

HB 5011 BUDGET REPORT and MEASURE SUMMARY

Joint Committee On Ways and Means

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Housing and Community Services Department

2021-23

Emergency Board

2021-23

PRELIMINARY

Budget Summary*

	2019-21	2021 - 23	2021-23	Committee Change from 2019-21	
	Legislatively Approved Budget ⁽¹⁾	Current Service Level	Committee Recommendation	Leg. Approved	
				\$ Change	% Change
General Fund	\$ 308,002,321	\$ 45,332,368	\$ 153,793,142	\$ (154,209,179)	(50.1%)
General Fund Debt Service	\$ 23,043,308	\$ 41,017,493	\$ 50,273,038	\$ 27,229,730	118.2%
Lottery Funds Debt Service	\$ 21,752,234	\$ 30,269,740	\$ 30,269,740	\$ 8,517,506	39.2%
Other Funds Limited	\$ 456,321,268	\$ 312,584,055	\$ 353,390,232	\$ (102,931,036)	(22.6%)
Other Funds Debt Service	\$ 38,202	\$ -	\$ 1	\$ (38,201)	(100.0%)
Other Funds Nonlimited	\$ 559,630,843	\$ 559,180,843	\$ 559,180,843	\$ (450,000)	(0.1%)
Other Funds Debt Service Nonlimited	\$ 497,037,817	\$ 367,512,148	\$ 367,512,148	\$ (129,525,669)	(26.1%)
Federal Funds Limited	\$ 316,568,848	\$ 132,315,039	\$ 437,717,346	\$ 121,148,498	38.3%
Federal Funds Nonlimited	\$ 152,131,628	\$ 176,472,688	\$ 176,472,688	\$ 24,341,060	16.0%
Total	\$ 2,334,526,469	\$ 1,664,684,374	\$ 2,128,609,178	\$ (154,209,179)	(6.6%)

Position Summary

Authorized Positions	230	196	330	100
Full-time Equivalent (FTE) positions	217.82	195.00	310.09	92.27

⁽¹⁾ Includes adjustments through January 2021

* Excludes Capital Construction expenditures

Emergency Board

	2019-21	2021 - 23	2021-23	Committee Change from 2019-21	
	Legislatively Approved Budget ⁽¹⁾	Current Service Level	Committee Recommendation	Leg. Approved	
				\$ Change	% Change
General Fund	\$ -	\$ -	\$ 10,000,000	\$ 10,000,000	100.0%
Total	\$ -	\$ -	\$ 10,000,000	\$ 10,000,000	100.0%

Summary of Revenue Changes

The Housing and Community Services Department (HCS D) programs are funded with a mix of General Fund, Lottery Funds, Other Funds and Federal Funds. The 2021-23 total funds budget is \$2,128,609,178 and includes \$204,066,180 General Fund, \$30,269,740 Lottery Funds, \$353,390,233 Other Funds, \$926,692,991 Nonlimited Other Funds, \$437,717,346 Federal Funds, and \$176,472,688 Nonlimited Federal Funds. The majority of funding is received through Other Funds and Federal Funds revenue sources, both as limited and Nonlimited fund types. Due to its role in providing housing-related services during the Covid-19 pandemic, the agency received significant funding in the 2019-21 biennium; however, some of the revenue was received as one-time funding, which results in a decrease of about 6.6% between the 2019-21 legislatively approved budget and the 2021-23 recommended budget. The 2021-23 recommended total funds budget also includes significant additional funding, approximately 27% over the 2021-23 Current Service Level budget, which is reflective of the cost of ongoing programs that were funded in the 2019-21 biennium.

Due to the large amount of one-time General Fund funding in the 2019-21 biennium, the 2021-23 recommended budget appears to decrease by approximately 38%; however, additional General Fund investments were included in the 2021-23 recommended budget that increases General Fund about 136% over the 2021-23 current service level budget.

Summary of Transportation and Economic Development Subcommittee Action

The mission of the Housing and Community Services Department (HCS D) is to provide stable and affordable housing and engage leaders to develop integrated statewide policy addressing poverty and providing opportunity for Oregonians. The Department has the following five program divisions: Housing Stabilization Programs, Project-Based Rental Housing Assistance, Multifamily Rental Housing Programs, Single Family Housing Programs, and the Homeowner Stabilization Initiative. In addition, the Department provides administrative, debt service, and bond related functions through its Central Services and Bond Activities and Debt Service divisions.

The Subcommittee recommended a budget of \$204,066,180 General Fund, \$30,269,740 Lottery Funds, \$353,390,233 Other Funds, \$926,692,991 Nonlimited Other Funds, \$437,717,346 Federal Funds, and \$176,472,688 Nonlimited Federal Funds for a total funds budget of \$2,128,609,178, as well as 330 positions (310.09 FTE).

