

OREGON HOUSING AND COMMUNITY SERVICES

LIFT and PSH Development



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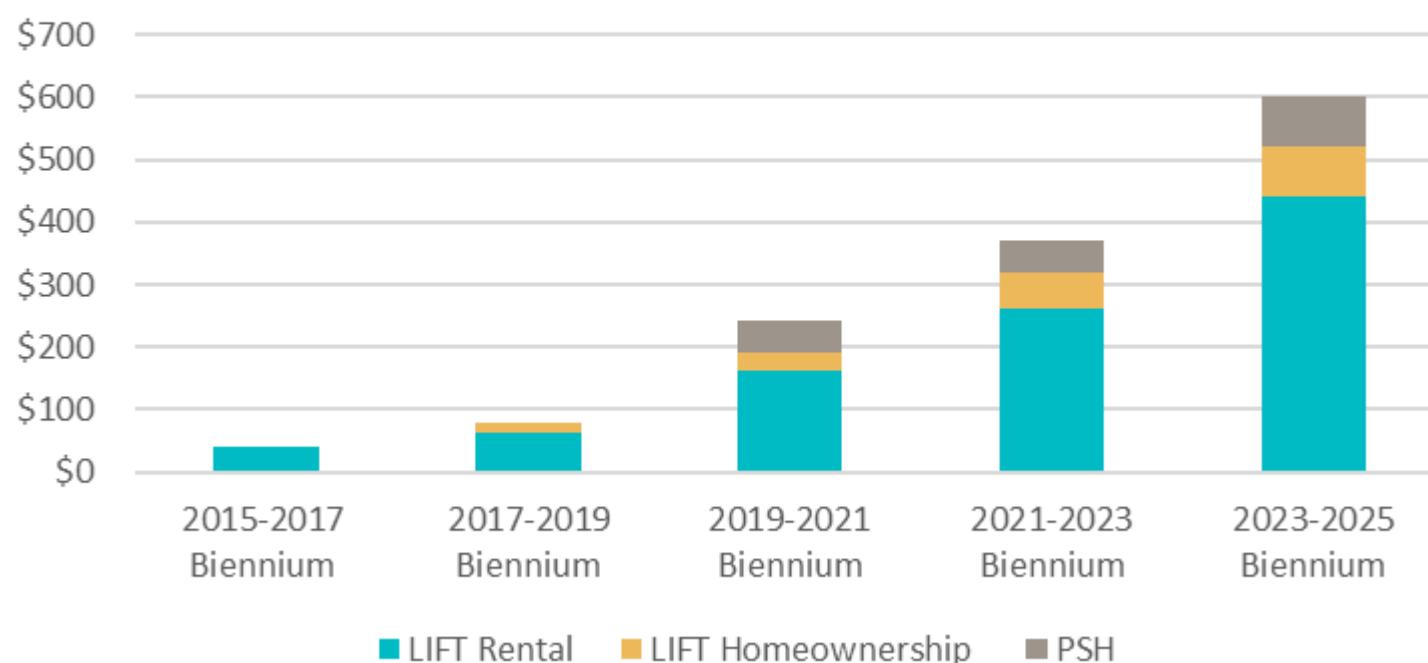
February 8, 2024

Article XI-Q Programs Background

The Local Innovation and Fast Track (LIFT) program was created in 2015, with the first offering for Rental in 2016 and Homeownership in 2018.

Permanent Supportive Housing (PSH) had its first offering in 2019.

Article XI-Q Bond Programs
(allocations in millions)



