

Legislative Fiscal Office

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Joint Committee on Ways and Means

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To: Transportation and Economic Development Subcommittee

From: Michelle Deister, Legislative Fiscal Office

Date: June 15, 2021

Subject: HB 5011 – Housing and Community Services Department
Work Session Recommendations

Housing and Community Services Department – Agency Totals

	2017-19 Actual	2019-21 Legislatively Approved *	2021-23 Current Service Level	2021-23 LFO Recommended
General Fund	58,891,653	331,045,629	86,349,861	204,066,180
Lottery Funds	17,507,281	21,752,234	30,269,740	30,269,740
Other Funds	268,930,975	706,359,470	312,584,055	353,390,233
Other Funds NL	772,743,148	1,056,668,660	926,692,991	926,692,991
Federal Funds	112,402,513	316,568,848	132,315,039	437,717,346
Federal Funds NL	132,720,436	152,131,628	176,472,688	176,472,688
Total Funds	\$1,363,196,006	\$2,584,526,469	\$1,664,684,374	\$2,128,609,178
Positions	169	230	196	330
FTE	154.88	218.07	195.00	310.09

*Includes Emergency Board and administrative actions through January, 2021

The Legislative Fiscal Office recommends a 2021-23 total funds budget of \$2,128,609,178 and 330 positions (310.09 FTE).

The budget represents a 27.1% increase from the 2019-21 legislatively approved budget. This is largely due to the following factors: additional staffing for federal-and-other-funded programs; accompanying central services infrastructure (human resources, help desk functions, accounting, procurement, etc.) to accommodate these new employees; the additional federal funds received through the American Rescue Plan and CARES acts, and the additional staffing required to administer them; increases in homeownership assistance programs; increases in shelter support resources associated with HB 2006; and an emphasis on new but expected to be ongoing responsibilities in the areas of emergency response and resiliency, manufactured housing, policy, data and outreach.

Adjustments to Current Service Level

Adjustments to the budget include packages to augment staffing levels, and strategic investments in shelter grant programs, affordable rental housing, home ownership development, down payment assistance, manufactured housing, and emergency response and resiliency. Policy option packages are also included to administer increased federal funding for programs created or augmented by the American Rescue Plan Act and the CARES Act.

The recommendation specifies setting aside \$10 million General Fund into a Special Purpose Appropriation, appropriated to the Emergency Fund for the development of a grant fund to provide gap financing for affordable rental housing developments that are co-located with child care or early learning centers. The release of these funds is contingent on a report to the legislature or Interim Joint Committee on Ways and Means as detailed in the budget note below.

See attached “Work Session Presentation Report.”

Note: Statewide adjustments and six-year capital construction expenditures are not included in these recommendations. Any needed adjustments will be made in end of session bills.

Performance Measures

See attached “Legislatively Proposed 2021-23 Key Performance Measures.”

Budget Notes

Affordable Housing and Child Care Center Development Proposal

The Housing and Community Services Department is directed to develop a proposal, in cooperation with the Department of Education, Early Learning Division, for a grant program that supports gap financing for affordable rental housing projects that are co-located with child care or early learning centers. The Housing and Community Services Department will work with the Department of Education to identify opportunities, considerations, partnerships, financing options, and funding sources that should be incorporated into such a development, and shall report to the Interim Joint Committee on Ways and Means or appropriate legislative committee by February, 2022 on the potential for offering a competitive funding opportunity for rental housing developments that include child care or early learning centers. The report shall include information on the following:

- Assessment of need for developments of this sort;
- Sources and anticipated amounts of funding that may be leveraged to finance these developments;
- Amenities, security or safety considerations that should be incorporated into such a development;
- Location considerations;
- Criteria for project selection;
- Estimated award size;
- Characteristics of populations likely to be served by the development; and
- Potential development timelines.

Recommended Changes

The -1 amendment includes the following changes:

- LFO recommends a 2021-23 budget of \$204,066,180 General Fund, \$30,269,740 Lottery Funds, \$353,390,233 Other Funds, \$437,717,346 Federal Funds, \$926,692,991 Other Funds Non-Limited, \$176,472,688 Federal Funds Non-Limited, and 330 positions (310.09 FTE);
- For the 2021-23 biennium, LFO recommends that a \$10,000,000 special purpose appropriation be appropriated to the Emergency Board pending the agency’s progress report for a plan to develop a proposal for a grant program that supports gap financing for affordable rental housing projects that are co-located with child care or early learning centers.

Final Subcommittee Action

LFO recommends that HB 5011 as amended by the -1 amendment, be moved to the Ways and Means Full Committee.