In addition to establishing the 2021-23 budget for HCS D, House Bill 5011 establishes a special purpose appropriation of \$10 million General Fund to the Emergency Board. This appropriation to the Emergency Board is for the development of a proposal for a grant program that supports gap financing for affordable rental housing projects co-located with child care or early learning centers. The Subcommittee approved the following budget note:

Budget Note

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.

Housing Stabilization Programs

The Housing Stabilization Programs division provides critical services to the lowest income Oregonians by addressing housing instability and helping more Oregonians access safe, stable, and affordable housing options. The Division passes through federal and state resources to Oregon's community action network and their partners to enable local communities to provide a continuum of services helping low-income individuals and households.

The Subcommittee recommended a budget of \$82,039,508 General Fund, \$113,905,725 Other Funds, \$359,310,775 Federal Funds (\$555,256,008 total funds), as well as 46 positions (44.76 FTE). The Subcommittee recommended the following packages:

Package 090, Analyst Adjustments. This package reduces General Fund by \$200,872 and increases Other Funds expenditure limitation by \$200,872 to reflect a permanent fund shift for personal services costs related to 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.

Package 101, Essential Current Service Level Staff. This package adds \$343,581 Other Funds expenditure limitation for personal services costs to allow HCSD 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. The position will continue its focus on integrated policy and program development associated with addressing homelessness. The position interfaces with sub-grantees and 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).

Package 102, Essential Current Service Level Position Reclassification. This package adds \$9,673 Federal Funds expenditure limitation for personal services costs related to the reclassification of an Information Systems Specialist 2 to an Operations and Policy Analyst 1 position, making better use of existing position authority and aligning job duties with position descriptions. This reclassification request has been reviewed and approved by the Department of Administrative Services Chief Human Resource Office.

Package 104, Improving Oregon's Homeless Management Information System. This package invests \$1,180,011 General Fund to 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. Two permanent positions (2.00 FTE) are added, including an Operations and Policy Analyst 2 and a Research Analyst 2, resulting in personal services costs of \$350,381 General Fund, along with one-time services and supplies costs totaling \$829,630, to facilitate hardware and software improvements to the system. 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.

Package 109, Individual Development Account (IDA) Program. This package adds a one-time \$7,000,000 General Fund investment to support the individual development account program, in order 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, a statewide nonprofit organization. HCSD will distribute this one-time \$7,000,000 General Fund investment as Special Payment expenditures to IDA program's contract administrator Neighborhood Partnerships. With the exception of this one-time investment, the program will continue to be funded by tax credits on an ongoing basis, as it was in prior biennia.

Package 801, LFO Analyst Adjustments. This package adds \$2,854,021 Other Funds expenditure limitation, \$254,301,787 Federal Funds expenditure limitation (\$257,155,808 total funds), and 11 positions (10.04 FTE) associated with federal funding received through the Coronavirus Aid, Relief and Economic Security (CARES) Act and the American Rescue Plan Act (ARPA), as well as staffing needed to administer the programs. The positions include five permanent positions and six limited duration positions.

The Other Funds expenditure limitation totaling \$2,854,021 Other Funds is a one-time amount associated with Rental Assistance received from the CARES Act, which is projected to be spent in the 2021-23 biennium. The costs will be paid as Special Payments expenditures.

The one-time Federal Funds expenditure limitation of \$252,077,835 is included for approximate program payments as follows:

- \$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 federal funding, 11 positions (10.04 FTE) are included in the package and result in personal services costs of \$2,062,162 Federal Funds, along with associated services and supplies costs of \$161,790. The positions are as follows:

- 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 they will be eliminated in future biennia, if federal funding is insufficient to continue them.

Package 803, Core Investments. This package adds \$191,748 General Fund and one permanent position (0.88 FTE) in the Housing Stabilization Division for personal services costs related to a Program Analyst 3 position to develop and implement targeted assistance to survivors of emergencies and natural disasters -- specifically the wildfires of 2020.

Package 804, Strategic Initiatives. This package adds \$30,000,000 General Fund and \$26,487,144 Other Funds expenditure limitation and two permanent positions (1.84 FTE) for strategic initiatives. Of the one-time \$30,000,000 General Fund investment, \$3,000,000 is 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 Black, Indigenous, and People of Color (BIPOC) and rural communities, and initiatives that provide education to tenants at risk of eviction. A total of \$25,000,000 in one-time funding is for grants for shelter assistance and \$2,000,000 million in one-time funding is 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 and result in personal services costs of \$378,832 Other Funds and associated services and supplies costs of \$429,478 Other Funds. Administrative costs, as well as program payments and reporting requirements may continue into the 2023-25 biennium. Other Funds expenditure limitation has been included to fund these potential costs.