LIFT Rental Program Overview

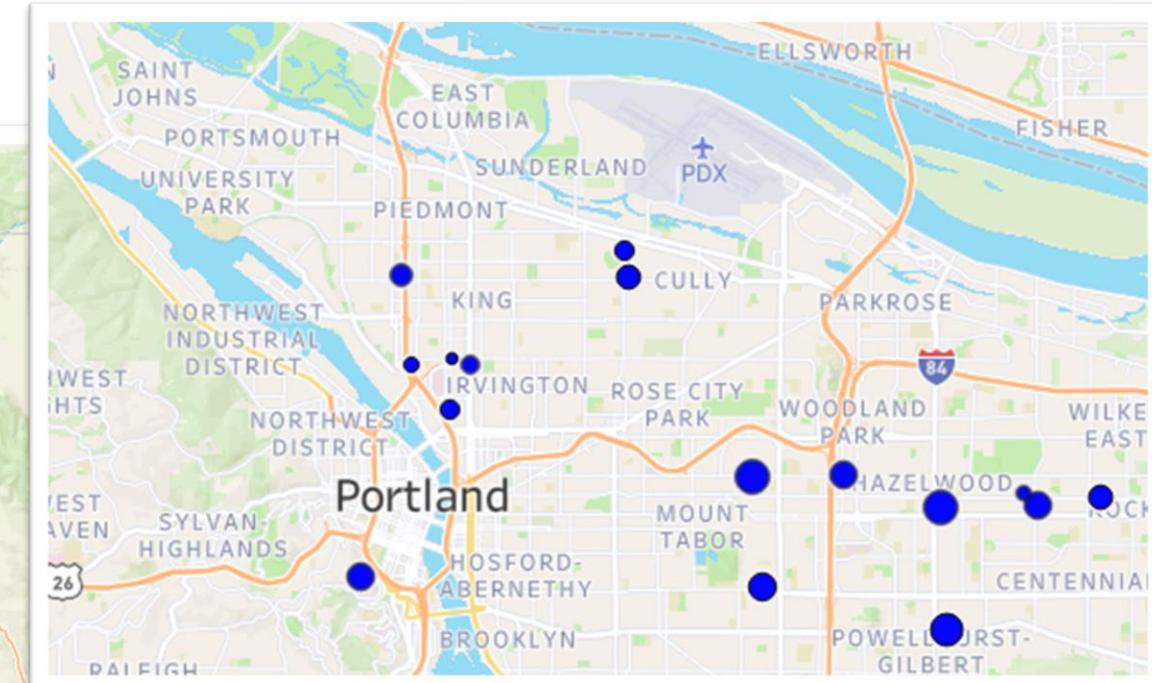
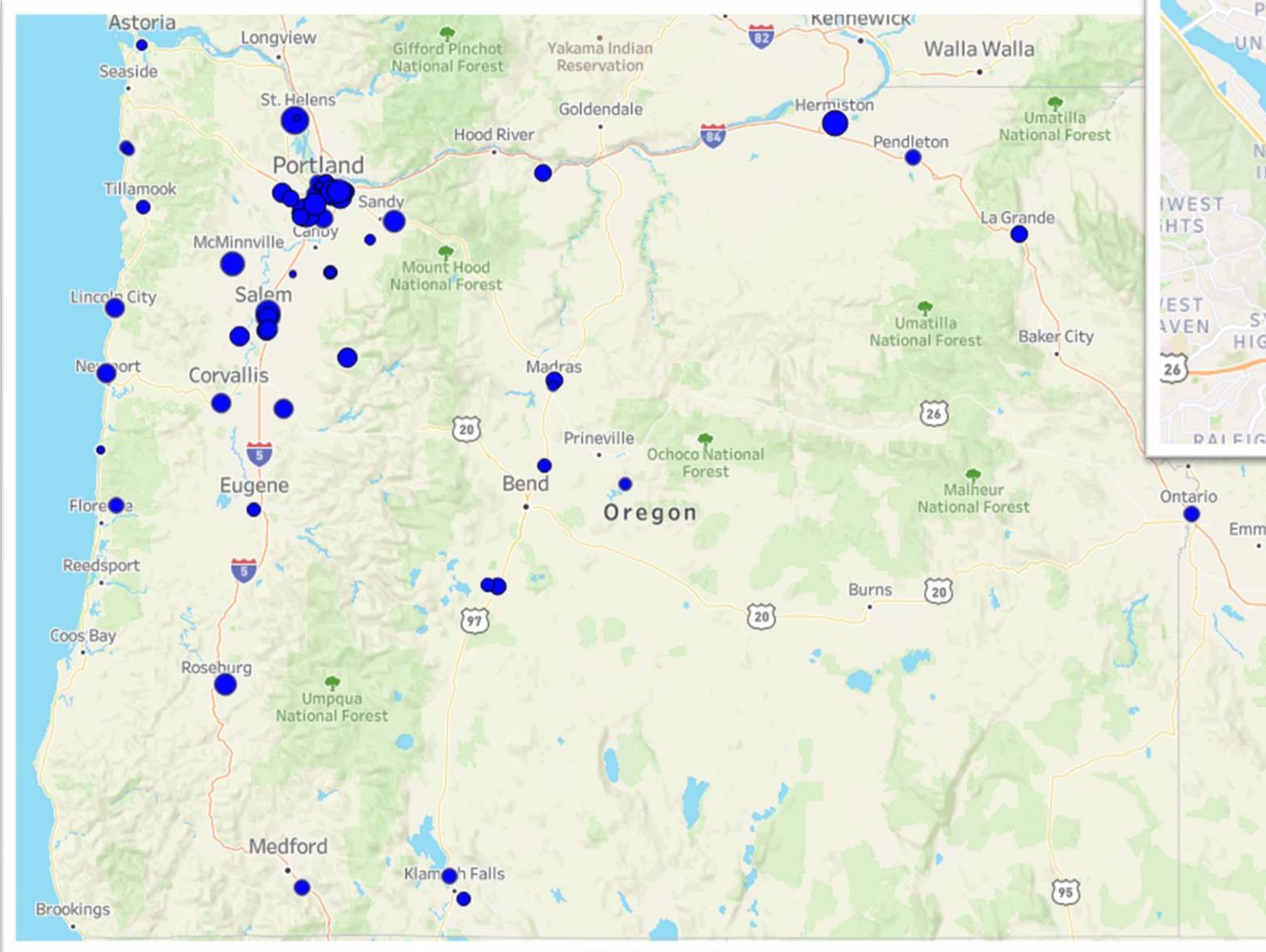
LIFT Rental finances new long-term affordable rental homes for those at or below 60% AMI.

