target of a 5% increase, and below the target of 25% of the units being in rural areas.

Factors Affecting Results

This is the second year we have tracked this KPM and this decrease was expected based on the FY 2021 numbers. Last fiscal year, there were historic levels of funding available and committed, leading to the agency more than doubling the number of units approved in Oregon and more than tripling the number of units approved in rural parts of the state. The passage of affordable housing bonds at Metro and in Portland have led to an influx of funding in the metropolitan areas, and a need for the state to invest more in the areas of the state that do not have those additional resources.

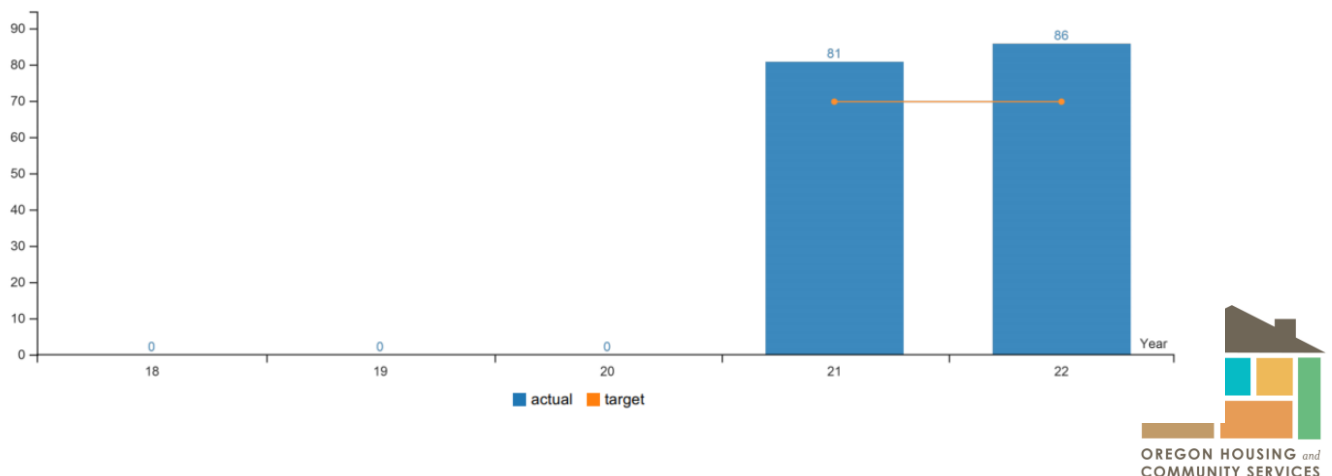
The agency's FY 2021 unit production data was an anomaly, as that historic rate of increase was not sustainable or expected over the long-term. The number of units funded in rural areas increased by 236%, from 523 in FY 2020 to 1,759 in FY 2021. This inability to keep pace with that level of growth bore out in FY 2022, with a decrease in both the overall number of units funded and rural units funded. The percentage of all units funded in rural areas does remain above what it was in FY 2019 (19%), at 24%. We recommend re-establishing the target for this KPM to align with the percentage of overall units that are located in rural areas. We can see in the provided data that the percent of units funded in rural areas as a percent of total units funded has gone from 19% in FY 2020, to 30% in FY 2021 and now to 24%. This indicates a real commitment to reaching more rural communities. Using these three points as a baseline, we would like to continue using this measurement, with a target that 25% of the funded units be located in rural areas of the state.

Key Performance Measure 8: Homeownership

Percentage of households at or below the county median family income served by the Oregon Bond Residential Loan program.

Data Collection Period: Jul 01- Jun 30

*Upward Trend = positive result



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

How Are We Doing

From July 1, 2021 through June 30, 2022, 86% of loans made through the Oregon Bond Residential Loan Program went to households at or below the county median family income. This is above our target of 70%.

Factors Affecting Results

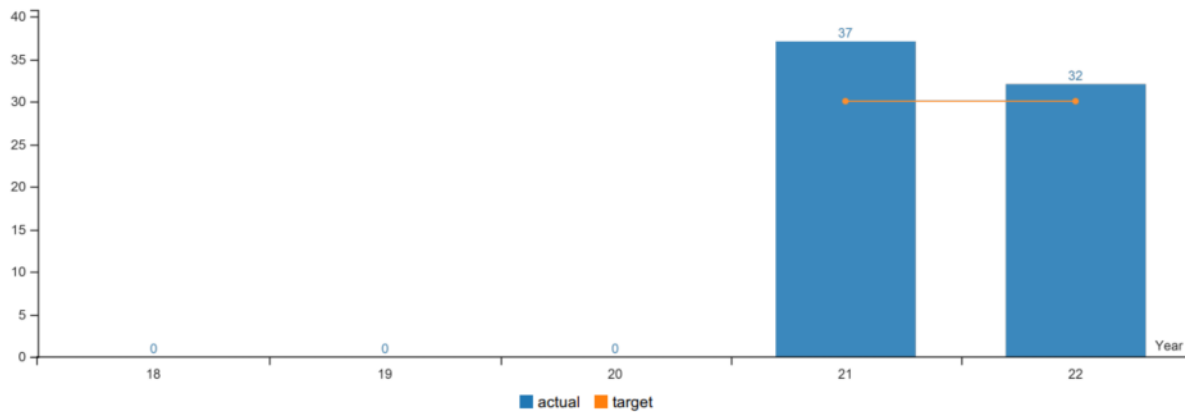
The lowest income limits OHCS uses for the residential loan program is 100% of statewide median family income. The highest limit for a larger size household is 140% of statewide MFI or 140% of county MFI, whichever is greater.

Key Performance Measure 9: Homeownership Service To People Of Color

Percentage of people served by all OHCS homeownership programs who identify as people of color.

Data Collection Period: Jul 01- Jun 30

*Upward Trend = positive result



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



How Are We Doing

From July 1, 2021 through June 30, 2022, 32% of clients served by our homeownership programs were Black, Indigenous, and People of Color (BIPOC). This is above our goal of 30%.

Factors Affecting Results

In previous years, we only looked at the percentage of borrowers or co-borrowers in our Oregon Bond Residential Loan (OBRL) program who identified as people of color for this KPM, but we are now collecting race and ethnicity data on clients served by the homeownership centers we fund, as well as recipients of our Down Payment Assistance (DPA) program, and the Oregon Foreclosure Avoidance (OFA) program, so we wanted to include them in our metric to better understand how all of our homeownership programs are reaching BIPOC communities.

There were 383 clients who were able to purchase homes through their work with the homeownership centers we fund with HOAP dollars and of those, 32% identified as people of color. Our Down Payment Assistance program served 156 clients in fiscal year 2022 and 53% of those clients were People of Color. The OBRL program reached 522 new homeowners in this fiscal year, 30% of whom were People of Color and the OFA program served 98 clients and 15% were People of Color. In fiscal year 2021 the Homeownership Division launched the Housing Assistance Fund (HAF), a program funded by the U.S Treasury to assist homeowners most at risk of foreclosure. This program launched it's pilot phase in November 2021, and from November 30, 2021 through June 30, 2022, 10 of the 33 approved applicants are People of Color. There were an additional 872 People of Color who received counseling and education at the homeownership centers funded by OHCS, making up 38% of total clients in the fiscal year. These clients were not included in the KPM calculation since they did not necessarily all purchase a home, but it is encouraging that such a high percentage of those receiving these services were from communities of color.

OHCS has been working to ensure that our partners are being more proactive in promoting the all of our homeownership programs to communities of color by encouraging partnerships with culturally actual targets specific organizations and expanding outreach efforts. Most recently, OHCS started using performance-based contracting with our lenders and partners to ensure that they serve and improve outreach to the BIPOC community. Partners had to submit a Request For Application to the Home Ownership division committing to serving their entire community with a focus on communities of color and hitting performance goals tied to the number of BIPOC individuals served. Homeownership is leading the Agency in this effort and is committed to refining this process over the coming years.

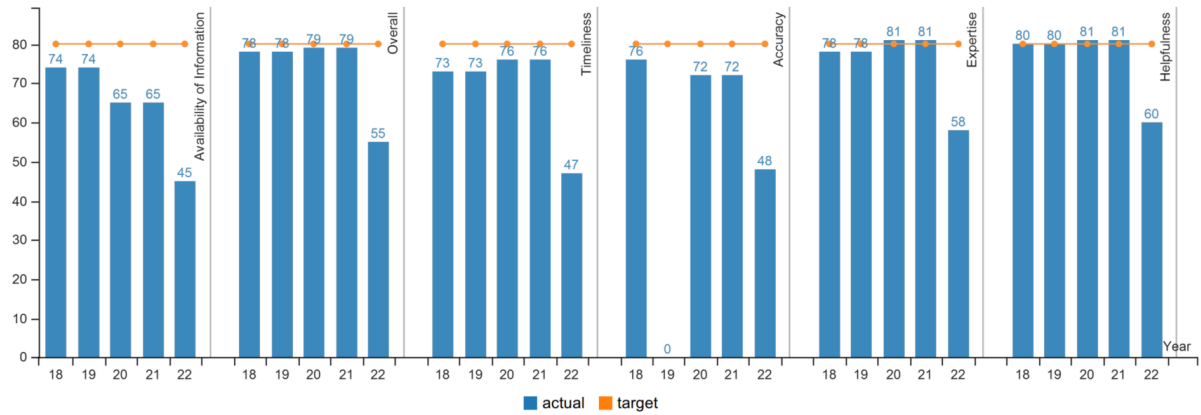
KEY PERFORMANCE MEASURE 10: AGENCY CUSTOMER SERVICE

Percentage of customers rating their satisfaction with the agency's customer service as "good" or "excellent": timeliness, accuracy, helpfulness, expertise, availability of information, overall.

Data Collection Period: Jan 01 - Dec 31

*Upward Trend = positive result





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%
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%

How Are We Doing

We performed our ninth customer service survey in 2022 and we received 121 complete responses. When asked to rate “the overall quality of service provided by OHCS”, 55% of respondents gave a positive answer (“Excellent” or “Good”). We conduct this survey every other year. This is below our target of 80%.

Factors Affecting Results

The results of the 2022 Customer Service Survey were significantly different than the 2020 survey results. After 2 years of launching and facilitating hundreds of millions of dollars of emergency programs in a short time, OHCS had to pivot our business practices and operations by becoming a direct service provider for these new programs. This change in business required OHCS to internally adjust and affected how we relate with our external partners and how we are perceived externally. Nearly all the poor or fair ratings were due to lack of satisfaction with federal emergency programs (this includes ERA and HAF). Other comments included dissatisfaction with OHCS changing prioritization for our notice of funding availability and how we score developers who are applying for affordable housing tax credit funding (LIHTC, HOME, etc.).

One important lesson the agency learned over the course of the pandemic was the importance of setting up customer service support for new public facing emergency response programs. OHCS has set up support lines for tenants and landlords in need of emergency rental assistance application support and has invested in interagency partnerships with 211 to increase the availability of information about foreclosure prevention and availability of federal and state resources.

OHCS received its highest ratings for “the helpfulness of OHCS employees”, and “the knowledge and expertise of OHCS employees”, with 60% and 58% of customers giving a positive rating on these factors respectively. The factor which the agency needs to focus on improving the most is “the availability of information at OHCS” with a positive percentage of just 45%.

OHCS works with hundreds of partners across the state across the housing continuum. While OHCS generally relies on partners to promote and deliver their services to local communities, OHCS does provide a wide variety of community supports, educational information and outreach. Sometimes there is a time lapse between when OHCS is updated about remaining availability of resources on the ground. OHCS will soon take part in an interagency council on homelessness to co-create ways to improve communication between the state, county, city and local providers in order to provide more timely information to the public about resource availability. The agency is actively building out and reformulating our stakeholder engagement and outreach to increase information sharing and partnerships with community members. This feedback will help inform our approach.

OHCS greatly values community input and takes feedback on performance seriously. While we appreciate that responders found our staff to be knowledgeable and helpful, we strive for excellence and will continue to incorporate feedback on ways the agency can improve access to information and program opportunities while strengthening community partnerships.



BUDGET LANDSCAPE: ENVIRONMENTAL FACTORS OF HOUSING

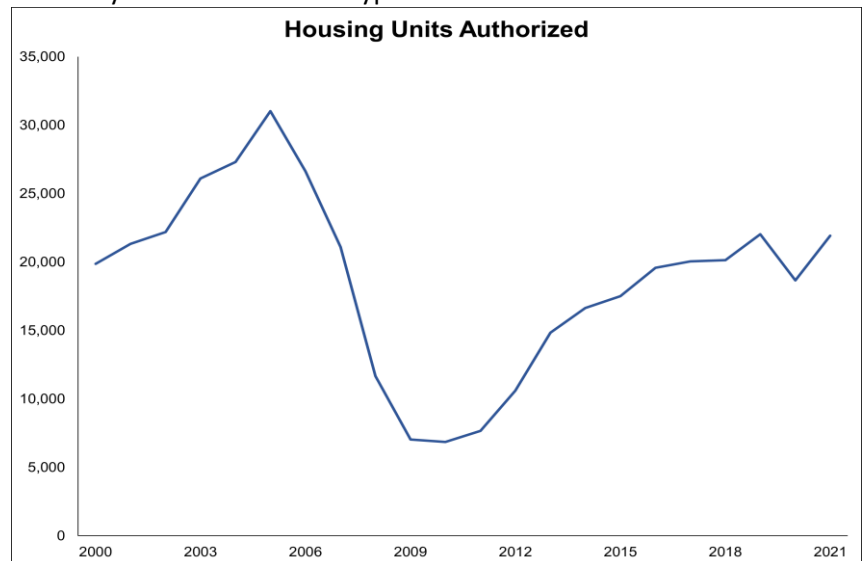
As we entered 2023, Oregonians face a wide array of financial challenges from high inflation and rising housing costs to eroded wages. Most of the information below is available by race and ethnicity. It reflects the disproportionate impacts that Black, Indigenous, Latinx/a/o, Asian, Pacific Islander, and Tribal communities experienced prior to COVID-19 and were further entrenched by the pandemic. Poor access to affordable housing, difficulty generating wealth, and homelessness are just a few of the challenges marginalized communities face as Oregon enters the new year.

Housing Supply and Vacancy Rates

Oregon has a long history of inadequate housing supply, especially when considering rapid migration trends over the last two decades. From 2000 to 2010, net in-migration to Oregon totaled 252,000 individuals which was exceeded by the following decade with our population growing by 412,777 between 2010 and 2020. While population growth slowed between 2020 and 2021, it rebounded rapidly the following year with in-migration totaling 24,979. Oregon’s ability to attract a growing population has bolstered our economic competitiveness and built a talented labor market; however, it’s also put immense upward pressure on housing demand.

Put simply, Oregon’s housing supply has not kept up with the strong need in our state. According to OHCS’ Oregon Housing Needs Analysis (OHNA), Oregon has underproduced over 65,000 housing units as of 2022. Building permit application data is one way to understand the type and number of units

expected to enter the market in the coming years.¹ While there was an increase of 9% or 1,908 building permits applications between 2018 and 2019, applications plummeted by 3,372 or 15% in 2020. Permits rebounded in 2021, yet they fell shy of pre-pandemic levels which pushes Oregon further behind in housing production.² The state’s inadequate housing supply leads to low vacancy rates for renters and homeowners alike, making homeownership and the price of renting more expensive with each passing year.