Project-Based Rental Housing Assistance

The Project-Based Rental Assistance (PBRA) program unit was created in the 2021-23 current service level budget development. The purpose of PBRA programs is to provide rental assistance associated with specific housing units, rather than awarded to a tenant. PBRA programs include: 1) HUD Contract Administration (HCA), 2) HUD 811 PBRA (HUD 811), and 3) Permanent Supportive Housing Project-Based Rent Assistance (PSH PBRA). HCA is Oregon's Performance Based Contract Administrator (PBCA) for project-based Section 8 housing and oversees approximately 254 contracts in Oregon. Duties include subsidy payments to owners and tenant complaint resolution. The Section 8 Housing Choice Voucher Program is managed by the U.S. Department of Housing and Urban Development (HUD) and subsidizes housing for low-income individuals and families. At the local level, the program is administered by Public Housing Agencies (PHAs).

The Subcommittee recommended a budget of \$12,195,536 General Fund, \$6,772,040 Other Funds, \$1,020,396 Federal Funds, \$176,472,688 Nonlimited Federal Funds (\$196,460,660 total funds) and includes 17 positions (16.50 FTE). The Subcommittee recommended the following packages:

Package 087, August 2020 Special Session. This package increases Other Funds expenditure limitation by \$379,265 for two permanent Compliance Specialist 2 positions (2.00 FTE) resulting in personal services costs of \$348,635, as well as associated services and supplies expenses of \$30,630 Other Funds. 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.

Package 102, Essential Current Service Level Position Reclassification. This package reclassifies an Administrative Specialist 2 position to a Program Analyst 1, which does not increase costs to the agency in the 2021-23 biennium.

Package 103, LIFT, Permanent Supportive Housing, Land Acquisition. This package adds \$12,195,536 General Fund and decreases Other Funds expenditure limitation by \$6,995,536 (net increase of \$ 5,200,000 total funds) related to adjustments to accommodate decisions regarding permanent supportive housing rental assistance administration. For the 2021-23 biennium, 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 million Other Funds to provide rental assistance associated with Permanent Supportive Housing Units that were constructed with bonds authorized in the 2019-21 biennium.

Multifamily Rental Housing Programs

The Multifamily Rental Housing program unit provides a continuum of housing options for low income and at-risk Oregonians in need, through the administration of federal and state funded multifamily rental housing resources. The resources assist in the development of new affordable housing units, acquisition and rehabilitation of existing housing units, and preserving affordable housing properties with project-based federal rental subsidies. In previous biennia, the Marinas and Manufactured Communities Resource programs existed in this program unit. For the 2021-23 biennium, these programs are transferred to the Single Family Housing Program division to achieve a better budget structure fit.

The Subcommittee recommended a budget of \$5,281,907 General Fund, \$180,783,523 Other Funds, \$37,231,656 Federal Funds, \$900,000 Nonlimited Other Funds (\$224,197,086 total funds) and includes 79 positions (77.92 FTE). The Subcommittee recommended the following packages:

Package 083, June 2020 Emergency Board. This package increases Other Funds expenditure limitation by \$451,905 to support two permanent Loan Specialist 3 positions (2.00 FTE) resulting in personal services costs of \$421,275, as well as associated services and supplies expenses of \$30,630 Other Funds. 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.

Package 087, August 2020 Special Session. This package increases Other Funds expenditure limitation by \$451,905 to support two permanent Loan Specialist 3 positions (2.00 FTE) resulting in personal services costs of \$421,275, as well as associated services and supplies expenses of \$30,630 Other Funds. 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.

Package 090, Analyst Adjustments. This package reduces General Fund by \$539,890 and increases Other Funds expenditure limitation by \$539,890 due to a fund shift related moving LIFT program expenditures to Other Funds. This fund shift moved services and supplies expenditures of \$237,623, along with the personal services costs of \$302,267 related to the program coordinator position. The Other Funds revenue sources that will subsidize the LIFT program costs include application and conduit bonds fees.

Package 101, Essential Current Service Level Staff. This package adds \$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.

The above positions result in personal services costs of \$786,674 Other Funds and services and supplies costs of \$45,945 in the 2021-23 biennium. Funding for this package is from administrative fees the Department charges for various programs including conduit bonds, tax credits and document recording fees.

Package 102, Essential Current Service Level Position Reclassification. This package adds \$47,904 Other Funds expenditure limitation in personal services costs to reclassify eight positions to align position classifications with the assigned duties of the positions, resolve work 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;
- One Compliance Specialist 2 to a Loan Specialist 2 position; and
- 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.