- Intended to expand affordable rental housing supply by creating new affordable housing
- Serves to address critical housing needs:
 - Historically underserved rural communities and communities of color;
 - Family housing.

- Be **flexible** to allow it to be used to support innovative methods and material for development.
- **Focuses on speed** – getting families into the new units within 36 months of financial award.
- Can be used as the sole public subsidy in housing investments or leveraged with 4% Low-Income Housing Tax Credits.



LIFT Rental Map



2017–June 2023

Total LIFT Rental funding approved: Over **\$603M over 68 developments**
6,066 homes

- **1,720** homes completed
- **4,346** homes under development

LIFT Rental Pipeline

Region	# of Developments	# of Homes under Construction/Development	LIFT Investment in Each Region
Portland Metro	22	1789	Over \$147 million
North Coast	4	381	Over \$44.8 million
Eastern Oregon	6	437	Over \$51.2 million
Southern Oregon	5	398	Over \$55.4 million
Willamette Valley	12	1162	Over \$136.4 million
Central Oregon	3	179	Over \$22.4 million

2024 Centralized Resource Offering

- Historically, LIFT Rental resources have been made available through an annual LIFT Rental-specific Notice of Funds Available (NOFA).
- In 2024, LIFT Rental will be made available through a **new combined funding offering** that includes all state and federal funded rental housing development resources.
 - General Housing Account Program (GHAP)
 - Oregon Affordable Housing Tax Credit (OAHTC)
 - HUD: HOME & Housing Trust Funds
- OHCS will launch the combined fund offering in **Spring 2024**, including \$440M in LIFT Rental resources.



