



AGENCY BUDGET OVERVIEW

PRESENTED TO:
HOUSE HUMAN SERVICES AND HOUSING COMMITTEE

PRESENTED BY:
MARGARET SOLLE SALAZAR
DIRECTOR, OHCS

OUR VISION AND MISSION

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.

IMPROVING THE LIVES OF MORE OREGONIANS

Equity
Fiscal Sustainability
Opportunity for Prosperity

Cross-Agency Strategic Alignment

Health
Outcomes

Safety
Outcomes

Education
Outcomes

Economic
Outcomes

Housing is Foundational

HISTORICAL PERSPECTIVE

2011-13 Biennium: OHCS faces fiscal and programmatic uncertainty

- October 2011 – New director appointed to address financial challenges and determine if the agency should be dismantled
- Agency restructured leading to all new executive management and 12 positions (including six management) eliminated:
 - Went through scenario build to determine possible alternative delivery options for OHCS programs
 - Eliminated Portland office
- Transition efforts began with the goal to focus agency programs to be mission oriented and financially sustainable

HISTORICAL PERSPECTIVE

2013-15 Biennium: OHCS recommends agency remain intact but acknowledged concerns about fiscal sustainability and program delivery

- OHCS budget had second year of funding withheld pending a report to the legislature on alternate service delivery models for 2015 and beyond:
 - 2014 legislative report focused on:
 - Improved service delivery
 - Effectiveness
 - Fiscal sustainability
- Legislature approved report and second year of funding
- July of 2014 OHCS published new strategic framework focused on inward facing strategic imperatives

HISTORICAL PERSPECTIVE

2015-17 Biennium: OHCS balanced budget through key activities

- Reduced staffing
- Streamlined operations and programs
- Transfer of food programs
- General fund support to offset subsidy required for Oregon Volunteers
- **New programs received in recognition of housing crisis:**
 - LIFT program (\$40 million in XI-Q bond proceeds)
 - Mental Health Housing (\$20 million in lottery bond proceeds)

SECRETARY OF STATE PERFORMANCE AUDIT

Focus:

Affordable housing preservation and agency operations

Audit Findings:

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

2017 STRATEGIC GOALS



2018 & Beyond

- Results from the 2017 goals and the Statewide Housing Plan will inform future goals, outcomes, and updates
- OHCS will report, celebrate, benchmark, and retool at the end of 2017

2017 STRATEGIC GOAL OUTCOMES

1



Build a stronger OHCS that engages, supports, and challenges employees.

A

Increased employee satisfaction and increased collaboration between programs and between Executive Team, managers, and staff.

B

2017 Affirmative Action Plan is implemented to help OHCS meet equity goals of the agency.

C

OHCS has a reliable and modernized affordable housing data system, comprehensive housing inventory, and interactive tools available to help align need with investments.

D

OHCS has strong internal accounting, audit and administrative procedures in place.

E

OHCS has minimized administrative subsidies and identified opportunities to expand its mission through generation of new funding sources and program income.

2017 STRATEGIC GOAL OUTCOMES

2



Build a stronger OHCS that engages and serves our communities.

A

Increased community engagement and effective communication.

B

Increased department credibility with partners and interest groups.

C

Increased social media presence.

D

Improved website usability.

2017 STRATEGIC GOAL OUTCOMES

3



Work to close the affordable rental housing gap for low income households.

A

Pipeline projects with OHCS funding reservations and uncertain equity pricing move to construction closing in a timely manner.

B

Available resources for multifamily rental housing development are reserved to projects that will serve low income and very low income households with 50 percent of the units targeted to households earning 50 percent AMI or less.

C

OHCS documents and implements clear standards and procedures for improved workflow, efficiency and customer service of multi-family housing programs.

D

Present recommendations to Housing Stability Council regarding overall affordable housing preservation strategy for both federal rent subsidized projects and OHCS portfolio projects.

2017 STRATEGIC GOAL OUTCOMES

4



Prevent and reduce statewide poverty and homelessness.

A

Working with CAPO and the Housing Stability Council, OHCS builds policy recommendations to address and reduce homelessness for inclusion in the Statewide Housing Plan.

B

Enhanced data collection and methodology to improve homeless system performance outcomes.

C

Increased awareness of HUD Section 8 Homeless Preference Policy by owners and managers of OHCS funded (pursuant to governing documents) and Section 8 properties.

D

OHCS leads partners in coordinating strategies to reduce veteran homelessness.

E

Working with partners, OHCS creates a strategy to support increased development of supportive and supported housing projects.

F

OHCS supports awareness and implementation of poverty reduction strategies as identified by the performance indicators established by the Tri-state Futures Project.

2017 STRATEGIC GOAL OUTCOMES

5



Reduce home energy costs and improve housing affordability through Energy Services programs.

A

Increased Energy Assistance (EA) services to individuals residing in affordable housing units within OHCS Portfolio.

B

Reduced energy costs for eligible shelter and/or transitional housing properties through expansion of energy efficiency activities to these property types.

C

Expanded delivery of energy efficiency upgrades to existing or new multifamily affordable housing properties.

2017 STRATEGIC GOAL OUTCOMES

6



Expand access to homeownership among households with modest incomes; in particular to bridge the minority homeownership gap.

A

Utilizing Homeownership Centers and the Oregon Bond Loan Program, OHCS will bridge the minority homeownership gap.

B

OHCS provides more homeownership opportunities through expanded use of the Oregon Bond Loan Program.

C

OHCS improves efficiency and customer service of homeownership programs through implementation of clear standards, data, and processes.

2017 STRATEGIC GOAL OUTCOMES

7



Work to avoid and resolve foreclosures

A

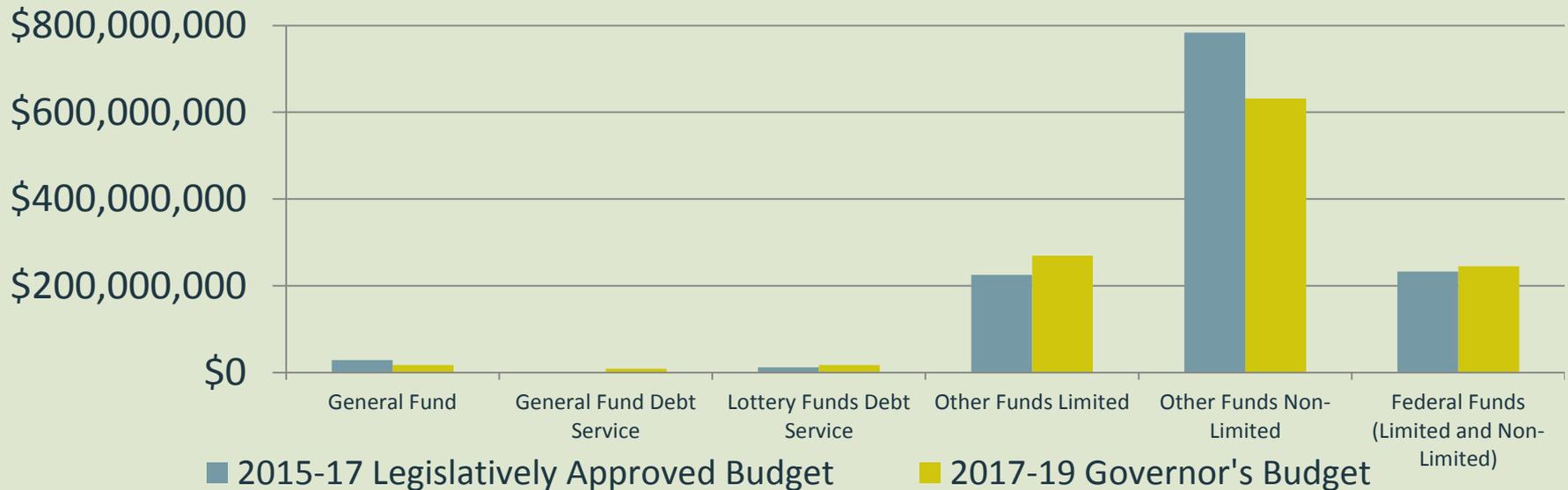
Reduce the number of active or pending foreclosures through OHCS programs and avoid foreclosure through OHSI programs.