Package 801, LFO Analyst Adjustments. This package adds \$14,944,153 Federal Funds expenditure limitation and two permanent positions (1.67 FTE) for administrative support associated with higher than anticipated receipts associated with the Federal HOME Investment Partnership program for affordable home ownership and an increase in the National Housing Trust award. The permanent positions added consist of a manager and administrative support and result in personal services costs of \$327,115 Federal Funds and services and supplies costs of \$28,308 Federal Funds; the remainder is expended as special payments.

Package 803. Core Investments. This package adds \$960,569 Other Funds expenditure limitation and two permanent positions (1.83 FTE) to provide administrative support for the Landlord Compensation Fund and emergency response. The funding includes: one-time resources of \$489,613 Other Funds expenditure limitation for personal services costs associated with temporary positions to complete the administration of the Landlord Compensation Fund program approved in the 2019-21 biennium; and funding for permanent administrative support amounting to \$470,956 Other Funds is included for a Program analyst position associated with disaster recovery efforts, and a portfolio manager to bolster administration and accountability related to the growing number of affordable rental units in the agency's portfolio. Ongoing funding includes personal services costs of \$441,440 Other Funds and associated services and supplies costs of \$29,516 Other Funds.

Package 804, Strategic Initiatives. This package includes a one-time General Fund investment of \$5,000,000 and \$5,320,975 Other Funds expenditure limitation 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. The positions result in personal services costs of \$294,401 Other Funds and associated services and supplies costs of \$26,574 Other Funds. As described previously, a special purpose appropriation (SPA) to the Emergency Board of \$10 million for allocation to HCSD is included for the purpose of developing affordable rental housing projects that are co-located with child care or early learning centers, along with a budget note applicable to the SPA.

Single Family Housing Programs

Single Family Housing Programs provide financing and services that increase and maintain homeownership through home buyer education; financial literacy counseling and coaching; foreclosure counseling; health and safety repairs; and stabilizing residential neighborhoods. The Department achieves this objective by offering grants to local homeownership partners, providing resources for manufactured dwelling park preservation, energy-efficient manufactured homes replacement, and offering affordable residential loans to qualified first time homebuyers.

The Subcommittee recommended a budget of \$52,791,666 General Fund, \$18,556,827 Other Funds, \$33,733,608 Federal Funds (\$105,082,101 total funds), and includes 55 positions (49.18 FTE). The Subcommittee recommended the following packages:

Package 101, Essential Current Service Level Staff. This package provides \$569,445 Other Funds expenditure limitation in personal service costs related to the establishment of 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.

Package 102, Essential Current Service Level Position Reclassification. This package adds \$11,224 Other Funds expenditure limitation related to the personal services costs to reclassify several existing positions to better align the position classifications with job duties. Funding for this package is from document recording fees and homeownership bond programs. Positions being reclassified include a Loan Specialist 1 who is being reclassified to a program Analyst 1, and a Principle Executive Manager D to a Principle Executive Manager E position.

Package 106, Addressing Racial Disparities in Homeownership. This package adds \$2,000,000 General Fund and two permanent positions (2.00 FTE), a Program Analyst 3 and an Operations and Policy Analyst 3, 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. The package results in personal services costs of \$413,273, services and supplies costs of \$341,727, and Special Payments costs of \$1,245,000.

Package 107, Down Payment Assistance tied to OHCS Lending. This package adds \$20,000,000 General Fund for special payments costs related to two investments related to down payment assistance in the 2021-23 biennium. The first investment adds \$10,000,000 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 second one-time \$10,000,000 General Fund investment is for down payment assistance intended to be sub-granted to community culturally responsive organizations to increase homeownership opportunities.

Package 113, Safe and Healthy Manufactured Housing. This package adds \$7,000,000 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 \$2,500,000 will be used for the decommissioning and disposal grant program and the home replacement loan program. The package is assumed to be one-time funding and includes services and supplies costs of \$300,000 General Fund and \$83,125 Other Funds, as well as special payments costs of \$6,700,000 General Fund.

Package 114, Homeownership Development. This package provides \$20,000,000 General Fund and one permanent position and two limited 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. This includes personal services costs of \$407,246 General Fund, services and supplies costs of \$449,251 and Special Payments costs of \$19,143,503. The special payments costs associated with this program are on a one-time basis, with a recommendation that the Department include information on the number of homes developed and families served under these initiatives in subsequent presentations before appropriate legislative policy or budget committees.