LIFT Homeownership Program Overview

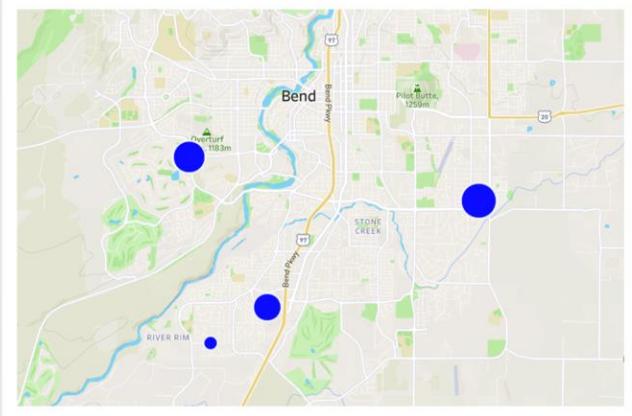
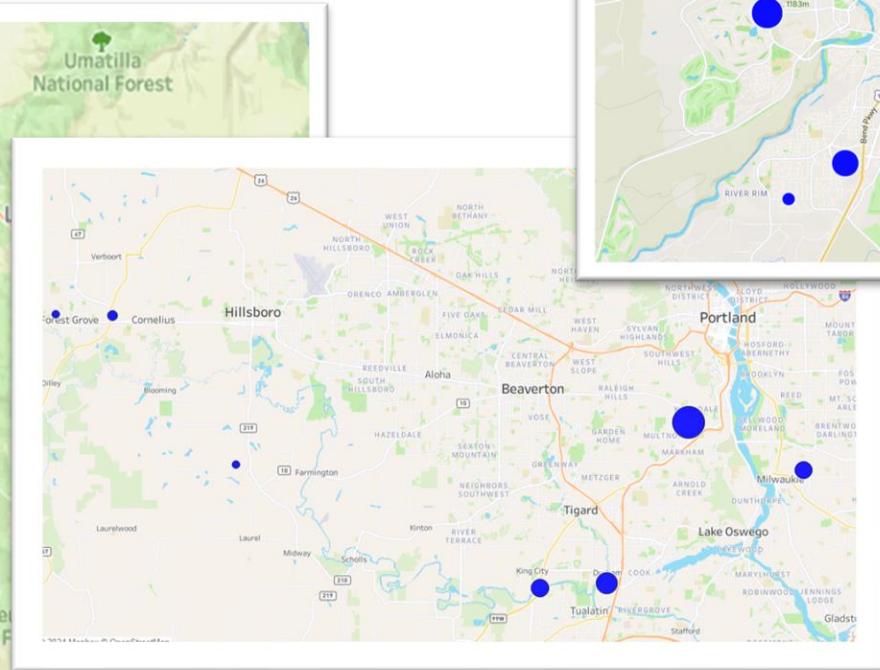
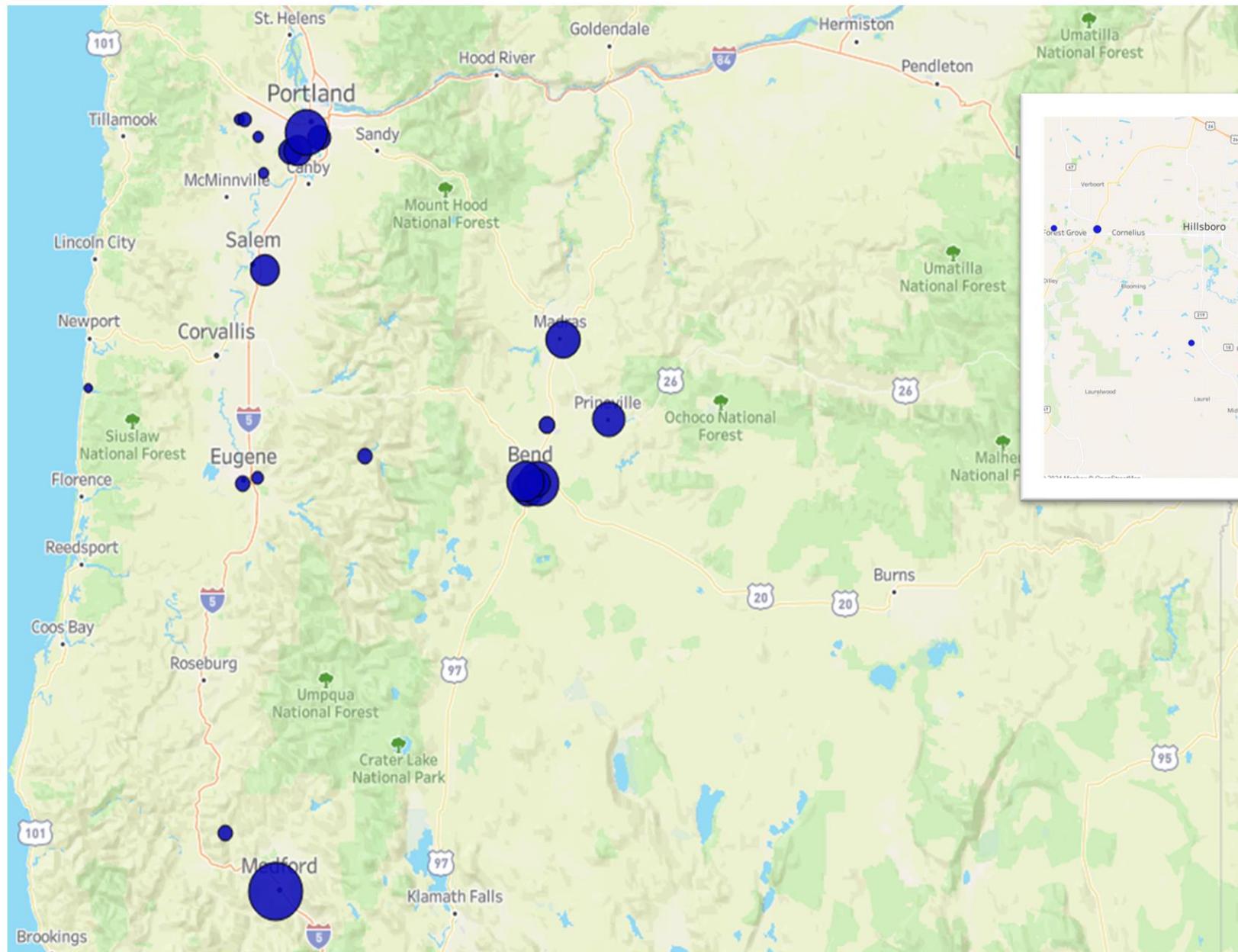
- LIFT Homeownership focuses on increasing supply, service to families, innovation, and **fast-tracking families into homeownership**.
- The program is intended to focus on communities of color and rural communities.
- LIFT homes are affordable to homeowners up to 80% AMI and **must remain affordable long-term**.
- Can be used for homeownership opportunities using long-term affordable shared-equity models, such as community land trust, condo, or other leasehold.