B

OHCS improves efficiency and customer service of foreclosure prevention programs through implementation of clear standards, data, and processes.

BUDGET SUMMARY

BUDGET SUMMARY BY FUND TYPE



	2015-17 LAB	2017-19 GB
General Fund	\$28,591,263	\$17,096,570
General Fund Debt Service	\$0	\$8,571,532
Lottery Funds Debt Service	\$11,676,469	\$17,081,530
Other Funds Limited	\$224,757,497	\$269,198,543
Other Funds Non-Limited	\$783,429,303	\$631,770,834
Federal Funds	\$232,438,294	\$245,063,593
All Funds	\$1,280,892,826	\$1,188,782,602

TWO DEDICATED STATE HOUSING RESOURCES

Oregon Affordable Housing Tax Credit (OAHTC)

- State tax credit provided to lenders to reduce the interest rates on loans used for the development or rehabilitation of affordable housing. Interest savings is passed on to tenants in the form of reduced rent.
- To date, the Oregon Affordable Housing Tax Credit has helped create homes for more than 16,000 households and families across Oregon.

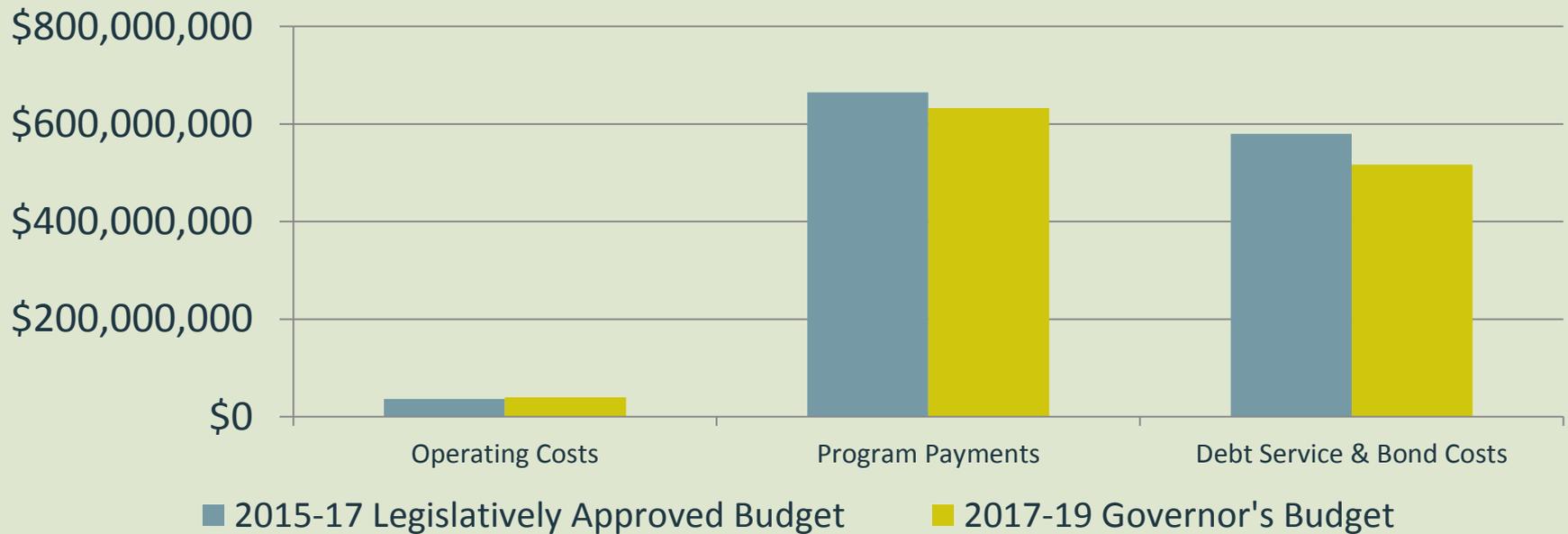
Document Recording Fee

- Since its inception 2009, the document recording fee has provided \$79 million to fund shelter and affordable housing for Oregonians across the state.
- OHCS administers the document recording fee and publishes quarterly reports on the fee amounts collected and distributed statewide. These reports are available online on the OHCS website

ADDITIONAL STATE RESOURCES

- Emergency Housing Assistance & State Homeless Assistance Program (GF)
- Elderly Rent Assistance (GF)
- Low-Income Rental Housing Fund (GF)
- Oregon Foreclosure Avoidance (GF)
- Housing Development Grant Program (Public Purpose Charge)
- Energy Conservation Helping Oregonians (Public Purpose Charge)
- Multifamily Low-Income Weatherization (Public Purpose Charge)
- Oregon Energy Assistance (Investor-owned Utility Ratepayers, PGE/PAC)