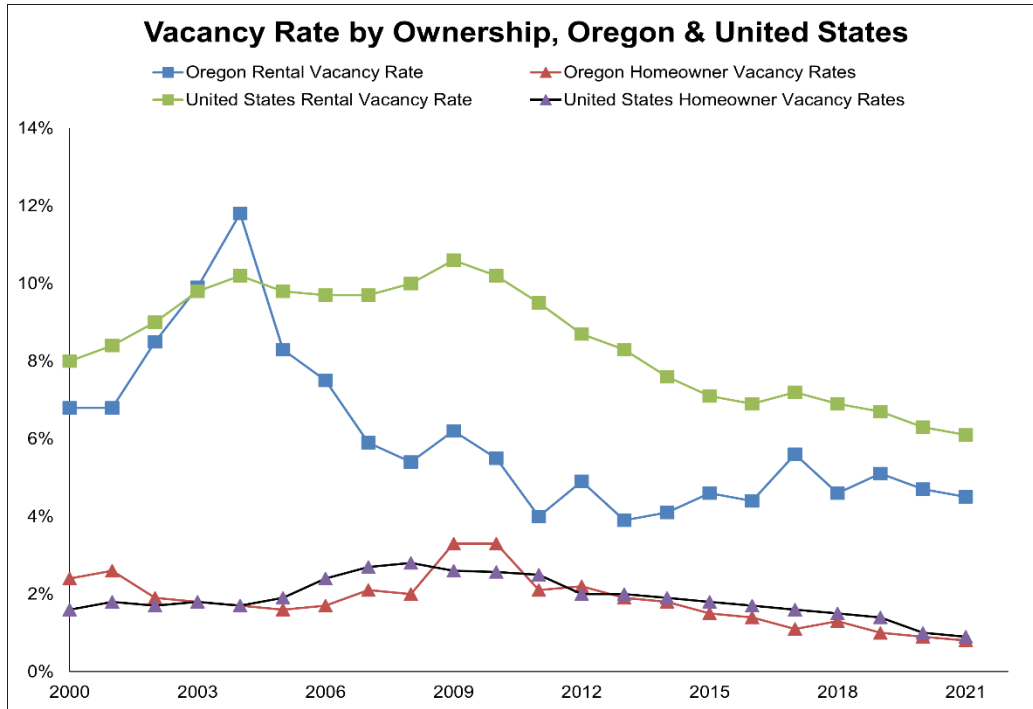


¹ HB 2003 (2019) requested OHCS create Oregon’s first Regional Housing Needs Analysis. The revised report with technical suggestions was released in 2022 which is available [here](#) and OHCS project [webpage](#).

² U.S. Census Bureau, [Building Permit Survey](#), Annual Estimates, 2000 – 2021



Oregon’s overall vacancy rate for housing units, including both rental and homeownership vacancies, currently hovers around 3%. The homeownership vacancy rate has steadily declined since 2010, dropping to 0.9% in 2020 and declining to 0.8% in 2021 which closely follows national vacancy. Rental vacancies followed a similar trend remaining below 6.0% in Oregon since 2009. Currently, the rental vacancy rate is 4.5% which is 1.6% lower than the national average of 6.1%.³ Low vacancy in the rental market means that landlords can raise their rents due to increased demand, leading to an extreme gap of affordable and available units. This is particularly true for low- and extremely low-income Oregonians. The OHNA shows that 41% or 232,200 of the total housing needed over the next 20 years stem from Oregonians making less than 80% of the AMI.¹



Oregon Housing Needs Assessment (OHNA) & Long-Term Housing Supply

The Oregon Housing Needs Assessment was first created in 2019 by H.B. 2003 which aimed to better understand the states housing shortage and create goals to meet demand. Since then, a team from ECONorthwest, OHCS, DLCD, other government agencies, and external stakeholders have iterated a methodology to project housing need. The current iteration suggests Oregon will need to build approximately 554,691 housing units over the next 20 years to account for current underproduction, homelessness, growing demand, and second/vacation homes.¹ An analysis of current housing needs will be available for cities with a population of more than 10,000 to support equitable housing growth. More detailed demographic analysis provided by the OHNA further shows us that these problems disproportionately fall on communities of color, people with a disability, and those over 65.



³ U.S. Census Bureau, [Housing Vacancy Survey](#), Annual Estimates, 2000 – 2021

The Gap of Available Rental Units

To understand how inventory shortage affects households differently, we break down households into three categories based on the household's monthly income:

- extremely low-income (ELI) those making 0-30% of the area medium income (AMI)
- very low-income (households making 31-50% of the AMI)
- and low-income (those making 51-80% of the AMI).

The AMI is determined for each locality to account for the geographic variety in median income. It can vary widely depending on the makeup of a given region. For instance, in Multnomah County, the median income is \$74,600 whereas it's \$53,700 in Umatilla County. Statewide, the AMI is \$63,600.⁴

Many OHCS programs serve households who have income at or below 80% of the AMI, with a specific focus on those at or below 60% of AMI. As shown in the graph below, there are over 365,500 renter households living at or below 80% of AMI. This means that nearly 45% of renter households in the state are considered low-income. Furthermore, there are 314,040 owner-occupied households living at or below 80% of AMI which means that one in five falls under the low-income threshold.⁴ The housing shortage affects low-income households the most and leaves families unable to find stable, safe, affordable housing.

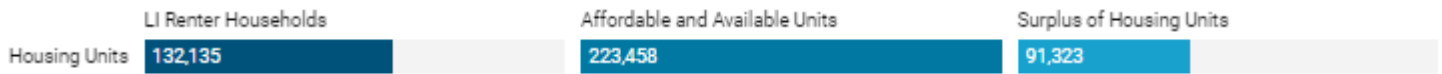
ELI Housing Availability vs. Need (Deficit)



VLI Housing Availability vs. Need (Deficit)



LI Housing Availability vs. Need (Surplus)



The above graphs show that households that are extremely and very low-income renters, or those between 0-30% and 31%-50% AMI, have a combined shortage of over 127,400 units. This means that the 245,780 households that each earn less than \$31,800 must compete for housing in one of the only 118,358 affordable and available units. On the other hand, for people who make somewhere between \$31,800 - \$58,150 annually, there are 91,323 more available units than there are households in that annual earnings category. This reflects that the housing deficit is severely impacting the most vulnerable in Oregon – those in the extremely and very low-income categories.

Rent Burden & Affordability

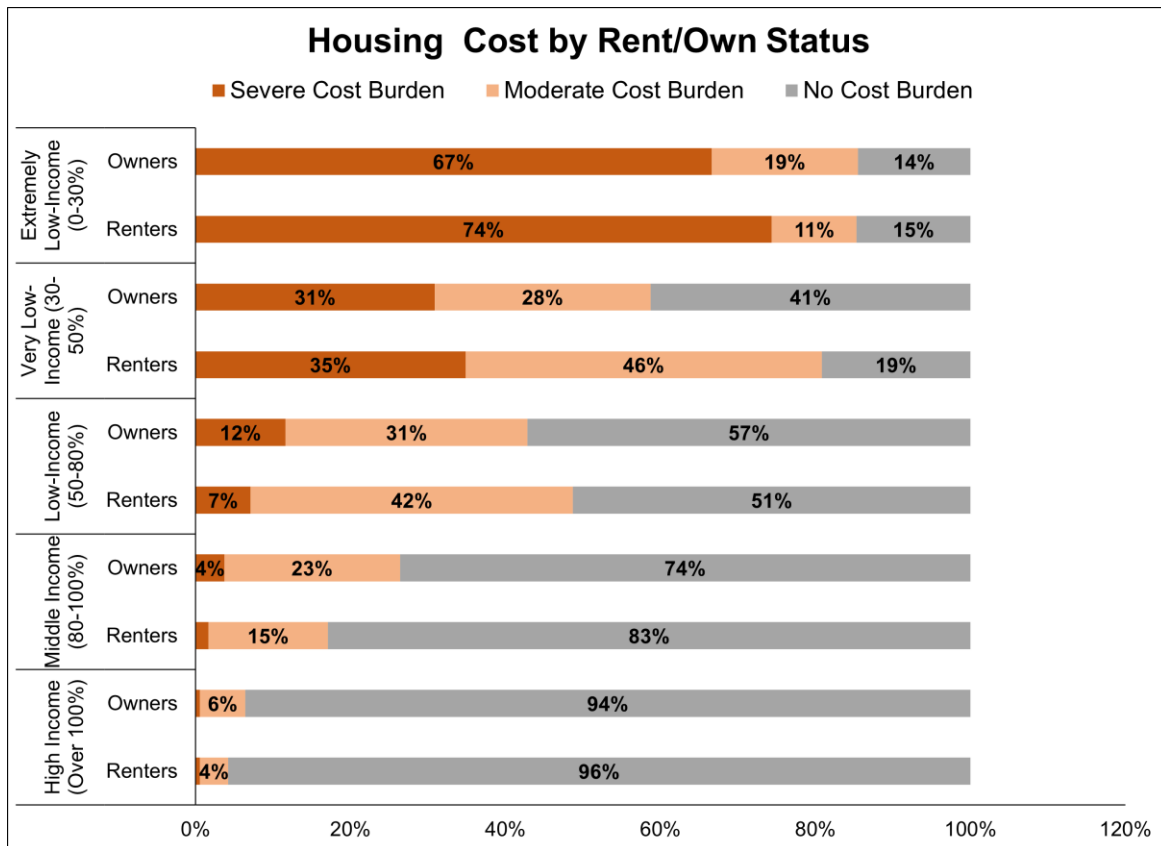
As a direct result of the shortage of affordable and available units noted above, the lowest income residents are spending the largest share of their monthly income on housing costs. As ELI and VLI renters are crowded out of housing affordable to them, they are forced to live in more expensive



⁴ Housing and Urban Development, [Income Limits](#) One-Person, 2022

accommodations results in high-cost burdens across Oregon. This is commonly referred to as rent burden or housing cost burden. Cost burden is broken down in three ways:

- **Severe Cost Burden** – paying more than 50% of your monthly income on housing expenses
 - **Moderate Cost Burden** – paying more than 30% but less than 50% of your monthly income on housing expenses
 - **No Burden** – paying less than 30% of your monthly income on housing expenses
- Housing Cost Burden by Rent/Own Status



The above graph clearly shows that over 50% of extremely low-income, very low-income, and low-income households are cost burdened (meaning either moderately or severely). For extremely low-income households, only 14% are not experiencing any housing cost burden.⁵

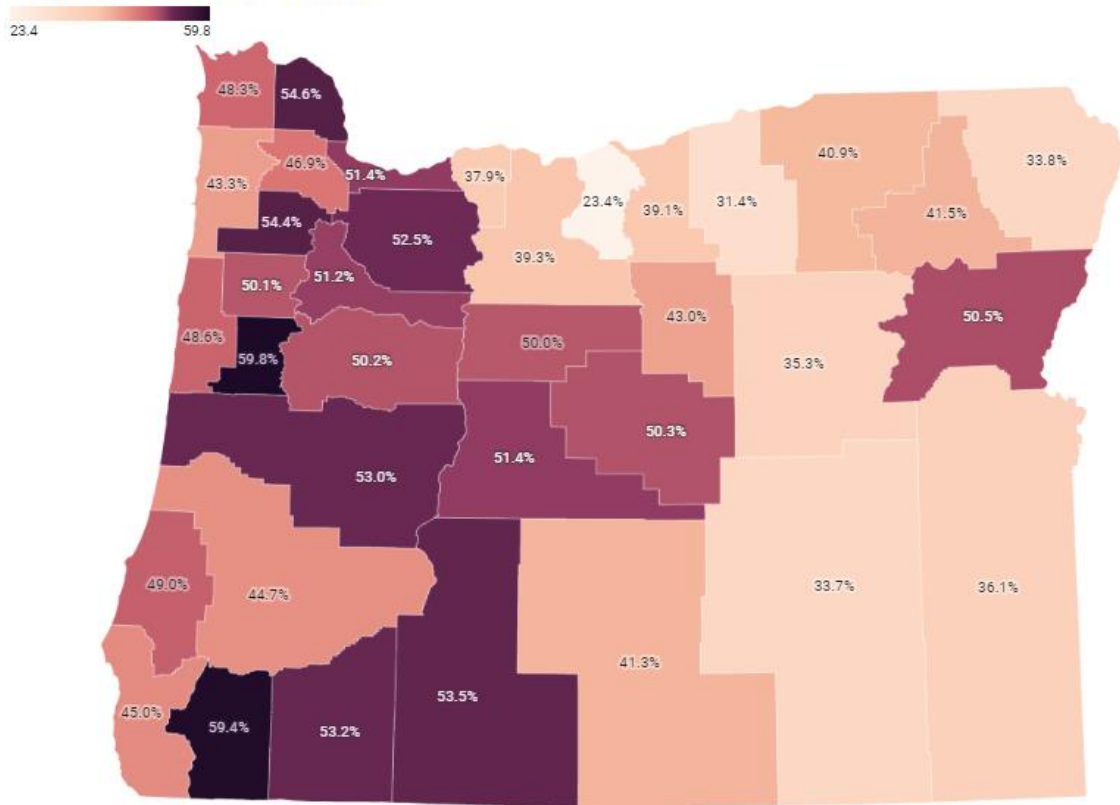
For those Oregonians earning less than 80% AMI, this often means choosing between whether to pay their rent, buy groceries, or attend a much-needed doctor appointment. The COVID-19 pandemic has only exacerbated this necessity to choose between rent and other household necessities.

The map below demonstrates that rent burdens are a ubiquitous issue from Jackson to Multnomah County and Lincoln to Baker County. Every county has at least 23.4% of their renters considered cost burdened or severely cost burdened in 2021. Unfortunately, 16 counties had more than 50% of renters considered cost burdened or worse. Benton and Josephine counties saw the highest level of cost burdened renters at 59.8 and 59.4%, respectively.