The 2024 LIFT Homeownership NOFA was released on January 8th with \$40M Article XI-Q and \$5M General Funds and will be available until September 2nd on a first-come, first-served basis.

OHCS has received **pre-applications for almost \$30 million** of those funds as of Jan. 31.

LIFT Homeownership Map



2018–June 2023:

Total LIFT Homeownership funding approved: More than **\$71.9M**

47 developments

713 homes

- **77** homes completed
- **643** homes currently under development

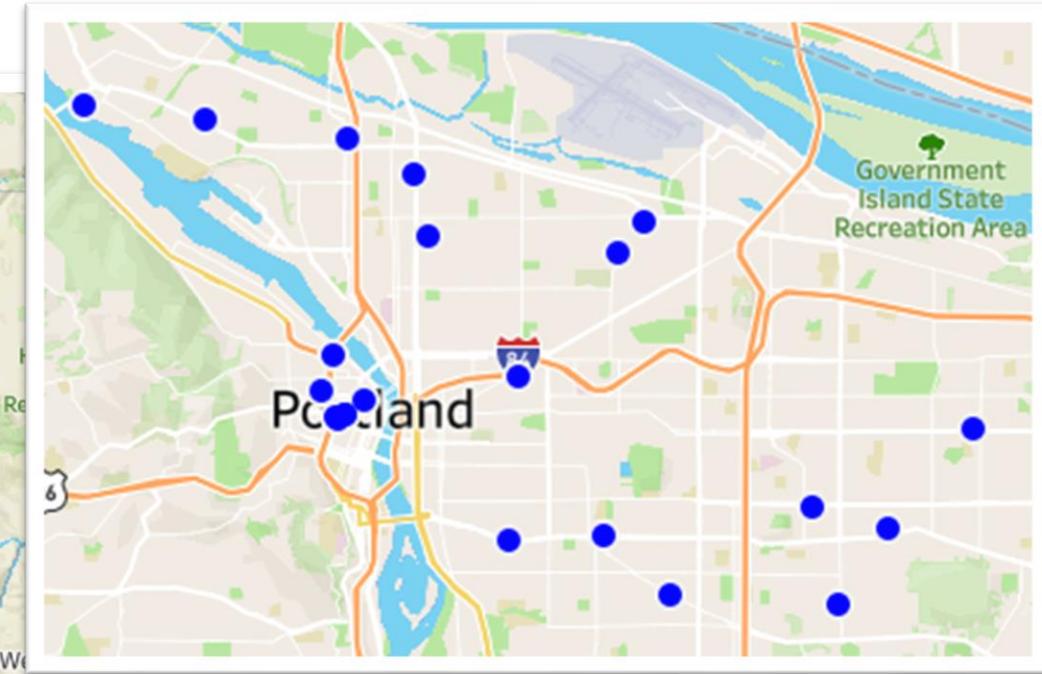