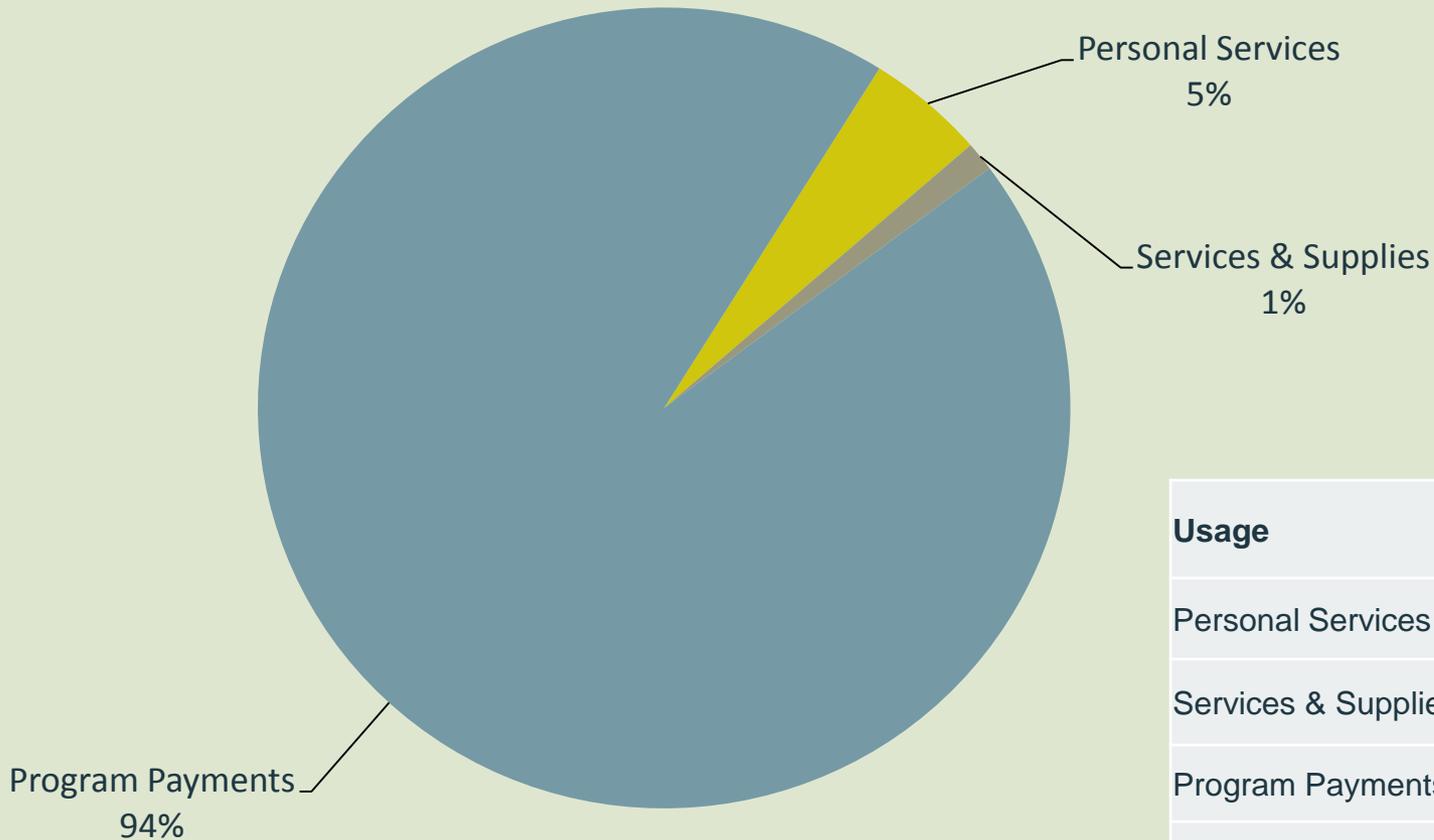
BUDGET SUMMARY BY USAGE



	2015-17	2017-19
Operating Costs	\$36,242,879	\$39,646,244
Program Payments	\$664,781,627	\$632,524,624
Debt Service and Bond Costs	\$579,868,320	\$516,611,734
All Funds	\$1,280,892,826	\$1,188,782,602
Permanent Positions/FTE	122 / 120.56	132 / 128.75
Limited Duration Positions/FTE	30 / 17.59	27 / 22.93

BUDGET SUMMARY BY USAGE

(EXCLUDING DEBT SERVICE AND BOND COSTS)

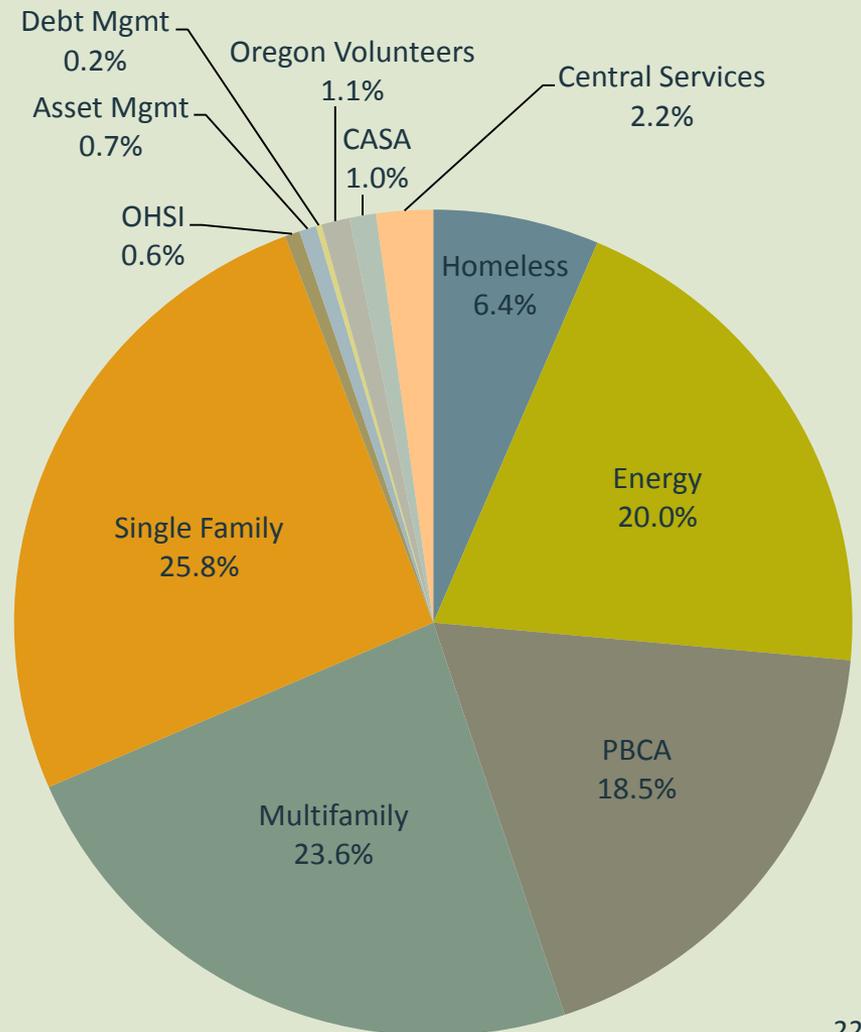


Usage	2017-19
Personal Services	\$31,668,739
Services & Supplies	\$7,977,505
Program Payments	\$632,524,624
Total	\$672,170,868

BUDGET SUMMARY BY PROGRAM AREA

(EXCLUDING DEBT SERVICE AND BOND COSTS)

Program Area	2015-17 LAB	2017-19 GB
Housing Stabilization Programs		
Homeless Services	\$57,819,474	\$43,063,183
Energy Services	\$134,262,171	\$134,751,145
Performance Based Contract Admin	\$115,256,977	\$124,126,168
Housing Finance Programs		
Multifamily Housing Development	\$130,432,806	\$158,404,890
Asset Management & Compliance	\$4,678,587	\$4,459,331
Single Family Housing Programs	\$228,873,603	\$173,136,732
Homeownership Stabilization Initiative	\$3,129,321	\$3,888,243
Debt Management	\$1,484,219	\$1,451,913
Central Services		
Oregon Volunteers	\$5,268,908	\$7,299,980
Court Appointed Special Advocates (CASA)	\$5,275,376	\$6,880,206
Central Services	\$14,539,783	\$14,709,077
Total	\$701,021,225	\$672,170,868



BUDGET DRIVERS AND RISKS

- Federal tax credit market causing financial gaps in pipeline projects
- Uncertainty regarding Oregon Volunteers and Court Appointed Special Advocates
- New legislation/programs could stretch capacity of existing staff
- Uncertainty regarding federal funding

PROPOSED FEDERAL FUNDING CUTS

Total proposed cuts to OHCS 2017-2019 Budget: \$111,461,363

= 364,000 vulnerable Oregonians who receive affordable housing development and services impacted by elimination of the following programs:

Community Services Block Grant: -\$10,694,841

= 244,000 low-income individuals lose access to housing supports, food programs, energy and weatherization assistance

Home Tenant-Based Assistance: -\$2,395,132

= 1,182 low-income households who are homeless or at-risk of homelessness lose access to this critical rental subsidy.

