

SB 5511 A BUDGET REPORT and MEASURE SUMMARY

Carrier: Rep. Gamba

Joint Committee On Ways and Means

Action Date: 06/09/23

Action: Do Pass the A-Eng bill.

House Vote

Yeas: 7 - Evans, Gomberg, Holvey, McLain, Pham K, Sanchez, Smith G

Nays: 4 - Breese-Iverson, Cate, Lewis, Reschke

Exc: 1 - Valderrama

Senate Vote

Yeas: 9 - Anderson, Campos, Dembrow, Findley, Frederick, Gelser Blouin, Hansell, Sollman, Steiner

Exc: 2 - Girod, Knopp

Prepared By: Tamara Brickman, Department of Administrative Services

Reviewed By: Michelle Deister, Legislative Fiscal Office

*** CORRECTED ***

**Housing and Community Services Department
2023-25**

Budget Summary*

	2021-23 Legislatively Approved Budget ⁽¹⁾	2023-25 Current Service Level	2023-25 Committee Recommendation	Committee Change from 2021-23 Leg. Approved	
				\$ Change	% Change
General Fund	\$ 854,675,215	\$ 76,121,154	\$ 297,221,112	\$ (557,454,103)	(65.2%)
General Fund Debt Service	\$ 69,307,754	\$ 116,081,170	\$ 116,081,170	\$ 46,773,416	67.5%
Lottery Funds Debt Service	\$ 25,224,730	\$ 28,443,620	\$ 28,443,620	\$ 3,218,890	12.8%
Other Funds Limited	\$ 697,740,895	\$ 504,140,287	\$ 646,874,898	\$ (50,865,997)	(7.3%)
Other Funds Debt Service	\$ 33,241	\$ -	\$ -	\$ (33,241)	(100.0%)
Other Funds Nonlimited	\$ 559,173,134	\$ 558,673,134	\$ 558,673,134	\$ (500,000)	(0.1%)
Other Funds Debt Service Nonlimited	\$ 367,512,148	\$ 324,175,922	\$ 324,175,922	\$ (43,336,226)	(11.8%)
Federal Funds Limited	\$ 780,210,822	\$ 185,664,067	\$ 402,036,303	\$ (378,174,519)	(48.5%)
Federal Funds Nonlimited	\$ 176,472,688	\$ 185,102,399	\$ 185,102,399	\$ 8,629,711	4.9%
Total	\$ 3,530,350,627	\$ 1,978,401,753	\$ 2,558,608,558	\$ (971,742,069)	(27.5%)

Position Summary

Authorized Positions	422	323	441	19
Full-time Equivalent (FTE) positions	366.03	322.50	447.58	81.55

⁽¹⁾ Includes adjustments through January 2023

* Excludes Capital Construction expenditures

Summary of Revenue Changes

For Oregon Housing and Community Services (OHC) the Subcommittee recommended General Fund in the amount of \$297.2 million for the 2023-25 biennium and includes several packages being recommended. An additional \$116.1 million General Fund appropriation is for debt services for bonds sold in previous biennia for Low Income Fast Track (LIFT), Permanent Supportive Housing (PSH) and Land Acquisition programs. OHCS also received Lottery Funds, used for debt service payments on bonds used to build housing and preserve affordable rental housing.

OHCS programs are primarily funded with Federal or Other Funds. OHCS's budget for Other Funds revenue includes Limited and Nonlimited Funds expenditures. The funding is derived from a variety of sources, including bond sales, loan repayments, public utility charges, document recording fees, and manufactured home tax assessments. OHCS's Federal Funds are received from the U.S. Department of Housing and Urban Development, the U.S. Department of Health and Human Services, the U.S. Department of Energy, the U.S. Department of Treasury, and the

Bonneville Power Administration, among others. OHCS generally carries forward large Other Funds beginning balances each biennium, which are committed for construction projects, revolving loan funds, or operating reserves required for conduit or tax credit bonding programs.

The largest sources of Other Funds Limited revenue are generated from document recording fees, public purpose charges, administration charges, and service charges. By statute, ten percent of the document recording fee revenue is dedicated to the Emergency Housing Assistance Program, 14 percent is dedicated to the Home Ownership Assistance Program, and 76 percent is dedicated to the General Housing Account Program. Twenty-five percent of each category must be used to support veterans. Public purpose charges assessed on electricity customers support housing development, weatherization, and electricity bill payment assistance for low-income households. Administration and service charges encompass a variety of revenue sources including multifamily housing charges, portfolio administration charges, and contract administration fees related to Project-Based Contract Administration. Additional Other Funds revenues are from interest income, loan repayments, net revenue transfers, and miscellaneous other income sources.

Summary of Transportation and Economic Development Subcommittee Action

The mission of OHCS is to provide stable and affordable housing and engage leaders to develop integrated statewide policy addressing poverty and providing opportunity for Oregonians. OHCS is Oregon's housing finance agency, providing financial and program support to create and preserve opportunities for quality, affordable housing for Oregonians of lower and moderate income. OHCS administers federal and state antipoverty, homeless and energy assistance, and community service programs. OHCS also assists in financing the creation and purchase of single-family homes, the new construction or rehabilitation of multifamily affordable housing developments, and grants and tax credits to promote affordable housing. Additionally, due to the 2020 Labor Day fires, OHCS has taken the leading role in assisting wildfire survivors with housing recovery.

The Subcommittee recommended a budget of \$2,558,608,558 total funds; consisting of \$413,302,282 General Fund; \$28,443,620 Lottery Funds; \$646,874,898 Other Funds expenditure limitation; \$402,036,303 Federal Funds expenditure limitation; \$882,849,056 Other Funds Nonlimited; \$185,102,399 Federal Funds Nonlimited; and 441 positions (447.58 FTE). This represents a total funds decrease of 27.5 percent from the 2021-23 Legislatively Approved Budget (LAB). The Department position count is increased by 19 positions (81.55 FTE) compared to the 2021-23 LAB. The Subcommittee recommended the following budget notes:

Budget Note: Agency Appropriation Structure

The Housing and Community Services Department is directed to work with the Legislative Fiscal Office and Chief Financial Office to establish a more detailed appropriation structure for its primary biennial budget bill, that more accurately and transparently reflects amounts budgeted for the agency's primary areas of investment. The changes shall be incorporated into the primary budget bill for the Housing and Community Services Department that is submitted for the 2025 regular Legislative Session. The bill shall include amounts,

by applicable fund type including General Fund, Other Funds, Federal Funds, and Lottery Funds, for the following agency summary cross reference programs: Housing Stabilization Programs; Project-Based Rental Housing Assistance; Multifamily Rental Housing Programs; Single Family Housing Programs; Disaster Recovery and Resiliency; Central Services; Bond Activities and Debt Service; and Capital Construction.

Budget Note: Expenditure and Outcome Information

The Housing and Community Services Department is directed to maintain and update – at least semi-annually - data dashboards or other publicly accessible information that provides information on outcomes, and information on state investments provided to the Department. The information should include the amount of the state investment compared to how much of the investment has been spent down and should compare state investments to Department funding from other sources. The information should be available by program, date, county or region, and local service provider, as applicable. This information shall be available and maintained on the agency’s web site. At least once per year, the agency shall report to the Joint Committee on Ways and Means on progress to date in expending appropriated funds, and on related outcomes for homeownership, affordable rental housing and homeless services that include the number housing units funded and number of households served through the Department’s programs, as applicable.