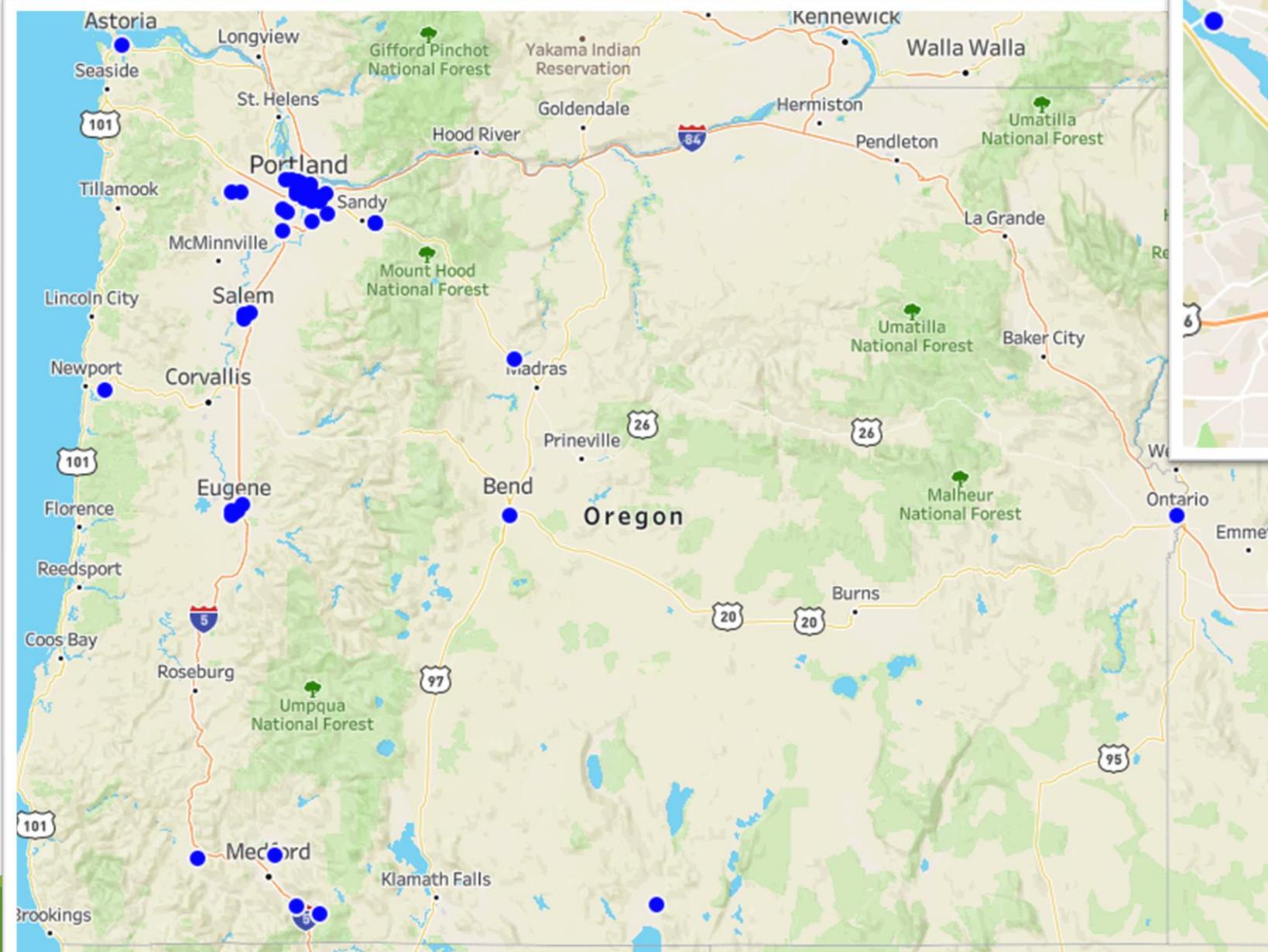
Permanent Supportive Housing (PSH)

- Permanent Supportive Housing (PSH) is a best practice and proven strategy to **house people experiencing chronic homelessness successfully**.
- Members of these households often have complex needs including mental illness, substance use, and chronic physical difficulties alongside their experience of long-term homelessness.
- Must be affordable to households with extremely low-incomes (at and below 60% AMI) and **must provide on-site, comprehensive tenancy support services**.