US Department of Energy Weatherization Program: -\$4,941,451

= 2,000 households unable to receive much needed energy efficiency upgrades and home health and safety repairs

Low-Income Energy Assistance Program (Weatherization): -\$9,249,296

= 2,000 households unable to receive much needed energy efficiency upgrades and home health and safety repairs

PROPOSED FEDERAL FUNDING CUTS

Elimination of Low-Income Energy Assistance Program (Bill Payment Assistance): **-\$62,821,373**

= 116,000 extremely vulnerable households lose access to assistance with paying their household energy bills

Elimination of HOME Investment Partnerships: **-\$14,251,490**

= Loss of development of approximately 700 affordable homes for low-income Oregonians

Elimination of Corporation for National and Community Services/Oregon Volunteers: **-\$7,107,780**

= loss of 550 volunteers providing Oregonians with veterans services, access to health care, unmet educational needs, environmental stewardship education and economic opportunity

GOVERNOR'S BUDGET HIGHLIGHTS

- **One-time state funding to leverage private equity and federal funds:**
 - \$60 million for the Local Innovation & Fast Track Housing (LIFT)
 - \$10 million in Lottery Bonds with flexibility in use
- **Critical general fund programs at current service level:**
 - Emergency Housing Assistance (EHA)
 - State Homeless Assistance Program (SHAP)
 - Low Income Rental Housing Fund (LIRHF)
 - Elderly Rental Assistance (ERA)
- **Funding to increase staff capacity in key areas:**
 - LIFT implementation
 - Data and Research
 - Multifamily
 - Single family

PROGRAM SUMMARY

HOUSING STABILITY



HOUSING STABILIZATION PROGRAMS

Programs designed to stabilize Oregonians by providing:

- Homeless Services Programs
 - Asset Building Program
- Energy Services Programs
- Performance Based Contract Administration (Project Based Housing Vouchers)

2017-19 Governor's Budget

	Pos	FTE	General Fund	Other Funds	Federal Funds	Total
Homeless Services	10	9.5	\$12,449,951	\$12,876,813	\$17,736,419	\$43,063,183
Energy Services	10	10	\$0	\$54,656,926	\$80,094,219	\$134,751,145
Performance Based Contract Administration	10	9.5	\$0	\$2,007,746	\$122,118,422	\$124,126,168
Total	30	29.0	\$12,449,951	\$69,541,485	\$219,949,060	\$301,940,496

HOMELESS SERVICES

State and federal funds are combined to support services to prevent or end homelessness for Oregonians.

2017-19 Governor's Budget:



State

- Emergency Housing Account (EHA) \$10,352,266
- State Homeless Assistance Program (SHAP) \$3,424,921
- Low-Income Rental Housing Fund (LIRHF) \$547,780



Federal

- Emergency Solutions Grant (ESG) \$3,484,588
- Housing Stabilization Program (HSP) \$1,000,000

HOMELESS SERVICES

- In FY 2016, homeless services provided assistance through the following activities:

New Households Served	Total Households Served	Individuals Served Prevention	Individuals Served Rapid Re-Housing	Individuals Served Outreach	Individuals Served Shelter	Individuals Served All Activities
13,168	15,617	4,820	2,560	788	11,211	27,096

*Unduplicated counts from Annual Report that includes EHA, SHAP, LIHRF, ESG, and HSP. Individuals Served ALL Activities including Prevention, Rapid Re-Housing, Outreach, and Shelter in addition to activities that do not fall under those categories.

- Funding sources:

- Emergency Housing Assistance \$4,556,416 (GF + DRF)
- State Homeless Assistance Program \$1,658,639 (GF)
- Low Income Rental Housing Fund \$279,527 (GF)
- Emergency Solutions Grant \$1,612,636 (Federal)
- Housing Stabilization Program (TANF) \$401,485 (Federal)
- **Total Funding \$8,508,704**

HOMELESS SERVICES

Additional programs to reduce poverty and support antipoverty efforts:

2017-19 Governor's Budget:



State

- Elderly Rental Assistance (ERA) \$1,500,000 (GF)
- Housing Choice Landlord Guarantee Program (HCLGP) \$280,418 (GF)
- Housing PLUS \$461,504 (Lottery Bonds)



Federal

- Community Services Block Grant (CSBG) \$10,694,841
- HOME Tenant Based Assistance (HTBA) \$2,395,132

BUDGET CHANGES TO HOMELESS SERVICES & HOUSING STABILIZATION

- Elderly Rental Assistance from Department of Revenue:
 - \$1,500,000 to serve an estimate 240-270 clients
- EHA and SHAP at current service level:
 - 2016 legislature provided 1 time additional funding of \$10 million for these programs
- Housing Choice Landlord Guarantee Program reduced 12% from current service level:
 - \$280,418 in total funding is estimated to last 6 months into biennium

LEGISLATIVE CHANGES TO HOMELESS SERVICES & HOUSING STABILIZATION

Housing Stabilization and Homeless Services

SB 821	Directs Oregon Housing Stability Council, with advice of Community Action Partnership of Oregon, to develop policy for awarding grants to organizations that shall use funds in Emergency Housing Account to align with federal strategies and resources available to prevent and end homelessness
HB 2724	Directs OHCS to develop and implement Rent Guarantee Program to 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 within certain limits
HB 2741	Appropriates money from General Fund for deposit into Wildfire Damage Housing Relief Account
HB 2742	Increases household income limitation for receipt of financial assistance from Wildfire Damage Housing Relief Account
HB 2944	Limits landlord assistance under Housing Choice Landlord Guarantee Program to damages awarded in a judgment following a hearing in which landlord proves amount of damages
HB 3304	Allows taxpayer to direct portion of income tax refund to purpose of providing housing to low income persons
HB 3357	Increases amount of document recording fee charged and collected
SB 689	Reestablishes Task Force on Reentry, Employment and Housing