Carriers

Full Committee: _____

House Floor: _____

Senate Floor: _____

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2019-21 Agy. Leg. Adopted	106,468,486	21,789,335	554,281,275	126,659,025	1,056,668,660	152,131,628	2,017,998,409	224	216.71
2019-21 Ebds, SS & Admin Act	224,577,143	(37,101)	152,078,195	189,909,823	-	-	566,528,060	6	1.11
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2019-21 Leg Approved Budget	331,045,629	21,752,234	706,359,470	316,568,848	1,056,668,660	152,131,628	2,584,526,469	230	217.82
2019-21 Leg Approved Budget (Base)	113,968,486	21,789,335	554,281,275	126,659,025	1,056,668,660	152,131,628	2,025,498,409	224	216.71
Summary of Base Adjustments	12,314,983	8,480,405	(199,504,485)	187,002	(129,975,669)	24,341,060	(284,156,704)	(29)	(22.71)
2021-23 Base Budget	126,283,469	30,269,740	354,776,790	126,846,027	926,692,991	176,472,688	1,741,341,705	195	194.00
010: Non-PICS Pers Svc/Vacancy Factor	6,201	-	465,743	(4,618)	-	-	467,326	-	-
020: Phase In / Out Pgm & One-time Cost	(41,889,979)	-	(56,133,007)	-	-	-	(98,022,986)	(7)	(7.00)
030: Inflation & Price List Adjustments	1,950,170	-	13,474,529	5,473,630	-	-	20,898,329	-	-
060: Technical Adjustments	-	-	-	-	-	-	-	8	8.00
2021-23 Current Service Level	86,349,861	30,269,740	312,584,055	132,315,039	926,692,991	176,472,688	1,664,684,374	196	195.00
080: E-Boards	9,208,901	-	1,283,075	-	-	-	10,491,976	6	6.00
Adjusted 2021-23 Current Service Level	95,558,762	30,269,740	313,867,130	132,315,039	926,692,991	176,472,688	1,675,176,350	202	201.00
Total LFO Recommended Packages	108,507,418	-	39,523,103	305,402,307	-	-	453,432,828	128	109.09
2021-23 Legislative Actions	204,066,180	30,269,740	353,390,233	437,717,346	926,692,991	176,472,688	2,128,609,178	330	310.09
Net change from 2019-21 Leg Approved Budget	(126,979,449)	8,517,506	(352,969,237)	121,148,498	(129,975,669)	24,341,060	(455,917,291)	100	92.27
Percent change from 2019-21 Leg Approved Budget	(38.4%)	39.2%	(50.0%)	38.3%	(12.3%)	16.0%	(17.6%)	43.5%	42.4%
Net change from 2021-23 Adj Current Service Level	108,507,418	-	39,523,103	305,402,307	-	-	453,432,828	128	109.09
Percent change from 2021-23 Adj Current Service Level	113.6%	0.0%	12.6%	230.8%	0.0%	0.0%	27.1%	63.4%	54.3%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2019-21 Agy. Leg. Adopted	54,781,920	-	104,793,054	101,688,985	-	152,131,628	413,395,587	47	45.67
2019-21 Ebds, SS & Admin Act	72,008,128	-	72,295,482	189,749,276	-	-	334,052,886	2	0.60
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2019-21 Leg Approved Budget	126,790,048	-	177,088,536	291,438,261	-	152,131,628	747,448,473	49	46.27
2019-21 Leg Approved Budget (Base)	56,281,920	-	104,793,054	101,688,985	-	152,131,628	414,895,587	47	45.67
Summary of Base Adjustments	(20,643)	-	(2,272,691)	(87,084)	-	(152,131,628)	(154,512,046)	(18)	(16.67)
2021-23 Base Budget	56,261,277	-	102,520,363	101,601,901	-	-	260,383,541	29	29.00
010: Non-PICS Pers Svc/Vacancy Factor	12,250	-	(19,017)	(6,685)	-	-	(13,452)	-	-
020: Phase In / Out Pgm & One-time Cost	(14,216,405)	-	(19,114,892)	-	-	-	(33,331,297)	(8)	(8.00)
030: Inflation & Price List Adjustments	1,811,499	-	3,566,993	4,349,497	-	-	9,727,989	-	-
060: Technical Adjustments	-	-	(2,933,340)	(945,398)	-	-	(3,878,738)	8	8.00
2021-23 Current Service Level	43,868,621	-	84,020,107	104,999,315	-	-	232,888,043	29	29.00
Adjusted 2021-23 Current Service Level	43,868,621	-	84,020,107	104,999,315	-	-	232,888,043	29	29.00
Total LFO Recommended Packages	38,170,887	-	29,885,618	254,311,460	-	-	322,367,965	17	15.76
2021-23 Legislative Actions	82,039,508	-	113,905,725	359,310,775	-	-	555,256,008	46	44.76
Net change from 2019-21 Leg Approved Budget	(44,750,540)	-	(63,182,811)	67,872,514	-	(152,131,628)	(192,192,465)	(3)	(1.51)
Percent change from 2019-21 Leg Approved Budget	(35.3%)	0.0%	(35.7%)	23.3%	0.0%	(100.0%)	(25.7%)	(6.1%)	(3.3%)
Net change from 2021-23 Adj Current Service Level	38,170,887	-	29,885,618	254,311,460	-	-	322,367,965	17	15.76
Percent change from 2021-23 Adj Current Service Level	87.0%	0.0%	35.6%	242.2%	0.0%	0.0%	138.4%	58.6%	54.3%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 060 Technical Adjustments

Package Description This package moves the Project-Based Rental Assistance programs from the Housing Stabilization budget structure to the newly established Project-Based Rental Housing Assistance budget structure. Project-Based Rental Assistance programs include the HUD Contract Administration, HUD 811 and Permanent Supportive Housing Rent Assistance programs. The reason for the move is because the Project-Based Rental Housing Assistance programs do not fit cleanly within either the Housing Stabilization budget or the Multifamily Rental Housing budget. Historically the programs have switched between the Housing Stabilization and Multifamily Rental Housing budget structures in an attempt to find a best fit. The Department believes the best solution is to have the programs in their own budget structure.

In addition, this package eliminates the one-time General Fund to Other Funds revenue transfer for the EHA and ERA programs that was included in the 2019-21 LAB. As part of this adjustment, the 8 positions (8.00 FTE) phased out in Package 022 are re-established within the Housing Stabilization Programs budget structure. The intent of pairing the Package 022 and Package 060 was to maintain the positions, but have them funded with General Fund directly versus the General Fund to Other Funds revenue transfer.

LFO Recommendation The Legislative Fiscal Office recommends approval.

LFO Recommended	-	-	(2,933,340)	(945,398)	-	-	(3,878,738)	8	8.00
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 090 Analyst Adjustments

Package Description In the Housing Stabilization division, package 090 comprises a permanent fund shift in the amount of \$200,872 from General Fund to Other Funds for one position in the Energy Services division that administers the State Home Oil Weatherization (SHOW) program. The position is paid with Other Funds revenue generated from assessments on petroleum suppliers.

LFO Recommendation The Legislative Fiscal Office recommends approval.

LFO Recommended	(200,872)	-	200,872	-	-	-	-	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 101 Essential Current Service Level Staff

Package Description This package provides \$343,581 Other Funds expenditure limitation to establish a permanent Principal Executive/Manager E (1.00 FTE) within the Homeless Services Section. An existing limited duration position serving as the Assistant Director of Homelessness programs is made permanent with this package, to continue sustained attention and integrated policy and program development associated with addressing homelessness. The position interfaces with Subgrantees monitors metrics with the goal of improving outcomes for investments in homelessness services, which have increased substantially since 2017-19 (due to a combination of COVID-related investments, document recording fee receipts, and increases to the state’s Emergency Housing Assistance and State Homeless Assistance Program funds).

LFO Recommendation The Legislative Fiscal Office recommends approval.

LFO Recommended	-	-	343,581	-	-	-	343,581	1	1.00
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 102 Essential Current Service Level Pos Reclass

Package Description This package provides \$9,673 Federal Funds expenditure limitation to reclassify an Information Systems Specialist 2 to an Operations and Policy Analyst 1 position to make better use of existing position authority, and to align job duties with position descriptions. This reclassification request has been reviewed and approved by the Department of Administrative Services Chief Human Resource Office.

LFO Recommendation Approve.

LFO Recommended	-	-	-	9,673	-	-	9,673	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 104 Improving Oregon's Homeless Mgmt Info System

Package Description This package invests in the Homeless Management Information System used by community action agencies and continuums of care organizations to collect statewide data on homelessness and report outcomes for homeless individuals. The system was previously managed by a local partner. This package provides for centralized management of the system within HCSD, and functionality and reporting improvements, and training to local partners who are required to use the system. These improvements will ensure that data is more consistent and therefore accurate, which is critical to ensuring that Oregon receives its fair share of Federal Funding for homelessness programs, as well as monitoring progress throughout the state in addressing homelessness. Two permanent positions are added (an Operations and Policy Analyst 2 and a Research Analyst 2) along with one-time services and supplies costs totaling \$1,213,503 OF to facilitate hardware and software improvements to the system.

LFO Recommendation Approve.

LFO Recommended	1,180,011	-	-	-	-	-	1,180,011	2	2.00
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 109 Restructure Individual Dev Acct (IDA) Prgm

Package Description This package makes a one-time General Fund allocation for support for the individual development account program, to supplement funding for the program provided through the sale of tax credits.

IDAs are matched savings accounts. The program is currently managed by Neighborhood Partnerships (NP) a statewide nonprofit organization. HCSD will distribute this one-time \$7 million General Fund investment to IDA program's contract administrator Neighborhood Partnerships.

LFO Recommendation The Legislative Fiscal Office recommends approval.

LFO Analyst Notes The package title is no longer applicable to the LFO recommendation. This package assumes that the IDA program will be funded by tax credits on an ongoing basis, as in prior biennia.