Package 801, LFO Analyst Adjustments. This package adds \$32,945,953 Federal Funds expenditure limitation and 23 positions (19.88 FTE) to 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. Determination 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; however, 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). The package results in personal services costs of \$3,642,250, services and supplies costs of \$2,429,992 and special payments costs of \$26,873,711 in the 2021-23 biennium.

Package 803, Core Investments. This package adds \$791,666 General Fund, \$1,167,112 Other Funds expenditure limitation and 10 positions (8.67 FTE) 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. This package includes personal services costs of \$733, 888 General Funds and \$1,081,044 Other Funds, and services and supplies costs of \$57,778 General Fund, and \$86,068 Other Funds.

Package 804, Strategic Initiatives. This package provides a one-time investment of \$3,000,000 General Fund and one limited duration position (0.88 FTE) to administer funding that will provide foreclosure avoidance counseling services to homeowners at risk of foreclosure. The funding is intended to support administrative costs and contract payments to nonprofit organizations that offer counseling services. This package includes personal services costs of \$142,075 General Fund, services and supplies costs of \$20,508 General Fund, and special payments costs of \$2,837,417 General Fund.

Homeownership Stabilization Initiative

The Oregon Homeownership Stabilization Initiative (OHSI) is a foreclosure prevention program assisting at-risk homeowners to avoid foreclosure through a number of activities. The Subcommittee recommended a budget of \$1,454,862 Other Funds and 14 positions (5.93 FTE). The Subcommittee recommended the following package:

Package 115, Restore OHSI Positions. This package provides \$1,454,862 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 and result in personal services costs of \$1,304,288 Other Funds and services and supplies costs of \$150,574 Other Funds.

Central Services

The Central Services Division includes a variety of offices, which provide the administrative functions of the Department, such as the Director's Office; Public Affairs Office; Equity, Diversity and Inclusion Office; Human Resources; Chief Financial Office; the Procurement and Grant Compliance Section; and Information Services, among others. Central Services supports each of the Department's program areas. Central Services' role is to provide essential business services to support the Department's leadership and workforce to achieve the Housing and Community Services' mission.

The Subcommittee recommended a budget of \$1,484,525 General Fund, \$26,425,252 Other Funds, \$6,420,911 Federal Funds (\$34,330,688 total funds) and includes 111 positions (107.8 FTE). The Subcommittee recommended the following packages:

Package 090, Analyst Adjustments. This package reduces General Fund by \$144,556 and increases Other Funds expenditure limitation by \$144,556 to fund shift administrative costs from 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.

Package 099, Microsoft 365 Consolidation. This package reduces Other Funds expenditure limitation by \$140,018 and Federal Funds expenditure limitation by \$17,992 (\$158,010 total funds) related to the consolidation of Microsoft 365 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 2021-23 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.

Package 101, Essential Current Service Level Staff. This package adds \$3,542,562 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.

Package 102, Essential Current Service Level Position Reclassification. 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 0.50 FTE to 1.00 FTE. The increase in FTE is to allow for succession planning and cross-training of staff.

Package 801, Analyst Adjustments. This package adds \$3,213,202 Federal Funds expenditure limitation and 17 positions (15.38 FTE). 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 ARPA and CARES Act funding. Support for purchasing, training, fiscal analysis, help desk functions and accounting is needed to accommodate 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. This package includes personal services costs of \$2,964,165 Federal Funds, as well as associated services and supplies costs of \$249,037 Federal Funds.

Package 803, Core Investments. This package adds \$1,033,775 General Fund, \$1,533,056 Other Funds expenditure limitation and 13 positions (11.50 FTE) 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 13 positions in this package are included as permanent. This package includes personal services costs of \$960,392 General Fund and \$1,417,791 Other Funds and services and supplies costs of \$73,383 General Fund and \$115,265 Other Funds.

Package 804, Strategic Investments. This package adds \$191,880 Other Funds expenditure limitation and one limited duration position (0.92 FTE) for central services (indirect) support of activities related to one-time shelter support grants and technical assistance. The position is for procurement and contracting. This package includes personal services costs of \$172,342 Other Funds, as well as associated services and supplies costs of \$19,538 Other Funds.

Bond Activities and Debt Service

The Bond Related Activities and Debt Service program provides safe and affordable rental housing to low income Oregonians and provides opportunities for first-time homebuyers to finance their mortgages at below market interest rates. Responsibilities of this division include disbursement of bond proceeds to finance multifamily and single-family mortgage loans, payment of bond issuance costs, administrative expenses related to outstanding debt, and asset protection costs associated with foreclosures and acquired properties. This division is also responsible for investment activities related to all funds in these various bond programs.