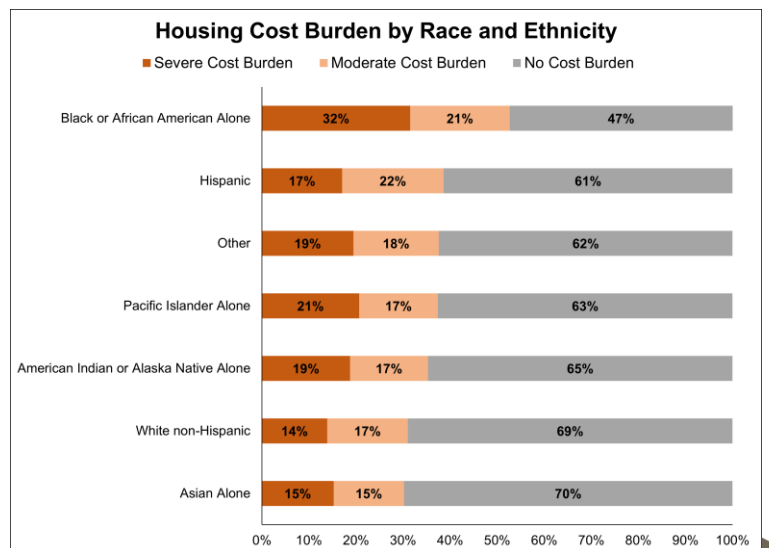
⁵ Housing and Urban Development, [Comprehensive Housing Affordability Strategy](#), 2015 – 2019 Estimates

Share of Cost Burdened Renters



Housing Cost Burden by Race

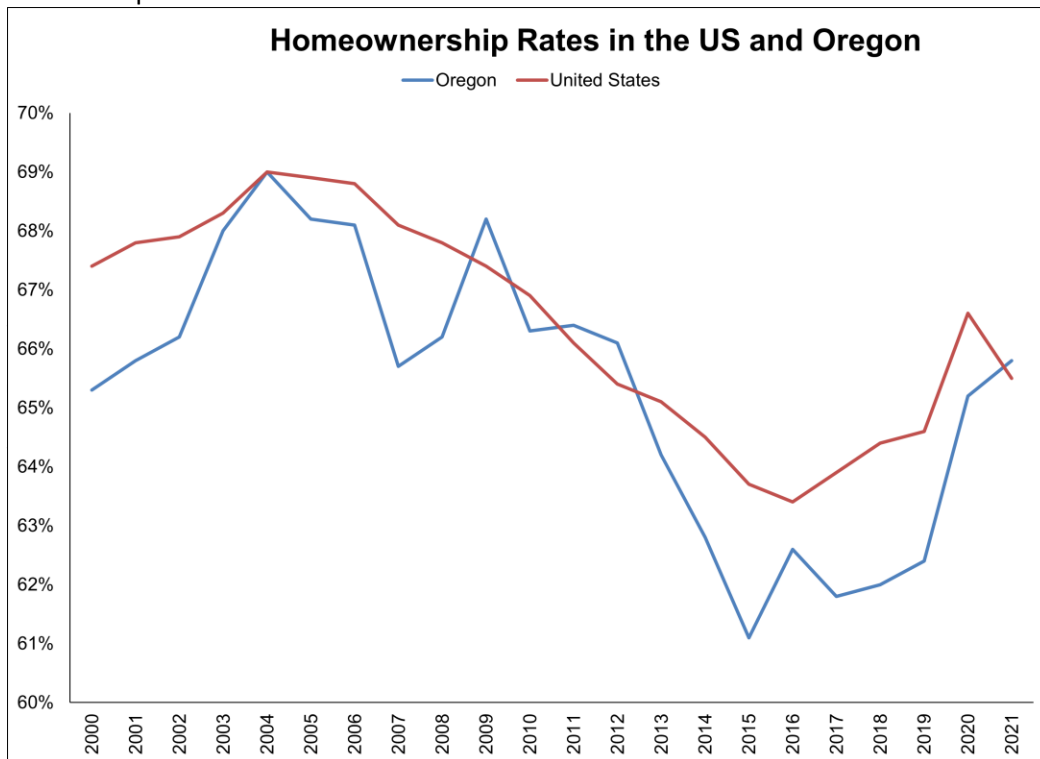
Cost burden is even more prevalent for households of color with 53% of Black Oregonians paying more than 30% of their monthly income on housing expenses which is 22 percentage points more than their white counterparts at 31%.⁵ The Hispanic community makes up the next most cost burdened group, with 39% spending more than 30% of their income on housing. Individuals who are White and Asian experience lower levels of cost burden than any other group, however, this does not account for differences that happen within those populations. For example, analysis of PUMS 2016-2020 data shows that Asian Indians have a median income of \$86,000 in Oregon, while for Vietnamese households that number is closer to



\$64,280.⁶ Aggregating multiple ethnicities and nationalities into one category, as the Asian example illustrates, often fails to tell the full picture.

Homeownership Rates

As is true nationally, homeownership rates in Oregon fell dramatically because of the foreclosure crisis. However, as of 2017, they have started rising again, reaching 65.2% in 2021, a rate that is still well below the high of 69% in 2004.³ Homeownership for middle-income Oregonians, especially those who are first-time home buyers, is increasingly out of reach. Home purchase prices are rising faster than incomes; even the current low interest rates cannot keep monthly mortgage costs within the affordable range. Rising prices also mean higher down payments, which is especially challenging for those who are not also selling an existing home. And, in most of Oregon’s urban markets, competition for limited supply of homes for purchase is fierce.



People of color experience disproportionately low homeownership rates compared to white households or the population as a whole, with homeownership rates ranging from 36 percent among Pacific Islander households Black to 67 percent among White households in 2021.⁷

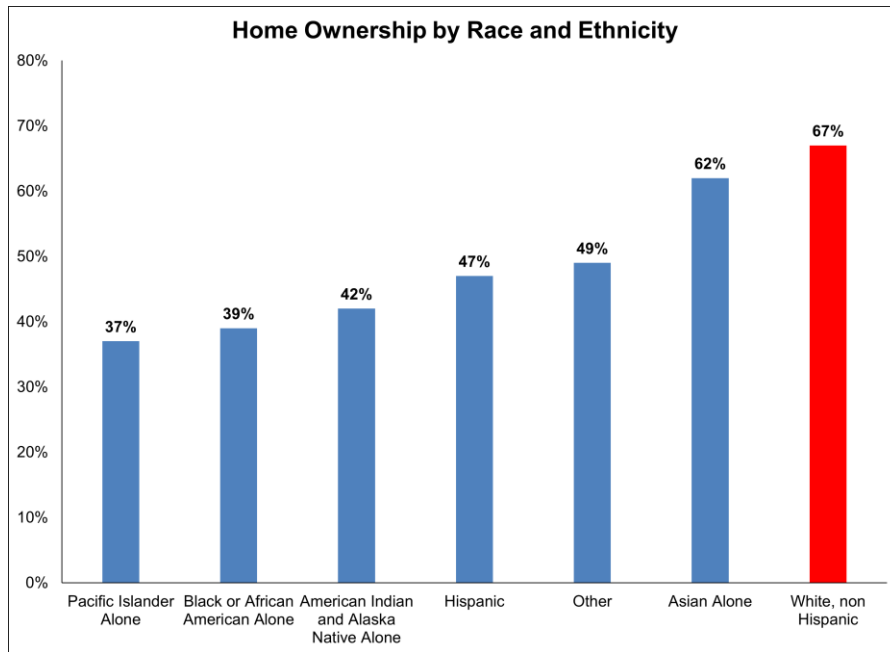
Changes made to underwriting standards as a result of the housing crisis have disproportionately affected low-income households with higher debt to income ratios and lower credit scores, characteristics which are more likely to affect young people and people of color. Adding to this disparity, even when they own their homes, people of color build less wealth through homeownership than White homeowners do.

⁶ U.S. Census Bureau, [Five-Year Estimates, PUMS](#), 2016 – 2020

⁷ U.S. Census Bureau, [One-Year Estimates, S2502](#), 2021

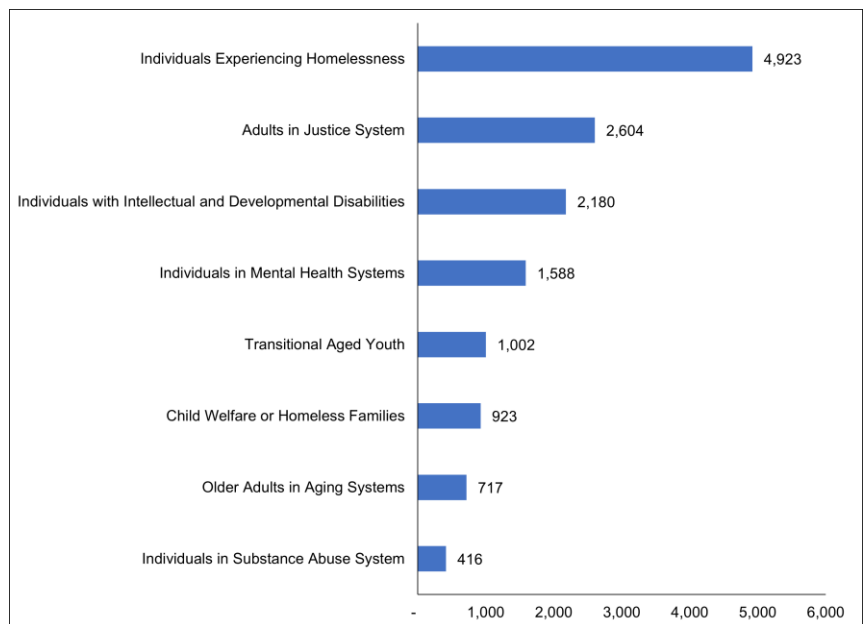


Across the income spectrum, Oregon’s communities of color have lower home ownership rates than whites. Redlining resulted in households of color receiving just two percent of the FHA loans made between 1934- 1968. This, combined with other forms of discriminatory lending, has fueled the current disparity in homeownership we see today and has had a lasting impact on the neighborhoods in which households of color live and the schools they attend. These are ongoing concerns that continue to reverberate and compound. Families that were denied loans a generation ago did not build wealth to pass on to their children, who therefore lack down-payments for their own homes today. Discriminatory lending practices and disparate access to home financing persist today. Mortgage loan applications from nearly all non-white racial and ethnic groups are denied at rates that exceed those of white applicants.



Permanent Supportive Housing (PSH)

The need for permanent supportive housing in Oregon, and across the county, only continues to grow. PSH offers stable living and support for people who have experienced homelessness, the justice system, those who experience disabilities, older adults on a fixed income, and youth aging out of foster systems. During 2020, need for PSH in Oregon stood at 12,472, and since then, demand has increased by 15%. In total, 14,353 additional permanent supportive housing units are needed as of 2022.⁸ The group needs for PSH are detailed to the right.



⁸ Corporation for Supportive Housing, [Supportive Housing Needs](#), 2020 – 2022

Real Wages & The Cost Of Housing

Coming out of the COVID-19 recession, the jobs recovery was quick. As restrictions loosened and customer spending readjusted, the economy opened back up. Pre-pandemic levels of employment were reached in just over two years whereas recovery time for the Great Recession took nearly seven years to recover. Government interventions, like stimulus checks and expanded unemployment insurance, played a role in preventing some of the worst economic harms.⁹

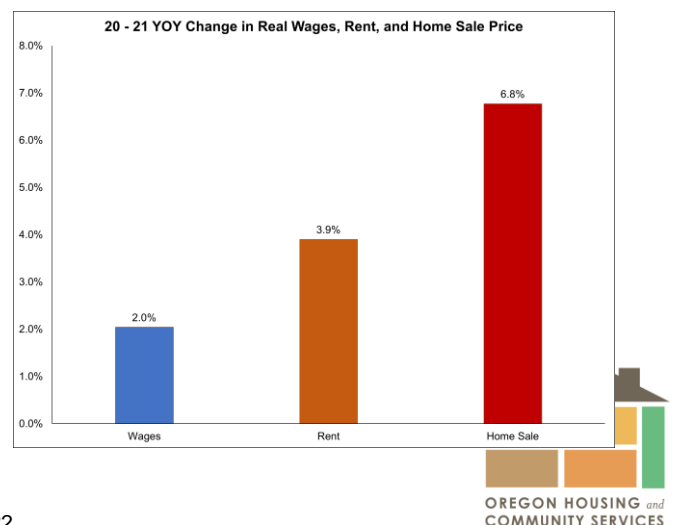
COVID-19 Job Changes Compared to Great Recession Job Changes



Source: Oregon Employment Department QualityInfo.org

Despite this, hundreds of thousands of Oregonians reported housing instability, loss of employment income, and food insecurity throughout 2020 to 2022. The unemployment rate spiked by almost 10 percentage points from 3.5 to 13.3% within two months – the highest unemployment rate in Oregon for the last two decades. Further, the COVID-19 recession entrenched economic and racial inequality. The fallout was highly concentrated as low-income individuals, less-educated persons, communities of color, and women faced the brunt of economic harms.¹⁰

In addition, wages have not kept pace with inflation or rising cost of housing in Oregon. Nominal wages increased by 7% between 2020 and 2021, but after adjusting for inflation, wage growth was only 2.04% YOY.⁹ Inflation-adjusted rent and home sale prices have far outpaced any wage gains over the same timeframe: Rent increased by nearly double and home



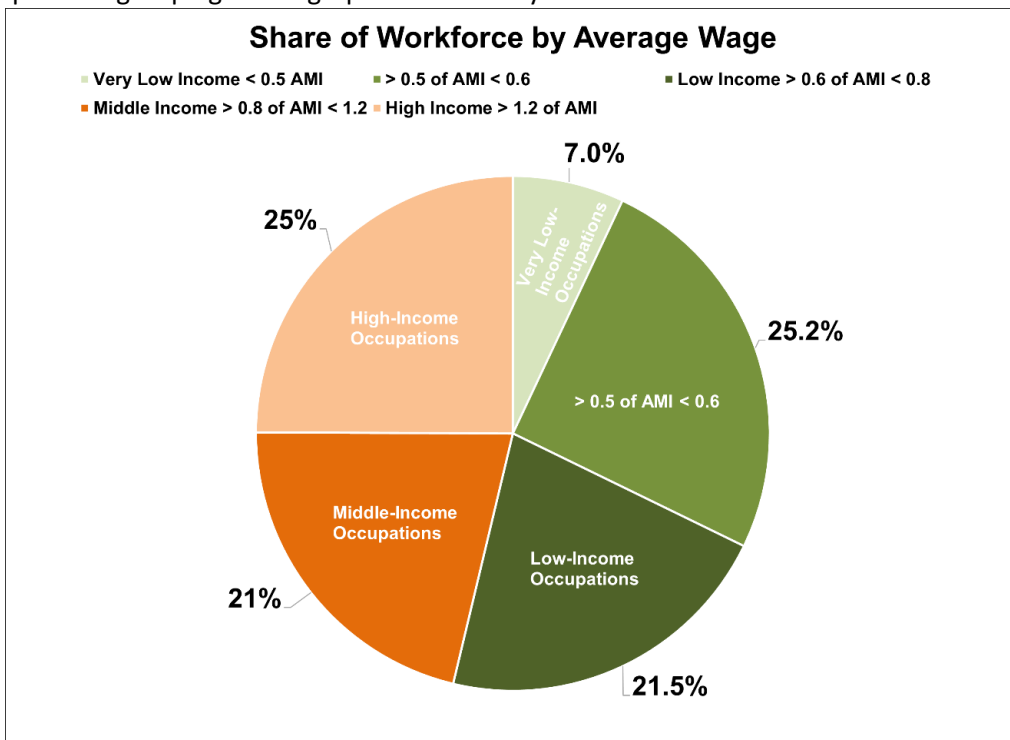
⁹ U.S. Treasury Department, [CARES and ARPA Economic Impact](#), 2022.