Housing Stabilization Programs

The Housing Stabilization Programs (HSP) division provides critical services to the lowest income Oregonians by addressing housing instability and helping Oregonians access safe, stable, and affordable housing options. The Division passes through federal and state resources to Oregon’s Community Action Agency (CAAs) network and their partners to enable local communities to provide a continuum of services that help low-income individuals and households. Housing insecurity and homelessness is often associated with enormous health inequities, including shorter life expectancy, higher morbidity, and greater usage of hospital services. Increasing housing security is expected to improve the health outcomes of vulnerable individuals and families. The two main programs in this division are:

- *Homeless Services* programs are delivered statewide by Oregon’s community action network and their partner agencies (CAAs). Program services are targeted to low and very low-income Oregonians to reduce and prevent homelessness, reduce poverty, and increase economic prosperity. Assistance includes providing outreach, shelter, rapid access to permanent housing, asset building through Individual Development Accounts, landlord incentives to house low-income persons, case management and other supportive services, direct financial and rental assistance, linkage to other basic needs programs, and program data collection and evaluation.
- *Energy Services* are currently delivered by CAA partners. Clients of these programs are households earning either 60 percent or less of state median income or 200 percent or less of the federal poverty level, with priority given to seniors, people with disabilities, and households with children. The programs provide utility bill payment assistance, prevent disconnection, or restore home energy services,

home health and safety improvements, heating system repair and replacement, energy conservation services, and base load measures (including replacement of inefficient appliances and lighting).

The Subcommittee recommended a budget of \$515,292,182 total funds (\$245,918,906 General Fund, \$124,981,031 Other Funds expenditure limitation, and \$144,392,245 Federal Funds expenditure limitation) and 56 positions (62.25 FTE). The Subcommittee recommended budget includes the following packages:

Package 070: Revenue Shortfalls. This package decreases Other Funds expenditure limitation by \$1,863,772, decreases Federal Funds expenditure limitation by \$397,508 and eliminates 10 permanent full-time positions (10.00 FTE) due to revenue shortfalls. In the 2021-23 biennium, 10 permanent positions were approved with one-time funding. Two positions were approved in House Bill 5011 (2021) utilizing funding from a one-time federal award from the U.S. Treasury for emergency rental assistance through the American Rescue Plan Act (ARPA). Eight additional positions were approved to address eviction and diversion efforts in Senate Bill 5561 (2021 Second Special Session) with one-time Other Funds resources from the ARPA State and Local Fiscal Recovery Fund. All 10 positions are either filled or currently in recruitment. The positions are restored in Package 101 (Retaining Quality Staff), utilizing ongoing revenue.

Package 082: September Eboard. This package includes \$15,301,933 Federal Funds expenditure limitation and two permanent full-time Compliance Specialist 2 positions (2.00 FTE) to distribute weatherization assistance to households experiencing low income. In 2021-23, OHCS received a \$30.6 million award from the U.S. Department of Energy, through the Infrastructure Investment and Jobs Act, for the Low-Income Weatherization Assistance Program (WAP). WAP provides weatherization and energy conservation services at no cost to households at or below 200 percent of the federal poverty level. OHCS will distribute funding to CAAs by formula to reach eligible households. The two requested positions will perform compliance work related to the federal award. The September 2022 Emergency Board approved \$15.3 million of Federal Funds expenditure limitation and position authority for the two Compliance Specialist 2 positions for anticipated 2021-23 expenditures. This package includes Federal Funds expenditure limitation for the related 2023-25 expenditures.

Package 090: Analyst Adjustments. This package increases Other Funds expenditure limitation and adds two permanent full-time positions (2.00 FTE) to the Housing Stabilization Division associated with implementation of a federal Medicaid Waiver, to coordinate housing resources for low-income Oregonians, since housing has been designated as a social determinate of health. An Operations and Policy Analyst 3 position will design a rental assistance program for use by the Oregon Health Authority (OHA) for purposes of providing six months of rental assistance supported by Medicaid. Health providers and housing authorities will be engaged to provide framework options for OHA. A second Program Analyst 3 position will coordinate reporting requirements related to waiver-eligible expenses and will also serve as the technical expert and provide program oversight related to the rental assistance benefit.

The package also includes \$3.7 million Other Funds expenditure limitation to enable the Department to spend funds that will be carried over on youth homelessness prevention efforts.

Finally, the package reduces the projected document recording fee revenues by \$2.6 million, from \$11.5 million to \$8.9 million, for the 2023-25 biennium based on the most recent estimate provided by DOR. DOR projected a decrease in document recording fee revenues due to a slowdown in the refinancing of mortgages due to a higher mortgage interest rate environment.

Package 101: Retaining Quality Staff. This package increases Other Funds expenditure limitation by \$2,198,183 and restores ten permanent, full-time positions (10.00 FTE) in the division. The positions were eliminated in Package 070 (Revenue Shortfalls) or phased out in Package 022. Two positions were initially authorized with one-time federal funding in House Bill 5011 (2021) to administer the Oregon Emergency Rental Assistance Program. Seven positions were initially authorized with one-time funding from the ARPA State and Local Fiscal Recovery Fund in Senate Bill 5561 (2021 Second Special Session) to administer the Oregon Eviction Diversion and Prevention Program (ORE-DAP). One position was initially authorized with a one-time General Fund appropriation in House Bill 5202 (2022) to support the Interagency Council on Homelessness. The positions are either currently filled or in active recruitment. The ongoing revenue source to support the positions is from document recording fees.

Package 102: Improving Program Delivery and Access. This package is a revenue only package and includes a revenue transfer of \$216,325 Other Funds to pay for the HSP division's share of additional requested positions in the Central Services division. Agency-wide, revenue transfers from other divisions fund 10 positions in the Central Services division to add staffing capacity to perform a variety of administrative functions, including budget development, fiscal compliance, accounting, information services and human resources work.

Package 106: Shelter for Oregonians. This package provides \$5.0 million General Fund for a tribal investment. The resources are intended to assist tribal communities respond to homelessness challenges in their communities.

Package 110: Keeping Oregonians in their Homes. The package provides \$55.0 million General Fund for rental assistance through the ORE-DAP and Rapid Response programs. At least 30 percent of these funds are to be directed to culturally specific organizations to provide these services, with an emphasis on organizations that performed this work under contract with OHCS in the 2021-23 biennium, in an effort to ensure continuity in services.

An additional appropriation of \$6.0 million General Fund is included for tenant resources, in the form of grants to be made to tenant assistance organizations to continue support provided either directly or indirectly in the 2021-23 biennium, for efforts including but not limited to tenant education, resource navigation, referrals, help line staffing, referrals, and eviction prevention resources. The resources will be granted to the following organizations in the following amounts:

- \$2.2 million to the Community Alliance of Tenants;
- \$0.3 million to the Springfield Eugene Tenant Association; and
- \$3.5 million to the Eviction Defense Project through the Oregon Law Center.