LFO Recommended	7,000,000	-	-	-	-	-	7,000,000	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 801 LFO Analyst Adjustments

Package Description This package provides for expenditure limitation associated with federal funding received through the CARES act and the American Rescue Plan Act, as well as staffing need to administer the programs.

The agency needs expenditure limitation totaling \$2,854,021 Other Funds related to Rental Assistance received from the CARES act, which is projected to be spent in the 2021-23 biennium.

Federal Funds expenditure limitation for program payments for the following programs is also included:

- * \$4 million related to Community Services Block Grant funds received through the CARES Act;
- *\$129 million related to Emergency Rental Assistance (American Rescue Plan Act - ARPA);
- *\$49.2 million for Emergency Solutions Grant under the CARES Act;
- *\$1.5 million for Low Income Home Energy Assistance Payments under the CARES Act;
- *\$54.5 million in Low income Home Energy Assistance Payments from a supplemental award from ARPA; and
- \$13.4 million for the Low Income Household Water Assistance Payment Program (ARPA).

To administer this additional level of funding, 11 positions (10.04 FTE) are included in the package.

- Four permanent positions (consisting of a manager, compliance specialist, administrative specialist and program analyst, and two limited duration program analyst positions are attributable to administration of emergency rental assistance funding, part of which continues through September of 2027.

Two limited duration and one permanent program analyst positions are associated with Emergency Solutions Grants.

Two limited duration program analyst positions are for the Low Income Household Water Assistance Program.

Permanent positions will be supported through administrative allowances on future federal grant awards, or eliminated in future biennia if federal funding is insufficient to continue them.

LFO Recommendation The Legislative Fiscal Office recommends approval.

LFO Recommended	-	-	2,854,021	254,301,787	-	-	257,155,808	11	10.04
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 803 Core Investments

Package Description Package 803 in the Housing Stabilization Division adds a Program Analyst 3 position to develop and implement targeted assistance to survivors of emergencies and natural disasters -- specifically the wildfires of 2020.

LFO Recommendation The Legislative Fiscal Office recommends approval.

LFO Recommended	191,748	-	-	-	-	-	191,748	1	0.88
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 804 Strategic Initiatives

Package Description This package provides \$3,000,000 in one time General Fund for capacity increases and administrative support for subgrantees. The funding is intended to support initiatives or staffing increases to provide operational capacity to organizations administering the Oregon Emergency Rental Assistance Program, outreach resources to organizations best situated to reach BIPOC and rural communities, and initiatives that provide education to tenants at risk of eviction.

\$25 million in one-time funding for grants for shelter assistance and \$2 million in one-time funding is included for grants and technical assistance to eligible entities to develop and operate emergency shelters across the state. HCSD will distribute these funds to homeless service providers (inclusive of providers that are not Community Action Agencies) to fund the shelter construction and operation, as well as pay for needed technical assistance to those grantees. Two positions -- a Program Analyst 3 and an Operations and Policy Analyst are included to administer the distribution of this funding. The positions are associated with administration of this funding, and payment and reporting requirements may necessitate carryover into the 2023-25 biennium; hence the inclusion of Other Funds expenditure limitation in this package.

LFO Recommendation Approve.

LFO Analyst Notes The positions in this package are associated with administration of one-time funding. While they are budgeted as limited duration, LFO expects that the funds and responsibilities would not be fully phased out until some time in the 2023-25 biennium, and that some positions may be requested for continuation for a portion of the 2023-25 biennium.

LFO Recommended	30,000,000	-	26,487,144	-	-	-	56,487,144	2	1.84
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2019-21 Agy. Leg. Adopted	-	-	-	-	-	-	-	-	-
2019-21 Ebds, SS & Admin Act	-	-	-	-	-	-	-	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2019-21 Leg Approved Budget	-	-	-	-	-	-	-	-	-
2019-21 Leg Approved Budget (Base)	-	-	-	-	-	-	-	-	-
Summary of Base Adjustments	-	-	2,836,440	72,863	-	176,472,688	179,381,991	15	14.50
2021-23 Base Budget	-	-	2,836,440	72,863	-	176,472,688	179,381,991	15	14.50
010: Non-PICS Pers Svc/Vacancy Factor	-	-	102,357	2,135	-	-	104,492	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	7,516,174	-	-	-	7,516,174	-	-
060: Technical Adjustments	-	-	2,933,340	945,398	-	-	3,878,738	-	-
2021-23 Current Service Level	-	-	13,388,311	1,020,396	-	176,472,688	190,881,395	15	14.50
080: E-Boards	-	-	379,265	-	-	-	379,265	2	2.00
Adjusted 2021-23 Current Service Level	-	-	13,767,576	1,020,396	-	176,472,688	191,260,660	17	16.50
Total LFO Recommended Packages	12,195,536	-	(6,995,536)	-	-	-	5,200,000	-	-
2021-23 Legislative Actions	12,195,536	-	6,772,040	1,020,396	-	176,472,688	196,460,660	17	16.50
Net change from 2019-21 Leg Approved Budget	12,195,536	-	6,772,040	1,020,396	-	176,472,688	196,460,660	17	16.50
Percent change from 2019-21 Leg Approved Budget	100.0%	0.0%	100.0%	100.0%	0.0%	100.0%	100.0%	100.0%	100.0%
Net change from 2021-23 Adj Current Service Level	12,195,536	-	(6,995,536)	-	-	-	5,200,000	-	-
Percent change from 2021-23 Adj Current Service Level	100.0%	0.0%	(50.8%)	0.0%	0.0%	0.0%	2.7%	0.0%	0.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 060 Technical Adjustments

Package Description This package moves the Project-Based Rental Assistance programs from the Housing Stabilization budget structure to the newly established Project-Based Rental Housing Assistance budget structure. Project-Based Rental Assistance programs include the HUD Contract Administration, HUD 811 and Permanent Supportive Housing Rent Assistance programs. The reason for the move is because the Project-Based Rental Housing Assistance programs do not fit cleanly within either the Housing Stabilization budget structure or the Multifamily Rental Housing budget structure. Historically the programs have switched between the Housing Stabilization and Multifamily Rental Housing budget structures in an attempt to find a best fit. The Department believes the best solution is to have the programs in their own budget structure.

LFO Recommendation Approve.

LFO Recommended	-	-	2,933,340	945,398	-	-	3,878,738	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 087 August 2020 Special Session

Package Description Other Funds expenditure limitation is increased by \$379,265 for two permanent Compliance Specialist 2 positions (2.00 FTE) and associated Services and Supplies expenses. The positions are responsible for meeting the increased workload related to additional requirements imposed by HUD for project-based management occupancy reviews. The reviews are performed on a fee-for-service basis to ensure compliance with HUD requirements. The positions were approved during the August 2020 Special Session to accommodate the additional workload in this program generated by new HUD-imposed oversight requirements.

LFO Recommendation The Legislative Fiscal Office recommends approval.

LFO Recommended	-	-	379,265	-	-	-	379,265	2	2.00
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 102 Essential Current Service Level Pos Reclass

Package Description This package reclassifies a an administrative specialist 2 to a program analyst 1 at not cost to the agency.

LFO Recommendation Approve.