¹⁰ Oregon Employment Department, [Current Employment Estimates and Local Area Unemployment Statistics](#), 2000 – 2022

sale price more than triple the rate of wages. As wages fall behind, renters continue to face financial pressure and homeownership becomes more unattainable.

Low-Income Occupations Are The Middle-Income Reality

Middle-income housing is often defined as individuals who have an income between 80 to 120% AMI. This segment of the population is a focus of policy intervention and championed as an economy’s engine. But is this the reality of Oregon’s workforce? When compared with HUD income limits for one-person, statewide occupational data tells a different story: Middle-income jobs (occupations with an average income falling between 80% to 120% AMI) compose a relatively modest share of employment at 21%. Middle-income jobs are an important piece of the workforce, but it is far from the main occupational grouping as the graph below clearly demonstrates.¹⁰



Occupation Title	2021 Employment*	2022 Annual Wages
Office and Administrative Support Occupations	236,870	\$46,074
Transportation and Material Moving Occupations	167,094	\$43,755
Sales and Related Occupations	161,089	\$47,392
Food Preparation and Serving Related Occupations	148,056	\$34,698
Management Occupations	122,660	\$113,792

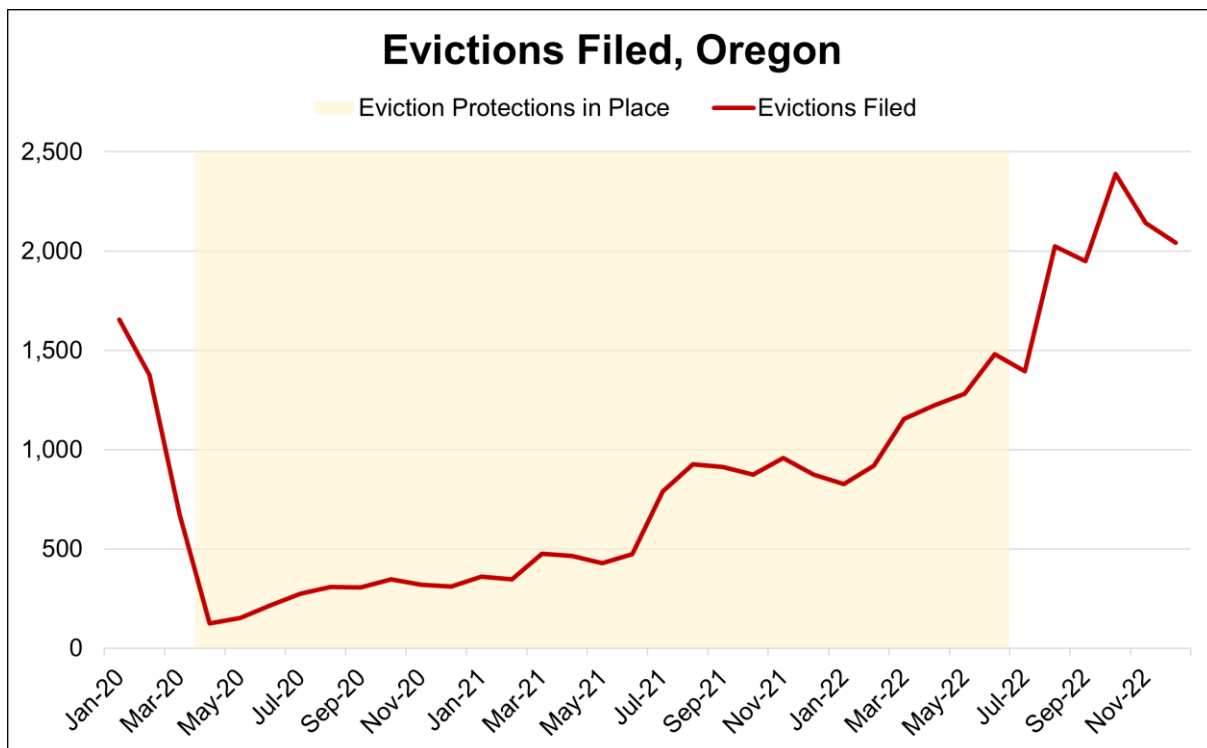
In fact, the largest employment group are those falling between 50 to 60% AMI, more than 25% of occupations are in this range alone. Home health aides, housekeepers, waiters/waitresses are just a few of the occupations in this percentile range. The category for low-income occupations is also larger than middle-income jobs. Four of the five largest occupational categories in Oregon have average wages in the low-income range: Administrative assistants, sales employees, transportation/delivery drivers, and



food-related services. These jobs form the base of Oregon’s workforce and economy. When added with jobs making less than 50% AMI, 54% of all occupations in Oregon have an average wage considered very low or low-income.¹¹

Evictions In Oregon

As real wages fall behind and housing costs rise, housing insecurity has become more commonplace. Evictions and Homelessness both rose between 2021 and 2022. More than 54% of all evictions in Oregon occurred within the Portland MSA during 2022. However, Klamath County had the most evictions filed per rent units with 5 evictions filed per 100 rental units in the area. Multnomah, Douglas, Coos, and Umatilla Counties had 4 evictions filed per 100 rental units showing that evictions are an issue for both rural and urban communities. 15 of Oregon’s counties had an eviction filed per 100 units of 3 or higher in 2020 again highlighting the pervasive nature of housing insecurity.¹²



Homelessness

While homelessness continues to be a persistent issue for many Oregonians, especially with the onset of the COVID-19 pandemic, measuring homelessness across the state is challenging and sometimes unreliable. Many researchers, policy makers and persons with lived experience all agree that nearly all the data we have on how many Oregonians experience homelessness is an undercount and

¹¹ Oregon Employment Department, [Oregon Wage Information](#), 2022

¹² Portland State University, [Evictions Data Tracking](#), 2020 – 2022

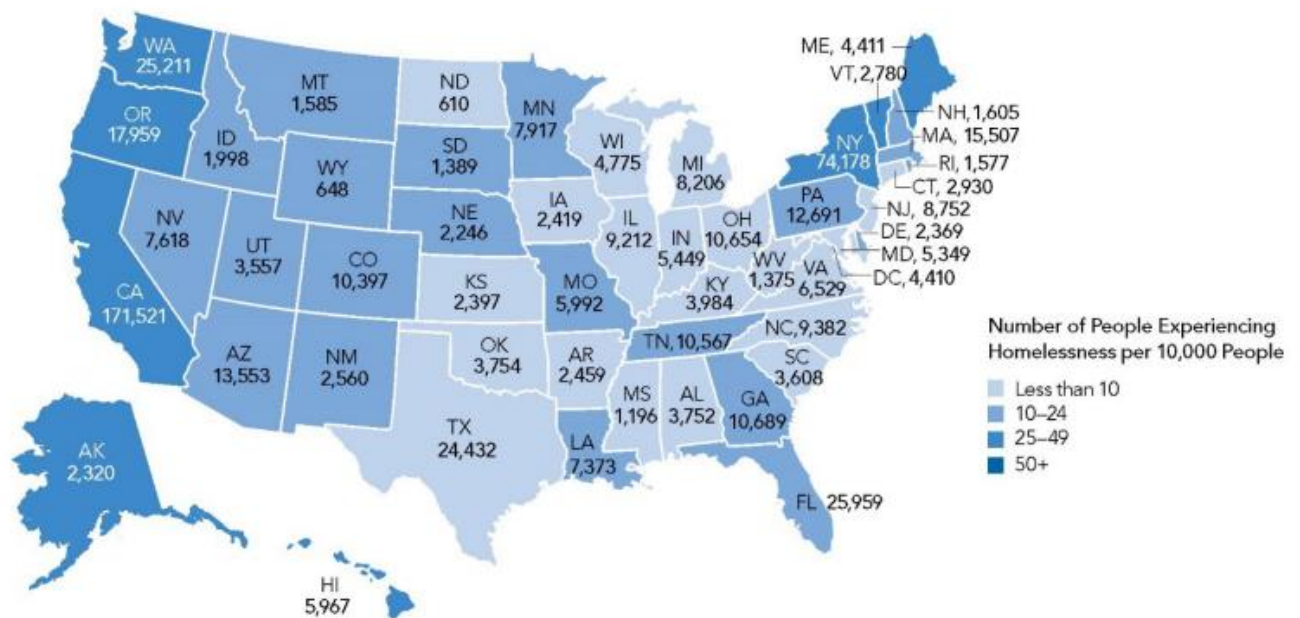


underestimates the true number of families and individuals that experience homelessness across Oregon.

Methodology for how data is collected varies by county, by provider, and by location of where an individual might be living or staying. Our data comes from several sources including:

The Annual Point in Time Count – an annual count of individuals experiencing homelessness that occurs one night each year to survey individuals living in cars, on the street, in shelters, and other situations. This data is collected differently from city to city because each city has a different level of resources to fund the point-in time count. Because it only occurs on night each year and often in January when it is very cold, it’s missing people who are homeless on other nights or in a temporary situation because of the cold weather. The Point in Time also undercounts traditionally marginalized communities.

Exhibit 1-6: Estimates of People Experiencing Homelessness by State, 2022



According to the 2022 Point in Time Count, 17,959 people in Oregon were experiencing homelessness on January 21, 2022, a 22% increase in homelessness compared with 2020. Current homelessness rebounded in Oregon between 2020 and 2022 to the highest level in a decade. Nearly 62% of people experiencing homelessness are unsheltered (ranked fourth worst in the country – behind California, Mississippi, and Hawaii), meaning they are staying in a place not meant for human habitation.¹³

State	All People	Unsheltered (n)	Unsheltered (%)
Highest Rates			
California	171,521	115,491	67.3%
Mississippi	1,196	761	63.6%
Hawaii	5,967	3,743	62.7%
Oregon	17,959	11,088	61.7%
Arizona	13,553	8,027	59.2%



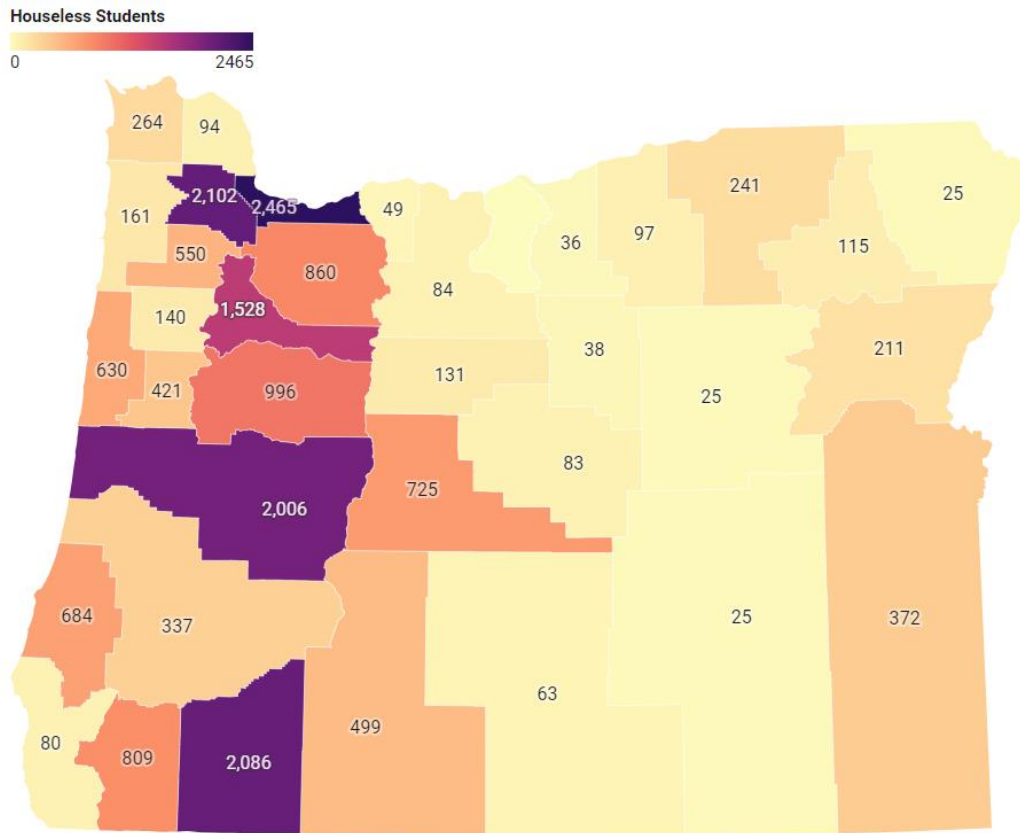
¹³ Housing and Urban Development, [Point in Time and Housing Inventory Count](#) 2007 – 2022

Where else do we get data about people experiencing homelessness in Oregon?

1. **Homeless Management Information System** – a statewide software that enters information of families and persons experiencing homelessness who have received services funded by the state of Oregon. This data is limited because it only considers people who have interacted with homeless prevention/homeless services funded by the State of Oregon. Because it is not connected with other data systems that count people experiencing homelessness, we are not able to see if a person received services funded by a local jurisdiction in addition to services funded by the state. We also can't see people who received services from another local government that does not share data with this system, surely leading to an undercount of people who are experiencing homelessness.
2. **McKinney Vento Data** – data collected by the Oregon Department of Education on the number of students experiencing homelessness or who are doubled up, meaning they are temporarily staying with a family members or friend.

The annual report shows that over 18,358 students in Oregon experienced a form of homelessness during the 2021 – 2022 school year representing 3.3% of all student enrollment. This is a slight increase from the previous school year. While the overall number of students experiencing homelessness are in more urban parts of the state, the highest concentrations are in rural areas. McKenzie, Arlington, Butte Falls, and the Phoenix-Talent School Districts had more than 20% of their total student population facing homelessness.¹⁴

Students Experiencing Houselessness, 2021 - 2022



¹⁴ Oregon Department of Education, [Oregon Statewide Report Card](#), 2021 - 2022

Families and children in Oregon are particularly vulnerable to homelessness when compared with the rest of the country. Approximately 3,373 people were reported to be in a family with children while experiencing homelessness. Other states like New York may have a greater number of families experiencing homelessness, but most if not all at least have shelter. Oregon’s homeless families are on the streets not in shelters. By far, Oregon had the highest share of families with children experiencing unsheltered homelessness at 59% with second at 47.1% for Idaho.¹²

State	All People in Families Experiencing Homelessness	Unsheltered (#)	Unsheltered (%)
Highest Rates			
Oregon	3,373	1,991	59.0%
Idaho	765	360	47.1%
Tennessee	2,360	1,040	44.1%
Arkansas	328	126	38.4%
Alabama	1,270	451	35.5%

People of color, LGBTQIA+ persons, immigrant communities, communities who do not speak English as their primary language, and other traditionally marginalized communities are often very underrepresented in all homelessness data, even though these groups are disproportionately affected by homelessness.

Conclusion

2022 was a difficult year all around for Oregonians. Record inflation, slowing wage gains, and rising housing costs further strained an already constricted housing market. In a housing market that was already falling behind each year, the numerous issues in 2022 led to a rise in homelessness, evictions, and housing insecurity. Strategic investments are required to address the landscape of needs described.



