

OREGON HOUSING AND COMMUNITY SERVICES

AGENCY BUDGET PRESENTATION: REMAINING TOPICS



Andrea Bell, *Executive Director* | **Caleb Yant**, *Deputy Director*
Oregon Housing and Community Services

March 30, 2023
Joint Ways and Means Subcommittee on
Transportation and Economic Development

2023-25 OHCS AGENCY BUDGET PRESENTATION

Agenda



OHCS Proposed Budget includes *more than* \$1.46 billion to advance housing solutions



- Four weeks ago:
 - Three days for the [agency presentation](#) covering historical context, budget summary, and five agency budget areas
 - One day of public testimony
 - 27 Oregonians testified verbally
 - [Over 105 pieces of written testimony supporting OHCS requests](#)
- Today:
 - Reduction options
 - Key Performance Measures
 - Snapshot of pending legislation impacting the agency

15% Reduction options

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



Reduction options

Program Area	Program Name	Impact of 15% Reduction	General Fund	Other Funds	Federal Funds
Project-Based Rent Assistance	Permanent Supportive Housing rent assistance and tenant services	This reduction would align Special Payments with revised estimates for unit occupancy. This doesn't impact the program in the 2023-25 biennium and funding would be adjusted in the 2025-27 biennium based on occupancy.	(\$6,713,450)	\$0	\$0
Affordable Rental Housing, Disaster Recovery & Resiliency, Central Services	Various	A fund shift will prevent impacts to programs and doesn't eliminate positions. This option changes funding on 11 positions and Services & Supplies costs.	(\$3,403,263)	\$2,135,252	\$1,268,011
Housing Stabilization	Elderly Rental Assistance	This would eliminate the program and shift funding for one position to Other Funds. The Emergency Housing Assistance program offers the same services. About 2,234 households wouldn't receive services from this program.	(\$1,646,744)	\$196,598	\$0
Housing Stabilization	Housing Choice Landlord Guarantee Program	This would eliminate new funding so the program would operate on the account balance. About 51 landlords wouldn't receive assistance due to losses from tenants with Housing Choice vouchers.	(\$337,910)	(\$337,910)	\$0
Housing Stabilization	State Homeless Assistance Program	A reduction of this magnitude would mean that an estimated 10,118 households wouldn't receive shelter services.	(\$5,179,709)	\$0	\$0
Housing Stabilization	Emergency Housing Assistance	This reduction would impact an estimated 7,484 households that wouldn't receive housing retention services.	(\$11,549,273)	\$0	\$0

Key Performance Measures



Key Performance Measures

KPM #	Area
1	Homeless Services: Preventing and Ending Homelessness
2	Energy Services: Energy Assistance
3	Multifamily Housing: Affordable Rental Housing (incomes served)
4	Multifamily Housing: Affordable Rental Housing (special needs populations)
5	Multifamily Housing: Affordable Rental Housing (construction costs)
6	Multifamily Housing: Affordable Rental Housing (high opportunity areas)
7	Multifamily Housing: Affordable Rental Housing (rural housing)
8	Single Family Housing: Homeownership (incomes served)
9	Single Family Housing: Homeownership (serving people of color)
10	Agency: Customer Service