LFO Recommended - - - - -

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 103 LIFT, Perm Supportive Hsg, Land Acquisition

Package Description This package makes adjustments to accommodate decisions regarding permanent supportive housing rental assistance administration. For the 2021-23, all rental assistance and service dollars associated with permanent supportive housing units financed by bonds approved for HCSD for this purpose will be managed and administered by HCSD, rather than the Oregon Health Authority. The result is \$12.2 million General Fund for the Project-Based Rental Housing Assistance Programs division and \$1,000,000 Other Funds to provide rental assistance associated with Permanent Supportive Housing Units that were constructed with bonds authorized in the 2019-21 biennium.

LFO Recommendation The Legislative Fiscal Office recommends approval.

LFO Analyst Notes The recommendation assumes rental assistance and services (20,000 per unit, per year) on 320 units, plus administrative expenses for the 2021-23 biennium.

LFO Recommended	12,195,536	-	(6,995,536)	-	-	-	5,200,000	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2019-21 Agy. Leg. Adopted	5,705,082	-	201,331,907	21,402,790	1,350,000	-	229,789,779	70	68.41
2019-21 Ebds, SS & Admin Act	156,522,675	-	31,350,722	41,694	-	-	187,915,091	3	0.26
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2019-21 Leg Approved Budget	162,227,757	-	232,682,629	21,444,484	1,350,000	-	417,704,870	73	68.67
2019-21 Leg Approved Budget (Base)	7,705,082	-	201,331,907	21,402,790	1,350,000	-	231,789,779	70	68.41
Summary of Base Adjustments	(136,720)	-	893,421	(610)	(450,000)	-	306,091	(6)	(4.41)
2021-23 Base Budget	7,568,362	-	202,225,328	21,402,180	900,000	-	232,095,870	64	64.00
010: Non-PICS Pers Svc/Vacancy Factor	(5,835)	-	153,400	(2,104)	-	-	145,461	-	-
020: Phase In / Out Pgm & One-time Cost	(6,768,092)	-	(36,717,647)	-	-	-	(43,485,739)	1	1.00
030: Inflation & Price List Adjustments	27,362	-	6,901,022	887,427	-	-	7,815,811	-	-
060: Technical Adjustments	-	-	(384,347)	-	-	-	(384,347)	-	-
2021-23 Current Service Level	821,797	-	172,177,756	22,287,503	900,000	-	196,187,056	65	65.00
080: E-Boards	-	-	903,810	-	-	-	903,810	4	4.00
Adjusted 2021-23 Current Service Level	821,797	-	173,081,566	22,287,503	900,000	-	197,090,866	69	69.00
Total LFO Recommended Packages	4,460,110	-	7,701,957	14,944,153	-	-	27,106,220	10	8.92
2021-23 Legislative Actions	5,281,907	-	180,783,523	37,231,656	900,000	-	224,197,086	79	77.92
Net change from 2019-21 Leg Approved Budget	(156,945,850)	-	(51,899,106)	15,787,172	(450,000)	-	(193,507,784)	6	9.25
Percent change from 2019-21 Leg Approved Budget	(96.7%)	0.0%	(22.3%)	73.6%	(33.3%)	0.0%	(46.3%)	8.2%	13.5%
Net change from 2021-23 Adj Current Service Level	4,460,110	-	7,701,957	14,944,153	-	-	27,106,220	10	8.92
Percent change from 2021-23 Adj Current Service Level	542.7%	0.0%	4.5%	67.1%	0.0%	0.0%	13.8%	14.5%	12.9%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 060 Technical Adjustments

Package Description This package moves the Marinas and Manufactured Communities Resources programs from the Multifamily Rental Housing Programs budget structure to the Single Family Housing Programs budget structure. House Bill 2896 (2019) placed manufactured homes programs within the Single Family Housing Programs budget structure, which provided the best fit within the Department's organizational budget structure. Moving the Marinas and Manufactured Communities Resources programs to the Single Family Housing Programs budget structure consolidates all of the manufactured housing programs within one budget structure.

LFO Recommendation Approve.

LFO Recommended	-	-	(384,347)	-	-	-	(384,347)	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 083 June 2020 Eboard

Package Description Other Funds expenditure limitation is increased by \$451,905 for two permanent Loan Specialist 3 positions (2.00 FTE) and associated Services and Supplies expenses. The Emergency Board provided funding for affordable rental housing property owners to provide operational stability due to the COVID-19 pandemic to ensure affordable rental housing is available to vulnerable populations. The funding is provided through loans to the property owners. The two loan Specialist 3 positions are responsible for tracking loans to property owners and subsequent loan repayments.

LFO Recommendation The Legislative Fiscal Office recommends approval.

LFO Recommended	-	-	451,905	-	-	-	451,905	2	2.00
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 087 August 2020 Special Session

Package Description Other Funds expenditure limitation was increased by \$451,905 for two permanent Loan Specialist 3 positions (2.00 FTE) and associated Services and Supplies expenses. The Legislature approved the two positions to administer the additional \$50 million in Article XI-Q bonds for the LIFT program during the August 2020 Special Session.

LFO Recommendation The Legislative Fiscal Office Recommends Approval.

LFO Recommended	-	-	451,905	-	-	-	451,905	2	2.00
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 090 Analyst Adjustments

Package Description This package results in savings to the General Fund by shifting \$537,580 and increased Other Funds by \$537,580 in LIFT program expenditures to Other Funds. This fund shift moved Services and Supplies expenditures, along with the program coordinator position costs. The Other Funds revenue sources that will subsidize the LIFT program costs include application and conduit bonds fees. In addition, Other Funds is reduced by \$27,485 to reflect additional vacancy savings for positions authorized by the June 2020 Emergency Board and by the Legislature during the 2020 Second Special Session.

LFO Recommendation The Legislative Fiscal Office recommends approval.

LFO Recommended	(539,890)	-	539,890	-	-	-	-	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 101 Essential Current Service Level Staff

Package Description This package provides \$832,619 Other Funds expenditure limitation to establish four permanent positions (4.00 FTE) in the HUD 811 Project-Based Rental Assistance program, to meet workload demands. The positions are as follows:

- A Program Analyst 2 will coordinate the allocation of current resources, process monthly rental assistance, and ensure the regulatory compliance for the program.
- A Loan Specialist 3 will assist the program in leveraging more federal funds, ensure timely closing of real estate transactions and provide customer service.
- An Operations and Policy Analyst 3 will implement the transition to a data system that provides online funding applications, tracks affordable rental housing projects and tracks regulatory compliance.
- An Administrative Specialist 2 will provide additional support to the Assistance Director of Portfolio Administration and the two Compliance Team managers within the section.

Funding for this package is from administrative fees the Department charges for various programs including conduit bonds, tax credits and document recording fees.

LFO Recommendation The Legislative Fiscal Office recommends approval.