OUTCOMES FROM 2021-23 ONE-TIME FUNDS

The charts below detail one-time funds received by OHCS during the 2021–23 biennium. Not all investments have reported outcomes as of January 2023, and additional programmatic outcomes will be available at a later date. Additional information on programs is available in the January 30th presentation to the Ways and Means Subcommittee on Transportation and Economic Development.

Homelessness Response		
Program/Investment	Description	Outcomes
Navigation Center operations, \$12.6M	Operational funds for navigation centers funded by the Legislature.	530 shelter beds funded, 287 open with more coming online.
Project Turnkey operations, \$8.3M	Operational funds for Project Turnkey sites by the Oregon Community Foundation via state investments.	777 shelter beds online.
Emergency Solutions Grant-Coronavirus Relief (ESG-CV), \$45.9M spent to date	Federal funds 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 to date.
Out of the Cold & Homelessness Response & Prevention Services, \$35M	Funds allocated through a statewide formula that allows for critical homeless services such as emergency shelter support, street outreach, and rapid rehousing.	762 additional shelter beds created and 451 beds in development.

Homelessness Prevention		
Program/Investment	Description	Outcomes
Oregon Emergency Rental Assistance Program (OERAP), more than \$426M distributed	Federally funded and then supplemented by the Legislature, OERAP provided rental assistance through a centralized application, the first rental assistance program in the state to do so.	67,522 tenant households served.
Oregon Eviction Diversion & Prevention (ORE-DAP) Program, \$58M	ORE-DAP provides rental assistance through local organizations.	8,910 tenant households served in Fiscal Year 2022



Eviction Prevention Rapid Response (EPRR) program, \$8.95M	EPRR provided rental assistance to those with a court summons for non-payment evictions, preventing evictions at the last step. Funds have been spent down and the resource is no longer available.	850 tenant households served.
Mediation Pilots, \$1.25M	In a partnership between OHCS and the University of Oregon Office of Community Dispute and Resolution, five mediation centers across the state are offering mediation services with the goal of resolving disputes between landlords and tenants and preventing evictions when possible.	Five new mediation pilot sites.

Utility Assistance

Program/Investment	Description	Outcomes
COVID Oregon Energy Assistance Program (OEAP), \$10M per calendar year	OEAP provides a temporary low-income electric bill payment assistance program for customers of Pacific Power and Portland General Electric.	6,722 households served to date, 4,641 utility disconnections prevented and 368 households with services restored.
Low-Income Home Water Assistance Program (LIHWA), \$5.14M spent to date	LIHWA was established by Congress in 2021 with one-time funds to provide households with assistance for their drinking water and wastewater services costs.	9,565 households served, 25,719 individuals total.

Asset Building

Program/Investment	Description	Outcomes
Individual Development Accounts (IDAs), \$7M (added to tax credit resources)	IDA Initiative builds financial assets through matched savings and supports Oregonians living on low incomes to build hope and financial stability.	775 participants enrolled in 2021. 1,149 program completions in 2021, highest rate in last five years.



Rental Housing Development		
Program/Investment	Description	Outcomes
LIFT developments (Wave One), \$199.3M	LIFT funds the development of affordable homes that serve historically underserved communities, including rural areas of the state and communities of color.	Awarded funds to 23 developments, totaling 1,503 affordable homes.
Permanent Supportive Housing (PSH) developments (Wave One), \$25M	PSH combines affordable rental housing with tenancy support services to house people experiencing chronic homelessness and help them achieve stable housing in their communities.	Awarded funds to nine developments, three PSH homes.
Land Acquisition Program (LAP), \$12.6M so far	LAP assists organizations to purchase land for the development of affordable housing, both for rent and purchase.	Supported the purchase of 11 sites (so far) with funds from the 2021–23 biennium.
Market Cost Offset Fund (MCOF), Wave One, \$10.9M	The MCOF was established to provide resources to address funding gaps created by unanticipated market conditions.	Saved seven developments, totaling 365 homes, from falling apart.
MCOF, Wave Two, \$39.3M so far		Saved 13 developments, totaling 1,667 homes, from falling apart so far.

Rental Housing Preservation		
Program/Investment	Description	Outcomes
Acquisition of Publicly Supported Housing Properties, \$21M so far	Funding to finance the acquisition of Publicly Supported Housing properties with expiring affordability.	Awarded to two properties, saving 255 homes.
Preservation Pool, \$21.1M so far	Preservation Pool is noncompetitive funding that is left open for more urgent, small-scale needs.	Preserved 617 homes so far.
Manufactured Home Park Preservation, \$11.6M approved	OHCS helps preserve manufactured housing parks with permanently affordable home sites through park ownership by nonprofit organizations or resident cooperatives.	Two parks totaling 290 spaces.
Manufactured Home Park Preservation, \$12.1M up for approval		Two parks totaling 133 spaces.



Wildfire Preservation Funds, \$2.5M	Direct wildfire funding award to prevent the loss of affordable homes in a heavily impacted community.	Awarded to develop 36 homes.
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Landlord-Based Rental Assistance Programs

Program/Investment	Description	Outcomes
Landlord Compensation Fund (LCF), \$150M (2019–21)	LCF provides relief to landlords who have tenants who have been unable to pay rent, used the safe harbor period, and were not fully compensated by a tenant-based rental assistance program.	Nearly 5,500 landlords awarded funds, erasing debt for more than 23,600 renter households.
Landlord Compensation Fund, \$30M (2021–23)	\$13.1M to increase compensation to landlords to 100% and close out the program.	20% increase in resources to nearly 5,500 landlords.
Home Forward Landlord Guarantee Program, \$15M	The program compensates landlords for missed payments during the safe harbor period.	\$2.8M distributed to over 85 landlords as of October 31, 2021.
Home Forward Affordable Housing Stabilization Program, \$5M	The Affordable Housing Stabilization Program provides grant funding to housing providers who have debt due to missed rent payments.	\$4.95M was awarded, 30% oversubscribed. Outcome metrics coming soon.

Development of Homes for Purchase

Program/Investment	Description	Outcomes
LIFT Homeownership Wave One, \$12.4M	Creates affordable homeownership opportunities for low- to moderate-income families. Using Article XI-Q bond funding as a source for housing development, LIFT requires the state to have an ownership or operational interest in any real property developed.	118 homes for purchase.
LIFT Homeownership Wave Two, \$32.4M		676 homes for purchase as part of 25 developments at time of pre-application . NOTE: This program is 200% subscribed. Not all applications will be awarded.



<p>Homeownership Market Cost Offset Fund (HMCOF), \$6.5M</p>	<p>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 Homeownership funds.</p>	<p>11 projects with a total of 159 homes, averaging \$650,000 per project.</p> <p>NOTE: These awards are to projects awarded funds as part of the 2020 and 2021 LIFT funding offering.</p>
<p>Homeownership Development Incubator Program (HDIP) Development Subsidies, \$13.3M</p>	<p>Resources to support development that are not compatible with LIFT Homeownership. Resources will fund new construction of affordable homes for purchase.</p>	<p>267 homes as part of 13 developments</p> <p>NOTE: This program is 112% subscribed. Not all applications will be awarded.</p>
<p>HDIP Tribal Grants, \$5M</p>	<p>LIFT Homeownership funds cannot be used on sovereign land. This is designed to allow Tribal entities to develop homes for purchase on Tribal land.</p>	<p>19 homes for purchase as part of 6 developments</p> <p>NOTE: This program is 159% subscribed. Not all applications will be awarded.</p>
<p>HDIP Pre-Development & Capacity Building Grants, \$1.5M</p>	<p>Grants for emerging and established developers to increase the pipeline of developers and develop more housing.</p>	<p>32 applications for predevelopment and capacity building dollars</p> <p>NOTE: This program is 292% subscribed. Not all applications will be awarded.</p>
<p>LIFT Homeownership Supplemental, \$13.5M</p>	<p>Funds are designed to help bridge gaps for new projects funded by LIFT, increasing OHCS' ability to support the development of homes in high-density and rural areas.</p>	<p>512 homes for purchase as part of 16 developments</p> <p>NOTE: This program is 276% subscribed. Not all applications will be awarded.</p>



Manufactured Housing Programs		
Program/Investment	Description	Outcomes
Manufactured Housing Replacement Program, \$2.5M	Provides grants and loans to low-income (up to 100% AMI) Oregonians to decommission and replace older, energy inefficient, and unhealthy manufactured homes.	48 manufactured homes, including 35 homes destroyed by wildfire, replaced since program launch in 2021. Seven more homes in the pipeline.
Manufactured Home Park Preservation Loans, \$4.5M	This investment provided loans to Community Development Financial Institutions, CASA and Network for Oregon Affordable Housing (NOAH), to fund manufactured dwelling park programs that invest in and provide loans for the preservation and affordability of manufactured dwelling parks in Oregon.	372 manufactured home park spaces preserved as affordable. CASA and NOAH were able to leverage the funds into \$32M in project capital.



BRIEF, RECENT AGENCY HISTORY (2015-2023)

2015-17 Biennium: OHCS focuses on internal operations strategies and begins delivering new programs. During the 2015 session, OHCS sought to modernize the advisor committee structure with HB 2442, which created the Housing Stability Council. Key accomplishments include:

- Improved governance and oversight
- Revenues aligned with expenses and clarity of fiscal position
- Implementation of risk rating system for assets in OHCS portfolio
- Programs streamlined and new programs developed. New programs received in recognition of housing crisis:
 - Local Innovation Fast Track (LIFT) program (\$40 million in XI-Q bond proceeds)
 - Mental Health Housing (\$20 million in lottery bond proceeds), predecessor to Permanent Supportive Housing

OHCS also participated in Secretary of State Performance Audit. The audit was impactful to the agency's operations, making recommendations that set the stage for our work in later years. Findings include:

- Strategic planning is not sufficient
- Agency efforts to preserve affordable housing fall short
- Better data management needed for informed decision-making
- Organizational challenges impede agency from addressing affordable housing

2017-19 Biennium: A new Executive Director joins the agency and begins to address audit findings. Annual goals focus agency activities while 5 year Strategic Plan is created, significant budget changes include:

- Expand LIFT program to \$80M in XI-Q bonds and add Homeownership Development as eligible use of LIFT funds
- Homelessness programs receive one-time General Fund investment of \$30M and budget note asking to examine best practices in service delivery, the [budget note report](#) details administrative improvements to Oregon's homeless service system
- Document Recording Fee tripled from \$30M/biennium to \$90M/biennium, benefiting the Emergency Housing Assistance Program, the Homeownership Assistance Program, and the General Housing Assistance Program.
- \$25 million in Lottery Bonds for Preservation of Affordable Housing
- Oregon Volunteers and Court Appointed Special Advocate (CASA) programs removed from OHCS
- 19 positions added to deliver new and expanded programs, though OHCS' operating costs remain 1.8%

Other significant budget and workload changes:

- Affordable Housing Development
 - Publicly Supported Housing (PuSH) Preservation program (HB 2002, 2017 and 2019)
 - Land Acquisition Program



- Federal national Housing Trust Fund
- Rent burdened cities and affordable housing cost study (HB 4006, 2018)
- Housing Stabilization
 - Rent Guarantee Program
 - Elderly Rental Assistance Program (from Department of Revenue)
 - State Home Oil Weatherization program (from Department of Energy)
- Lottery funding for Veterans (measure 96)
 - [Operation Welcome Home](#) houses more than 500 Oregon veterans
 - Regular Veterans convenings to bring together community organizations to share best practices and support local coordination
- Launch of [Oregon's Statewide Housing](#), the 5-year strategic plan

2019-21 Biennium: Agency continues to grow in size and scale from [increased investments from the Oregon Legislature](#). OHCS also began the implementation of the Statewide Housing Plan:

- OHCS conducts the [Regional Housing Needs Analysis](#) (HB 2003, 2019), confirming the state's inadequate housing supply is leaving out low-income communities and disproportionately impacting communities of color
- OHCS restructured and established a Deputy Director, combining the Chief Operating Office with the Chief Financial Office, and established an Equity Diversity and Inclusion Office within the Executive Director's Office.
- Affordable Rental Housing
 - LIFT receives \$200M in XI-Q bonds, \$150M during the 2019 session and \$50M during the August 2020 Special Session
 - OHCS launches the Permanent Supportive Housing Program in partnership with the Oregon Health Authority, \$50M in XI-Q bonds and \$4.5M in General Funds
 - \$25M in lottery bonds to preserve affordable homes
 - The Division restructured to establish three clear sections, Policy, Production, and Portfolio Management.
- Housing Stabilization
 - The Current Service Level for the Emergency Housing Assistance and the State Homeless Assistance Program are increased to \$50M, OHCS received \$5M to increase shelter capacity
 - OHCS conducts the [Statewide Shelter Study](#) in August 2019, confirming the state has less than half the shelter beds needed to provide warmth and security for Oregonians experiencing homelessness
- Homeownerships
 - OHCS establishes the Homeownership Division
 - LIFT Homeownership continues
 - OHCS received \$1.5M to continue the Oregon Foreclosure Avoidance program
- Equity and Racial Justice



- OHCS continued our work towards becoming a culturally responsive organizations in many ways in 2020.
- Internally, OHCS hired a Diversity, Equity, and Inclusion Officer to lead this work. OHCS stood up internal committees addressing equity in every component of our work. An internal Equity Committee includes OCHS Executive Team and equity leaders within the agency.
- Listening to the call of groups like Reimagine Oregon, OHCS examined our systems and funding structures. For the first time, OHCS made available millions of dollars in homeless services funding to culturally specific organizations (in special COVID Emergency Solutions Grant funding)
- OHCS' Affordable Rental Housing Division took proactive steps to develop more inclusive strategies, such as Minority, Women and Emerging Small Business contracting and created new Tribal set asides in our 9% Low Income Federal Tax Credit program.

It's safe to say no one could have predicted the heartache and collective pain of 2020. Answering the call of state and federal leaders, OHCS transformed into a crisis response agency:

- Umatilla Flooding Response – OHCS received \$7.5 million to help Umatilla County, the City of Pendleton, the Confederated Tribes of Umatilla Indian Reservation, and the community at large recover from disastrous flooding
- COVID Response – more than \$650M in additional resources (excludes American Rescue Plan Act resources)
 - OHCS, working with the Oregon Health Authority, provides guidance to shelters and affordable housing providers in protecting their clients and supporting vaccine distribution. [OHCS and OHA also partnered to support community-based organizations.](#)
 - OHCS is administering an **additional \$71.7 million in homeless services** from both state and federal sources
 - OHCS is administering an **additional \$487.5 million in rental assistance** from both state and federal sources. This included three strategies: tenant-based rental assistance, rental assistance for affordable housing residents, and the [Landlord Compensation Fund](#).
 - *These resources will continue into the 21-23 biennium.*
 - OHCS is administering an **additional \$24.5 million in energy assistance**
 - OHCS [lobbied US Treasury](#) to extend the deadline and allow us to continue to administer the [Oregon Homeownership Stabilization Initiative](#) with the **remaining \$20M in federal Hardest Hit Funds** from the Great Recession, program closed March 14th
 - OHCS partnered with the Oregon Department of Agriculture and the Oregon Water Enhancement Board to administers assistance to Oregon's farmworkers, including housing, transportation, and sanitation
 - [OHCS won a national award for our swift response to COVID-19.](#)
- Wildfire Response
 - OHCS chairs the [Oregon Disaster Housing Task Force](#) that is developing Oregon's Disaster Housing Recovery Action Plan, which will be completed in Spring 2021
 - The [Wildfire Damage Housing Relief Program](#) received \$10M from the Emergency Board to help survivors of the Labor Day fires



2021-23 Biennium: Once again, OHCS continues to grow in size and scale from increased investments from the Oregon Legislature during the [2021](#) and [2022](#) regular sessions. The legislature invested more than \$215M for a rental assistance offramp during the December 2022 special session. The 2021-23 biennium represents the largest agency budget in history – for the fourth biennium in a row (see [one-time funds](#) presentation).