Package 119: Deploying Weatherization Resources. This package increases Federal Funds expenditure limitation by \$8.5 million to enable OHCS to expend the remaining balance of Emergency Solutions Grant funds received in 2020. One limited duration Program Analyst 4 position (0.50 FTE) is recommended to be extended, ensuring continuity for the program as it closes and to allow for close out monitoring and reporting.

Package 803: Emergency Housing Investment Package. This package provides \$132,651,886 General Fund support for the 2023-25 biennium and includes funding sufficient to maintain investments initially made through House Bill 5019 (2023) for the last eighteen months of the 2023-25 biennium. The funding and positions for these initiatives are not assumed to be part of the 2025-27 Current Service Level calculation.

In the Housing Stability Division, six additional positions are established, and 12.75 FTE are included (providing FTE to extend nine positions approved as part of House Bill 5019 (2023)) to augment OHCS support for Multi-Agency Coordinating group activities. New positions established in the Division include a Program Analyst 3, a Compliance Specialist 2, an Operations and Policy Analyst 3 associated with shelter operations, a Manager 2, and two Program Analysts devoted to services for youth and existing shelter operations. Corresponding Personal Services expenditure limitation of \$2,987,688 and associated Services and Supplies expenses of \$264,198 are included to support these positions.

General Fund, in this package, also continues the following investments in the continuum of care regions of the state included in the Governor's emergency declaration due to homelessness (Executive Order 2023-2) is as follows:

- \$45.8 million for approximately 600 low-barrier shelter beds and associated provider administration;
- \$17.5 million for services and block leasing arrangements to help maintain unit access for people rehoused through House Bill 5019 (2023);
- \$2.3 million to maintain local service provider staffing related to homeless outreach and navigation to shelter; and
- \$39.7 million to continue rental assistance payments and services to approximately 1,200 unsheltered households for the remainder of the biennium that are rehoused as a result of House Bill 5019 (2023) investments.

Also, included is \$24.1 million General Fund to continue operational support through 2023-25 for shelters and navigation centers funded through one-time investments in the 2019-21 and 2021-23 biennia including navigation centers and Project Turnkey sites.

Package 804: Removing Barriers to Shelter. A one-time General Fund increase of \$1.0 million is recommended to supplement Emergency Housing Assistance Program funding for the purpose of removing barriers to shelter by supporting services or accommodation of companion animals for those who are unstably housed.

Package 806: Expenditure Alignment. This package adjusts expenditure limitation to reflect changes in the presumed timing of expenditures since the publication of the Governor's Budget. The adjustments are to properly categorize employee pay codes and classifications and expenditures to correct entry errors pertaining to budget structure or expenditure category.

In HSP, additional Other Funds expenditure limitation is included to allow expenditure of legal settlement funds received in a previous biennium. Limitation is also authorized to reflect previously authorized transfers for General Fund to Other Funds for shelter operations and facilities funded through Project Turnkey. In total, expenditure limitation is increased by \$3,719,400 Other Funds and \$10,767,218 Federal Funds.

Project-Based Rental Housing Assistance

The Project-Based Rental Assistance (PBRA) Division provides rental assistance associated with specific housing units, rather than awarded to a tenant. PBRA programs include: 1) HUD Contract Administration (HCA), 2) HUD 811 PRA (HUD 811), and 3) PSH Project-Based Rent Assistance (PSH PBRA). HCA is Oregon's Performance Based Contract Administrator 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 HUD and subsidizes housing for low-income individuals and families. At the local level, the program is administered by Public Housing Agencies.

The Subcommittee recommended a budget of \$215,278,536 total funds (\$20,260,513 General Fund; \$8,848,641 Other Funds expenditure limitation; \$1,066,983 Federal Funds expenditure limitation; and \$ 185,102,399 Federal Funds Nonlimited) and 23 positions (22.34 FTE). The Subcommittee recommended budget includes the following packages:

Package 082: September EBoard. This package increases Other Funds expenditure limitation by \$851,763 and establishes four permanent full-time Compliance Specialist 2 positions (4.00 FTE) to perform Management Occupancy Reviews (MORs) as part of the required compliance duties associated with OHCS's contract with HUD. OHCS is required to complete annual MORs on two-thirds of the properties in its Performance-Based Contract Administrator portfolio. The source of Other Funds revenue to pay for these positions is the contracted per unit fees OHCS receives from HUD. The September 2022 Emergency Board approved position authority and Other Funds expenditure limitation for these permanent positions.

Package 101: Retaining Quality Staff. This package is a revenue only package and transfers \$30,961 Other Funds to pay for the Project-Based Rental Housing Assistance division's share of restored positions in the Central Services division. The Central Services division requested restoration of nine permanent full-time positions (9.00 FTE) to add staffing capacity to perform a variety of administrative functions, including research analysis, communications, procurement and diversity, equity and inclusion (DEI) work.

Package 102: Improving Program Delivery and Access. This package is a revenue only package and includes a revenue transfer of \$138,988 Other Funds to the Central Services division to augment staffing capacity to perform a variety of administrative functions, including budget development, fiscal compliance, accounting, information services and human resources work.

Package 801: LFO Analyst Adjustments. This package eliminates General Fund in the 2023-25 biennium to reflect the timing of expected occupancy for PSH units that were funded in previous biennia. PSH Units that are financed with state General Obligation bonds include a \$20,000 per unit/per year subsidy (\$40,000 per biennium) for rental assistance and wrap around services to tenants. Fewer units than originally projected are expected to come on-line in 2023-25 because of construction delays and supply chain issues experienced during the pandemic. One-time General Fund savings of \$6,713,450 is projected for the 2023-25 biennium.

Package 803: Emergency Housing Investment Package. This package includes General Fund support for the 2023-25 biennium sufficient to maintain investments initially made through House Bill 5019 (2023) for the last eighteen months of the 2023-25 biennium. The funding and positions for the following initiative is not assumed to part of the 2025-27 current service level calculation. A \$4,000,000 one-time General Fund appropriation is included to establish a risk mitigation fund for PSH units that help to stabilize operating costs, by providing a source of funding to repair damage to units or other unanticipated operations expenses. Corresponding Other Funds expenditure limitation is also included in this package.

Package 806: Expenditure Alignment. This package adjusts expenditure limitation to reflect changes in the presumed timing of expenditures since the publication of the Governor's Budget. The adjustments properly categorize employee pay codes and classifications, and expenditures to correct entry errors pertaining to budget structure or expenditure category.

In the Project Based Rental Housing program, two positions are transferred from the Affordable Rental Housing program to this program, and \$40,320 in Services and Supplies funding is added to correct an error in the Governor's Budget. In total, Other Funds expenditure limitation is increased by \$419,566 related to these changes.

Multifamily Rental Housing Programs

The Multifamily Rental Housing Programs Division provides a continuum of housing options for low income and at-risk Oregonians in need through 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.