KPM 3: Percent units funded for 50% AMI or less



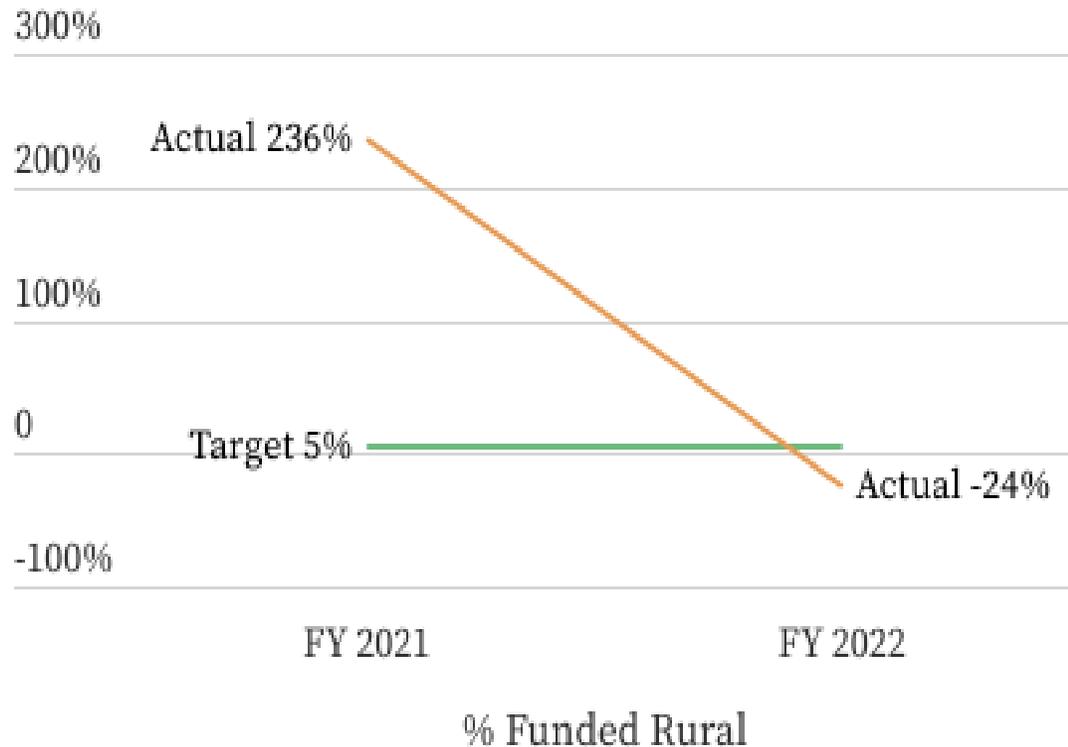
- From July 1, 2021, through June 30, 2022, 1,858 units, or 40% of rental units approved for funding, will be affordable to households with income at or below 50% of the area median income.
- This is below our goal of 50%.
- LIFT, by state statute, drives to lowest cost per unit and develops home at 60% AMI or below. LIFT has grown as a percentage of OHCS' overall development dollars.

KPM 5: Affordable Rental Housing (preservation 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 data.
- Met for new construction; didn't meet for preservation.
- Increase standards for affordable housing: prevailing wage, LEED, etc.
- National data doesn't consider site location or wage requirements.