- The legislature made key investments to plug and play resources by expanding existing programs:
 - Increased investment in affordable housing development and preservation programs, nearly doubling LIFT investments;
 - Increased resources for down payment assistance and Individual Development Accounts; and
 - Increased investments to manufactured home programs.
- There were additional investments in new programs and initiatives:
 - Investments of General Fund for homeownership development were made, allowing OHCS to fund models beyond community land trusts and support the development of LIFT Homeownership in rural communities and to the density needed in urban areas;
 - Funds to co-locate affordable housing developments and early learning centers, addressing to intractable issues as every county in Oregon has rent burdened community member and is some kind of childcare desert;
 - One-time homelessness prevention and service funds;
 - One-time pass-through funds for developments and pilot programs; and
 - The establishment of the Task Force on Homelessness and Racial Disparities ([HB 2100, 2021](#)) to examine the funding mechanisms for Oregon’s homeless services system.
- This biennium, OHCS is also continuing and expanding disaster response efforts:
 - In response to the economic fallout related to COVID response programs, OHCS deployed:
 - The federal Homeownership Assistance Fund and federal counseling resources to help Oregonians keep their homes;
 - Continued deployment of rental assistance, with the Oregon Emergency Rental Assistance (OERAP) becoming the top program in the nation; and
 - December 2021 session resources of \$115M for rental assistance through OERAP and \$100M established an offramp from OERAP with statewide eviction and homelessness prevention system given waning emergency rental assistance resources.
 - The bulk of wildfire recovery work is beginning and OHCS is deploying and launching:
 - \$150M state funds allocated to support recovery while Oregon awaits federal funds; and
 - >\$420M in Community Development Block Grant – Disaster Recovery resources to support community rebuilding.
 - In addition, the Governor has declared a Homelessness State of Emergency via Executive Order No. 2023-02 with Executive Orders No. 23-03 and 24-04 also related to homeless and housing needs across the state.



As an agency, OHCS is doubling down on our commitment to meet the people of Oregon's greatest housing needs. To achieve this, OHCS is:

- Accelerating progress through operational excellence, including the establishment of a Project Management Office;
- Advancing equity and racial justice;
- Shifting business model to respond to emergencies;
- Leveraging role as Housing Finance Agency to address the needs outlined in the Oregon Housing Needs Analysis; and
- Authentic power sharing with communities to deploy resources that work for each local community.

LOOKING AHEAD

Budget Drivers

- The Oregon Housing Needs Analysis sets a path forward to build needed housing to address Oregon's crisis. Continued state investments in "gap" funding is enabling unprecedented use of federal tax credits, tax-exempt bonds, and ultimately historic levels of housing production. That work must continue even if we've reached the cap on federal leveraged funds.
- Oregon's housing and homelessness crisis demands a humanitarian response; one-time funds won't get us out of this crisis and OHCS' role to lead a coordinated and concerted effort in response to this crisis.
- OHCS and many business partners and grantees are still at early stages of racial equity work, and concrete and strategic investments are warranted to address disparities across the continuum.
- As a state agency, OHCS believes local communities must be at the table to set their destiny. The agency embraces authentic power sharing with partners.

Budget Risks

- For many years in a row, the speed of new programmatic investments outpaces growth in OHCS operating capacity. Program deployment takes time, and it takes time to hire and bring staff up to speed on complex and legal processes.
- Repeated "one-time" investments are stretching capacity of existing staff, from a leadership, program delivery and operational support perspective. Long-term strategy can't be built with one-time dollars.
- Emergency Support Functions are under resourced at state and local levels, for government and private partners. This takes administrative allowances and time to build
- OHCS' market-oriented programs are subject to economic forces more volatile than the Great Recession. From tax credit prices to cost escalation to supply and labor challenges, developing affordable housing is more challenging than it was before the pandemic. We aren't seeing the disruption slow.
- OHCS' reliance on the state enterprise requires a whole of state government approach. DAS and DOJ are core partners to bring to the table early and often, and they've been stretched as well as the agency.



LEGISLATION SUMMARY

Agency bills listed in a section above and included below.

Bill Number	Bill Summary
HB 2001	Requires Housing and Community Services Department to study housing.
HB 2027	Requires Housing and Community Services Department to study housing.
HB 2028	Requires Housing and Community Services Department to study permitting.
HB 2077	Extends sunset for tax credit for affordable housing lenders.
HB 2078	Extends sunset for tax credits for owner or operator of agriculture workforce housing.
HB 2092	Extends sunset provisions for various tax credits.
HB 2093	Conforms applicability period for amendments to tax credit for certified film production development contributions to sunset applicable to credit.
HB 2214	Requires Housing and Community Services Department to study housing program eligibility for felons.
HB 2260	Requires Housing and Community Services Department to study system development charges impacting housing.
HB 2454	Appropriates moneys from General Fund to Housing and Community Services Department to provide services and assistance to school-aged children experiencing or at risk of experiencing homelessness.
HB 2456	Modifies emergency housing assistance program and state homeless assistance program to provide services and assistance to school-aged children experiencing or at risk of experiencing homelessness.
HB 2493	Creates income tax credit for eligible costs of development of middle housing dwelling units that sell for price affordable to household with annual income between 80 percent and 120 percent of area median income.
HB 2563	Creates income or corporate excise tax credit for investment in affordable housing, available to taxpayer eligible for federal low-income housing credit, and allocated by Housing and Community Services Department.
HB 2621	Establishes Task Force on Reviewing State Boards and Commissions.
HB 2653	Creates credit against income taxes for selling publicly supported housing to retain as affordable housing.
HB 2654	Establishes Housing Programs Advisory Council.



HB 2754	Limits terminations and rent increases for senior tenants of publicly supported housing following termination of affordability restrictions.
HB 2761	Expands Housing and Community Services Department ability to allow financing of certain affordable residential units within mixed-income or mixed-use housing developments subject to limits established by Oregon Housing Stability Council.
HB 2763	Establishes State Public Bank Task Force.
HB 2879	Requires Housing and Community Services Department to study affordable housing for college students.
HB 2889	Establishes Oregon Housing Needs Analysis within Housing and Community Services Department.
HB 2925	Extends deadlines for affinity group task forces to complete their work with respect to allocations of resources to address communities' needs and health inequities faced by communities and to report recommendations to Legislative Assembly.
HB 2956	Requires Housing and Community Services Department to study statewide rental housing inspections.
HB 2972	Requires Housing and Community Services Department to study financing for affordable housing production.
HB 2974	Requires Housing and Community Services Department to study housing.
HB 2983	Appropriates moneys from General Fund to Department of Land Conservation and Development and Housing and Community Services Department to support manufactured dwellings and manufactured dwelling parks.
HB 3005	Directs Housing and Community Services Department to provide financial assistance to eligible applicants to pay for allowable costs related to early child care infrastructure activities.
HB 3010	Limits, for purposes of personal income taxation, amount of allowed mortgage interest deduction.
HB 3042	Limits terminations and rent increases for three years after tenants' housing is withdrawn from publicly supported housing.
HB 3088	Establishes Rent Reporting Pilot Program in Housing and Community Services Department.
HB 3125	Establishes Public Drinking Water and Sewer Ratepayer Assistance Fund.
HB 3151	Limits improvements that landlord of manufactured dwelling park may require of tenant.



HB 3166	Requires State Department of Energy, in consultation with Housing and Community Services Department, to establish whole-home energy savings program and high-efficiency electric home rebate program.
HB 3169	Requires annual registration and fee for each rental residential dwelling and vacation occupancy with Housing and Community Services Department.
HB 3209	Establishes emergency veterans housing program within Housing and Community Services Department.
HB 3210	Requires Housing and Community Services Department to develop strategic housing stipend pilot program to provide housing stipends to individuals to move to city where their labor is expected to benefit economic development of city.
HB 3215	Authorizes Housing and Community Services Department to support replacement, reconstruction or rehabilitation of residential units damaged or destroyed by disaster and to support recovery of residents of such housing.
HB 5511	Appropriates moneys from General Fund to Housing and Community Services Department for biennial expenses and for debt service.
SB 41	Creates Task Force on Regulatory Efficiency.
SB 46	Requires Housing and Community Services Department to provide sample plans and grants for senior cottages.
SB 112	Requires Housing and Community Services Department to study housing for people with disabilities.
SB 114	Requires Housing and Community Services Department to study inclusive housing.
SB 131	Extends sunset for tax credit for affordable housing lenders.
SB 132	Extends sunset for tax credits for owner or operator of agriculture workforce housing.
SB 155	Extends sunset provisions for various tax credits.
SB 225	Provides that unused portion of amount of pass-through revenue bonds authorized for issuance in preceding biennium carries forward until legislation authorizing amount of pass-through revenue bonds for current biennium is enacted.
SB 434	Creates Eviction Mediation Program within Housing and Community Services Department.
SB 496	Amends allowable purposes of Emergency Housing Account to include account moneys to be used for grants to assist companion animals of individuals experiencing or at risk of homelessness.

SB 720	Allows Housing and Community Services Department to modify grant to allow use of remaining moneys to compensate certain landlords not otherwise reimbursed for unpaid rent during COVID-19 emergency period.
SB 860	Appropriates moneys from General Fund to Housing and Community Services Department for grants for air conditioning in multifamily affordable housing.
SB 861	Appropriates moneys from General Fund to Housing and Community Services Department to provide grants to promote innovative and cost-effective housing types.
SB 892	Amends statutes relating to housing laws and to authority of Housing and Community Services Department and Oregon Housing Stability Council, including changes to department's procurement authority and ability to provide down payment assistance.
SB 893	Directs Housing and Community Services Department to study issues related to homelessness and to report to appropriate committee or interim committee of Legislative Assembly on or before September 15, 2025.
SB 918	Requires Housing and Community Services Department to study housing.
SB 919	Requires Housing and Community Services Department to study housing.
SB 920	Requires Housing and Community Services Department to study housing.
SB 921	Requires Housing and Community Services Department to study housing.



15% REDUCTION

If required, OHCS would recommend the reductions below:

1. Reduction to Permanent Supportive Housing rent and services funding due to revised occupancy estimates.
2. Fund shifts from General Fund to Other Funds or Federal Funds for 11 positions and associated Services & Supplies.
3. Eliminate new funding for Housing Choice Landlord Guarantee Program and Elderly Rental Assistance program.
4. Reduce funding for the Emergency Housing Assistance and State Homeless Assistance programs.

Program Area	Program Name	Impact of 15% Reduction	General Fund	Other Funds	Federal Funds
Project-Based Rent Assistance	Permanent Supportive Housing rent assistance and tenant services	This reduction would align Special Payments with revised estimates for unit occupancy. This does not impact the program in the 23-25 biennium and funding would be adjusted in the 25-27 biennium based on occupancy.	(\$6,713,450)	\$0	\$0
Affordable Rental Housing, Disaster Recovery & Resiliency, Central Services	Various	A fund shift will prevent impacts to programs and does not eliminate positions. This option changes funding on 11 positions and Services & Supplies costs	(\$3,403,263)	\$2,135,252	\$1,268,011
Housing Stabilization	Elderly Rental Assistance	This would eliminate the program and shift funding for one position to Other Funds. The Emergency Housing Assistance program offers the same services. Approximately 2,234 households would not receive services from this program.	(\$1,646,744)	\$196,598	\$0
Housing Stabilization	Housing Choice Landlord Guarantee Program	This would eliminate new funding so the program would operate on the account balance. Approximately 51 landlords would not receive assistance due to losses from tenants with Housing Choice vouchers.	(\$337,910)	(\$337,910)	\$0
Housing Stabilization	State Homeless Assistance Program	A reduction of this magnitude would mean that an estimated 10,118 households would not receive shelter services.	(\$5,179,709)	\$0	\$0
Housing Stabilization	Emergency Housing Assistance	This reduction would impact about 7,484 households that would not receive housing retention services.	(\$11,549,273)	\$0	\$0

OPEN AUDITS

Performance Audits

A performance audit looks at how an agency or programs can operate more efficiently and effectively to better achieve its mission.

The following Performance audits are currently under way: In February 2022, the state Legislature called for a performance audit of the Oregon Emergency Rental Assistance Program (OERAP). The Secretary of State's office finished scoping the audit in June and OHCS has been fielding questions since then. This audit is expected to be completed in spring 2023.

Federal Compliance Audits

The Oregon Secretary of State initiates a variety of federal compliance audits to support the Statewide Single Audit Report for the year ending June 30, 2023.

The objectives of the federal compliance audit are to:

1. Determine whether the state has complied with federal statutes, regulations, and the terms and conditions of federal awards that may have a direct and material effect on each of its major programs;
2. Determine whether the schedule of expenditures of federal awards is stated fairly in all material respects in relation to the state's financial statements as a whole; and
3. Obtain an understanding of internal control over federal programs; plan the testing of internal control over compliance for major programs to support a low assessed level of control risk for the assertions relevant to the compliance requirements for each major program; and perform testing of internal control as planned.

The following federal compliance audits are currently under way, all in the Housing Stabilization

Division:

1. Low Income Housing and Energy Assistance
2. Emergency Solution Grants (ESG) and Emergency Solutions Grants – CARES Act (ESG-CV)
3. State and Local Fiscal Recovery Funds (SLRF), funded via ARPA, which included \$100 million in ERA3 state funds and administrative funding for OERAP.
4. Emergency Rental Assistance Federal Compliance Audit (ERA), which was driven by the Statewide Single Audit and federal audit requirements.
5. Covid Coronavirus Relief Fund (CFDA 21.019) follow up.

Internal Audits

Oregon Housing and Community Services employs an Internal Auditor. Internal audits are focused on what management and the Audit Committee see as Agency priorities and are founded from a risk assessment process conducted by OHCS management.

The following internal audits are currently under way: The Homeownership Division's HAF (Homeowner Assistance Fund) for compliance with federal and state requirements; and to determine lessons learned from establishing the program.



Financial Statement Audits

The Oregon Secretary of State express an opinion on whether the financial statements of OHCS are fairly presented, in all material respects, in conformity with generally accepted accounting principles (GAAP). In performing the audit, the Secretary of State also reports on internal control over financial reporting and on compliance with laws, regulations and provisions of contract or grant agreements, noncompliance that could have a material effect on the financial statements.

The following financial statement audits are currently under way: Fiscal Year 2022 annual Enterprise Fund Audit.