The Subcommittee recommended a budget of \$387,527,949 total funds (\$9,700,195 General Fund; \$339,586,864 Other Funds expenditure limitation; \$37,840,890 Federal Funds expenditure limitation and \$400,000 Other Funds Nonlimited) and 129 positions (123.88 FTE). The Subcommittee recommended budget includes the following packages:

Package 090: Analyst Adjustments. This package makes a General Fund reduction of \$305,548 by shifting administrative costs for the Publicly Supported Housing Preservation program from General Fund to Other Funds. The Other Funds revenue source to support the additional Other Funds expenditures is excess operating reserves from revenue streams such as conduit bond fees or Low-Income Housing Tax Credit four percent fees, among others. This package also reduces the projected document recording fee revenue from \$87.6 million to \$67.6 million for the 2023-25 biennium based on the most recent estimate provided by DOR. DOR projected a decrease in document recording fee revenues due to a slowdown in the refinancing of mortgages due to a higher mortgage interest rate environment; the impact of this revenue reduction to the Affordable Rental Housing Programs Division is \$19.9 million.

Package 101: Retaining Quality Staff. This package is a revenue only package and transfers \$188,7311 Other Funds to pay for the Multifamily Rental Housing Program's share of restored positions in the Central Services division. The Central Services Division requested restoration of nine permanent full-time positions (9.00 FTE) to add staffing capacity to perform a variety of administrative functions, including research analysis, communications, procurement and DEI work.

Package 102: Improving Program Delivery and Access. This package increases Other Funds expenditure limitation by \$3,851,927 and establishes 18 permanent full-time positions (16.72 FTE) to build out the Division's infrastructure by filling a variety of operational gaps, including performing compliance work related to subsidized affordable rental housing, data tracking and analysis for affordable housing developments, outreach and support for division programs, administration of the Family Self Sufficiency program, which supports tenants in HUD Contract Administration properties, providing technical expertise for the Low-Income Housing Tax Credit and the Oregon Affordable Housing Tax Credit programs, among others. The recommended positions include the following:

- One Operations and Policy Analyst 4 position (0.92 FTE)
- Four Operations and Policy Analyst 2 positions (3.68 FTE)
- Two Program Analyst 4 positions (2.00 FTE)
- Two Program Analyst 3 positions (1.84 FTE)
- Two Compliance Specialist 1 positions (1.84 FTE)

- Four Compliance Specialist 2 positions (3.68 FTE)
- One Compliance Specialist 3 position (0.92 FTE)
- One Loan Specialist 1 position (0.92 FTE)
- One Loan Specialist 2 position (0.92 FTE)

Additionally, the package includes a revenue transfer of \$847,245 Other Funds to Central Services for staffing capacity to perform a variety of administrative functions, including budget development, fiscal compliance, accounting, information services and human resources work.

Package 805: Affordable Housing Realignment. This package allows for a change in business processes from multiple programs and fund offerings for financing of affordable rental housing projects to one consolidated annual Notice of Funding Availability, which is expected to result in more projects being ready to develop sooner, lessening the risk of market volatility on projects and reducing the time between funding commitments and project completion. Several strategies will be employed to implement the process change and support applicants seeking financing for affordable rental housing financing through OHCS.

- OHCS will create a process to prequalify organizations that wish to apply for funding, by establishing standards that applications will have to meet before they are accepted for review.
- For entities that cannot meet standards, a revolving loan capitalized by a one-time \$9.7 million General Fund appropriation will serve as bridge financing to help applicants finance permits, architectural services, or other pre-development costs, which will be repaid when the applicant submits a more complete application and receives a funding award.
- The new award process will continue to be competitive, but on a first-come, first-reviewed basis, after completion of all predevelopment activities. Additional financial incentives may be awarded to projects meeting goals of equity and racial justice, community partnerships, or housing to meet other targeted needs beyond production volume and affordability.

The change in business process requires 26 additional staff (22.00 FTE) consisting of Business Operations Administrators (managers), Program Analysts, Administrative Support, Loan Specialists, and Operations and Policy Analysts which will be financed through application fees charged to project sponsors.

- An applications team will receive and evaluate applications, manage communication with developer teams, and monitor resources.
- A policy initiative team will develop application scoring elements to meet policy objectives, based on input from the Housing Stability Council, advisory groups and best practices learned from other states or non-profits. This team will have program analysts to establish

funding criteria and encourage submission of projects that achieve objectives in equity and racial justice, rural housing production, and PSH.

- A pipeline management team will manage the predevelopment capacity resources, ensuring there is separation between the final applications team to avoid potential conflicts of interest.
- A data team will monitor results to determine if policy objectives are being met, in terms of the amount of housing produced, the cost per unit, and where and for whom the housing is produced.
- A change management team will identify internal policy and procedure changes that need to be reconfigured under this new model and help to communicate and engage with developers on how to navigate the new application processes.

In total, the package includes a \$9,700,000 General Fund appropriation for deposited into the General Housing Account and \$15,493,387 Other Funds expenditure limitation.

Package 806: Expenditure Alignment. This package adjusts expenditure limitation to reflect changes in the presumed timing of expenditures since the publication of the Governor’s budget. The adjustments are to properly categorize employee pay codes and classifications, and expenditures to correct entry errors pertaining to budget structure or expenditure category.

In the Multifamily Rental Housing Programs Division, two positions are transferred out of this Division into the Project Based Rental Housing program. Services and Supplies expenditure limitation is also removed from this Division and transferred to the Project Based Rental Housing program, for a total reduction of \$450,083 Other Funds expenditure limitation and two positions (1.84 FTE).

Single Family Housing Programs

Single Family Housing Programs provide support for financing and services increasing and maintaining homeownership through home buyer education; financial literacy counseling and coaching; foreclosure counseling; health and safety repairs; and stabilizing residential neighborhoods. OHCS 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 Oregon Bond Residential Loan Program uses a network of lenders to finance residential loans under the program guidelines. OHCS invests in and purchases these loans from the lenders using mortgage revenue bonds.

The Subcommittee recommended a budget of \$166,302,924 total funds (\$16,200,020 General Fund; \$81,215,811 Other Funds expenditure limitation; and \$68,887,093 Federal Funds expenditure limitation) and 42 positions (42.00 FTE). The Subcommittee recommended budget includes the following packages:

Package 090: Analyst Adjustments. This package, a revenue only package, reduces the projected document recording fee revenues for the 2023-25 biennium based on the most recent estimate provided by DOR. DOR projected a decrease in document recording fee revenues due to a slowdown in the refinancing of mortgages due to a higher mortgage interest rate environment. The impact to the Single-Family Housing Programs division is a decrease of \$3.7 million Other Funds.

Package 101: Retaining Quality Staff. This package is a revenue only package and transfers \$33,709 Other Funds to pay for the Single-Family Housing Program division's share of restored positions in the Central Services Division. The Central Services Division requested restoration of nine permanent full-time positions (9.00 FTE) to add staffing capacity to perform a variety of administrative functions, including research analysis, communications, procurement, and DEI work.

Package 102: Improving Program Delivery and Access. This package increases Other Funds expenditure limitation by \$283,050 and Federal Funds expenditure limitation by \$234,953 to continue two full-time limited duration positions (2.00 FTE), for work related to the Oregon Homeownership Stabilization Initiative (OHSI) and the Homeowner Assistance Fund (HAF). The source of Other Funds revenue is excess administrative allowances from state and federal programs. The source of Federal Funds revenue is from the OHSI and HAF federal awards.