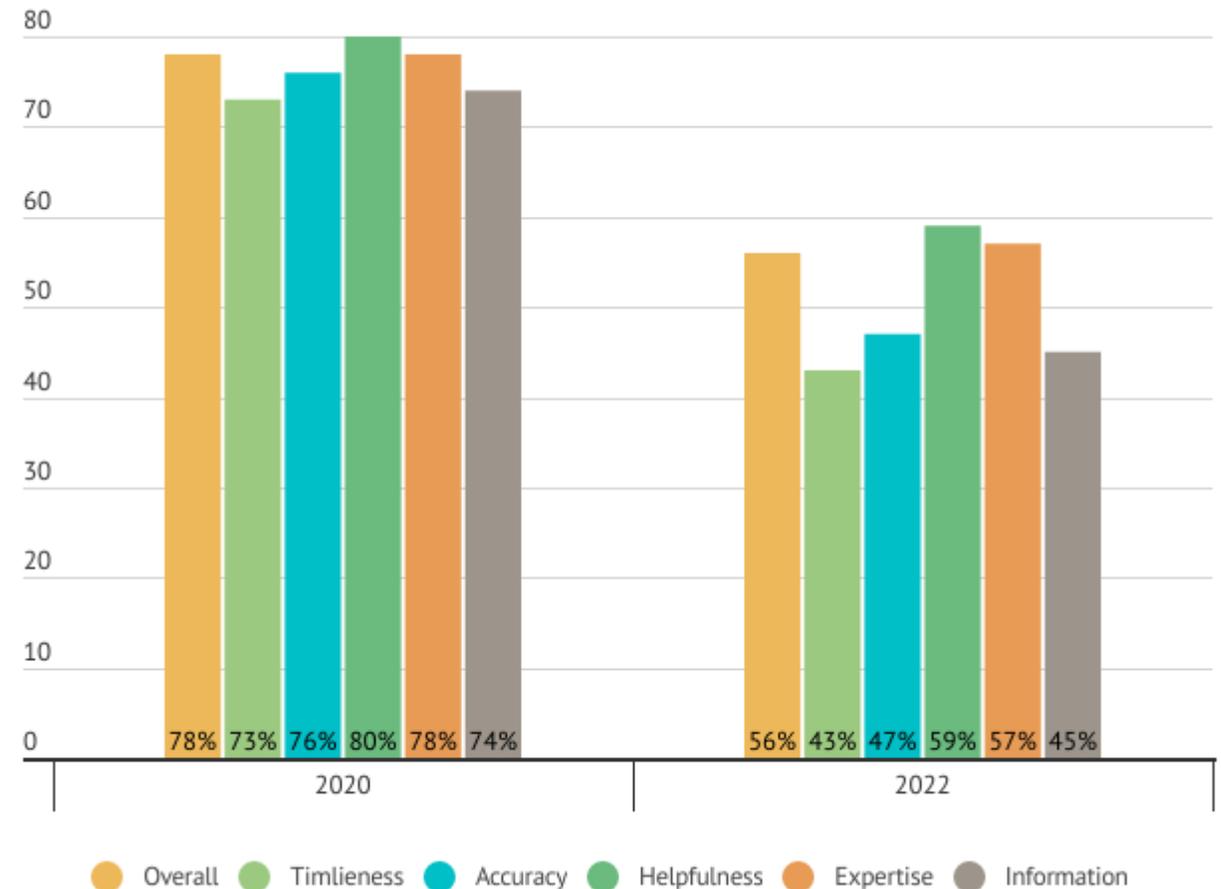
KPM 7: Percent increase in rural affordable development



- Percent **increase** in the number of affordable rental housing units that will be developed in rural areas.
- There was a **decrease of 24%** in the number of units funded in rural areas from the previous year, which corresponds to a **decrease of 21%** in units funded overall from the previous year.
- The percentage of all units funded in rural areas remains above what it was in FY 2019 (19%), at 24%.
- Second year tracking this KPM, challenges in the way this KPM is calculated.
- OHCS will request changes to this KPM in 2025; OHCS likely to propose 25% target of overall units funded in rural areas.

KPM 10: Customer service

- Goal is 80% overall satisfaction.
- OHCS took on a direct service role for the first time and staff managed the work of two or three positions to stand up emergency programs; nearly all poor or fair ratings were related to these programs (Emergency Rental Assistance and Homeownership Assistance Fund).
 - Survey completed, historically, by organizations that OHCS funds. More direct clients completed the survey this time.
- Midstream interventions, such as setting up call centers and establishing ombudsperson, showing promising results.



Pending Legislation Summary



OHCS sponsored and supported legislation

Bill	Summary
HB 2761	Expands OHCS ability to fund affordable units within mixed income developments.
HB 3151	Extends the Manufactured Housing Dispute Resolution Advisory Committee and permits OHCS to provide grants for legal assistance for tenants, among other non-agency drafted provisions.
HB 3215	Creates the Disaster Housing Recovery Fund. Additionally, OHCS is seeking the ability to contract directly with entities rebuilding residential homes post-disaster.
SB 225	Changes use of Private Activity Bonds for affordable housing.
SB 892	OHCS statute clean-up bill: confirms Tribal access to OHCS capacity building and income level for certain programs, streamlines rulemaking, expands procurement authority, allows lending of down payment assistance with all mortgage products, and cleans up account language and sunsets unused accounts.
SB 893	Streamlines grantmaking processes and purposes for Housing Stabilization Division resources and expands planning related to recommendations from the Task Force on Homelessness and Racial Disparities.

NOTE: Due to the transition, some agency bills have been introduced by individual legislators or committees.