LFO Recommended	-	-	832,619	-	-	-	832,619	4	4.00
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 102 Essential Current Service Level Pos Reclass

Package Description This package provides \$47,904 Other Funds expenditure limitation to reclassify 8 positions to align position classifications with the assigned duties of the positions, resolve work of out of class issues, and make efficient use of existing position authority. The upward reclassifications have been approved by the Department of Administrative Services Chief Human Resources Office (CHRO) and include the following:

- One Principle Executive Manager F position to a Principle Executive Manager G position;
- Two Principle Executive Manager E positions to Principle Executive Manager F positions;
- One Principle Executive Manager D position to a Principle Executive Manager E position;
- One Loan Specialist 2 position to a Loan Specialist 3 position;
- One Loan Specialist 3 position to an Operations and Policy Analyst 3 position; and
- One Compliance Specialist 2 to a Loan Specialist 2 position.
- One Administrative Specialist 1 to an Administrative Specialist 2 position.

The revenue sources that support these expenditures include document recording fees and administrative fees the Department charges for various programs.

LFO Recommendation The Legislative Fiscal Office recommends approval.

LFO Recommended	-	-	47,904	-	-	-	47,904	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 801 LFO Analyst Adjustments

Package Description This package provides expenditure limitaiton and administrative support associated with higher than anticipated receipts associated with the Federal HOME Investment Partnership program for affordable home ownership.

The permanent positions added to the division consist of a manager and administrative support.

LFO Recommendation Approve.

LFO Recommended	-	-	-	14,944,153	-	-	14,944,153	2	1.67
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 803 Core Investments

Package Description This package provides one time resources of \$489,613 Other Funds associated with temporary positions to complete administration of the Landlord Compensation Fund program approved in 2019-21. Permanent support amounting to \$470,956 is included for a Program analyst position associated with disaster recovery efforts, and portfolio manager to bolster administration and accountability related to the growing number of affordable rental units in the agency's portfolio.

LFO Recommendation Approve.

LFO Recommended	-	-	960,569	-	-	-	960,569	2	1.83
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 804 Strategic Initiatives

Package Description This package includes \$5,000,000 in one time resources to fill gaps in affordable housing projects that have received approval through competitive funding awards, but are unable to complete construction due to higher construction and labor costs since the onset of the COVID-19 pandemic. These funds will be transferred to the General Housing Account to be used as gap financing.

Also included in this package are two limited duration positions - a loan specialist for facility acquisition and a compliance specialist associated with provisions of HB 2006.

A special purpose appropriation to the Emergency Board of \$10 million for allocation to HCSD is included in HCSD's budget bill for the purpose of developing affordable rental housing projects that are co-located with child care or early learning centers. A budget note is associated with this investment.

LFO Recommendation Approve.

Budget Notes The Housing and Community Services Department is directed to develop a proposal, in cooperation with the Department of Education, Early Learning Division, for a grant program that supports gap financing for affordable rental housing projects that are co-located with child care or early learning centers. The Housing and Community Services Department will work with the Department of Education to identify opportunities, considerations, partnerships, financing options, and funding sources that should be incorporated into such a development, and shall report to the Interim Joint Committee on Ways and Means or an appropriate legislative committee by February, 2022 on the potential for offering a competitive funding opportunity for rental housing developments that include child care or early learning centers. The report shall include information on the following:

- * Assessment of need for developments of this sort;
- * Sources and anticipated amounts of funding that may be leveraged to finance these developments;
- * Amenities, security or safety considerations that should be incorporated into such a development;
- * Location considerations;
- * Criteria for project selection;
- * Estimated award size;
- * Characteristics of populations likely to be served by the development; and
- * Potential development timelines.

LFO Recommended	5,000,000	-	5,320,975	-	-	-	10,320,975	2	1.42
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2019-21 Agy. Leg. Adopted	16,500,000	-	18,936,523	749,032	-	-	36,185,555	12	11.50
2019-21 Ebds, SS & Admin Act	1,000,000	-	(2,869,468)	1,105	-	-	(1,868,363)	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2019-21 Leg Approved Budget	17,500,000	-	16,067,055	750,137	-	-	34,317,192	12	11.50
2019-21 Leg Approved Budget (Base)	20,500,000	-	18,936,523	749,032	-	-	40,185,555	12	11.50
Summary of Base Adjustments	-	-	854,233	7,163	-	-	861,396	2	2.50
2021-23 Base Budget	20,500,000	-	19,790,756	756,195	-	-	41,046,951	14	14.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	56,491	227	-	-	56,718	-	-
020: Phase In / Out Pgm & One-time Cost	(20,500,000)	-	(4,066,232)	-	-	-	(24,566,232)	-	-
030: Inflation & Price List Adjustments	-	-	560,559	31,233	-	-	591,792	-	-
060: Technical Adjustments	-	-	384,347	-	-	-	384,347	-	-
2021-23 Current Service Level	-	-	16,725,921	787,655	-	-	17,513,576	14	14.00
Adjusted 2021-23 Current Service Level	-	-	16,725,921	787,655	-	-	17,513,576	14	14.00
Total LFO Recommended Packages	52,791,666	-	1,830,906	32,945,953	-	-	87,568,525	41	35.18
2021-23 Legislative Actions	52,791,666	-	18,556,827	33,733,608	-	-	105,082,101	55	49.18
Net change from 2019-21 Leg Approved Budget	35,291,666	-	2,489,772	32,983,471	-	-	70,764,909	43	37.68
Percent change from 2019-21 Leg Approved Budget	201.7%	0.0%	15.5%	4397.0%	0.0%	0.0%	206.2%	358.3%	327.7%
Net change from 2021-23 Adj Current Service Level	52,791,666	-	1,830,906	32,945,953	-	-	87,568,525	41	35.18
Percent change from 2021-23 Adj Current Service Level	100.0%	0.0%	11.0%	4182.8%	0.0%	0.0%	500.0%	292.9%	251.3%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 060 Technical Adjustments

Package Description This package moves the Marinas and Manufactured Communities Resources programs from the Multifamily Rental Housing Programs budget structure to the Single Family Housing Programs budget structure. House Bill 2896 (2019) placed manufactured homes programs within the Single Family Housing Programs budget structure, which provided the best fit within the Department's organizational budget structure. Moving the Marinas and Manufactured Communities Resources programs to the Single Family Housing Programs budget structure consolidates all of the manufactured housing programs within one budget structure.

LFO Recommendation The Legislative Fiscal Office recommends approval.

LFO Recommended	-	-	384,347	-	-	-	384,347	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 101 Essential Current Service Level Staff

Package Description This package provides \$569,445 Other Funds expenditure limitation to establish two permanent positions (2.00 FTE) in the Homeownership Assistance Program (HOAP) to implement a new program for mortgage lending to increase homeownership for all Oregonians. The new positions include a Principal Executive Manager F and an Executive Support Specialist 2 to support the program's efforts. Funding for this package is from document recording fees and homeownership bond programs.

LFO Recommendation The Legislative Fiscal Office recommends approval.

LFO Recommended	-	-	569,445	-	-	-	569,445	2	2.00
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 102 Essential Current Service Level Pos Reclass

Package Description This package provides \$11,224 Other Funds expenditure limitation to reclassify a Loan Specialist 3 position (1.00 FTE) to a Program Analyst 1, a loan specialist 1 to a program analyst 1 and an Principle Executive Manager D position to a PEM E, to better align the position classifications with job duties. Funding for this package is from document recording fees and homeownership bond programs.

LFO Recommendation Approve.