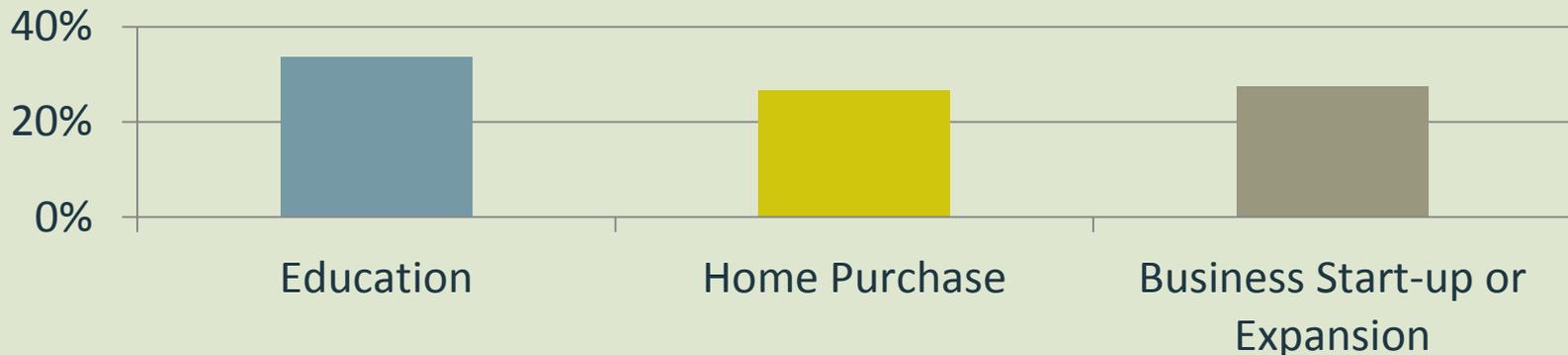
ASSET BUILDING PROGRAM

Individual Development Accounts

- Support individuals and families with low incomes through matched savings accounts combined with financial education

Individual Development Account (IDA) Initiative – 2017 Evaluation Report			
2016 Graduates	2016 Active Accounts	2016 New Accounts	2016 Total Accounts
1,102	3,512	1,478	4,990

How Oregonians Use IDAs



Source: 2017 Oregon Individual Development Account Initiative Evaluation Report

ENERGY SERVICES: WEATHERIZATION

Weatherization services are provided through combined state and federal programs to stabilize households.

2017-19 Governor's Budget:



State

- Energy Conservation Helping Oregonians (ECHO) \$17,641,956
- Multifamily Low-Income Weatherization \$1,449,493



Federal

- U.S. Department of Energy Weatherization Assistance Program (DOE) \$4,941,451
- Low-Income Home Energy Assistance Program – Weatherization (LIHEAP) \$9,249,296
- Bonneville Power Administration (BPA) \$3,093,575

ENERGY SERVICES: WEATHERIZATION

Weatherization (All Grants)	Homes Weatherized	Total People Served	Projected Annual Energy Savings
Fiscal Year 2016	2,277	4,642	\$1,003,650

■ Funding sources:

- Energy Conservation Helping Oregonians \$9,858,057 **(Public Purpose)**
- Multifamily Low-Income Weatherization \$272,310 **(Public Purpose)**
- Dept. of Energy Weatherization Assistance Program \$2,292,125 **(Federal)**
- Low-Income Home Energy Assistance Program – Weatherization \$4,919,001 **(Federal)**
- Bonneville Power Administration \$1,104,296 **(Federal)**
- **Total Funding \$18,445,788**

ENERGY SERVICES: BILL PAYMENT

Energy bill payment assistance is provided through combined state and federal programs to stabilize households.

2017-19 Governor's Budget:



State

- Oregon Energy Assistance Program (OEAP)
\$35,566,190



Federal

- Low-Income Home Energy Assistance Program (LIHEAP) \$62,821,373

ENERGY SERVICES: BILL PAYMENT

Energy Assistance (All Grants)	Households Assisted	Prevented Disconnection	Restored Utility	Total People Served	First time program users
Fiscal Year 2016	81,870	47,318	4,935	207,314	20,110

- Funding sources:
 - Oregon Energy Assistance Program \$20,943,369 (PGE/PAC)
 - Low-Income Home Energy Assistance Program \$28,182,377 (Federal)
 - **Total Funding \$49,125,746**

LEGISLATIVE CHANGES TO ENERGY SERVICES

Energy Assistance and Weatherization – Pending Legislation

SB 100-2	Transfers administration of State Home Oil Weatherization (SHOW) program from State Department of Energy to OHCS
SB 952	Establishes Oregon Energy Commission as policy and rulemaking body for State Department of Energy. Transfers administration of SHOW program from State Department of Energy to OHCS
HB 2134	Changes process by which Public Utility Commission collects moneys from electric companies for the Oregon Energy Assistance Program (OEAP), maintains current funding for OEAP

PERFORMANCE BASED CONTRACT ADMINISTRATION

Federally funded programs designed to provide rent subsidy payments on behalf of low income or vulnerable households.

HUD Project Based Section 8 Housing Program – \$122,862,035

- In 2016, OHCS administered 257 Project Based Section 8 housing assistance payment contracts providing a total 9,708 apartment units

HUD Section 811 Project Rental Assistance – \$1,072,507

- New partnership with OHCS, DHS Office of Developmental Disabilities Services and OHA Addictions and Mental Health Division
- Will subsidize 75 units at 50% median market rents to serve individuals with severe and persistent mental illness, intellectual/developmental disability

HOUSING FINANCE PROGRAMS

- Programs designed to increase and retain the stock of affordable housing and increase homeownership opportunities:
 - Multifamily Housing Development and Preservation
 - Single Family Housing Programs
 - Homeownership Stabilization Initiative
 - Asset Management and Compliance
 - Debt Management

2017-19 Governor's Budget

	Pos	FTE	General Fund	Other Funds	Federal Funds	Total
Multifamily Housing Development & Preservation	24	23.5	\$778,635	\$143,347,129	\$14,279,126	\$158,404,890
Asset Management & Compliance	20	19.0	\$0	\$4,097,273	\$362,058	\$4,459,331
Single Family Housing Programs	7	6.5	\$0	\$172,415,511	\$721,221	\$173,136,732
Homeownership Stabilization Initiative	25	21.43	\$0	\$3,888,243	\$0	\$3,888,243
Debt Management Section	6	6.0	\$0	\$1,451,913	\$0	\$1,451,913
Total	82	76.43	\$778,635	\$325,200,069	\$15,362,405	\$341,341,109

MULTIFAMILY HOUSING ADDITIONAL FUNDING

2017-19 Governor's Budget above Current Service Level



- Local Innovation & Fast Track Housing (LIFT) \$60,143,480 (XIQ GO Bonds)
- Preservation \$10,000,000 (Lottery Bonds)

MULTIFAMILY HOUSING DEVELOPMENT AND PRESERVATION

Federally funded programs designed to provide safe, stable, and affordable rental housing across Oregon through development of new housing and preservation of existing housing

- **Low Income Housing Tax Credit**
 - 9% competitive
 - 4% non-competitive
- **HOME Investment Partnerships \$14,251,490**
- **Federal Housing Trust Fund \$6,000,000**

2016 MULTIFAMILY DEVELOPMENT AND PRESERVATION: FUNDING AWARDS

In 2016, OHCS funded 2,866 units of affordable housing, leveraging these resources:

State Funds

- Gap Funding (GHAP & HDGP) \$9,105,248
- Weatherization \$852,633
- Mental Health Housing \$3,761,579
- Local Innovation & Fast Track Housing (LIFT) \$38,920,376
- Preservation \$5,000,000