Open Audit Findings

Prior to Fiscal Year 2021, OHCS had consecutive years of zero audit findings within Secretary of State Federal Compliance or Financial Statement audits. As OHCS rapidly expanded its programs, funding, and network of top grantees, OHCS internal controls have evolved to keep pace, resulting in five open audit findings with the Secretary of State. Open audit findings are available in the Secretary of State's Statewide Single Audit for Fiscal Year 2021 Report and are listed as follows:

2021-012: Ensure financial and Federal Funding Accountability and Transparency Act reports are submitted

Federal Awarding Agency: U.S. Department of Health and Human Services

Assistance Listing Number and Name: 93.568 Low-Income Home Energy Assistance Program (LIHEAP)

Compliance Requirement: Reporting

Type of Finding: Material Weakness; Material Noncompliance

Prior Year Finding: N/A

Questioned Costs: N/A

Anticipated Completion Date: June 30, 2022

OHCS actions: Finding resolved, OHCS corrected.

2021-013: Ensure documentation is maintained to support amounts reported and review of reports

Federal Awarding Agency: U.S. Department of Health and Human Services

Assistance Listing Number and Name: 93.568 Low-Income Home Energy Assistance Program (LIHEAP)

Compliance Requirement: Reporting

Type of Finding: Significant Deficiency; Noncompliance

Prior Year Finding: N/A

Questioned Costs: N/A

Anticipated Completion Date: June 30, 2022

OHCS Actions: The OHCS Assistant Director of Energy Services will work with the OHCS Energy Assistance Coordinator to ensure that our reporting procedures and controls include managers review of completed reports before submission and that all reports support documentations are maintained. Finding resolved.

2021-014: Establish controls to ensure information is readily available to assist in monitoring



compliance requirements

Federal Awarding Agency: U.S. Department of Health and Human Services

Assistance Listing Number and Name: 93.568 Low-Income Home Energy Assistance Program (LIHEAP) Federal

Award Numbers and Years: 2001ORLIEA, 2020

Compliance Requirement: Earmarking

Type of Finding: Significant Deficiency

Prior Year Finding: N/A

Questioned Costs: N/A

OHCS Actions: OHCS will work with IT support to ensure critical system reports are generated timely. Additional staff are also being hired to ensure capacity exists to dedicate the necessary time to preparing GMR's. Finding in process of resolution.

2021-036: Strengthen controls to ensure subaward information is communicated

Federal Awarding Agency: U.S. Department of the Treasury

Assistance Listing Number and Name: 21.019 Coronavirus Relief Fund

Federal Award Numbers and Years: Unknown

2021 Compliance Requirement: Subrecipient Monitoring

Type of Finding: Significant Deficiency; Noncompliance

Prior Year Finding: N/A

Questioned Costs: N/A

OHCS Actions: OHCS will strengthen its reporting and controls mechanism during the Master Plan Agreement (MGA) amendment process to ensure that all federal grant information is communicated to subrecipients as required. Finding resolved.

2021-037: Discontinue federal subawards to noncompliant subrecipients Federal Awarding Agency: U.S.

Department of the Treasury

Assistance Listing Number and Name: 21.019 Coronavirus Relief Fund

Federal Award Numbers and Years: Unknown; 2021

Compliance Requirement: Subrecipient Monitoring

Type of Finding: Noncompliance

Prior Year Finding: N/A

Questioned Costs: \$4,426 (known); \$415,997 (likely)

OHCS Actions: OHCS discontinued all new awards from May 2022 to September 2022 to noncompliant subrecipients. Noncompliant subrecipients were required to work with a 3rd party contractor, to resolve their issues. Once they resolved it, and upon review by OHCS staff, the constraint was released. Finding resolved.



ENDING BALANCE

Other Funds

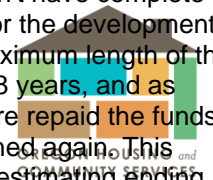
(a)	(b)	(c)	(d)	(e)	(f)		(g)		(h)	(i)	(j)
Other Fund Type	Program Area (SCR)	Treasury Fund #/Name	Category/Description	Constitutional and/or Statutory reference	2021-23 Ending Balance		2023-25 Ending Balance		In CSL	Revised	Comments
					In LAB	Revised	In CSL	Revised			
Limited	010 Housing Stabilization Programs	00401 OTHER FUNDS ACCOUNT (Multiple programs)	Operations	ORS 456.576	0	1,344,343	(1,894,552)	185,947			Funds received for administering programs that don't have dedicated accounts. In this SCR, programs include Individual Development Account administration, Housing Stabilization Program, Barclays Bank energy settlement, and others. The negative ending balance in 23-25 CSL is for positions with ARPA funding that have new funding applied in Packages 070 and 101.
Limited	010 Housing Stabilization Programs	00615 EMERGENCY HOUSING ACCOUNT	GRANT FUND	ORS 458.620	158,074	7,186,280	5,480,662	3,181,985			2021-23 Funds have been awarded, but multiple new programs may be creating capacity issues and CAAs may be prioritizing funds with shorter spending timelines. 23-25 estimates lower document recording fees (based on information from Dept. of Revenue) and increased spending due to positions with ARPA funding primarily paid from this program.
Limited	010 Housing Stabilization Programs	00897 LOW-INCOME ELECTRIC BILL PYMT ASSISTANCE	GRANT FUND	ORS 456.587	4,195,204	8,417,889	2,318,251	2,453,842			Revenue increased in 21-23 in response to COVID and is allocated as received, resulting in delayed spending. This additional funding ends 12/31/23 and will be fully spent in 23-25. Ongoing funds expenditures are likely to increase if a recession happens.

Limited	010 Housing Stabilization Programs	00898 SB1149 ELECTRICITY PUBLIC PURPOSE CHARGE (ECHO)	GRANT FUND	ORS 456.587	1,797,989	18,671,870	2,115,063	11,540,904	This funding provides weatherization services to eligible households through CAAs. Funding increased in 21-23 due to HB 3141. Projects have been delayed due to COVID & supply and labor shortages in both programs, leading to growing balance.
Limited	010 Housing Stabilization Programs	00898 SB1149 ELECTRICITY PUBLIC PURPOSE CHARGE (OMEPE)	GRANT FUND	ORS 456.587	5,061,200	7,889,376	0	10,672,633	This funding provides weatherization services to eligible multifamily projects through a contractor and with OHCS development funds (OMEPE). Funding increased in 21-23 due to HB 3141. Projects have been delayed due to COVID & supply and labor shortages in both programs, leading to growing balance. Approx \$12 million is forward-allocated, and we have a waiting list for another \$13M.
Limited	010 Housing Stabilization Programs	01507 HOUSING CHOICE LANDLORD GUARANTEE PGM FUND	GRANT FUND	ORS 458.532	137,141	139,607	277,240	80,915	This fund provides a guarantee against losses for landlords who rent to Housing Choice (Section 8) voucher holders. Payments are increasing, typically at the program maximum reimbursement.
Limited	010 Housing Stabilization Programs	01546 WILDFIRE DAMAGE HOUSING RELIEF ACCOUNT	GRANT FUND	ORS 458.620	5,595	221,906	17,222	0	OHCS introduced a bill to return this balance to the General Fund and abolish the account. As the program currently exists, the activities fit better at a different agency.
Limited	010 Housing Stabilization Programs	01766 ELDERLY RENTAL ASSISTANCE	GRANT FUND	ORS 458.375	0	0	0	0	All funds will be spent in 2021-23. Introduced bill to abolish account as it is not longer needed. (Doesn't have a revenue source)
Limited	010 Housing Stabilization Programs	01792 OIL-HEATED DWELLING ENERGY ACCOUNT	GRANT FUND	ORS 456.594	190,556	239,936	0	138,715	This funding provides weatherization services to households that heat with fuel oil. Demand is declining and we are not assessing the maximum allowed in statute.

Limited	010 Housing Stabilization Programs	01795 RENT GUARANTEE PROGRAM FUND	GRANT FUND	ORS 456.608	0	179,642	4,659	170,119	This program is similar to the Housing Choice Landlord Guarantee Program, except that it provides a guarantee against losses for landlords who rent to tenant who have graduated from renter education classes. OHCS budgets for funds to be expended, so budgeted Ending Balances are typically lower than actual balances. This program does not have an ongoing funding source.
Limited	010 Housing Stabilization Programs	02131 LONG-TERM RENT ASSISTANCE FUND	GRANT FUND	ORS 458	0	3,714,166	0	0	Program was expected to be nearly complete in 21-23 but will continue into 23-25. Funds were offered as a 1-year program and were not fully subscribed so about half is committed. The balance will be offered for a longer term, and we expect it to be fully spent in 23-25.
Limited	025 Project-Based Rental Assistance	00401 OTHER FUNDS - PROJECT-BASED RENTAL ASSISTANCE PROGRAMS	Operations	ORS 456.576	1,377,816	5,054,317	4,432,920	4,609,791	HUD Contract Administration. Duties required by HUD increased, revenue and staff also increased. Proposing to use portion of balance to establish Family Self-Sufficiency Program in Pkg 102. This program is a significant source of subsidy for programs that do not have sufficient admin funds.
Limited	030 Multifamily Rental Housing Programs	00401 OTHER FUNDS - AFFORDABLE RENTAL HOUSING PROGRAMS	Operations	ORS 456.576	(1,610,036)	3,529,787	951,234	1,949,507	Fees charged for miscellaneous ARH programs, used for operating costs. Typically used as earned, minimal balances. 21-23 LAB balance includes a 19-21 transfer for the Landlord Compensation Fund to pay for costs of completing the program. The transfer was removed from Adopted budget because we got additional General Fund.

									but the OF expenditures remained. 23-25 Revised assumes higher revenues due to new program funding in 21-23 (LIFT, preservation, and other 1-time funding).
Limited	030 Multifamily Rental Housing Programs	00431 HOUSING FINANCE ACCOUNT	Operations	ORS 456.723	14,391,643	10,041,779	16,221,919	9,694,063	In this SCR, charges collected in relation to certain programs (conduit bonds, low income housing tax credit, etc.) are deposited in the Housing Finance Account and used for program administration, including on programs that do not have revenues for admin costs. The ending balances preserve one year of operating fund needs, per the agency's cash management policy.
Limited	030 Multifamily Rental Housing Programs	00617 GUARANTEE FUND	GRANT FUND	ORS 456	1,439,744	2,014,655	259,347	3,079,921	This account is funded with interest earnings on the Housing Trust Fund and can be transferred to the land acquisition program with approval from the Housing Stability Council. This is a new process and no transfers have been made yet.
Limited	030 Multifamily Rental Housing Programs	00898 SB1149 ELECTRICITY PUBLIC PURPOSE CHARGE (HDGP)	GRANT FUND	ORS 456.587	8,676,184	22,473,009	760,547	17,935,169	Balance is either awarded to construction projects or included in current competitive offerings. This program is forward-allocated, so future revenues are currently committed. Currently, \$13.5 million is awarded to projects and \$12.7 million is in open competitive offerings.
Limited	030 Multifamily Rental Housing Programs	00936 COMMUNITY INCENTIVE FUND	GRANT FUND	ORS 458.720	1,000,000	1,750,721	0	1,152,667	Funds in this account are awarded to construction projects in alignment with other lottery bonds for affordable rental housing preservation. Most of the funds are loaned and as repayments come in, we award the funds again. Since this is a small

									balance, funds are often used to fill gaps in existing projects rather than open a competitive process.
Limited	030 Multifamily Rental Housing Programs	00984 FARMWORKER HOUSING DEVELOPMENT ACCOUNT	GRANT FUND	ORS 458.620	21,164	1,089	0	127,667	Revenue is sporadic in this account, and has been used for a portion of administrative expenses. In 23-25, program staff intend to let the balance grow and offer as program funds instead of using for admin.
Limited	030 Multifamily Rental Housing Programs	01343 GENERAL HOUSING ACCOUNT	GRANT FUND	ORS 456.576	184,024,241	288,179,241	48,625,781	113,851,550	In 21-23, in addition to the document recording fee revenue, \$295 million of General Fund was transferred into this account. The funds are either awarded to construction projects or included in current competitive offerings, and the majority will be committed by the end of the biennium. We anticipate lower revenues in 23-25 based on information from the Dept. of Revenue and higher spending levels as projects begin construction.
Limited	030 Multifamily Rental Housing Programs	01736 LRB 2017B TAXABLE - MH HOUSING	GRANT FUND	ORS 456.576	1,009,514	0	0	0	All funds in this account were spent in 21-23 and the account was closed.
Limited	030 Multifamily Rental Housing Programs	01918 LRB 2019B TAXABLE - PRESERVATION	GRANT FUND	ORS 456.576	1,429,340	0	1,800	0	All funds in this account were spent in 21-23 and the account was closed.
Limited	030 Multifamily Rental Housing Programs	02132 Housing Acquisition Fund	GRANT FUND	ORS 456	5,448,837	33,735,746	5,294,966	5,542,242	This is a new account in 21-23 and is funded with \$40 million in transfers from General Fund. The funds are loaned to developers to purchase land when it becomes available, even if they don't have complete plans for the development. The maximum length of the loan is 8 years, and as loans are repaid the funds are loaned again. This makes estimating ending



									balances difficult because the timing of available land and loan repayments is uncertain.
Limited	040 Single Family Housing Programs	00401 OTHER FUNDS - HOMEOWNERSHIP PROGRAMS	Operations	ORS 456.576	0	40,011,957	40,869,930	42,907,756	<p>This account holds funds for programs that don't have dedicated accounts. In this SCR, programs include homeownership development programs, including LIFT supplemental funds. The 21-23 LAB expected all development funds to be spent, but they will be transferred to this account instead (pending approval for the LIFT supplemental funds). The funds are budgeted to spend in 23-25 in Package 109.</p> <p>The Oregon Homeownership Stabilization Initiative admin funds are moved to this SCR in 23-25. Most program work is completed, but outstanding loans have ongoing tasks for up to five years. An LD position is requested in Package 102 to perform these tasks.</p>
Limited	040 Single Family Housing Programs	00431 HOUSING FINANCE ACCOUNT	Operations	ORS 456.723	4,885,120	5,000,000	5,868,988	5,715,880	<p>The Housing Finance Account holds funds related to the agency's multifamily and homeownership bond programs and related programs. In this SCR, the balance is for the Flex Lending program and related down payment assistance (DPA). The program is expected to be operational in 21-23, and we budgeted for \$5 million of General Fund DPA to be spent and \$5 million would be used in 23-25. The ending balance includes revenues provided through</p>

									the Flex Lending program, based on information available in 2022.
Limited	040 Single Family Housing Programs	00550 MOBILE HOME OMBUDSMAN	Operations	ORS 446.525	395,818	698,594	620,005	203,338	Funds in this account are dedicated to services that resolve conflicts between tenants and landlords in manufactured dwelling communities. Legislation in 2019 expanded the program to include marinas and the scope of services to include funding legal assistance for tenants.
Limited	040 Single Family Housing Programs	00551 MOBILE HOME PARK PURCHASE	GRANT FUND	ORS 456.579	34,470	0	0	0	This account provided funds for purchasing manufactured home parks. HB 2896 (2019) created a program that incorporated the uses of this fund so the balance was moved to the new program. OHCS introduced a bill in the 2023 session that would abolish this account as it is no longer needed.
Limited	040 Single Family Housing Programs	00695 HOME OWNERSHIP ACCOUNT (CET)	GRANT FUND	ORS 458.620	3,837,969	3,717,747	2,616,397	3,557,221	This program receives funding from local jurisdictions that establish Construction Excise Taxes. Revenues must be returned to the jurisdiction that implemented the CET, and are used for down payment assistance. Future revenues are difficult to predict, but funds are forward allocated and all committed at the end of 21-23.
Limited	040 Single Family Housing Programs	00695 HOME OWNERSHIP ACCOUNT (HOAP)	GRANT FUND	ORS 458.620	2,877,971	22,947,458	14,370,568	16,897,745	This program provides down payment assistance health and safety repairs, homeownership counseling services, and support to homeownership centers. 21-23 Funds are forward allocated.