LFO Recommended	-	-	11,224	-	-	-	11,224	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 106 Address Racial Disparities in Homeownership

Package Description This package provides \$2 million General Fund and the establishment of two positions, a Program Analyst 3 and an Operations and Policy Analyst 3, (2.00 FTE) to provide technical assistance and outreach to culturally specific organizations to reduce barriers to homeownership for populations that have a disproportionate rate of renters versus homeowners. The Program Analyst 3 will establish, monitor and evaluate the program, as well as provide technical assistance to organizations. The Operations and Policy Analyst 3 will create and facilitate language access to homeownership programs through OHCS documents, webpages and training materials.

LFO Recommendation Approve as permanent positions.

LFO Recommended	2,000,000	-	-	-	-	-	2,000,000	2	2.00
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 107 Down Payment Assistance tied to OHCS Lending

Package Description This package provides \$10 million General Fund to establish a down payment assistance (DPA) account to provide assistance to homebuyers who use the Department’s lending products. DPA is considered a secondary loan and will be repaid when a home is sold or refinanced, thereby creating a revolving loan fund.

The Department has performed significant scoping work to ensure this package leverages the Department's existing lending products. This is to be considered a one-time capitalization of the revolving loan fund.

A further \$10 million in one-time general fund is for downpayment assistance intended to be sub-granted to community culturally responsive organizations to increase homeownership opportunities.

LFO Recommendation Approve.

LFO Recommended	20,000,000	-	-	-	-	-	20,000,000	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 113 Safe and Healthy Manufactured Housing

Package Description This package provides \$7 million General Fund and \$83,125 Other Funds expenditure limitation to continue funding for three Manufactured Housing programs established in House Bill 2896 (2019). The request includes \$4.5 million for the Manufactured Home Parks acquisition and preservation loan program. The remaining \$2.5 million will be used for the decommissioning and disposal grant program and the home replacement loan program.

LFO Recommendation Approve, on a one-time basis.

LFO Recommended	7,000,000	-	83,125	-	-	-	7,083,125	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 114 Homeownership Development

Package Description This package provides \$20 million General Fund for three permanent positions (1.75 FTE) for homeownership development. The program is intended to provide a flexible funding source to allow for alternative ownership models, such as co-ops, as well as affordable single family housing.

LFO Recommendation Approve, with the specification that special payments associated with this program are on a one-time basis, with a recommendation that the agency include information on the number of homes developed and families served under these initiatives in subsequent presentations before appropriate legislative policy or budget committees.

LFO Recommended	20,000,000	-	-	-	-	-	20,000,000	3	1.75
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 801 LFO Analyst Adjustments

Package Description HCSD must establish a new mortgage assistance program for federally received Home Ownership Assistance Funds under ARPA. This program will be similar to the size and scale of the Oregon Homeownership Stabilization Initiative (OHSI).

Positions include Managers, administrative support, program analysts and compliance specialists to assist homeowners who have experienced financial difficulties due to the pandemic. Dertermination of program eligibility, appeals, outreach, home loan analysis, and federal reporting are all part of this work. Home Ownership Assistance Funds must be committed by September 30, 2026, but reporting and program closeout is likely to last longer. As such, nine positions associated with this work are included as permanent (the program manager, one administrative support specialist, a government auditor, and six program analyst positions).

LFO Recommendation Approve.

LFO Recommended	-	-	-	32,945,953	-	-	32,945,953	23	19.88
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 803 Core Investments

Package Description HCSD seeks staffing resources to support homeownership activities administered in the homeownership division. This includes positions to support a new loan product slated to roll out in the autumn of 2021, additional support for owners of manufactured housing both in and out of parks, and a targeted emphasis in the upcoming biennium on those who were impacted by wildfires. Positions include primarily policy analysts, along with two management positions, a program analyst and a loan specialist. These positions are assumed to be permanent, and funded through a mix of General Fund (for those positions associated with wildfire and manufactured housing issues), and Other Funds from application fees on lending products.

LFO Recommendation Approve.

LFO Recommended	791,666	-	1,167,112	-	-	-	1,958,778	10	8.67
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 804 Strategic Initiatives

Package Description This package provides a one-time investment of \$3,000,000 General Fund for education, capacity increases and administrative support for service providers, including subgrantees included in HCSD's master grant agreements. The funding is intended to support initiatives or staffing increases to provide operational capacity to organizations administering the Oregon Emergency Rental Assistance Program, outreach resources to organizations best posed to reach BIPOC and rural communities, and initiatives that provide education to tenants at risk of eviction.

LFO Recommendation Approve.

LFO Recommended	3,000,000	-	-	-	-	-	3,000,000	1	0.88
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2019-21 Agy. Leg. Adopted	-	-	3,885,174	-	-	-	3,885,174	20	17.25
2019-21 Ebds, SS & Admin Act	-	-	174,018	-	-	-	174,018	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2019-21 Leg Approved Budget	-	-	4,059,192	-	-	-	4,059,192	20	17.25
2019-21 Leg Approved Budget (Base)	-	-	3,885,174	-	-	-	3,885,174	20	17.25
Summary of Base Adjustments	-	-	(3,111,767)	-	-	-	(3,111,767)	(20)	(17.25)
2021-23 Base Budget	-	-	773,407	-	-	-	773,407	-	-
010: Non-PICS Pers Svc/Vacancy Factor	-	-	(12,050)	-	-	-	(12,050)	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	(761,357)	-	-	-	(761,357)	-	-
2021-23 Current Service Level	-	-	-	-	-	-	-	-	-
Adjusted 2021-23 Current Service Level	-	-	-	-	-	-	-	-	-
Total LFO Recommended Packages	-	-	1,454,862	-	-	-	1,454,862	14	5.93
2021-23 Legislative Actions	-	-	1,454,862	-	-	-	1,454,862	14	5.93
Net change from 2019-21 Leg Approved Budget	-	-	(2,604,330)	-	-	-	(2,604,330)	(6)	(11.32)
Percent change from 2019-21 Leg Approved Budget	0.0%	0.0%	(64.2%)	0.0%	0.0%	0.0%	(64.2%)	(30.0%)	(65.6%)
Net change from 2021-23 Adj Current Service Level	-	-	1,454,862	-	-	-	1,454,862	14	5.93
Percent change from 2021-23 Adj Current Service Level	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	100.0%	100.0%	100.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 115 Restore OHSI Positions

Package Description This package provides \$1.5 million Other Funds expenditure limitation and 14 limited duration positions (5.93 FTE) to continue the Oregon Homeownership Stabilization Initiative (OHSI). The U.S. Treasury is funding the program through the federal Trouble Asset Relief Program (TARP). The program will end on December 31, 2021, however there will be an ongoing administrative scope of work to close out the program. In addition, "recycled" funds generated by the program by loan repayments have been approved by the U.S. Treasury for use by the Department to pay for administrative costs related to foreclosure prevention. Five of the nine positions are due to additional demand for the program because of pandemic-related economic distress. Funds will be available to qualifying homeowners through Dec. 31, 2021, but reporting and final financial transaction information is not expected to be complete until March 31, 2021. The positions are intended to be limited duration positions.

LFO Recommendation The Legislative Fiscal Office recommends approval.