State Tax Credits

- Oregon Affordable Housing Tax Credit \$12,352,000
- Agricultural Workforce Housing Tax Credit \$3,609,697

Federal Funds

- HOME \$5,520,772

Federal Tax Credits

- 9% LIHTC \$8,752,230
- 4% LIHTC \$12,259,984

LEGISLATIVE CHANGES TO MULTIFAMILY HOUSING

Multifamily Programs

HB 2002	Expands laws regarding preservation of participating properties that are publicly supported housing
HB 2210	Directs OHCS to develop and implement Retaining Affordable Rental Housing Program to provide grants to owners of multifamily rental housing to rehabilitate and maintain housing at affordable rental rates
HB 2433	Directs OHCS to establish pilot program in which department constructs low-income senior housing development on school district land and school district rents to low-income seniors at reduced rent in exchange for classroom assistance
HB 2852	Extends sunset for Oregon Affordable Housing Tax Credit. Increases total amount of tax credits allowed for all taxpayers. requires OHCS to make annual determination of remaining balance of reserved but not certified tax credits. Directs Department of Revenue, in cooperation with OHCS, to conduct annual auction of reserved credits
HB 2879	Exempts from taxation amounts received from sale of real property to nonprofit corporation or housing
HB 2912	Establishes Affordable Housing Land Acquisition Revolving Loan Fund Program within OHCS to make loans to eligible organizations to purchase land for affordable housing development and to provide supportive services to residents and low income households
HB 3063	Establishes Mental Health Housing Fund, appropriates moneys to Oregon Health Authority and requires authority to seek out and apply for additional moneys for fund to pay for construction and start-up costs of housing for individuals with mental illness
HB 3357	Increases amount of document recording fee charged and collected by county clerks
SB 1	Creates income tax credit for operation costs of housing for agricultural workers
SB 310	Removes vertical housing development program from OHCS

LEGISLATIVE CHANGES TO MULTIFAMILY HOUSING

Manufactured Home Parks

HB 2008	Updates amount landlord must pay tenant of manufactured dwelling park upon closure of park to convert to other use.
HB 3331	Directs Office of Manufactured Dwelling Park Community Relations to establish and administer landlord-tenant dispute resolution program for disputes arising from notices of certain rent increases
SB 277	Increases notice period for termination of rental agreement and removal of manufactured dwelling or floating home

Task Force / Study

HB 2011	Directs OHCS to administer study to assess disparities between federal and local calculations of fair market rent
HB 3155	Establishes Task Force on Use of Surplus Public Lands for Housing

LIFT PROGRAM OVERVIEW

- In 2015, the Oregon Legislature committed \$40 million of general obligation Article XI-Q bonds to fund the LIFT program. Using this new funding source will allow Oregon Housing and Community Services (OHCS) and its partners to add to the supply of affordable housing, in particular, for historically underserved communities
- Primary goals of the LIFT program are:
 - 1. Create a large number of new affordable housing units to serve low income Oregonians.
 - 2. Serve historically underserved communities: a. Rural communities with less than 25,000 people; b. Communities of color.
- Secondary goals of the LIFT program are:
 1. Place affordable housing units in service as quickly as possible.
 2. Serve families earning at or below 60% area median income, receiving services through Oregon's Department of Human Services (DHS).
 3. Identify innovative building strategies that result in lower cost of affordable housing development that is replicable.

MULTIFAMILY HOUSING DEVELOPMENT: LIFT PROGRAM 2017 AWARDS

Project	Location	Serving	Units	LIFT Funds	Federal 4% LIHTC
The Fields Apartments	Tigard	Communities of Color	260	\$ 9,880,000	Yes
Fisterra Gardens Townhomes	Yachats	Rural Communities	21	\$ 797,979	Yes
Harvey Rice Heritage Center	NE Portland	Communities of Color	22	\$ 494,000	No
Holman 42	NE Portland	Communities of Color	59	\$ 2,242,000	Yes
La Pine Townhomes	La Pine	Rural Communities	42	\$ 1,596,000	Yes
Portland Road Apartments	Salem	Communities of Color	180	\$ 4,877,919	Yes
St. Helens Homeless Housing	St. Helens	Rural Communities	17	\$ 646,000	No
Village Meadows Apartments	Sisters	Rural Communities	48	\$ 1,824,000	Yes
Willow Creek Crossing Apartments	Hillsboro	Communities of Color	122	\$ 4,636,000	Yes
Creekside Apartments & Freedom Square Part II	Central Point & White City	Rural Communities	100	\$ 5,500,000	Yes
Lincoln Apartments	Woodburn	Rural Communities	16	\$ 3,462,478	No
Sunshine Estates	Ontario	Rural Communities & Communities of Color	32	\$3,198,395	No

MENTAL HEALTH HOUSING PROGRAM

- In 2015 OHCS received \$20 million in proceeds from lottery-backed bonds to be used for housing development
- The budget note directed OHCS and OHA to partner in awarding these funds to projects that will target individuals with Serious Mental Illness or Addiction disorders
- 2016 NOFA Awards Included:
 - Arthur Street Duplex, Eugene: \$41,125
 - Douglas Fir Apartments, Portland: \$471,531
 - Eastside Campus Condo A, Portland: \$2,500,000
 - Swing Lane Supportive Housing, Medford: \$252,239
 - Jackson Crisis Resolution Center, Medford: \$500,084

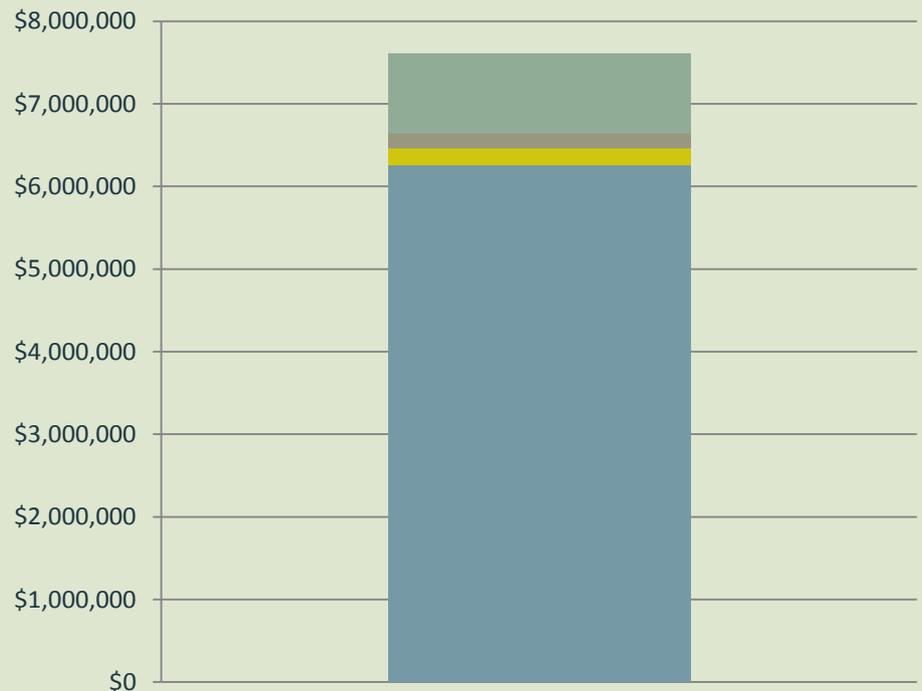
OHCS made 2017 NOFA more flexible and streamlined and added technical assistance component. 2017 NOFA recently closed. OHCS is scoring applications and will make awards this summer.