Package 108: Supporting Owners of Manufactured Homes. This package appropriates \$2.5 million General Fund for deposit into the Manufactured Home Preservation Fund and correspondingly increases Other Funds expenditure limitation by \$2.5 million to provide additional resources to the Manufactured Home Replacement Program and assist homeowners as they move through the process of decommissioning and replacing their homes. The program leverages federal and non-profit resources to serve low-income homeowners who are living in substandard or dangerous manufactured housing.

Package 109: Building Starter Homes. This package increases Other Funds expenditure limitation by \$40,000,000 to allow for carry over of homeownership development funds approved for the 2021-23 biennium but are not anticipated to be expended until 2023-25. Of this amount, \$20 million is associated with development funding designated for development of alternative homeownership models, such as co-ops and community land trusts, as well as single family housing, and \$20 million is to be paired with proceeds from LIFT bonds for homeownership, approved in the 2021-23 biennium.

Package 116: Supporting Homebuyers. This package provides \$10,000,000 General Fund and increases Other Funds expenditure limitation by \$12,500,000. The components of this package are:

- \$7.5 million General Fund for deposit into the Housing Finance Fund for Down Payment Assistance in the 2023-25 biennium. This is intended to capitalize a revolving loan program to be paired with OHCS lending programs, providing a second mortgage at an affordable rate that allows disadvantaged borrowers to build equity at a faster rate. This funding is not assumed to be recurring for purposes of calculating current service level for the 2025-2027 biennium.

- \$2.5 million General Fund, on a one-time basis, for foreclosure avoidance counseling, which may provide access to the service for 1,875 Oregonians.
- \$12.5 million in Other Funds expenditure limitation, of which \$7.5 million is a corresponding increase for the aforementioned Down Payment assistance, plus \$5,000,000 in carry forward limitation from 2021-23 grants to culturally responsive organizations to increase homeownership opportunities in their communities.

Package 806: Expenditure Alignment. This package adjusts expenditure limitation to reflect changes in the presumed timing of expenditures since the publication of the Governor’s Budget. The adjustments are to properly categorize employee pay codes and classifications, and expenditures to correct entry errors pertaining to budget structure or expenditure category.

In the Single-Family Housing Programs Division, an increase in Federal Funds expenditure limitation of \$44,095,264 and the establishment of 3 positions (3.00 FTE) are provided to close out the Homeowner Assistance Fund program, which was funded by American Rescue Plan Act dollars and is expected to wrap up activities in 2023-25.

Homeownership Stabilization Initiative

The Oregon Homeownership Stabilization Initiative (OHSI) was a foreclosure prevention program assisting at-risk homeowners to avoid foreclosure through several activities. The program, known nationally as the Hardest Hit Fund (HHF) program, is funded entirely by federal Troubled Asset Relief Program (TARP) resources from the United States Department of Treasury (U.S. Treasury) in response to the 2008 economic recession. The overall goal of the HHF program is to stabilize the housing market through foreclosure prevention activities. Oregon received \$220 million from the HHF and expended all those resources before the 2017 program end date. In late 2015, the U.S. Congress committed additional funding to HHF. In February 2016, the U.S. Treasury announced Oregon was awarded \$95.4 million in additional funding to be fully expended by December 2021. The program is now closed; however, the budget contains Current Service Level adjustments to reflect the final expenditures of the program.

The Subcommittee made no recommended changes for this Division, as such it contains no funding for the 2023-25 biennium.

Disaster Recovery and Resiliency Programs

The Disaster Recovery and Resiliency Programs Division is a newly created Division consisting of a core staff of 13 positions to lead housing recovery efforts in the wake of disasters. The Division was created in direct response to the 2020 Labor Day fires. The Division focuses on assisting households with low to moderate incomes. The Division is primarily funded through a federal Community Develop Block Grant – Disaster Recovery award.

The Subcommittee recommended a budget of \$189,631,182 total funds (\$865,847 General Fund; \$49,542,865 Other Funds expenditure limitation; and \$139,222,470 Federal Funds expenditure limitation) and 42 positions (42.00 FTE). The Subcommittee recommended budget includes the following packages:

Package 118: Deploying Federal Recovery Resources. OHCS received a \$422 million Community Development Block Grant – Disaster Relief for recovery and rehousing efforts related to the 2020 fire season. The state has six years to complete expenditure of the entire grant from the date of approval of the action plan, which was approved in August of 2022. This policy package deploys a portion of the grant funds for rehousing efforts based on an action plan submitted to and approved by HUD, which serves as the granting agency and oversight authority. Included in the package is \$136,146,536 in Federal Funds expenditure limitation to support recovery efforts in the 2023-25 biennium and associated staffing. Also included in the package is Other Funds expenditure limitation associated with \$21,899,550 in lottery bond proceeds approved in 2021-23 committed to recovery projects, which will not be fully spent by the close of the 2021-23 biennium.

Deploying funding for the various program elements of the action plan (described below), requires procurement and compliance staffing; Program Analyst and Operations and Policy Analyst positions to evaluate applications and award funding for assistance and new housing production in wildfire affected communities; Public Affairs Specialists to serve as coordinators with partner agencies and community based organizations, media, local governments, and the public to ensure funding opportunities are understood and accessible; Business and Information Systems Specialists to manage an applicant intake and reporting system to track the use of funds and disposition of requests for assistance; and Financial Services staff to reconcile accounts and prepare financial reports for program managers, local and state partners, and HUD. Of the total package amount, \$148.8 million is associated with program payments for recovery efforts and \$9.2 million is for agency administrative expenses related to positions and Services and Supplies.

The components of the overall approved Action Plan are as follows:

- *Homeowner Assistance and Reconstruction Program (\$204.6 million):* A housing replacement program for homeowners who lost homes to the fires. The program will provide new homes or help survivors complete rebuilding. At this time, the program does not include any benefits for survivors who have completed their reconstruction. If sufficient funds are available, a reimbursement program could be added in a future amendment to the Action plan.
- *Homeownership Opportunities Program (\$119.3 million):* A new homeownership program for fire survivors who were renters and displaced by the fires. This program will fund development of affordable opportunities for former renters to buy homes. OHCS will partner with nonprofit and other developers to build new housing. When developing new “parks,” the program will focus on quality construction (ideally, modular units as opposed to manufactured homes) and cooperative or other land ownership models that ensure long-term affordable space rents.

- *Survivor Support Services*: The Action Plan has funds for services such as rent support, housing navigation, legal assistance, and case management; intermediate housing assistance (\$20.1 million); housing and recovery services (\$6.0 million); and legal services (\$6.0 million).
- *Planning, Public Infrastructure and Economic Revitalization Program (PIER) (\$42.1 million)*: PIER is a fund to support local priority projects to build new infrastructure, conduct mitigation activities to prepare for future disasters, and support economic revitalization. OHCS, with input from the impacted counties, will suballocate PIER funding by county. Local governments and other key recovery stakeholders (such as the housing authorities and economic development districts) will be asked to select and define the priority projects to receive these funds.
- *Community Planning and Revitalization (\$3 million)*: This program allows the state to conduct housing and mitigation planning for disaster-impacted areas.

The Action Plan budget reserves the maximum allowable amount (five percent or \$21.4 million) for administrative costs.