The Subcommittee recommended a budget of \$50,273,038 General Fund, \$30,269,740 Lottery Funds, \$5,492,004 Other Funds, \$925,792,991 Nonlimited Other Funds (\$1,011,827,773 total funds), and includes eight positions (8.00 FTE). The Subcommittee recommended the following packages:

Package 087, August 2020 Special Session. This package adds \$9,208,901 General Fund and 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 scheduled to be part of the March 2021 sale.

Package 101, Essential Current Service Level Staff. 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.

Package 801, LFO Analyst Adjustments. This package provides a place holder for future adjustments to debt service payments that may be needed in the 2021-23 biennium.

Summary of Performance Measure Action

See attached Legislatively Adopted 2021-23 Key Performance Measures form.

PRELIMINARY

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Housing and Community Services Department
 Ali Webb - 503-400-4747

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2019-21 Legislatively Approved Budget at Jan. 2021*	\$ 331,045,629	\$ 21,752,234	\$ 456,359,470	\$ 1,056,668,660	\$ 316,568,848	\$ 152,131,628	\$ 2,334,526,469	230	217.82
2021-23 Current Service Level (CSL)*	\$ 86,349,861	\$ 30,269,740	\$ 312,584,055	\$ 926,692,991	\$ 132,315,039	\$ 176,472,688	\$ 1,664,684,374	196	195.00
SUBCOMMITTEE ADJUSTMENTS (from CSL)									
SCR 010 - Housing Stabilization Programs									
Package 090: Analyst Adjustments									
Personal Services	\$ (200,872)	\$ -	\$ 200,872	\$ -	\$ -	\$ -	\$ -	0	0.00
Package 101: Essential Current Service Level Staff									
Personal Services	\$ -	\$ -	\$ 343,581	\$ -	\$ -	\$ -	\$ 343,581	1	1.00
Package 102: Essential Current Service Level Position Reclassifications									
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ 9,673	\$ -	\$ 9,673	0	0.00
Package 104: Improving Oregon's Homeless Management Information System									
Personal Services	\$ 350,381	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 350,381	2	2.00
Services and Supplies	\$ 829,630	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 829,630		
Package 109: Individual Development Account (IDA) Program									
Special Payments	\$ 7,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,000,000		
Package 801: LFO Analyst Adjustments									
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ 2,062,162	\$ -	\$ 2,062,162	11	10.04
Services and Supplies	\$ -	\$ -	\$ -	\$ -	\$ 161,790	\$ -	\$ 161,790		
Special Payments	\$ -	\$ -	\$ 2,854,021	\$ -	\$ 252,077,835	\$ -	\$ 254,931,856		
Package 803: Core Investments									
Personal Services	\$ 177,304	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 177,304	1	0.88
Services and Supplies	\$ 14,444	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,444		
Package 804: Strategic Initiatives									
Personal Services	\$ -	\$ -	\$ 378,832	\$ -	\$ -	\$ -	\$ 378,832	2	1.84
Services and Supplies	\$ -	\$ -	\$ 429,478	\$ -	\$ -	\$ -	\$ 429,478		
Special Payments	\$ 30,000,000	\$ -	\$ 25,678,834	\$ -	\$ -	\$ -	\$ 55,678,834		
SCR 025 - Project-Based Rental Housing Assistance									
Package 087: August 2020 Special Session									
Personal Services	\$ -	\$ -	\$ 348,635	\$ -	\$ -	\$ -	\$ 348,635	2	2.00
Services and Supplies	\$ -	\$ -	\$ 30,630	\$ -	\$ -	\$ -	\$ 30,630		