MULTIFAMILY HOUSING: NEW CONSTRUCTION CASE STUDY

Blue Springs Crossing

La Grande-Family Housing

- 38 units
 - 2 units @ 50% AMI
 - 36 units @ 60% AMI
- LIHTC 9% - \$715,835
- OAHTC - \$915,000
- GHAP - \$200,000
- Leveraged Tax Credit Equity - \$6,200,000



- Permanent Debt
- Deferred Developer Fee
- OHCS Gap
- Leveraged Tax Credit Equity

MULTIFAMILY HOUSING: PRESERVATION

Oregonians deserve a preservation strategy

- For every one new unit, at least two are at risk of loss
- Property considerations: energy efficiency, aging in place, accessibility, and habitability
- Tremendous federal rental assistance resources at risk of being lost

Over the years OHCS has received preservation funding through lottery backed bonds but lacks a sustained, comprehensive preservation initiative.

- Audit called out need for statewide preservation strategy
- Discussion about dedicating resources to preservation
- Statewide Housing Plan

MULTIFAMILY HOUSING: PRESERVATION CASE STUDY

Holiday Gardens

Grants Pass – Sandy – Talent

- 208 units:
 - 4 units @ 50% AMI
 - 204 units @ 60% AMI
- Federal rent assistance (USDA)
- Elderly/disabled housing



OHCS funded Holiday Gardens as an acquisition rehabilitation project that preserved three sites and 208 affordable apartments for seniors and persons with disabilities in Sandy, Talent, and Grants Pass. The project preserved the USDA Rural Development Rental Assistance contracts on 167 of the 208 units. This is the largest USDA Rural Development project in the state and OHCS worked with USDA, a private lender and a LIHTC equity investor to preserve and improve the development and safeguard the federal rental assistance dollars coming to Oregon.

MULTIFAMILY HOUSING: NEW CONSTRUCTION (LIFT) CASE STUDY

Portland Road Apartments

Salem

- 180 units @ 60% AMI
- Serving communities of color
- 36 units to serve DHS clients
- LIFT - \$4,877,919
- 4% LIHTC - \$809,184



- Deferred Developer Fee
- Long Term Bonds (Permanent Debt)
- Private Grant
- City HOME
- Leveraged Tax Credit Equity
- OHCS LIFT

MULTIFAMILY HOUSING CASE STUDY: MANUFACTURED HOME PARK PRESERVATION

Oak Leaf Mobile Home Park Portland

- 33 spaces @ 80 % AMI



OHCS helped the low income residents of Oak Leaf Mobile Home Park preserve and improve their community. OHCS contributed just over \$1 million and together with the City of Portland and its federal CDBG funds, and a private lender, preserved a 34 unit park through a purchase by a nonprofit organization. The restoration of the Park is now underway and residents will be protected from rent increases.

SINGLE FAMILY HOUSING PROGRAMS

State-funded programs to expand access to affordable homeownership through below-market rate loans, as well as assisting homeowners in purchasing and retaining their homes through education, foreclosure counseling and financial assistance services.

- **Home Ownership Assistance Program:** funded through Document Recording Fee \$1,476,974

2016 Pre-Purchase Classes	2016 Pre-Purchase Counseling	2016 Down Payment Assistance	2016 Foreclosure Counseling (OFA)
2,008 Households	3,105 Households	281	2,153 Households

- **Residential Loan Program:** funded through issuing mortgage revenue bonds

2016 Single-Family Mortgage Loans	2016 Total Loans	2016 Average Loan Amount
410	\$71,664,632	\$174,792

LEGISLATIVE CHANGES TO SINGLE FAMILY HOUSING

Single Family Programs

HB 2010	Establishes Task Force on Addressing Racial Disparities in Home Ownership
HB 2570	Directs OHCS to establish Affordable Homeownership Grant Program to provide grants to eligible nonprofit organizations with affordable homeownership programs to provide opportunities for homeownership to persons in low income households
HB 2961	Establishes Homeownership Repair and Rehabilitation Program within OHCS to provide grants to eligible nonprofit organizations to provide financial assistance to persons in low income households for repair and rehabilitation of residences
HB 3175	Makes changes to definition of "low income households" in Local Innovation and Fast Track Housing Program
HB 3192	Establishes Homeownership Down Payment Assistance Program within OHCS to provide grants to eligible nonprofit organizations, housing authorities and local governments to provide financial assistance to first-time home buyers in low income households
HB 3357	Increases amount of document recording fee charged and collected by county clerks

OREGON HOMEOWNERSHIP STABILIZATION INITIATIVE (OHSI)

Federal program assisting at-risk homeowners to avoid foreclosure through:

- Mortgage Payment Assistance
- Loan Preservation Assistance
- Loan Refinancing Programs

Program Successes:

- Since 2010, a total of \$204,158,734 has been provided to keep Oregonians in their homes
- Overall, 11,809 struggling homeowners have received assistance from a variety of OHSI programs

OREGON VOLUNTEERS

Oregon Volunteers Program Unit includes:

- Oregon Volunteers
- Court Appointed Special Advocates (CASA)

2017-19 Governor's Budget

Program Area	General Funds	Lottery Funds	Other Funds	Federal Funds	All Funds	Positions	FTE
Oregon Volunteers Commission	\$0	\$0	\$192,200	\$7,107,780	\$7,299,980	1	1.0
CASA	\$3,498,334	\$0	\$3,381,872	\$0	\$6,880,206	1	1.0

OREGON VOLUNTEERS

■ Oregon Volunteers

- Promotes and supports volunteerism and civic engagement
- AmeriCorps: Support for quality AmeriCorps programs to address local needs

■ **Court Appointed Special Advocates:** Provides advocacy for children who have experienced neglect or abuse.

- In 2014, 1,850 CASA volunteers served 5,135 children
- HB 2006 would transfer the CASA program to the Criminal Justice Commission

QUESTIONS?

APPENDIX: PENDING LEGISLATION

PENDING LEGISLATION

OHCS Priority Bill

HB 2315	Agency bill, provides a technical fix to the compliance side of the Oregon Affordable Housing Tax Credit (OAHTC)
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Housing Stabilization and Homeless Services

SB 821	Directs Oregon Housing Stability Council, with advice of Community Action Partnership of Oregon, to develop policy for awarding grants to organizations that shall use funds in Emergency Housing Account to align with federal strategies and resources available to prevent and end homelessness
HB 2724	Directs OHCS to develop and implement Rent Guarantee Program to 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 within certain limits.
HB 2741	Appropriates money from General Fund for deposit into Wildfire Damage Housing Relief Account
HB 2742	Increases household income limitation for receipt of financial assistance from Wildfire Damage Housing Relief Account.
HB 2944	Limits landlord assistance under Housing Choice Landlord Guarantee Program to damages awarded in a judgment following a hearing in which landlord proves amount of damages

PENDING LEGISLATION

Energy Assistance and Weatherization

SB 100	Transfers administration of fuel oil dealer program from State Department of Energy to OHCS
SB 952	Establishes Oregon Energy Commission as policy and rulemaking body for State Department of Energy. Transfers administration of fuel oil dealer program from State Department of Energy to OHCS
HB 2134	Changes process by which Public Utility Commission collects moneys from electric companies for purposes related to low-income electric bill payment assistance. Raises amount that may be collected from \$15 million to \$20 million.