Limited	040 Single Family Housing Programs	01343 GENERAL HOUSING ACCOUNT	GRANT FUND	ORS 456.576	0	162,512	0	162,512	The Manufactured Housing Acquisition Program was established in HB 2896 (2019) to make loans to nonprofit organizations that would then loan funds to others to purchase and preserve manufactured home parks. Any revenues from this program were directed to the General Housing Account. In the 19-21 and 21-23 biennia, OHCS received funding for this program, and all funds have been spent. This balance is from the account created for a similar program.
Limited	040 Single Family Housing Programs	01984 Manufactured Home Preservation Fund	GRANT FUND		211,094	1,555,133	0	47,102	This account and program were created in 2019 through HB 2896 and funded with transfers from the General Fund. The program provides loans to individuals to replace older manufactured homes and grants for decommissioning them. The 21-23 balance is committed, and will be spent as home purchases are completed. We requested additional funding for this program in Package 108.
Limited	050 Homeownership Stabilization Initiative	00401 OTHER FUNDS - HOMEOWNERSHIP PROGRAMS	Operations	ORS 456.576	(80,699)	3,111,947	0	0	This account holds funds for programs that don't have dedicated accounts. In this SCRm funds are for the Oregon Homeownership Stabilization Initiative admin funds. Most program work is completed and this SCR will not be used in 23-25. The balance is shown in SCR 040 to complete tasks related to outstanding loans.

Limited	060 Disaster Recovery & Resiliency	02171 LRB 2022 B: WILDFIRE HOUSING	GRANT FUND		0	0	21,889,550	0	This program is in SCR 070 in 21-23 and will move to this new SCR for 23-25. Lottery bonds issued in 21-23 for wildfire recovery were budgeted to be fully spent within the biennium. Some of the funds are awarded to projects, such as manufactured home purchases, where final payments won't be made until after June 30, 2023. The 23-25 budget includes spending the balance in Package 118.
Limited	070 Central Services	00401 OTHER FUNDS - CENTRAL SERVICES	Operations	ORS 456.576	0	165,305	3,000,000	3,000,000	This account holds funds for programs that don't have dedicated accounts. In this SCR, programs include revenues received for records requests, other administrative tasks, and a research project in 21-23. The balance will be used for additional research or returned to the sending agency in 23-25. The balance in 23-25 CSL is transfers from other SCRs to fund a new grant management system proposed in Package 112.
Limited	070 Central Services	00431 HOUSING FINANCE ACCOUNT	Operations	ORS 456.723	(837,628)	0	0	0	The negative ending balance in 21-23 LAB is a result of salary pot adjustments increasing expenditures without corresponding revenue transfers into this SCR. The balance is shown in the Housing Finance Account for this report, but costs would be allocated to multiple programs in practice. This line is included in the report so it will balance to LAB amounts.



Limited	070 Central Services	02171 LRB 2022 B: WILDFIRE HOUSING	GRANT FUND		0	21,889,550	0		This program is in this SCR in 21-23 and will move to SCR 060 for 23-25. Lottery bonds issued in 21-23 for wildfire recovery were budgeted to be fully spent within the biennium. Some of the funds are awarded to projects, such as manufactured home purchases, where final payments won't be made until after June 30, 2023. The 23-25 budget includes spending the balance in Package 118.
Limited	080 Bond Activities and Debt Service	00401 OTHER FUNDS - HOMEOWNERSHIP PROGRAMS	Operations	ORS 456.576	19,359	0	0	0	This account holds funds for programs that don't have dedicated accounts. In this SCR, programs include lottery and Article XI-Q bond costs of issuance. Typically, revenues equal expenditures, and no balance remains, but occasionally interest is earned used for OHCS administrative costs.
Limited	080 Bond Activities and Debt Service	00431 HOUSING FINANCE ACCOUNT	Operations	ORS 456.723	220,449	883,277	1,255,821	2,185,741	The Housing Finance Account holds funds related to the agency's multifamily and homeownership bond programs and related programs. Revenues and distributions from indentures are represented in this SCR, although they may be shown in other SCRs for budget purposes. The balance is monitored by the Accounting Section and distributions are taken when needed. The timing of distributions can make the balance vary significantly, but all funds are used for administrative costs related to the indentures.



Limited	080 Bond Activities and Debt Service	00477 ELDERLY & DISABLED OPERATING FUND	Operations	Article XI-1, ORS 456.535, BOND INDENTURE	350,781	923,446	1,449,610	1,803,270	Similar to the Housing Finance Account, this account holds funds related to the agency's elderly and disabled housing bond program. Revenues and distributions from the indenture are represented in this SCR, although they may be shown in SCR 030 for budget purposes. The balance is monitored by the Accounting Section and distributions are taken when needed. The timing of distributions can make the balance vary significantly, but all funds are used for administrative costs related to the indenture.
		calculated			240,668,910		176,807,928		
		budgeted			240,668,910		176,807,928		
		difference			0		0		

NOT INCLUDED ON THIS FORM: *American Rescue Plan Act funds are included in the next table.*

Capital Construction accounts for Article XI-Q Bond proceeds. Accounts with non-limited funds related to OHCS bond indentures. Trustee Accounts related to OHCS bond indentures. These accounts hold funds that are not available for fund sweeps, but information can be provided if needed.

Objective: Provide updated Other Funds ending balance information for potential use in the development of the 2021-23 legislatively adopted budget.

INSTRUCTIONS:

Column (a): Select one of the following: Limited, Nonlimited, Capital Improvement, Capital Construction, Debt Service, or Debt Service Nonlimited.

Column (b): Select the appropriate Summary Cross Reference number and name from those included in the 2019-21 Legislatively Approved Budget. If this changed from previous structures, please note the change in Comments (Column (j)).

Column (c): Select the appropriate, statutorily established Treasury Fund name and account number where fund balance resides. If the official fund or account name is different than the commonly used reference, please include the working title of the fund or account in Column (j).

Column (d): Select one of the following: Operations, Trust Fund, Grant Fund, Investment Pool, Loan Program, or Other. If "Other", please specify. If "Operations", in Comments (Column (j)), specify the number of months the reserve covers, the methodology used to determine the reserve amount, and the minimum need for cash flow purposes.



Column (e): List the Constitutional, Federal, or Statutory references that establishes or limits the use of the funds.

Columns (f) and (h): Use the appropriate, audited amount from the 2019-21 Legislatively Approved Budget and the 2019-21 Current Service Level at the Agency Request Budget level.

Columns (g) and (i): Provide updated ending balances based on revised expenditure patterns or revenue trends. Do not include adjustments for reduction options that have been submitted unless the options have already been implemented as part of the 2019-21 General Fund approved budget or otherwise incorporated in the 2019-21 LAB. The revised column (i) can be used for the balances included in the Governor's budget if available at the time of submittal. Provide a description of revisions in Comments (Column (j)). Column (j): Please note any reasons for significant changes in balances previously reported during the 2019 session.

Additional Materials: If the revised ending balances (Columns (g) or (i)) reflect a variance greater than 5% or \$50,000 from the amounts included in the LAB (Columns (f) or (h)), attach supporting memo or spreadsheet to detail the revised forecast.

American Rescue Plan Act

(a) SCR	(b) Program Description	(c) 2021-23 LAB	(d) 2021-23		(f) 2023-25 POP		(h) Comments
			(e) Ending Balance	(e) Amount Obligated	(f) Y/N	(g) POP #	
010 Housing Stabilization Programs	Oregon Emergency Rental Assistance Program	100,000,000	-		N		All funds have been spent at 1/18/23
010 Housing Stabilization Programs	OERAP Program Delivery	5,000,000	-		N		All funds will be spent by 6/60/23

Instructions:

- Column (a): Select the appropriate Summary Cross Reference number and name from those included in the 2021-23 Legislatively Approved Budget.
- Column (b): List American Rescue Plan Act (ARPA) balances by legislatively approved uses and/or specified transfers to agency programs.
- Column (c): Provide the expenditure limitation approved for the ARPA funds transferred to the agency in the 2021-23 Legislatively Approved Budget.
- Column (d): Enter the total estimated balance of ARPA funds that will be unspent at the close of the 2021-23 biennium.
- Column (e): Enter the amount of the unspent ARPA balance obligated to a project/program through an award, grant agreement, or other contract as of June 30, 2023.
- Column (f) and (g): Indicate whether the 2023-25 Agency Request Budget includes a policy option package (POP) to utilize the ARPA funds carrying forward into the 2023-25 biennium, and if so, provide the POP number.
- (h) Please provided any additional information related to ARPA ending balances.



PRIORITIZATION

Please see the next page.



Program Prioritization for 2023-25

Agency Name: Housing and Community Services Department																				Agency Number: 91400	
2023-25 Biennium																					
Agency-wide																					
Program/Division Priorities for 2023-25 Biennium																					
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Priority (ranked with highest priority first)	Agency Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program-Activity Code	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL included in Agency Request	
Agcy	Prgm/Div																				
1	1	OHCS	Affordable Rental Housing Programs	91400-03 91400-04 91400-05 91400-06	12	23,000,000	0	443,678,054	400,000	37,840,733	0	\$ 504,918,787	108	106.48	Y	N	FO, S	ORS 317.097; ORS 446.515-446.547; ORS 456.502-456.725; ORS 458.380-458.740; ORS 566.340; 42 USC 12724; 2008 HERA; IRS Section 42.	Awarding Low Income Housing Tax Credits to developers; administering housing development grants and loans; ensuring compliance with program rules and laws, financial stability, and health and safety standards.	Requests lottery bond proceeds for preserving affordable rental housing; additional positions related to volume, complexity of work.	
2	1	OHCS	Capital Construction	91400-03 91400-04 91400-05	12	0	0	900,000,000	0	0	0	\$ 900,000,000	0	0.00	Y	N	S	ORS 458.485		Requests additional XI-Q bond proceeds for housing development.	
3	1	OHCS	PSH Permanent Supportive Housing Rent Assistance		12	22,973,963	0	0	0	0	0	\$ 22,973,963	2	2.00	Y	N				Requests additional Rent Assistance funds tied to new units.	
4	1	OHCS	Homeless Services	91400-01	12	435,504,958	2,150,341	25,658,428	0	27,761,331	0	\$ 491,075,058	42	41.00	Y	Y	FO, S	ORS 456.265; ORS 456.375-456.390; ORS 456.555; ORS 456.607-456.609; ORS 458.365-458.377; ORS 458.620, 458.650, 458.677, 458.700; 42 USC 7, 9901-9926, 11317-11378, 12725	Administering grants to alleviate poverty and homelessness.	Requests GF to support shelter system, eviction, support for IDA Initiative, and youth rental assistance.	
5	2	OHCS	Energy Services	91400-02	12	0	0	95,723,195	0	105,863,628	0	\$ 201,586,823	18	18.00	Y	Y	FO, S	ORS 456.594-456.599; ORS 469.421; ORS 757.612; 24 USC 6833, 8621-8630	Administering grants to alleviate energy expenses.	Extends use of federal COVID response funds.	
6	1	OHCS	Homeownership Programs	91400-07 91400-08	12	21,405,310	0	91,335,113	0	25,146,110	0	\$ 137,886,533	33	32.92	Y	N	FO, S	ORS 456; P.L. 111-203	Administering grants to stabilize neighborhoods.	Requests funding for down payment assistance in OHCS programs, and development for homeownership opportunities.	
7	2	OHCS	PBCA Performance Based Contract Admin		12	0	0	4,428,837	0	1,066,909	185,102,399	\$ 190,598,145	19	18.50	Y	N	FO	Title 42 Section 8 section 1437f	Rent subsidy payments to landlords/owners of Section 8 (Housing Choice) units.		
8	2	OHCS	Manufactured Homes and Parks Programs		12	4,894,166	0	7,769,847	0	0	0	\$ 12,664,013	8	8.00	Y	N	S			Requests funding to replace older homes.	
9	1	OHCS	OHSI Foreclosure Prevention Programs (Homeownership Stabilization Initiative)		12	0	0	0	0	0	0	\$ -	0	0.00	Y	N	FO	12 USC 5211	Administer program to relieve foreclosures.	Closes program	
10	1	OHCS	DRR		12	0	0	22,441,675	0	140,087,230	0	\$ 162,528,905	42	42.00	Y	N	FO			New SCR in 23-25. Requests FF limitation for wildfire recovery, limited duration positions.	
N/A	N/A	OHCS	Central Services	91400-09	4	13,547,865	0	33,445,941	0	10,224,458	0	\$ 57,218,264	146	147.14	N	N				Requesting additional positions, removing DRR costs.	
N/A	N/A	OHCS	Bond Activities and Debt Service		4	155,951,421	28,443,620	13,396,450	882,443,018	0	0	\$ 1,080,234,509	9	8.92	Y	N	D			Additional S&S, DS for issuing XI-Q bonds and lottery bonds.	
						677,277,683	30,593,961	1,637,877,540	882,843,018	347,990,399	185,102,399	\$ 3,761,685,000	427	424.96							

Within each Program/Division area, prioritize each Budget Program Unit (Activities) by detail budget level in ORBITS

Document criteria used to prioritize activities:

Self-Sustaining (weight = 20%) Program funds both direct and indirect admin costs

Unmet Need (weight = 30%) Program meets an identified community need well and cannot be replaced by other programs

Mission Fit (weight = 35%) Programs aligned with mission of agency

Excellence in State Government (weight = 15%) Program furthers goals related to education or improving government:

Scale:
1 = Not Effective
2 = Below Average
3 = Average
4 = Good
5 = Very Effective

7. Primary Purpose Program/Activity Exists

- 1 Civil Justice
- 2 Community Development
- 3 Consumer Protection
- 4 Administrative Function
- 5 Criminal Justice
- 6 Economic Development
- 7 Education & Skill Development
- 8 Emergency Services
- 9 Environmental Protection
- 10 Public Health
- 11 Recreation, Heritage, or Cultural
- 12 Social Support

19. Legal Requirement Code

- C Constitutional
- D Debt Service
- FM Federal - Mandatory
- FO Federal - Optional (once you choose to participate, certain requirements exist)
- S Statutory