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Package 103: LIFT, Permanent Supportive Housing, Land Acquisition									
Personal Services	\$ 351,215	\$ -	\$ (351,215)	\$ -	\$ -	\$ -	\$ -	0	0.00
Services and Supplies	\$ 44,321	\$ -	\$ (44,321)	\$ -	\$ -	\$ -	\$ -		
Special Payments	\$ 11,800,000	\$ -	\$ (6,600,000)	\$ -	\$ -	\$ -	\$ 5,200,000		
SCR 030 - Multifamily Rental Housing Programs									
Package 083: June 2020 Emergency Board									
Personal Services	\$ -	\$ -	\$ 421,275	\$ -	\$ -	\$ -	\$ 421,275	2	2.00
Services and Supplies	\$ -	\$ -	\$ 30,630	\$ -	\$ -	\$ -	\$ 30,630		
Package 087: August 2020 Special Session									
Personal Services	\$ -	\$ -	\$ 421,275	\$ -	\$ -	\$ -	\$ 421,275	2	2.00
Services and Supplies	\$ -	\$ -	\$ 30,630	\$ -	\$ -	\$ -	\$ 30,630		
Package 090: Analyst Adjustments									
Personal Services	\$ (302,267)	\$ -	\$ 302,267	\$ -	\$ -	\$ -	\$ -	0	0.00
Services and Supplies	\$ (237,623)	\$ -	\$ 237,623	\$ -	\$ -	\$ -	\$ -		
Package 101: Essential Current Service Level Staff									
Personal Services	\$ -	\$ -	\$ 786,674	\$ -	\$ -	\$ -	\$ 786,674	4	4.00
Services and Supplies	\$ -	\$ -	\$ 45,945	\$ -	\$ -	\$ -	\$ 45,945		
Package 102: Essential Current Service Level Position Reclassifications									
Personal Services	\$ -	\$ -	\$ 47,904	\$ -	\$ -	\$ -	\$ 47,904	0	0.00
Package 801: LFO Analyst Adjustments									
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ 327,115	\$ -	\$ 327,115	2	1.67
Services and Supplies	\$ -	\$ -	\$ -	\$ -	\$ 28,308	\$ -	\$ 28,308		
Special Payments	\$ -	\$ -	\$ -	\$ -	\$ 14,588,730	\$ -	\$ 14,588,730		
Package 803: Core Investments									
Personal Services	\$ -	\$ -	\$ 931,053	\$ -	\$ -	\$ -	\$ 931,053	2	1.83
Services and Supplies	\$ -	\$ -	\$ 29,516	\$ -	\$ -	\$ -	\$ 29,516		
Package 804: Strategic Initiatives									
Personal Services	\$ -	\$ -	\$ 294,401	\$ -	\$ -	\$ -	\$ 294,401	2	1.42
Services and Supplies	\$ -	\$ -	\$ 26,574	\$ -	\$ -	\$ -	\$ 26,574		
Special Payments	\$ 5,000,000	\$ -	\$ 5,000,000	\$ -	\$ -	\$ -	\$ 10,000,000		

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
SCR 040 - Single Family Housing Programs									
Package 101: Essential Current Service Level Staff									
Personal Services	\$ -	\$ -	\$ 569,445	\$ -	\$ -	\$ -	\$ 569,445	2	2.00
Package 102: Essential Current Service Level Position Reclassifications									
Personal Services	\$ -	\$ -	\$ 11,224	\$ -	\$ -	\$ -	\$ 11,224	0	0.00
Package 106: Address Racial Disparities in Homeownership									
Personal Services	\$ 413,273	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 413,273	2	2.00
Services and Supplies	\$ 341,727	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 341,727		
Special Payments	\$ 1,245,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,245,000		
Package 107: Down Payment Assistance tied to OHCS Lending									
Special Payments	\$ 20,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,000,000		
Package 113: Safe and Healthy Manufactured Housing									
Services and Supplies	\$ 300,000	\$ -	\$ 83,125	\$ -	\$ -	\$ -	\$ 383,125		
Special Payments	\$ 6,700,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,700,000		
Package 114: Homeownership Development									
Personal Services	\$ 407,246	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 407,246	3	1.75
Services and Supplies	\$ 449,251	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 449,251		
Special Payments	\$ 19,143,503	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,143,503		
Package 801: LFO Analyst Adjustments									
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ 3,642,250	\$ -	\$ 3,642,250	23	19.88
Services and Supplies	\$ -	\$ -	\$ -	\$ -	\$ 2,429,992	\$ -	\$ 2,429,992		
Special Payments	\$ -	\$ -	\$ -	\$ -	\$ 26,873,711	\$ -	\$ 26,873,711		
Package 803: Core Investments									
Personal Services	\$ 733,888	\$ -	\$ 1,081,044	\$ -	\$ -	\$ -	\$ 1,814,932	10	8.67
Services and Supplies	\$ 57,778	\$ -	\$ 86,068	\$ -	\$ -	\$ -	\$ 143,846		
Package 804: Strategic Initiatives									
Personal Services	\$ 142,075	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 142,075	1	0.88
Services and Supplies	\$ 20,508	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,508		
Special Payments	\$ 2,837,417	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,837,417		
SCR 050 - Homeownership Stabilization Initiative									
Package 115: Restore OHSI Positions									
Personal Services	\$ -	\$ -	\$ 1,304,288	\$ -	\$ -	\$ -	\$ 1,304,288	14	5.93
Services and Supplies	\$ -	\$ -	\$ 150,574	\$ -	\$ -	\$ -	\$ 150,574		