PENDING LEGISLATION

Single Family Programs

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PENDING LEGISLATION

Multifamily Programs

HB 2002	Expands laws regarding preservation of participating properties that are publicly supported housing
HB 2210	Directs OHCS to develop and implement Retaining Affordable Rental Housing Program to provide grants to owners of multifamily rental housing to rehabilitate and maintain housing at affordable rental rates
HB 2433	Directs OHCS to establish pilot program in which department constructs low-income senior housing development on school district land and school district rents to low-income seniors at reduced rent in exchange for classroom assistance
HB 2912	Establishes Affordable Housing Land Acquisition Revolving Loan Fund Program within OHCS to make loans to eligible organizations to purchase land for affordable housing development and to provide supportive services to residents and low income households
HB 3063	Establishes Mental Health Housing Fund, appropriates moneys to Oregon Health Authority and requires authority to seek out and apply for additional moneys for fund to pay for construction and start-up costs of housing for individuals with mental illness

PENDING LEGISLATION

Manufactured Home Parks

HB 2008	Updates amount landlord must pay tenant of manufactured dwelling park upon closure of park to convert to other use.
SB 277	Increases notice period for termination of rental agreement and removal of manufactured dwelling or floating home
HB 3331	Directs Office of Manufactured Dwelling Park Community Relations to establish and administer landlord-tenant dispute resolution program for disputes arising from notices of certain rent increases

Task Force / Study

SB 689	Reestablishes Task Force on Reentry, Employment and Housing
HB 2010	Establishes Task Force on Addressing Racial Disparities in Home Ownership
HB 2011	Directs OHCS to administer study to assess disparities between federal and local calculations of fair market rent
HB 3155	Establishes Task Force on Use of Surplus Public Lands for Housing

PENDING LEGISLATION

Tax Programs and Fees

SB 1	Creates income tax credit for operation costs of housing for agricultural workers
SB 166	Extends sunset for Oregon Affordable Housing Tax Credit
HB 2286	Requires that transfer of tax credit follow uniform transfer procedures
HB 2767	For purposes of personal income taxation, phases out availability of itemized deductions, other than charitable contribution deductions, for taxpayer with federal adjusted gross income of \$125,000 or more for single return, or \$250,000 or more for joint return
HB 2852	Extends sunset for Oregon Affordable Housing Tax Credit. Increases total amount of tax credits allowed for all taxpayers. requires OHCS to make annual determination of remaining balance of reserved but not certified tax credits. Directs Department of Revenue, in cooperation with OHCS, to conduct annual auction of reserved credits
HB 2879	Exempts from taxation amounts received from sale of real property to nonprofit corporation or housing
HB 3304	Allows taxpayer to direct portion of income tax refund to purpose of providing housing to low income persons
HB 3357	Increases amount of document recording fee charged and collected by county clerks

PENDING LEGISLATION

Program/Admin

SB 61	Expands list of state agencies, entities and officials required to designate liaisons to coordinate emergency preparedness and response functions with Office of Emergency Management
SB 310	Removes vertical housing development program from OHCS
SB 376	Requires Senate confirmation of appointments by Governor of directors of Housing and Community Services Department and State Department of Energy
SB 377	Provides that Governor may appoint Director of Oregon Business Development Department, in consultation with Oregon Business Development Commission. Requires Senate confirmation of appointments by Governor of directors of Housing and Community Services Department and State Department of Energy
HB 2600	Removes the Court Appointed Special Advocate Program from Oregon Volunteers
HB 2171	Requires Oregon Volunteers Commission for Voluntary Action and Service to maintain volunteer staff of court appointed special advocates sufficient to meet statutory requirement to appoint court appointed special advocate in every juvenile dependency proceeding.
HB 3373	Appropriates moneys to OHCS and DLCD to employ two full-time equivalent employees to perform services relating to increasing availability of affordable housing

APPENDIX: POLICY PACKAGES

PACKAGE 090

■ Analyst Adjustments:

■ General Fund

- Reduce Housing Choice Landlord Guarantee Program by \$38,239
- Increase CASA program by \$850,000
- Increase Debt Service by \$2,145,270 for \$60 million in new LIFT bonds

■ Lottery Funds

- Increase Debt Service by \$849,114 for \$10 million in new bonds

■ Other Funds

- Increase LIFT program by \$60,830,000 (including Cost of Issuance)
- Increase Lottery Bonds Cost of Issuance by \$225,886

General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
\$2,957,031	\$849,114	\$61,055,886	\$0	\$64,862,031	0	0.00

PACKAGE 101

- Local Innovation and Fast Track Housing (LIFT):
 - One Limited Duration position for underwriting
 - Two Permanent positions to begin 7/1/18

General Fund	Other Funds	Federal Funds	Total Funds	Positions	FTE
\$561,218	\$143,261	\$0	\$704,479	3	2.00

PACKAGE 102

- Essential Staffing Needs
 - Multifamily Finance Section capacity
 - Two permanent Loan Specialist 3 positions
 - Single Family Section capacity
 - One permanent Loan Specialist 1, one permanent Program Analyst 4
 - Data and Research Section capacity
 - Two permanent Research Analyst 2 positions

General Fund	Other Funds	Federal Funds	Total Funds	Positions	FTE
\$552,052	\$626,006	\$0	\$1,178,058	6	6.00

PACKAGE 105

- Lottery Bonds for Multifamily Housing
 - \$10M with flexibility

General Fund	Other Funds	Federal Funds	Total Funds	Positions	FTE
\$0	\$10,000,000	\$0	\$10,000,000	0	0.00

PACKAGE 108

- Restore Oregon Homeownership Stabilization Initiative (OHSI) Limited Duration positions

General Fund	Other Funds	Federal Funds	Total Funds	Positions	FTE
\$0	\$3,888,243	\$0	\$3,888,243	25	21.43

PACKAGE 109

- HUD Section 811 Project Rental Assistance
 - One Limited Duration 0.5 FTE Program Analyst 2 position
 - One Permanent 0.5 Admin Specialist 2 position

General Fund	Other Funds	Federal Funds	Total Funds	Positions	FTE
\$0	\$0	\$1,072,507	\$1,072,507	2	1.00

PACKAGE 110

- Elderly Rental Assistance Program
 - One Permanent 0.5 Program Analyst 1 position

General Fund	Other Funds	Federal Funds	Total Funds	Positions	FTE
\$1,500,000	\$1,500,000	\$0	\$3,000,000	1	0.50