Package 806: Expenditure Alignment. This package adjusts expenditure limitation to reflect changes in the presumed timing of expenditures since the publication of the Governor’s Budget. The adjustments are to properly categorize employee pay codes and classifications, and expenditures to correct entry errors pertaining to budget structure or expenditure category.

In the Disaster Recovery and Resiliency Program, \$27,101,190 Other Funds expenditure limitation is added to reflect an authorized transfer of General Fund to Other Funds, which will enable funding approved in 2021-23 to be spent in the 2023-25 biennium.

Central Services

Central Services includes the Director’s Office; Deputy Director’s Office; Chief Operating Office; Public Affairs Office; Equity, Diversity, and Inclusion Office; Business Services; Human Resources; Chief Financial Office; the Procurement and Grant Compliance Section; the Accounting Section; and Information Services. In addition, Central Services supports each of OHCS’s program areas: Housing Stabilization programs, Project-Based Rental Assistance programs, Multifamily Rental Housing programs, Single Family Housing programs, Disaster Recovery and Resiliency programs and Bond Activities and Debt Service. Central Services’ role is to provide essential business services to support OHCS’s leadership and workforce to achieve its mission.

All funding sources in OHCS contribute to Central Services program costs. Based on OHCS’s HUD approved cost allocation plan, the relative benefit received by each program pays for the allocated share of costs contributing toward the Central Services program area. OHCS’s flexible funding sources, derived mostly from self-supporting activities such as bond-financed loan programs, administration of non-competitive federal tax credits, and contract duties performed for HUD, subsidize programs not providing sufficient revenue to cover costs. The cost allocation

methodology utilizes a “waterfall” approach. In the event a funding source is not available, the next closest programmatic funding source is identified as a revenue source. If that source is not sufficient, the unmet need is matched with the subsequent next best match.

The Subcommittee recommended a budget of \$51,170,478 total funds (\$4,125,002 General Fund; \$36,418,854 Other Funds expenditure limitation; and \$10,626,622 Federal Funds expenditure limitation) and 140 positions (146.19 FTE). The Subcommittee recommended budget includes the following packages:

Package 070: Revenue Shortfalls. This package decreases Other Funds expenditure limitation by \$1,267,270, decreases Federal Funds expenditure limitation by \$ 525,573 and eliminates eight permanent full-time positions (8.00 FTE) due to revenue shortfalls. In the 2021-23 biennium, eight permanent positions were approved with one-time funding. Two positions were approved in House Bill 5011 (2021) utilizing funding from a one-time federal award from the U.S. Treasury through the ARPA Emergency Rental Assistance program. Six positions were approved to address emergency rental assistance work in Senate Bill 5561 (2021 Second Special Session) with one-time Other Funds resources from the ARPA State and Local Fiscal Recovery Fund. All eight positions are either filled or currently in recruitment. The positions are restored in Package 101 (Retaining Quality Staff).

Package 090: Analyst Adjustments. This package provides staffing capacity to implement the new 1115 Medicaid waiver. The source of Other Funds revenue is a transfer from the Oregon Health Authority. A Financial Analyst position will be needed at 0.50 FTE for accounting and financial management related to fulfilling reporting requirements for the program. An Operations and Policy Analyst 3 position (1.00 FTE) will coordinate engagement and gather feedback with healthcare and housing providers. OHCS may return to the Emergency Board with additional information and a request for additional staff to meet demonstrated increases in workload associated with this waiver.

Package 101: Retaining Quality Staff. This package provides resources to support permanent positions, established as limited duration in the 2021-23 biennium with ongoing revenue. In the Central Services division, these positions perform agency-wide functions including accounting, procurement, and contracts processing, information services, and communications. Other Funds expenditure limitation is increased by \$1,589,702, Federal Funds expenditure limitation is increased by \$395,882, and nine positions (9.00 FTE) are restored to the Central Services division.

Package 102: Improving Program Delivery and Access. This package increases Other Funds expenditure limitation by \$1,447,440 and increases Federal Funds expenditure limitation by \$769,847 to fund 10 permanent, full-time positions (9.48 FTE) to add staffing capacity to perform a variety of administrative functions, including budget development, fiscal compliance, accounting, information services and human resources work. The revenue source for these positions is existing administrative funding from state and federal programs. The positions included are:

- One Fiscal Analyst 2 position (0.92 FTE)

- One Fiscal Analyst 3 position (1.00 FTE)
- One Compliance and Regulations Manager (1.00 FTE)
- Two Program Analyst 2 positions (1.84 FTE)
- One Accountant 2 position (0.92 FTE)
- One Information Systems Specialist 4 position (1.00 FTE)
- One Information Systems Specialist 5 position (1.00 FTE)
- One Human Resource Analyst 1 position (0.92 FTE)
- One Human Resource Analyst 2 position (0.88 FTE)

Package 103: Training, Technical Assistance & Access. This package includes \$1,700,000 General Fund to support language accessibility tools within the Department's various Divisions, and to make content published on the web available to those with limited English proficiency. The work consists of translation and interpretation services and ensures compliance with federal, state, and ADA requirements.

Package 118: Deploying Federal Recovery Resources. This package includes an increase of \$681,520 Federal Funds expenditure limitation and the continuation of two full-time limited duration Accountant positions (2.00 FTE), as well as the establishment of a limited duration full-time Research Analyst 3 position (0.92 FTE) to provide administrative support to the Re-Oregon program. The positions will request funds from HUD's disbursement system, make payments to vendors and complete required reports. Re-Oregon assists homeowners with replacement or repair of homes lost in the 2020 Labor Day Fires. The program is primarily funded with a portion of the \$422.3 million federal Community Development Block Grant - Disaster Relief award.

Package 801: LFO Analyst Adjustments. This package shifts support for seven positions in the Central Services division from General Fund to Other Funds. Administrative allowances from program fees charged by other divisions, and Federal Funds administrative allowances where applicable are sufficient to support this support this fund shift.

Package 803: Emergency Housing Investment Package. This package includes General Fund support for the 2023-25 biennium sufficient to maintain investments initially made through House Bill 5019 (2023) for the last eighteen months of the 2023-25 biennium. The funding and positions are not assumed to part of the 2025-27 current service level calculation. The package funds already established positions by adding 8.25 FTE to continue positions in the Central Services division that were established to focus on coordinating and implementing efforts related to Executive Order 2023-02, the Governor's emergency declaration due to homelessness. These positions are related to contracting, public

affairs, research, reporting, accounting, data collection, and program management. General Fund of \$2,648,114 is recommended to support this work.

Package 805: Affordable Housing Realignment. This package allows for a change in business processes from multiple programs and fund offerings for financing of affordable rental housing projects to one consolidated annual Notice of Funding Availability, which is expected to result in more projects being ready to develop sooner, lessening the risk of market volatility on projects and reducing the time between funding commitments and project completion. Several strategies will be employed to implement the process change and support applicants seeking financing for affordable rental housing financing through OHCS.

Within this program, the package supports eight positions (7.04 FTE) at a cost of \$1,756,846 Other Funds for accounting, human resources, and information technology functions related to streamlining funding opportunities and supporting developers with predevelopment resources until they are ready to successfully submit projects for financing. The changes are expected to result in an increased number of overall transactions, tracking and reporting on loans originated with predevelopment resources, and additional recruitment, classification, and employee relations associated with new staff. In addition, a training and development specialist will be dedicated to onboarding new staff, and an information systems specialist position will guide efforts to reconfigure data systems for the new application process and associated necessary reporting functions.