Snapshot of other legislation

As OHCS scales up emergency response related to Executive Order 23-02, 23-03, and 23-04, agency capacity must be strategically deployed in proven programs that drive solutions.

Bills that have made it past the deadline (as of March 26, 2023):

- Amend or expand existing programs: 14
- Establish new programs or new resources: 12
- Provides resources to existing efforts: 2



Moving forward in partnership

- Housing crisis decades in the making – it will take concerted and consistent effort and investments to end it.
- Collectively, Oregon is poised to expand strategic initiatives using systems built over the course of the pandemic.



OREGON HOUSING AND COMMUNITY SERVICES QUESTIONS?



Andrea Bell, *Executive Director* | **Caleb Yant**, *Deputy Director*
Oregon Housing and Community Services

Joint Ways and Means Subcommittee on
Transportation and Economic Development

Reference Slides



Mission

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



**Working together to serve individuals, families
and communities throughout Oregon**

Statewide Housing Plan: Progress on priorities



Equity & Racial Justice



Homelessness

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



On track



Permanent Supportive Housing

Funded over 1,200 units of permanent supportive housing.



Complete/
Will exceed



Affordable Rental Housing

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



On track



Homeownership

Assisted 1,568 households in becoming successful homeowners.



In progress



Rural Communities

Funded 3,612 affordable housing units in rural Oregon.



Complete/
Will exceed

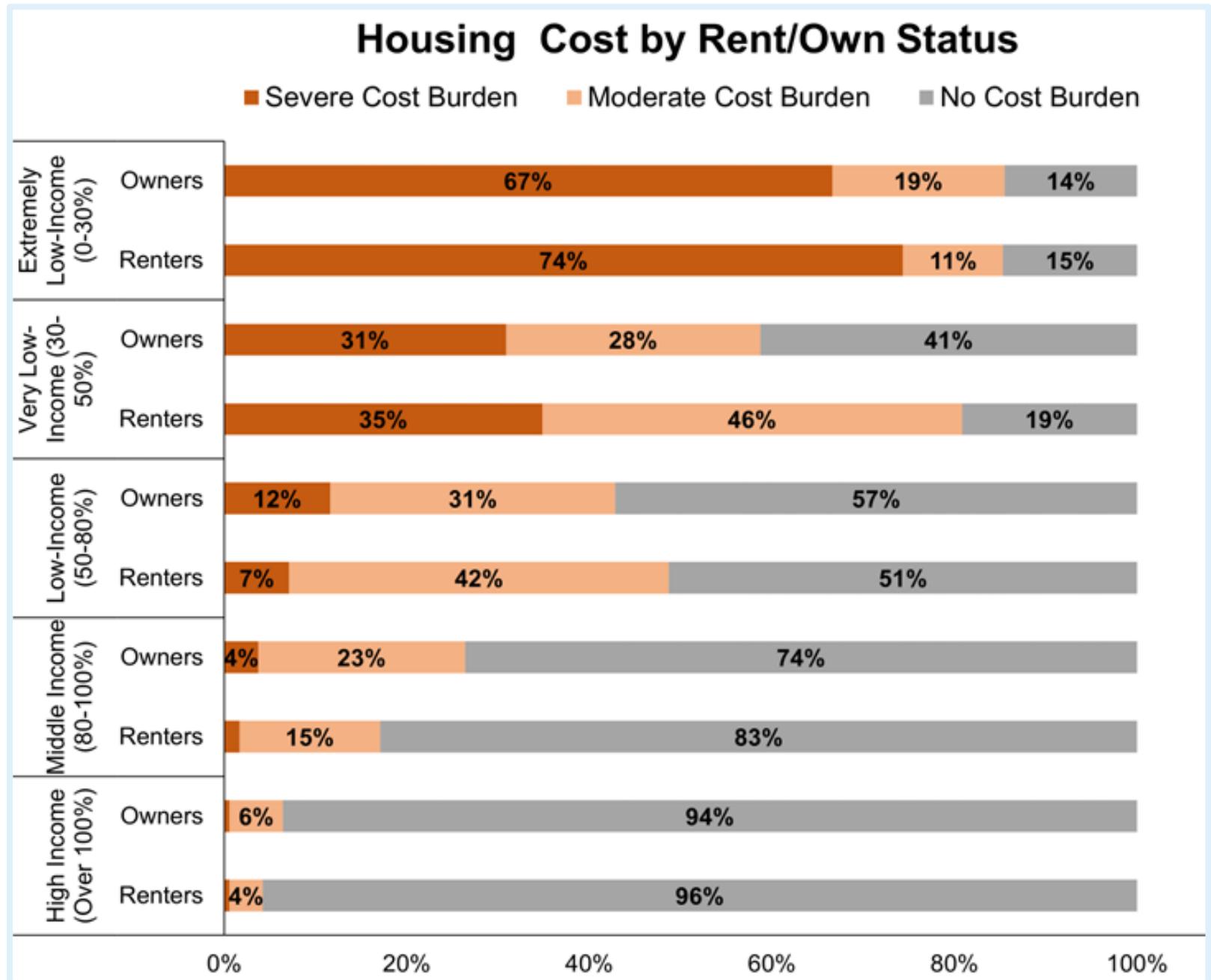
Who do OHCS programs serve?