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
SCR 070 - Central Services									
Package 090: Analyst Adjustments									
Services and Supplies	\$ (144,556)	\$ -	\$ 144,556	\$ -	\$ -	\$ -	\$ -		
Package 099: Microsoft 365 Consolidation									
Services and Supplies	\$ -	\$ -	\$ (140,018)	\$ -	\$ (17,992)	\$ -	\$ (158,010)		
Package 101: Essential Current Service Level Staff									
Personal Services	\$ -	\$ -	\$ 3,450,672	\$ -	\$ -	\$ -	\$ 3,450,672	14	14.00
Services and Supplies	\$ -	\$ -	\$ 91,890	\$ -	\$ -	\$ -	\$ 91,890		
Package 102: Essential Current Service Level Position Reclassifications									
Personal Services	\$ -	\$ -	\$ 112,491	\$ -	\$ 5,531	\$ -	\$ 118,022	0	0.50
Package 801: LFO Analyst Adjustments									
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ 2,964,165	\$ -	\$ 2,964,165	17	15.38
Services and Supplies	\$ -	\$ -	\$ -	\$ -	\$ 249,037	\$ -	\$ 249,037		
Package 803: Core Investments									
Personal Services	\$ 960,392	\$ -	\$ 1,417,791	\$ -	\$ -	\$ -	\$ 2,378,183	13	11.50
Services and Supplies	\$ 73,383	\$ -	\$ 115,265	\$ -	\$ -	\$ -	\$ 188,648		
Package 804: Strategic Initiatives									
Personal Services	\$ -	\$ -	\$ 172,342	\$ -	\$ -	\$ -	\$ 172,342	1	0.92
Services and Supplies	\$ -	\$ -	\$ 19,538	\$ -	\$ -	\$ -	\$ 19,538		
SCR 080 - Bond Activities and Debt Service									
Package 087: August 2020 Special Session									
Debt Service	\$ 9,208,901	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,208,901		
Package 101: Essential Current Service Level Staff									
Personal Services	\$ -	\$ -	\$ 245,453	\$ -	\$ -	\$ -	\$ 245,453	1	1.00
Services and Supplies	\$ -	\$ -	\$ 15,315	\$ -	\$ -	\$ -	\$ 15,315		
Package 801: LFO Analyst Adjustments									
Debt Service	\$ -	\$ -	\$ 1	\$ -	\$ -	\$ -	\$ 1		
TOTAL ADJUSTMENTS	\$ 117,716,319	\$ -	\$ 40,806,178	\$ -	\$ 305,402,307	\$ -	\$ 463,924,804	134	115.09
SUBCOMMITTEE RECOMMENDATION *	\$ 204,066,180	\$ 30,269,740	\$ 353,390,233	\$ 926,692,991	\$ 437,717,346	\$ 176,472,688	\$ 2,128,609,178	330	310.09
% Change from 2019-21 Leg Approved Budget	(38.4%)	39.2%	(50.0%)	(12.3%)	38.3%	16.0%	(17.6%)	43.5%	42.4%
% Change from 2021-23 Current Service Level	136.3%	0.0%	13.1%	0.0%	230.8%	0.0%	27.9%	68.4%	59.0%

*Excludes Capital Construction Expenditures

EMERGENCY BOARD

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Special purpose appropriation for affordable housing and child care development proposal	\$ 10,000,000						\$ 10,000,000		
SUBCOMMITTEE RECOMMENDATION	\$ 10,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000,000		

PRELIMINARY

Legislatively Approved 2021 - 2023 Key Performance Measures

Published: 6/15/2021 8:33:41 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 Approved 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%
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.		Approved	8%	7%	7%
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%
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.		Approved	36%	40%	40%
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.		Approved		5%	5%
8. Homeownership - Percentage of households at or below the county median family income served by the Oregon Bond Residential Loan program.		Approved		70%	70%
9. Homeownership Services to People of Color - Percentage of people served by all OHCS homeownership programs who identify as people of color.		Approved		30%	30%
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%

Legislatively Approved KPMs	Metrics	Agency Request	Last Reported Result	Target 2022	Target 2023
	Timeliness		76%	80%	80%
	Accuracy		72%	80%	80%
	Expertise		81%	80%	80%
	Helpfulness		81%	80%	80%
7. Homeownership - Percentage of households at or below the state's median household income served by our single family programs.		Legislatively Deleted	56%	55%	
8. Homeownership (People of Color) - Percentage of OHCS residential loan program loans issued to people of color.		Legislatively Deleted	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:

The Subcommittee approved the Legislative Fiscal Office recommendation on Key Performance Measures, which is reflected above.

The Subcommittee expressed concerns regarding issues of timeliness and customer satisfaction, particularly as these factors relate to recent stakeholder experiences with the Landlord Compensation Program. It is anticipated that results of the next customer satisfaction survey may reflect similar concerns on the part of stakeholders.