LFO Recommended	-	-	1,454,862	-	-	-	1,454,862	14	5.93
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2019-21 Agy. Leg. Adopted	895,515	-	17,687,050	2,818,218	-	-	21,400,783	68	67.38
2019-21 Ebds, SS & Admin Act	572,870	-	687,887	117,748	-	-	1,378,505	1	0.25
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2019-21 Leg Approved Budget	1,468,385	-	18,374,937	2,935,966	-	-	22,779,288	69	67.63
2019-21 Leg Approved Budget (Base)	895,515	-	17,687,050	2,818,218	-	-	21,400,783	68	67.38
Summary of Base Adjustments	24,691	-	1,036,763	194,670	-	-	1,256,124	(2)	(1.88)
2021-23 Base Budget	920,206	-	18,723,813	3,012,888	-	-	22,656,907	66	65.50
010: Non-PICS Pers Svc/Vacancy Factor	(214)	-	174,076	1,809	-	-	175,671	-	-
020: Phase In / Out Pgm & One-time Cost	(405,482)	-	(21,545)	-	-	-	(427,027)	-	-
030: Inflation & Price List Adjustments	80,796	-	2,164,381	205,473	-	-	2,450,650	-	-
2021-23 Current Service Level	595,306	-	21,040,725	3,220,170	-	-	24,856,201	66	65.50
Adjusted 2021-23 Current Service Level	595,306	-	21,040,725	3,220,170	-	-	24,856,201	66	65.50
Total LFO Recommended Packages	889,219	-	5,384,527	3,200,741	-	-	9,474,487	45	42.30
2021-23 Legislative Actions	1,484,525	-	26,425,252	6,420,911	-	-	34,330,688	111	107.80
Net change from 2019-21 Leg Approved Budget	16,140	-	8,050,315	3,484,945	-	-	11,551,400	42	40.17
Percent change from 2019-21 Leg Approved Budget	1.1%	0.0%	43.8%	118.7%	0.0%	0.0%	50.7%	60.9%	59.4%
Net change from 2021-23 Adj Current Service Level	889,219	-	5,384,527	3,200,741	-	-	9,474,487	45	42.30
Percent change from 2021-23 Adj Current Service Level	149.4%	0.0%	25.6%	99.4%	0.0%	0.0%	38.1%	68.2%	64.6%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 090 Analyst Adjustments

Package Description The analyst reduced General Fund by \$144,556 and increased Other Funds by \$144,556 to fund shift administrative costs from General Fund to Other Funds. This fund shift moves Services and Supplies expenses that generally would be cost allocated to General Fund to Other Funds. The fund shift does not compromise the HUD-approved cost allocation plan, but it does result in some Other Funds programs subsidizing General Fund programs.

LFO Recommendation The Legislative Fiscal Office recommends approval.

LFO Recommended	(144,556)	-	144,556	-	-	-	-	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 099 Microsoft 365 Consolidation

Package Description Microsoft 365 is being consolidated within the Office of the State Information Officer at the E5 level of service. This cost is built into the State Government Service Charge for every agency as a cost increase for the 21-23 biennium. This package makes a corresponding reduction to the agency base budget in an amount equivalent to what agencies should be paying in the current 2019-21 biennium for Microsoft 365 at the E3 level of service.

LFO Recommendation The Legislative Fiscal Office recommends approval.

LFO Recommended	-	-	(140,018)	(17,992)	-	-	(158,010)	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 101 Essential Current Service Level Staff

Package Description This package provides \$3.5 million Other Funds expenditure limitation and 14 permanent positions (14.00) as follows:

- Two positions in the Equity, Diversity and Inclusion (EDI) Office to serve as the EDI Manager and EDI Training Coordinator;
- Seven positions in the Deputy Director's Office to provide additional support to the Human Resources, Research and Analysis, Information Services, and Procurement and Grant Compliance Sections; and
- Five positions in the Public Affairs Division to serve as a Veterans' Homelessness Integrator, a Strategic Business Analyst, a Resilience Coordinator, an Outreach and Engagement Section leader, and an EDI Engagement Coordinator.

The Other Funds revenue source for the package is from intra-agency revenues from program divisions for Central Services administrative charges.

LFO Recommendation The Legislative Fiscal Office recommends approval.

LFO Recommended	-	-	3,542,562	-	-	-	3,542,562	14	14.00
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 102 Essential Current Service Level Pos Reclass

Package Description This package provides \$112,491 Other Funds expenditure limitation and \$5,531 Federal Funds expenditure limitation for upward reclassifications of positions in the Central Services Division to align position classifications with job duties. It also increases an Accountant 3 position from .50 FTE to 1.00 FTE. The increase in FTE is to allow for succession planning and cross-training of staff.

LFO Recommendation Approve.

LFO Recommended	-	-	112,491	5,531	-	-	118,022	-	0.50
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 801 LFO Analyst Adjustments

Package Description Positions are included to support central capacity needs resulting from the additional staff necessitated by the large influx of Federal Funds, the majority of which is attributable to ARRA and CARES act funding. Seven of the requested positions were approved as permanent in HB 5042, a 2019-21 budget reconciliation bill approved earlier in the 2021 legislative session.

Support for purchasing, training, fiscal analysis, help desk functions and accounting is needed to accomodate these newer arrivals. All positions are supported with federal funds. Administrative allowances on ongoing federal awards are expected to be sufficient to support 16 of the 17 total positions in this package on a permanent basis.

LFO Recommendation Approve.

LFO Recommended	-	-	-	3,213,202	-	-	3,213,202	17	15.38
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 803 Core Investments

Package Description \$1.03 million General Fund and \$1.5 million other funds are included to support positions associated with emergency response and resiliency, communications, and community engagement. More generalized support functions including public records coordination, legislative policy analysis, and civil rights analysis also are requested for augmentation, given attention to housing issues and demand for information and input over the past several biennia. These needs are anticipated to be ongoing, and therefore, 12 of the thirteen positions in this package are included as permanent.

LFO Recommendation Approve.

LFO Recommended	1,033,775	-	1,533,056	-	-	-	2,566,831	13	11.50
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 804 Strategic Initiatives

Package Description This package is for central services (e.g. indirect) support of activities related to one time shelter support grants and technical assistance. The position is for procurement and contracting, and is limited duration.

LFO Recommendation Approve.

LFO Recommended	-	-	191,880	-	-	-	191,880	1	0.92
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2019-21 Agy. Leg. Adopted	28,585,969	21,789,335	7,647,567	-	1,055,318,660	-	1,113,341,531	7	6.50
2019-21 Ebds, SS & Admin Act	(5,526,530)	(37,101)	439,554	-	-	-	(5,124,077)	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2019-21 Leg Approved Budget	23,059,439	21,752,234	8,087,121	-	1,055,318,660	-	1,108,217,454	7	6.50
2019-21 Leg Approved Budget (Base)	28,585,969	21,789,335	7,647,567	-	1,055,318,660	-	1,113,341,531	7	6.50
Summary of Base Adjustments	12,447,655	8,480,405	259,116	-	(129,525,669)	-	(108,338,493)	-	0.50
2021-23 Base Budget	41,033,624	30,269,740	7,906,683	-	925,792,991	-	1,005,003,038	7	7.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	10,486	-	-	-	10,486	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	(2,967,508)	-	-	-	(2,967,508)	-	-
030: Inflation & Price List Adjustments	30,513	-	281,574	-	-	-	312,087	-	-
2021-23 Current Service Level	41,064,137	30,269,740	5,231,235	-	925,792,991	-	1,002,358,103	7	7.00
080: E-Boards	9,208,901	-	-	-	-	-	9,208,901	-	-
Adjusted 2021-23 Current Service Level	50,273,038	30,269,740	5,231,235	-	925,792,991	-	1,011,567,004	7	7.00
Total LFO Recommended Packages	-	-	260,769	-	-	-	260,769	1	1.00
2021-23 Legislative Actions	50,273,038	30,269,740	5,492,004	-	925,792,991	-	1,011,827,773	8	8.00
Net change from 2019-21 Leg Approved Budget	27,213,599	8,517,506	(2,595,117)	-	(129,525,669)	-	(96,389,681)	1	1.50
Percent change from 2019-21 Leg Approved Budget	118.0%	39.2%	(32.1%)	0.0%	(12.3%)	0.0%	(8.7%)	14.3%	23.1%
Net change from 2021-23 Adj Current Service Level	-	-	260,769	-	-	-	260,769	1	1.00
Percent change from 2021-23 Adj Current Service Level	0.0%	0.0%	5.0%	0.0%	0.0%	0.0%	0.0%	14.3%	14.3%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 087 August 2020 Special Session