Individuals and families who struggle to access affordable housing, mainly those living below area median income. This includes:



Affordable housing = 30% or less of gross income spent on housing

Oregonians with low income face severe housing costs.



2023-25 Policy Packages

Package	General and Lottery Funds	Other Funds	Federal Funds	Total Funds
090: Analyst Adjustments	\$378.60M	\$9.92M	\$865K	\$389.38M
101: Retaining Quality Staff		\$3.8M	\$395K	\$4.2M
102: Improving Program Delivery and Access		\$6.5M	\$1.3M	\$8.3M
103: Training, Technical Assistance & Access	\$9.4M			\$9.4M
104: Addressing Homelessness with Permanent Supportive Housing	\$5.73M Debt Service	\$130M Article XI-Q \$1M		\$136.8M
105: LIFTing up OR: Building Affordable Housing	\$33.98M Debt Service	\$770M Article XI-Q \$5.7M		\$809.7M
106: Shelter for Oregonians	\$5.0M			\$5.0M

Package	General and Lottery Funds	Other Funds	Federal Funds	Total
107: Preserving Oregon's Affordable Housing Stock	\$18M	\$119.2M		\$137.2M
108: Supporting Owners of Manufactured Homes	\$4.0M	\$4.0M		\$8.0M
109: Building Starter Homes	\$5.0M	\$45.0M		\$50.0M
110: Keeping Oregonians in Their Homes	\$1.5M			\$1.5M
112: Modernizing Grant Management Systems		\$1.0M		\$1.0M
114: Care for Children in Affordable Housing	\$5M			\$5.0M
116: Supporting Homebuyers	\$13.6M	\$18.6M		\$32.2M
117: Investing in Oregonian's Futures	\$7.5M			\$7.5M
118: Deploying Federal Recovery Resources		\$21.9M	\$136.8M	\$158.7M
POP 119: Deploying Federal Resources			\$8.5M	\$8.5M

2023-25 Policy Packages

Pending Legislation

Bill	Summary
HB 2001	Establishes Oregon Housing Needs Analysis in Oregon Department of Administrative Services. Allows the Emergency Housing Account to be used for services and assistance for K-12 school-aged children and their families, who are homeless or at risk of being homeless. Creates a program to provide grants or loans to entities to expand or begin the production capacity of modular housing. Creates a priority requirement for entities who receive funding.
HB 2077	Extends sunset for tax credit for affordable housing lenders.
HB 2078	Extends sunset for tax credits for owner or operator of agriculture workforce housing.
HB 2092	Extends sunset provisions for various tax credits.
HB 2653	Creates credit against income taxes for selling publicly supported housing to retain as affordable housing.
HB 2761	Expands Housing and Community Services Department ability to allow financing of certain affordable residential units within mixed-income or mixed-use housing developments subject to limits established by Oregon Housing Stability Council.
HB 2763	Establishes State Public Bank Task Force.
HB 2879	Requires Housing and Community Services Department to study affordable housing for college students.
HB 2889	Establishes Oregon Housing Needs Analysis within Housing and Community Services Department.
HB 2925	Extends deadlines for affinity group task forces to complete their work with respect to allocations of resources to address communities' needs and health inequities faced by communities and to report recommendations to Legislative Assembly.
HB 2983	Appropriates moneys from General Fund to Department of Land Conservation and Development and Housing and Community Services Department to support manufactured dwellings and manufactured dwelling parks.
HB 3010	Limits, for purposes of personal income taxation, amount of allowed mortgage interest deduction.