Bond Activities and Debt Service

The Bond Related Activities and Debt Service Division provides safe and affordable rental housing to low-income Oregonians, as well as providing 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.

OHCS sells tax-exempt bonds to investors and uses the proceeds to finance multifamily and single-family mortgage loans. OHCS Nonlimited Debt Service activities represent Nonlimited expenditures, which would repay investors and other parties' obligations owed on the outstanding debt issued by OHCS to finance various loan program activities.

OHCS's budget reflects its direct revenue bonds and Elderly and Disabled Housing bonds in the Other Funds Nonlimited category. This includes bond proceeds, debt service, and cost of issuance. Administrative expenses for the program are under Other Funds Limited. OHCS also issues conduit, or pass-through revenue bonds, which are not included in OHCS's budget. These bond activities are self-supporting. Within federal statutory and bond indenture limits, any income earned above the amount needed to cover debt service and program administrative expenses can be used to pay the general operating expenses of the agency.

OHCS General Fund and Lottery Fund Debt Service pays the obligations associated with the LIFT bonding program, PSH bonding program and Lottery Bonds issued to address a variety of housing needs.

The Subcommittee recommended a budget of \$1,033,405,307 total funds (\$116,231,799 General Funds; \$28,443,620 Lottery Funds; \$6,280,832 Other Funds expenditure limitation; and \$882,449,056 Other Funds Nonlimited) and nine positions (8.92 FTE). The Subcommittee recommended budget includes the following packages:

Package 101: Retaining Quality Staff. This package, a revenue only package, transfers revenue in the amount of \$20,843 to pay for the Bond Activities and Debt Service division's share of restored positions in the Central Services Division.

Package 102: Improving Program Delivery and Access. This package increases Other Funds expenditure limitation by \$233,058 and establishes one permanent full-time Fiscal Analyst 3 position (0.92 FTE) to provide additional administrative support to manage bond sales, invest bond proceeds, and manage debt service payments.

Summary of Performance Measure Action

See attached Legislatively Adopted 2023-25 Key Performance Measures form.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Oregon Housing and Community Services
 Tamara Brickman -- (971) 719-3492

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2021-23 Legislatively Approved Budget at Jan 2023 *	\$ 923,982,969	\$ 25,224,730	\$ 697,774,136	\$ 926,685,282	\$ 780,210,822	\$ 176,472,688	\$ 3,530,350,627	422	366.03
2023-25 Current Service Level (CSL)*	\$ 192,202,324	\$ 28,443,620	\$ 504,140,287	\$ 882,849,056	\$ 185,664,067	\$ 185,102,399	\$ 1,978,401,753	323	322.50
SUBCOMMITTEE ADJUSTMENTS (from CSL)									
SCR 91400-010 - Housing Stabilization Programs									
Package 070: Revenue Shortfalls									
Personal Services	\$ -	\$ -	\$ (1,863,772)	\$ -	\$ (397,508)	\$ -	\$ (2,261,280)	(10)	(10.00)
Package 082: September Eboard									
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ 382,876	\$ -	\$ 382,876	2	2.00
Services and Supplies	\$ -	\$ -	\$ -	\$ -	\$ 41,560	\$ -	\$ 41,560		
Special Payments	\$ -	\$ -	\$ -	\$ -	\$ 14,877,497	\$ -	\$ 14,877,497		
Package 090: Analyst Adjustments									
Personal Services	\$ -	\$ -	\$ 404,385	\$ -	\$ -	\$ -	\$ 404,385	2	2.00
Services and Supplies	\$ -	\$ -	\$ 45,285	\$ -	\$ -	\$ -	\$ 45,285		
Special Payments	\$ -	\$ -	\$ 3,700,000	\$ -	\$ -	\$ -	\$ 3,700,000		
Package 101: Retaining Quality Staff									
Personal Services	\$ -	\$ -	\$ 2,198,183	\$ -	\$ -	\$ -	\$ 2,198,183	10	10.00
Package 106: Shelter for Oregonians									
Special Payments	\$ 5,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000,000		
Package 110: Keeping Oregonians in ther Homes									
Special Payments	\$ 61,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 61,000,000		
Package 119: Deploying Weatherization Resources									
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ 147,583	\$ -	\$ 147,583	1	0.50
Services and Supplies	\$ -	\$ -	\$ -	\$ -	\$ 17,060	\$ -	\$ 17,060		
Special Payments	\$ -	\$ -	\$ -	\$ -	\$ 8,335,357	\$ -	\$ 8,335,357		
Package 803: Emergency Housing Investment Package									
Personal Services	\$ 2,987,688	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,987,688	6	12.75
Services and Supplies	\$ 264,198	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 264,198		
Special Payments	\$ 129,400,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 129,400,000		
Package 804: Removing Barriers to Shelter									
Special Payments	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000		
Package 806: Expenditure Alignment									
Special Payments	\$ -	\$ -	\$ 3,719,400	\$ -	\$ 10,767,218	\$ -	\$ 14,486,618		
SCR 91400-025 - Project-Based Rental Housing Assistance									
Package 082: September Eboard									
Personal Services	\$ -	\$ -	\$ 768,643	\$ -	\$ -	\$ -	\$ 768,643	4	4.00
Services and Supplies	\$ -	\$ -	\$ 83,120	\$ -	\$ -	\$ -	\$ 83,120		
Package 801: LFO Analyst Adjustments									
Special Payments	\$ (6,713,450)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (6,713,450)		