The PSH program at OHCS offers 3 funding components:

1. PSH Capital for the **development** of PSH projects.
2. PSH Project-Based Rental Assistance to allow for **long-term, deep affordability** for households experiencing chronic homelessness.
3. PSH Services Funding to operate a **long-term PSH services program** for all PSH households.

PSH Unit Map



2019–June 2023

Total PSH funding approved: More than **\$68M**

- **29** developments
- **818** homes
 - **320** homes completed
 - **498** under construction

PSH Institute & Pipeline

- OHCS and our partner, Corporation for Supportive Housing (CSH), have completed **4 Supportive Housing Institutes**.
- Together, we have created **36 teams** of developers, property managers, and service providers who are able to build and operate PSH effectively.
- **10 PSH program developments are open with 11 more slated to open in 2024.**
- The 2024 Supportive Housing Institute will kick off in May with **8 new PSH teams**.



Challenges & Opportunities

Challenges

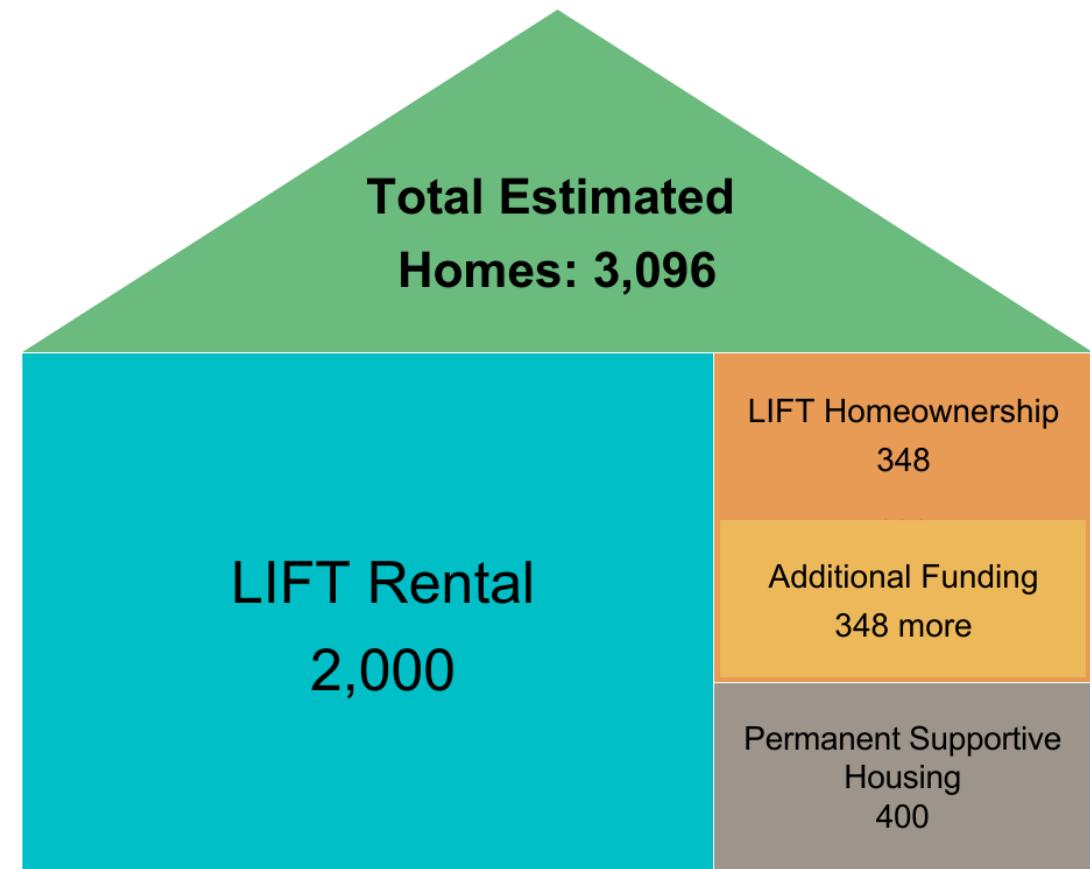
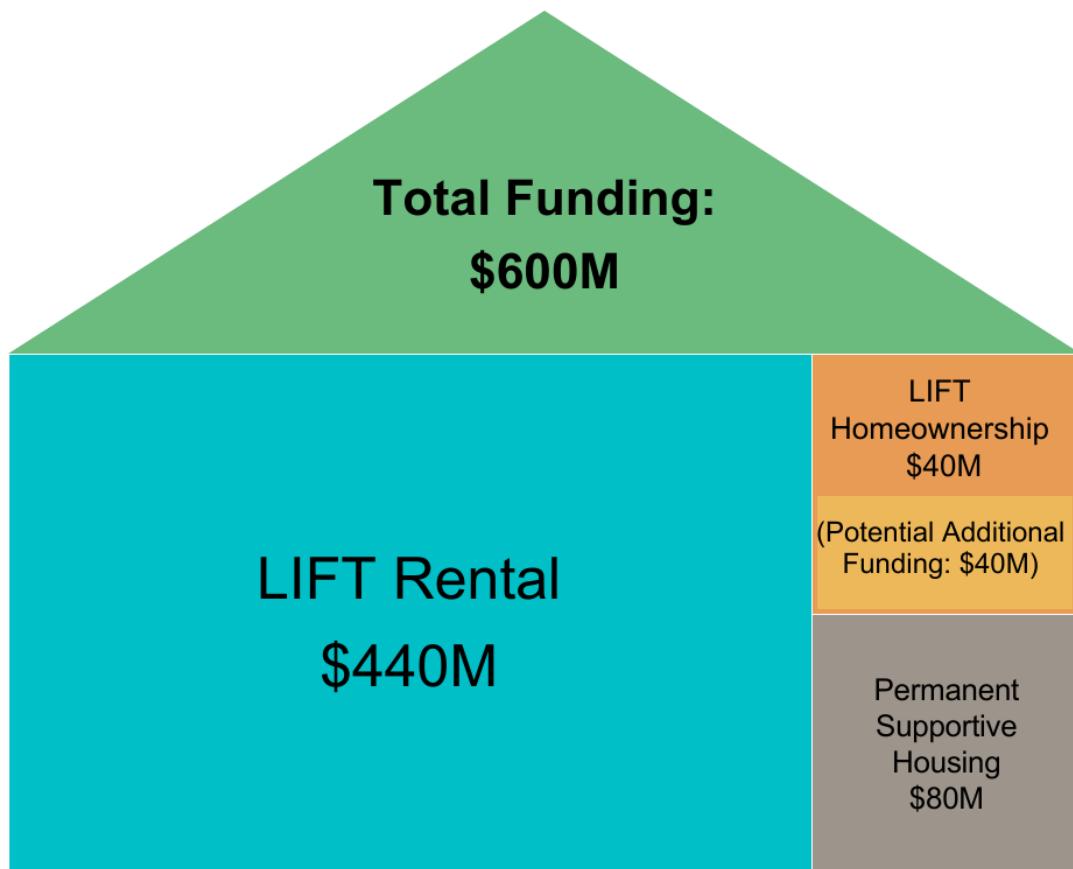
- Scale of need demonstrated in the **Oregon Housing Needs Analysis (OHNA)**.
- PSH units are **reliant on services funding and supportive housing workforce**, which constrains the number of units that can be built.
- **Private Activity Bond** federal LIHTC constraint.
- **Project operations** financial challenges; rent payments, operating and insurance costs. Along with severe portfolio **preservation** needs.
- **Infrastructure** needs to support housing.
- **Development Market Volatility:**
 - **Construction costs** remain high.
 - **Interest rates** remain high.
 - **Insurance rates** escalation.



Opportunities

- 2024 Centralized Funding Offering is a new, **innovative approach to funding** to align with the development process.
- Communities seeking to address local housing needs; alignment with **capacity building**.
- New **predevelopment** investment to support pipeline growth.
- State investment in programs and positions to **work to innovate and grow system alignment**.
- LIFT Homeownership has gained industry buy-in and the **number of developments is increasing** every year.

Looking Forward: 2023-25 Biennium





Questions?