Pending Legislation

Bill	Summary
HB 3042	Limits terminations and rent increases for three years after tenants' housing is withdrawn from publicly supported housing.
HB 3125	Establishes Public Drinking Water and Sewer Ratepayer Assistance Fund.
HB 3151	Limits improvements that landlord of manufactured dwelling park may require of tenant.
HB 3166	Requires State Department of Energy, in consultation with Housing and Community Services Department, to establish whole-home energy savings program and high-efficiency electric home rebate program.
HB 3209	Establishes emergency veterans housing program within Housing and Community Services Department.
HB 3215	Authorizes Housing and Community Services Department to support replacement, reconstruction or rehabilitation of residential units damaged or destroyed by disaster and to support recovery of residents of such housing.
HB 3302	Relating to a tax credit for investment in affordable housing; creating new provision; amending ORS 314.772 and 318.031; and prescribing an effective date.
HB 3268	Establishes Rural System Development Charges Program within Housing and Community Services Department to pay system development charges for rural affordable multifamily housing. Establishes Rural System Development Charges Fund. Appropriates moneys from General Fund to department for purposes of program.
HB 3417	During state of emergency due to homelessness, allows Housing and Community Services Department to expand landlord guarantee program to include landlords providing housing to tenants receiving other rental assistance.
HB 3482	Relating to affordable housing.
HB 3492	Directs Housing and Community Services Department by rule to establish and implement pilot program through which department cooperates with qualified lending institutions to provide 100% financing for residential property purchases to persons who qualify for special purpose credit programs.
HB 5511	Appropriates moneys from General Fund to Housing and Community Services Department for biennial expenses and debt service.

Pending Legislation

Bill	Summary
SB 41	Creates Task Force on Regulatory Efficiency.
SB 131	Extends sunset for tax credit for affordable housing lenders.
SB 132	Extends sunset for tax credits for owner or operator of agriculture workforce housing.
SB 155	Extends sunset provisions for various tax credits.
SB 225	Provides that unused portion of amount of pass-through revenue bonds authorized for issuance in preceding biennium carries forward until legislation authorizing amount of pass-through revenue bonds for current biennium is enacted.
SB 496	Amends allowable purposes of Emergency Housing Account to include account moneys to be used for grants to assist companion animals of individuals experiencing or at risk of homelessness.

Pending Legislation

Bill	Summary
SB 861	Appropriates moneys from General Fund to Housing and Community Services Department to provide grants to promote innovative and cost-effective housing types.
SB 892	Amends statutes relating to housing laws and to authority of Housing and Community Services Department and Oregon Housing Stability Council, including changes to department's procurement authority and ability to provide down payment assistance.
SB 893	Directs Housing and Community Services Department to study issues related to homelessness and to report to appropriate committee or interim committee of Legislative Assembly on or before Sept. 15, 2025.
SB 918	Requires Housing and Community Services Department to study housing.
SB 919	Requires Housing and Community Services Department to study housing.
SB 936	Requires Housing and Community Services Department to provide grants to developers of single-family homes made available for affordable homeownership. Requires department to provide loans under modified version of Affordable Housing Land Acquisition Revolving Loan Program for land for affordable homeownership housing.
SB 937	Requires Housing and Community Services Department to make grant to Network for Oregon Affordable Housing to provide low-interest loans to purchasers of homes with limited equity.