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Package 803: Emergency Housing Investment Package									
Special Payments - 6060 Intra-Agency Gen Fund Transfer	\$ 4,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,000,000		
Special Payments	\$ -	\$ -	\$ 4,000,000	\$ -	\$ -	\$ -	\$ 4,000,000		
Package 806: Expenditure Alignment									
Personal Services	\$ -	\$ -	\$ 379,246	\$ -	\$ -	\$ -	\$ 379,246	2	1.84
Services and Supplies	\$ -	\$ -	\$ 40,320	\$ -	\$ -	\$ -	\$ 40,320		
SCR 91400-030 - Multifamily Rental Housing Program									
Package 090: Analyst Adjustments									
Personal Services	\$ (86,257)	\$ -	\$ 86,257	\$ -	\$ -	\$ -	\$ -	0	0.00
Services and Supplies	\$ (219,291)	\$ -	\$ 219,291	\$ -	\$ -	\$ -	\$ -		
Package 102: Improving Program Delivery and Access									
Personal Services	\$ -	\$ -	\$ 3,506,302	\$ -	\$ -	\$ -	\$ 3,506,302	18	16.72
Services and Supplies	\$ -	\$ -	\$ 345,625	\$ -	\$ -	\$ -	\$ 345,625		
Package 805: Affordable Housing Realignment									
Personal Services	\$ -	\$ -	\$ 5,282,867	\$ -	\$ -	\$ -	\$ 5,282,867	26	22.00
Services and Supplies	\$ -	\$ -	\$ 510,520	\$ -	\$ -	\$ -	\$ 510,520		
Special Payments - 6060 Intra-Agency Gen Fund Transfer	\$ 9,700,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,700,000		
Special Payments	\$ -	\$ -	\$ 9,700,000	\$ -	\$ -	\$ -	\$ 9,700,000		
Package 806: Expenditure Alignment									
Personal Services	\$ -	\$ -	\$ (409,763)	\$ -	\$ -	\$ -	\$ (409,763)	(2)	(1.84)
Services and Supplies	\$ -	\$ -	\$ (40,320)	\$ -	\$ -	\$ -	\$ (40,320)		
SCR 91400-040 - Single Family Housing Programs									
Package 102: Improving Program Delivery and Access									
Personal Services	\$ -	\$ -	\$ 262,270	\$ -	\$ 214,173	\$ -	\$ 476,443	2	2.00
Services and Supplies	\$ -	\$ -	\$ 20,780	\$ -	\$ 20,780	\$ -	\$ 41,560		
Package 108: Supporting Owners of Manufactured Homes									
Special Payments - 6060 Intra-Agency Gen Fund Transfer	\$ 2,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,500,000		
Special Payments	\$ -	\$ -	\$ 2,500,000	\$ -	\$ -	\$ -	\$ 2,500,000		
Package 109: Building Starter Homes									
Special Payments	\$ -	\$ -	\$ 40,000,000	\$ -	\$ -	\$ -	\$ 40,000,000		
Package 116: Supporting Homebuyers									
Special Payments - 6060 Intra-Agency Gen Fund Transfer	\$ 10,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000,000		
Special Payments	\$ -	\$ -	\$ 12,500,000	\$ -	\$ -	\$ -	\$ 12,500,000		
Package 806: Expenditure Alignment									
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ 554,875	\$ -	\$ 554,875	3	3.00
Services and Supplies	\$ -	\$ -	\$ -	\$ -	\$ 62,340	\$ -	\$ 62,340		
Special Payments	\$ -	\$ -	\$ -	\$ -	\$ 43,478,049	\$ -	\$ 43,478,049		

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE	
			LIMITED	NONLIMITED	LIMITED	NONLIMITED				
SCR 91400-060 - Disaster Recovery & Resiliency										
Package 118: Deploying Federal Recovery Resources										
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,182,197	\$ -	6,182,197	29	29.00
Services and Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,080,522	\$ -	3,080,522		
Special Payments	\$ -	\$ -	\$ -	\$ 21,889,550	\$ -	\$ 126,883,817	\$ -	148,773,367		
Package 806: Expenditure Alignment										
Capital Outlay	\$ -	\$ -	\$ -	\$ 27,101,190	\$ -	\$ -	\$ -	27,101,190		
SCR 91400-070 - Central Services										
Package 070: Revenue Shortfalls										
Personal Services	\$ -	\$ -	\$ -	\$ (1,267,270)	\$ -	\$ (525,573)	\$ -	(1,792,843)	(8)	(8.00)
Package 090: Analyst Adjustments										
Personal Services	\$ -	\$ -	\$ -	\$ 305,016	\$ -	\$ -	\$ -	305,016	2	1.50
Services and Supplies	\$ -	\$ -	\$ -	\$ 41,560	\$ -	\$ -	\$ -	41,560		
Package 101: Retaining Quality Staff										
Personal Services	\$ -	\$ -	\$ -	\$ 1,589,702	\$ -	\$ 395,882	\$ -	1,985,584	9	9.00
Package 102: Improving Program Delivery and Access										
Personal Services	\$ -	\$ -	\$ -	\$ 1,313,144	\$ -	\$ 700,373	\$ -	2,013,517	10	9.48
Services and Supplies	\$ -	\$ -	\$ -	\$ 134,296	\$ -	\$ 69,474	\$ -	203,770		
Package 103: Training, Technical Assistance & Access										
Services and Supplies	\$ 1,700,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1,700,000		
Package 118: Deploying Federal Recovery Resources										
Personal Services						\$ 619,800	\$ -	619,800	3	2.92
Services and Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 61,720	\$ -	61,720		
Special Payments										
Package 801: LFO Analyst Adjustments										
Personal Services	\$ (1,601,867)	\$ -	\$ -	\$ 1,295,538	\$ -	\$ 306,329	\$ -	-	0	0.00
Services and Supplies	\$ (479,177)	\$ -	\$ -	\$ 383,342	\$ -	\$ 95,835	\$ -	-		
Package 803: Emergency Housing Investment Package										
Personal Services	\$ 1,908,850	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1,908,850	0	8.25
Services and Supplies	\$ 739,264	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	739,264		
Package 805: Affordable Housing Realignment										
Personal Services	\$ -	\$ -	\$ -	\$ 1,597,736	\$ -	\$ -	\$ -	1,597,736	8	7.04
Services and Supplies	\$ -	\$ -	\$ -	\$ 159,110	\$ -	\$ -	\$ -	159,110		

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
SCR 91400-080 - Bond Activities and Debt Service									
Package 102: Improving Program Delivery and Access									
Personal Services	\$ -	\$ -	\$ 213,208	\$ -	\$ -	\$ -	\$ 213,208	1	0.92
Services and Supplies	\$ -	\$ -	\$ 19,850	\$ -	\$ -	\$ -	\$ 19,850		
TOTAL ADJUSTMENTS	\$ 221,099,958	\$ -	\$ 142,734,611	\$ -	\$ 216,372,236	\$ -	\$ 580,206,805	118	125.08
SUBCOMMITTEE RECOMMENDATION *	\$ 413,302,282	\$ 28,443,620	\$ 646,874,898	\$ 882,849,056	\$ 402,036,303	\$ 185,102,399	\$ 2,558,608,558	441	447.58
% Change from 2021-23 Leg Approved Budget	(55.3%)	12.8%	(7.3%)	(4.7%)	(48.5%)	4.9%	(27.5%)	4.5%	22.3%
% Change from 2023-25 Current Service Level	115.0%	0.0%	28.3%	0.0%	116.5%	0.0%	29.3%	36.5%	38.8%

*Excludes Capital Construction Expenditures

Legislatively Approved 2023 - 2025 Key Performance Measures

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Agency: Housing and Community Services Department

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 2024	Target 2025
1. Reducing Homelessness - Percentage of homeless households who exited into permanent housing and retained that housing for six months or longer.		Approved	87%	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	92%	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	40%	65%	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	12%	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	100%	100%	100%
	b) Cost per square foot for rehabilitated housing units developed through grant and tax credit programs		169%	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	43%	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	-24%	5%	5%
8. Homeownership - Percentage of households at or below the county median family income served by the Oregon Bond Residential Loan program.		Approved	86%	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	32%	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	45%	80%	80%
	Overall		55%	80%	80%

Legislatively Approved KPMs	Metrics	Agency Request	Last Reported Result	Target 2024	Target 2025
	Timeliness		47%	80%	80%
	Accuracy		48%	80%	80%
	Expertise		58%	80%	80%
	Helpfulness		60%	80%	80%

LFO Recommendation:

The Legislative Fiscal Office recommends 2023-25 Key Performance Measures and targets as presented.

SubCommittee Action:

The Subcommittee approved 2023-25 Key Performance Measures as presented by the Legislative Fiscal Office.