Package Description This package represents an increase in Debt Service of \$9.2 million General Fund reflects the additional debt service related to the authorization of an additional \$50 million in LIFT bonds. The bonds were approved in the August 2020 Special Session and are scheduled to be part of the March 2021 sale.

LFO Recommendation The Legislative Fiscal Office recommends approval.

LFO Recommended	9,208,901	-	-	-	-	-	9,208,901	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 101 Essential Current Service Level Staff

Package Description This package provides \$260,768 Other Funds expenditure limitation and one permanent Operations and Policy Analyst 4 position (1.00 FTE) to oversee the completeness and accuracy of the Department's bond documents.

The package also reclassifies the agency's Debt Management Section manager from a PEM E to a PEM F.

LFO Recommendation The Legislative Fiscal Office recommends approval.

LFO Recommended	-	-	260,768	-	-	-	260,768	1	1.00
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 801 LFO Analyst Adjustments

Package Description This package provides a place holder for future adjustments to debt service payments that may be needed in the 2021-23 biennium.

LFO Recommendation Approve.

LFO Recommended	-	-	1	-	-	-	1	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2019-21 Agy. Leg. Adopted	-	-	200,000,000	-	-	-	200,000,000	-	-
2019-21 Ebds, SS & Admin Act	-	-	50,000,000	-	-	-	50,000,000	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2019-21 Leg Approved Budget	-	-	250,000,000	-	-	-	250,000,000	-	-
2019-21 Leg Approved Budget (Base)	-	-	200,000,000	-	-	-	200,000,000	-	-
Summary of Base Adjustments	-	-	(200,000,000)	-	-	-	(200,000,000)	-	-
2021-23 Base Budget	-	-	-	-	-	-	-	-	-
2021-23 Current Service Level	-	-	-	-	-	-	-	-	-
Adjusted 2021-23 Current Service Level	-	-	-	-	-	-	-	-	-
Total LFO Recommended Packages	-	-	-	-	-	-	-	-	-
2021-23 Legislative Actions	-	-	-	-	-	-	-	-	-
Net change from 2019-21 Leg Approved Budget	-	-	(250,000,000)	-	-	-	(250,000,000)	-	-
Percent change from 2019-21 Leg Approved Budget	0.0%	0.0%	(100.0%)	0.0%	0.0%	0.0%	(100.0%)	0.0%	0.0%
Net change from 2021-23 Adj Current Service Level	-	-	-	-	-	-	-	-	-
Percent change from 2021-23 Adj Current Service Level	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Legislatively Proposed 2021 - 2023 Key Performance Measures

Published: 6/11/2021 11:02:55 PM

Agency: Housing and Community Services

Mission Statement:

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

Legislatively Proposed KPMs	Metrics	Agency Request	Last Reported Result	Target 2022	Target 2023
1. Reducing Homelessness - Percentage of homeless households who exited into permanent housing and retained that housing for six months or longer.		Approved	82%	80%	80%
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.		Approved	90%	90%	90%
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.		Approved	66%	50%	65%
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.	a) Cost per square foot of newly constructed housing developed through grant and tax credit programs	Approved	123%	100%	100%
	b) Cost per square foot for rehabilitated housing units developed through grant and tax credit programs		130%	100%	100%
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.	Availability of Information	Approved	65%	80%	80%
	Overall		79%	80%	80%
	Timeliness		76%	80%	80%
	Accuracy		72%	80%	80%
	Expertise		81%	80%	80%
	Helpfulness		81%	80%	80%
4. Permanent Supportive Housing Production - The number of Permanent Supportive Housing (PSH) units funded by OHCS. PSH provides service-enriched affordable housing to help individuals living with a serious persistent mental illness and persons experiencing chronic homelessness.		Proposed New		200	200
6. Affordable Rental Housing in 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 three of the following five criteria when compared to other census tracts in the region: higher median income, higher job accessibility for low and median wage employees, higher labor market engagement, higher rate of owner-occupied units, higher performing elementary schools.		Proposed New			

Legislatively Proposed KPMs	Metrics	Agency Request	Last Reported Result	Target 2022	Target 2023
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.		Proposed New		5%	5%
8. Homeownership - Percentage of households at or below the county median family income served by the Oregon Bond Residential Loan program.		Proposed New		70%	70%
9. Homeownership Services to People of Color - Percentage of people served by all OHCS homeownership programs who identify as people of color.		Proposed New		30%	30%
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.		Proposed Delete	8%	7%	
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.		Proposed Delete	36%	40%	
7. Homeownership - Percentage of households at or below the state's median household income served by our single family programs.		Proposed Delete	56%	55%	
8. Homeownership (People of Color) - Percentage of OHCS residential loan program loans issued to people of color.		Proposed Delete	25%	20%	

LFO Recommendation:

Due to insufficient information provided by the agency on how the proposed target for a new KPM 4 was arrived at, the Legislative Fiscal Office is not recommending replacement of the existing KPM 4. LFO recommends a 2023 target of 7% for existing KPM 4, Affordable Housing for People with Disabilities.

HCSD proposes a new KPM to measure annual increases in the amount of affordable rental housing developed in rural areas. While no discussion of how the target of 5% was established could be located, LFO notes that this issue has historically been of interest to legislators and, for that reason, recommends approval.

No targets were provided for the proposed new KPM 6, which refines the definition of housing in areas of opportunity. Therefore, LFO recommends maintaining the existing wording for KPM 6, and its existing target of 40% for 2022 and 2023.

LFO recommends approval of the proposed new measure 8, Percentage of Households at or below the county median family income served by the Oregon Bond Residential Loan Program, as this change better recognizes differences in income and affordability in different areas of the state.

HCSD proposes replacing its existing KPM that measures the percentage of residential program loans issued to people of color with a new measurement (renumbered as KPM 9) that measurement of the percentage of people who identify as people of color that are served by all homeownership programs -- which would include down payment assistance and services specific to manufactured housing. The target of 30% (compared with the existing KPM's target of 40%) is a reflection of a broader range of services offered. The Legislative Fiscal office recommends approval of this change.

SubCommittee Action: