Housing Stability Council

MEETING MATERIALS PACKET

The Vera Apartments
Portland, Oregon

Dec 3, 2021

9:00 a.m. – 2:00 p.m.

Oregon Housing & Community Services

Webinar

Council Members:
Claire Hall, Chair
Sami Jo Difuntorum
Mary Ferrell
Barbara Higinbotham
Candace Jamison
Mary Li
Javier Mena
Gerard F. Sandoval, PhD
Charles Wilhoite

AGENDA

Dec 03, 2021 9:00 a.m. - 2:00p.m.
Oregon Housing and Community Services
725 Summer St NE, Salem OR 97301

Webinar Mtg Only
Public register in advance for this webinar

OREGON HOUSING & COMMUNITY SERVICES
HOUSING STABILITY COUNCIL

TIME	TOPIC	SWHP Priority	ACTION
9:00	**Meeting Called to Order**		Call Roll
9:05	**Public Comment**		
9:15	**Report of the Director**		Briefing
9:45	**Homeownership Division (pg. 01)** ***Emese Perfecto, Director,*** *Homeownership* • **Oregon Bond Loan Approvals:** *Kim Freeman, Assistant Director Homeownership Programs* • **Down Payment Assistance DPA programmatic framework for a briefing:** *Alycia Howell, HOAP Program Analyst* • **HAF update:** *Ryan Vanden Brink, Assistant Director Homeowner Assistance Programs*		Decision Briefings
10:45	**Affordable Rental Housing Division (pg. 39)** ***Natasha Detweiler-Daby, Interim Director****, Affordable Rental Housing* • **MF Housing Transactions:** o **The Joyce:** *Tanya Stagray, Production Analyst, Joanne Sheehy & Tai Dunson-Strane, Interim Production Manager* o **Traditions at Hazelwood:** *Alan Borges, Production Analyst & Tai Dunson-Strane, Interim Production Manager* • **Funding Calendar:** *Roberto Franco, Assistant Director Development Resources and Production & Natasha Detweiler-Daby, Interim Director Affordable Rental Housing*		Decisions
12:00	**15-minute Break**		
12:15	**2020 Wildfire Recovery (pg. 74)** ***Ryan Flynn, Assistant Director****, Disaster Recovery & Resiliency* • **CDBG-DR:** *Ryan Flynn, Tony Ramirez and Kevin O'Neill from HUD*		Briefing
1:00	**Emergency Rental Assistance & Landlord Compensation Fund (pg. 77)** • **LCF:** *Rick Ruzicka, Interim Assistant Director Planning & Policy, Mitch Hannoosh, Interim Senior Policy Analyst & Natasha Detweiler-Daby, Interim Director Affordable Rental Housing* • **ERA:** *Laura Lien, Assistant Director of Homeless Services, Sam Kenney, Senior Homeless Services Policy Analyst, Lauren Dressen, Rental Assistance Program Coordinator*		Briefing
1:45	**Report of the Chair**		
2:00	**Meeting Adjourned**		

All times listed on this agenda are approximate and subject to change. Agenda items may also be taken out of order and addressed at different times than listed. The agenda may be amended by the Council at the time of the meeting.

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HOUSING STABILITY COUNCIL

The Housing Stability Council helps to lead OHCS to meet the housing and services needs of low- and moderate-income Oregonians. The Housing Stability Council works to establish and support OHCS' strategic direction, foster constructive partnerships across the state, set policy and issue funding decisions, and overall lend their unique expertise to the policy and program development of the agency.

The 2019-2023 Statewide Housing Plan outlines six policy priorities that focuses OHCS' investments to ensure all Oregonians have the opportunity to pursue prosperity and live from poverty.

Statewide Housing Plan Policy Priorities

- **Equity & Racial Justice**
- **Homelessness**
- **Permanent Supportive Housing**
- **Affordable Rental Housing**
- **Homeownership**
- **Rural Communities**

For more information about the Housing Stability Council or the Statewide Housing Plan, please visit Oregon Housing and Community Services online at https://www.oregon.gov/ohcs/OSHC/Pages/index.aspx

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OREGON HOUSING and COMMUNITY SERVICES
725 SUMMER STREET NE, SUITE B | SALEM, OR 97301
503-986-2000 | www.oregon.gov/OHCS

Date: 11/19/2021

To: Housing Stability Council

From: Kim Freeman, Assistant Director Homeownership Programs

Re: Residential Loan Program

Recommended Motion: **Housing Stability Council approves the Consent Calendar**

Background: State statutes require the Housing Stability Council to establish a single-family loan threshold for loans to be review and approved prior to purchase. The current threshold for single-family loans includes all loans equal to or greater than 95% of the applicable area program purchase price limit.

Considerations:

1. The loan(s) under consideration is greater than or equal to 95% of the applicable area program purchase.

2. Staff has reviewed all of the following loan files and concluded that the borrowers and properties meet all relevant program guidelines for the Residential Loan Program. All required documents have been properly executed, received, and the loans have been approved for purchase. In addition to being approved by staff, the loan files have been underwritten by the applicable lenders and are insured by either FHA (FB), Rural Development (RG), or Uninsured (U) with a loan-to-value of 80% or less.

	Loan Amount	Purchase Price Limit	95% of Purchase Price Limit or Max	Monthly Mortgage Payment PITI
Loan #1	$380,303.00	$381,308.00 Targeted Coos	$362,242.60	$2,082.76
Loan #2	$308,828.00	$322,167.00 Non-Targeted Polk	$306,058.65	$1,674.77

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		Lender	UMPQUA BANK		
		Purchase Price	376,500.00	Note Amount	380,303.00
		Cost Limit	381,308.00	Principal Balance	$ 380,303
Property City	NORTH BEND OR 97459	Appr. Value	$ 378,000		
		Year Built	2002		
Hshld. Income	$ 100,218	Living Area (Sq. Ft.)	1,592	Loan-to-Value	101%
Income Limit	$ 113,680	Lot Size (Sq. Ft.)	8,276	Insurance Type	RG
% of Income Limit	88.16%	Cost per Sq. Ft.	$ 236.49	Rate	3.000%
Prior Ownership Yes (Y) or No (N)	N	New (N) or Existing (E)	E		
		Construction Style	One Story		

2

		Lender	UMPQUA BANK		
		Purchase Price	305,740.00	Note Amount	308,828.00
		Cost Limit	322,167.00	Principal Balance	$ 308,828
Property City	DALLAS OR 97338	Appr. Value	$ 310,000		
		Year Built	2021		
Hshld. Income	$ 80,589	Living Area (Sq. Ft.)	1,440	Loan-to-Value	101%
Income Limit	$ 93,380	Lot Size (Sq. Ft.)	2,100	Insurance Type	RG
% of Income Limit	86.30%	Cost per Sq. Ft.	$ 212.32	Rate	3.000%
Prior Ownership Yes (Y) or No (N)	N	New (N) or Existing (E)	N		
		Construction Style	Two Story		

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Date: December 3, 2021

To: Housing Stability Council
Margaret Solle Salazar, Executive Director

From: Emese Perfecto, Director Homeownership
Kim Freeman, Assistant Director of Homeownership Programs
Alycia Howell, HOAP Program Coordinator

Subject: Framework for HOAP-Down Payment Assistance Program

Purpose: To provide a briefing on the programmatic changes in the HOAP-DPA program in an effort to increase opportunities for communities of color. No HSC decision to be made.

Summary:

Propose changes to increase the program options available to homebuyers by focusing on specific eligibility criteria to increase homeownership amongst Black Indigenous and People of Color (BIPOC) and increase the maximum amount available to households to reduce the barriers of purchasing a home and increase generational wealth. In addition, offer a pilot program to Veteran households to reserve funding over time, to give the household time to be mortgage ready with funding available on their timeline and not OHCS Request for Applications (RFA) timeline to increase homeownership opportunities for deserving Oregon Veterans. (See "New Programs Proposed" section below.)

Background:

OHCS offers funding for the HOAP program collected from the state Document Recording Fees, Construction Excise Tax and specific funding for Veterans in a Request for Application (RFA) to eligible organizations to provide DPA to eligible first-time homebuyers within the current AMI. Currently, awarded organizations provide DPA to income eligible homebuyers as a loan or grant depending on their specific program guidelines. With the increase in document recording fees in 2018, we have seen a larger amount of funds available for our DPA program including additional funds from the Construction Excise Tax (CET) collected in certain jurisdictions (listed below), approved in 2016 (SB 1533). In the current program, organizations can apply for up to $300,000 in HOAP or CET funding with eligible homebuyers receiving up to $15,000 per household from the HOAP or CET funding. In addition, the current program has for the first time, funds specific to eligible Veteran homebuyers under the same income limits and maximum amounts. The HOAP funds and CET funds can be combined at the awarded organizations discretion and program guidelines for a maximum total of $30,000 per eligible household in certain jurisdiction where CET is collected.

All eligible homebuyers must take the required Pre-purchase Homebuyer Education and receive homebuyer counseling prior to receiving funds for their purchase. This helps the homebuyer understand the homebuying process and aids in the budgeting process to ensure the homebuyer knows what is needed in the future for maintaining and sustaining their home after the purchase.

Policy Intent:
The upcoming RFA will have a combination of funding sources: HOAP General; HOAP Veterans; Construction Excise Tax; and, allocated in the 2021 Legislative Session, funds for Culturally Responsive Organizations to increase homeownership opportunities. The program changes would apply to all funding sources. Available funds include:

- HOAP General Population: $6,700,000
- HOAP Veterans: $3,000,000
- General Funds/Culturally Responsive: $9,750,000
- Construction Excise Tax*:
    - City of Cannon Beach: $39,150
    - City of Corvallis: $46,127
    - City of Eugene: $121,203
    - City of Hood River: $41,422
    - City of Medford: $62,060
    - City of Milwaukie: $28,188
    - City of Newport: $40,163
    - City of Portland: $857,617
    - Hood River County: $90,212

*CET funds are typically received quarterly from each jurisdiction, the amounts listed are received to date, additional funds received by OHCS at the time of awards will be included. In addition, all CET funds are awarded to organizations serving the specific jurisdiction the funds are received from, as indicated in the CET Guidelines created by OHCS in 2016.

Eligible organizations can apply for up to $300,000 for HOAP General and Veterans, and CET or the amount available in CET, whichever is less. Eligible organizations serving more than four counties may request an amount over the $300,000 limit to allow for OHCS to target populations or areas of the state with the greatest need. Organizations eligible for the new Culturally Responsive funds can apply for up to $500,000, to allow for a broader disbursement to eligible homebuyers and to ensure Culturally Responsive/General Funds are expended in a timely manner.

As in the current program, awarded organizations may take up to 10% of the expended amount to homebuyers for administrative costs as needed (excluding CET funds). Organizations offering loans to homebuyers may not charge any type of fee, however, pass through recording and title fees are acceptable.

Eligibility:
Eligible organizations for these funds are non-profits, housing authorities, government entities and federally recognized Indian tribes that owns land in this state that sponsor and manage homeownership programs.

Awarded funds are granted or loaned to eligible homebuyers with at or below 100% Area Median Income (AMI) and meet each specific program eligibility criteria.

Organization eligibility for receiving the Culturally Responsive funds: organizations must demonstrate they have expended minimum 40% of their current or most recent DPA program funds to people of color or be an OHCS "certified" Culturally Specific Organization to request these funds. The data verification of expended funds can be from any DPA program, and the funding source does not have to be OHCS funds only. This eligibility criteria ensures the funds are used as intended and supports our Statewide Housing Plan. Using the data from our current DPA program, to date, more than 50% of the households receiving funds are people of color which is a great success for our partnering organizations that are offering the funds to homebuyers. 50% seems like a stretch for some organizations, but if organizations have intentional marketing around the homebuyers we want to serve, we feel 40% requirement of previous expended funds for non-culturally specific organizations will meet expectations of successful usage of the Culturally Responsive funds.

The DPA program and all funds (with the exception of CET funds) are available statewide to provide funds to communities throughout the state. The Culturally Responsive funds are specific to be funded to Community Culturally Responsive organizations as noted in HB 5011 (Package 107 of OHCS' Budget). We will use the recent 2021 Legislative approved Culturally Responsive Organization definition from HB 2100:

Culturally Responsive Organization: means an entity that, as determined by OHCS:
(a) Comprehensively addresses power relationships throughout the organization by methods that include addressing conflicts and dynamics of inclusion and exclusion;
(b) Has relationships with and is responsive to communities that the organization serves, including communities of color;
(c) Hires, promotes, trains and supports staff who are culturally and linguistically diverse in ways that reflect the communities that the organization serves, including communities of color;
(d) Provides culturally responsive service; and
(e) With respect to paragraphs (a) to (d) of this subsection, has adopted governance structures, policies, and cultural norms to hold its leadership and staff accountable and to continue improvements.

Historically, in large part because of government policies, white families were helped into benefits of purchasing a home, while families of color were largely denied them. The result is that today 75% of white households own homes, yet less than half of Black and Latinx households' own homes. Because homeownership is the cornerstone of wealth building, OHCS can help reduce this gap by adding the additional programs and the specific eligibility criteria, to help increase the homeownership for BIPOC and give them the advantage they need for homeownership opportunities and increase generational wealth.

Current **First Time Homebuyer** program:

- $15,000 maximum per household
- Loan or grant determined by awarded organization
- Pre-purchase education within 24 months of purchase (increased from 18 for consistency of other programs available)
- 1 Counseling Session prior to purchase
- 1 Post-purchase counseling session within 6 months of purchase (new)
- Qualified Mortgage (new)
- Eligibility criteria: income eligible and First Time Homebuyer

New Programs Proposed and changes:

First Generation Homebuyer:

- $45,000 maximum per household
- 100% forgivable after 7 years owner occupancy
- Pre-purchase education within 24 months of purchase
- 2 Counseling sessions prior to purchase
- 1 Post-purchase counseling session within 6 months of purchase
- Qualified Mortgage
- Eligibility criteria: income eligible and First Generation Homebuyer (self attestation)

Definition: First Generation Homebuyer: Any person whose parents or guardian never owned a home during the homebuyer's lifetime or lost the home to a foreclosure, short sale, or eminent domain and do not own a home now.

This definition aligns with the potential "Home Buyer Tax Credit" proposed in the current "Down Payment Toward Equity Act of 2021" discussed at a hearing of the Housing Financial Services Committee this year and other federal DPA programs being discussed as part of the "Build Back Better Act". We added "eminent domain" to the definition based on discussions with current stakeholders indicating this was an additional reason for previous generations of homeowners losing their home in urban areas of the state and not able to recover and purchase another home.

Mortgage Ready Homebuyer:

- $30,000 maximum per household
- 100% forgivable after 5 years owner occupancy
- Pre-purchase education within 24 months of purchase
- 2 Counseling sessions prior to purchase
- 1 Post-purchase counseling session within 6 months of purchase
- Qualified Mortgage
- Eligibility criteria: income eligible, First Time Homebuyer and must meet 2 or more of the following: Household of 4 or more, household member with disability, front end housing ratio 28% or higher, sole head of household with "eligible" dependent residing in household (dependent under 18, disabled or age 62 or older). This eligibility criteria aligns with the Flex Lending DPA eligibility to allow for layering of DPA funds to increase homebuyer purchase opportunities.

The First Generation and Mortgage Ready programs will be the only DPA programs available to use with the Culturally Responsive funds received in the 2021 Legislation. These funds are slated for Community Culturally Responsive organizations to increase homeownership opportunities, these two programs have eligibility criteria that focus on communities of color noted to serve with these funds.

The First Time Homebuyer, First Generation Homebuyer, and Mortgage Ready Homebuyer, all three of these programs can be used with the HOAP General, HOAP Veteran and CET funds available.

Veteran Income:

In the current program we have discovered from partnering organizations it has been difficult to find income eligible or "mortgage ready" Veterans. In further discussions with OHCS' previous Veteran Integrator, we learned some Veterans receive additional income from a pension, Veteran disability or from Guard Duty (in addition to their Veterans pay or regular employment). In some cases, this additional income can put the Veteran over the income limit, yet it is needed to qualify for the loan. To increase opportunities to deserving Veterans, we are proposing to exclude these additional income sources from income calculations for qualifying for any of these DPA funds available.

Veteran Eligibility:

In addition to the new rule changes to the Veteran definition, partners requested to include spouses of deceased Veterans to be eligible for these DPA funds.

Pilot Program:
Veterans Build Your Future:

- $30,000 maximum reserved for purchase per Veteran household
- $10,000 reserved after 12 months of ongoing coaching/counseling, up to 36 months
- Financial Literacy and/or Pre-purchase counseling with Counselor contact every 90-120 days, counseling or check-in during each 12 month period
- Pre-purchase education required within 24 months of purchase
- 1 Post-purchase counseling session within 6 months of purchase
- 100% forgivable after 5 years owner occupancy
- Qualified Mortgage
- Eligibility criteria: income eligible and Veteran First Time Homebuyer

This is meant to help Veterans by getting them ready for their purchase while reserving funds specific to the Veteran working on credit, or debt issues related to being “mortgage ready” so the funds are available when they have achieved their goal and are ready for their purchase. In addition to income issues in the current program, partners indicated Veterans had credit or debt issues making it impossible to buy during the current program, meaning over time this could change and they would be ready in the future, but the program may be closed, or the funding is no longer available. This pilot program would ensure when the Veteran was ready to buy, the funds would be available and would not have to wait for the organization to apply for additional funding in the future and/or be put on a wait list for future funds.

The additional counseling sessions, including the post-purchase counseling requirements came from discussions with partners indicating that it is typical for most First Time Homebuyers and definitely for First Generation Homebuyers to not have any previous knowledge of the homebuying process or what it takes to purchase and maintain a home. This is based on homebuyers not having access to this information through their parents as most have also not have owned a home. In an effort to get First Generation and First Time Homebuyers in homes, it is also as important to ensure these new homebuyers can sustain and maintain their homes through the future. Post-purchase counseling gives the homebuyer an opportunity to create their budget based on their new payments and learn about general home repairs and upkeep including the need to save for future repairs. The session also helps them to understand when and why you would refinance your loan and how to avoid loan scams when researching refinance options. All of these tools are valuable to the First Generation and First Time Homebuyer and should be included as a requirement in our programs.

In a variety of stakeholder one on one meetings, and one in January 2021 with a variety of partners, the discussion focused on the need for increased funding for eligible households. The current amount of $15,000 or even the combined $30,000 (HOAP and CET in some areas) was not sufficient to bridge the financial gap to most eligible homebuyers. It was shared that in the Portland area, the financial gap could be as high as $150,000 to purchase a home in the city.

This is significant for homebuyers with the income level eligible for these programs considering most are currently rent burdened. This is a barrier for homebuyers which requires awarded organizations to find other DPA programs so they can layer the HOAP funds with other programs to complete the purchase. To increase the maximum amount from $15,000 to up to $45,000 this will reduce the barrier and increase the generational wealth we have slated to do in our Statewide Housing Plan.

In the outreach conducted with two Culturally Specific partners in the Portland area, both agreed it would be helpful if the HOAP funds could be combined with the CET and Culturally Responsive funds to a higher amount up to $90,000 per eligible household. This was discussed at the recent Programmatic Policy Review Committee (PPRC) meeting and decided a longer term of forgiveness period should be in place (such as 10 years) in addition to making the amount available based on "need" and not an automatic maximum amount. Program staff have some thoughts around this and look to Council for some additional feedback in this area.

Additionally, should these larger amounts be available statewide or in high costs areas only. We asked our Data Research Specialist, Willy Schumann to review the data based on purchase prices in the state and income level eligibility for this program, based on a percentage of DPA funds available to eligible households. You can view the statewide data here. We found that in the majority of the state the average maximum affordable house price at the 100% AMI income level, is not attainable with a minimum of 18% down and a maximum payment at just 30% of the household income, which we believe is why we should allow for the larger DPA amounts to be offered statewide and not just in high-cost areas. As you know, not everyone mortgage ready has the maximum income level and needs the additional amount to assist in reducing the principal balance for a more affordable payment. There are a few smaller counties that this is not the case, but in an effort to be equitable in the program design it seems the larger amounts in each program should be offered statewide to assist anyone needing the extra help, especially lower income households and people of color.

We had one on one outreach with two Culturally Specific Organizations and two rural organizations during the program design. The proposed changes and limit increases were shared with positive feedback from all. Attached on page 10 are the notes from these stakeholder meetings in addition to the feedback from the OHCS Equity, Diversity & Inclusion Officer, Chelsea Bunch.

Staff conducted outreach to smaller partnering organizations to ask the question about lending capacity and the opportunity to provide these programs in their organization. The three organizations we spoke with are interested in the programs with the forgiveness and would need assistance with lending the DPA funds. Partnering organizations that do not have the capacity to offer DPA lending would need the assistance of OHCS staff to provide the lending documents and monitor for the forgiveness period, provide release documents as needed. With OHCS previously offering DPA funds through the NSP program, it wouldn't be much additional work to create a tracking system for these DPA loans. Loans provided to Homebuyers that choose to sell their home prior to the forgiveness period based on the program, funds would be repaid to OHCS and placed back into the HOAP DPA pool. Partnering organizations that have the capacity for loans, could offer the program through their own portfolio with the same restrictions, and loans paid before the forgiveness period would be repaid back to the organizations DPA loan program, with no further restrictions other than offering recaptured funds as DPA funds to First Time Homebuyers, reducing additional monitoring on the organization by OHCS.

The additional programs are not a “one size fits all” when it comes to the partnering organizations offering the variety of programs. Some organizations may want simplicity and only offer a specific program, and some will like the variety and offer all. The Veterans Build Your Future program will require a little extra work within Homeownership program staff and Procurement staff because the reserved funding would not be available to the organization until the Veteran was ready to purchase and it may be two years down the road, so special agreement parameters will have to be included in the grant agreement to allow for the reserved funds and distribution when the purchase takes place. With the creativeness of some of the Procurement team, we don’t see this as a huge stumbling block.

Equity and Racial Justice: As called out in our Statewide Housing Plan, we have certain flexible funding sources such as the DPA funding that we can control to achieve equitable outcomes, these proposed program changes will do just that. By committing to a paradigm shift with intentional integration of racial equity in our decisions, OHCS can lead the way with the First-Generation Program that focuses on creating generational wealth and sustainability for a more equitable future. This program can change the future for the communities of color we have prioritized to serve in our Statewide Housing Plan. In addition, the Mortgage Ready program addresses others traditionally not included as a potential homebuyer, including communities of color and low-income, multi-generational households. This program will pair with the Flex Lending Program eligibility criteria allowing for an even larger DPA amount with an opportunity for forgiveness with both programs, increasing the equity to the homebuyer which allows for future opportunities.

The increased programs proposed in this memo, will significantly increase the homeownership rate for communities of color and offer these potential homebuyers with significant generational wealth and stability for their future, and would be a great way to get the recently allocated Down Payment Assistance funds from the Legislative Session out to the people needing these funds. These proposed programs would have a great outcome for the communities these programs are slated to serve. In addition, when we met with our Equity, Diversity and Inclusion Officer, Chelsea and shared the proposed changes, we received a “spot on” approval and agreed the proposed changes will move the needle we so desperately need to move when it comes to serving the BIPOC in our state.

We need to make bold program changes to provide more low- and moderate-income Oregonians with the tools to successfully achieve and maintain homeownership, particularly in communities of color. It is a known fact that there is a large percentage of people of color that are ready to buy a home, but don't have enough funds for the down payment. These program changes will give these Oregonians the lift they need to successfully achieve and maintain homeownership. With the proposed increased household amounts and specific eligibility criteria for First Generation Homebuyers, it will reverse the trends of continued generational wealth gaps and low homeownership rates for people of color.

Housing Stability Council Feedback:
We look to Housing Stability Council for any feedback on the current framework outlined on the new DPA program design and amounts, and particularly any thoughts around combining funding sources and offering the higher amounts statewide or specifically in high cost areas.

Stakeholder Engagement Notes:

Rural Organization 1:
-they would be interested in the funding even with the lending piece provided OHCS did the documents, they do not have capacity
-they are concerned about the potential of not being able to fulfill their contract because it is getting more difficult for medium income borrowers to find an affordable home
-they struggle to get Veterans eligible for all of their programs, so not sure if they would take on the "Build your future Veterans" program
-they think eliminating the pension fund, VA disability and guard income "could" help with income qualifications

Culturally Specific Organization 1:
-would like to see CET and HOAP funds be paired regardless of which program client used and the amount they received
-Veterans funds-would like to see the funds available to spouses of deceased Veterans, would have been helpful in the previous home improvement program.
-Build your future program- 5 sessions in 12 months too much, with ongoing counseling sometimes it is just a check in to see how they are doing as they are not always active with counselors, should follow HUD guidelines for contact-every 90-120 days, this would align with other programs and not a new requirement. Would not necessarily mean counseling it could just be contacting the client to see how they are doing, some may need more time in between appointments. There are times when clients are taking additional classes on budgeting, credit, and other topics. Likes idea
-liked definition of first generation buyer
-likes idea of OHCS doing documents for loans
-align our program requirements with other DPA requirement for ease of client use
-2 year expiration on ed certificate because of time involved with looking for home, or when they first start the process, and it aligns with other funding sources
-would like to see OHCS be a resource for documents needed in programs (not sure what this relates to)
-is there a better way to prove of Veteran status, some Veterans don't have their DD-214 and it is not as easy to get (offered website in current DPA program,), some Veterans want to talk to someone or don't use computers and it is not secure for counselor to log in for client to get the information
-did not have issues with eligibility criteria other than where we got information and why we didn't come up with our own criteria for Oregon

Culturally Specific Organization 2:
-did not like the first generation homebuyer- ALL First time homebuyers need the additional amount of funds.
-first generation program is a barrier to some
-says we are complicating things by having different parameters for different amounts, just offer to all first time homebuyers
-would be okay if OHCS did the loan
-would like to see CET and HOAP paired, with the larger amount a 10 year forgiveness would be ok
-they are offering energy audits for homebuyers and asset management skills

-possible 50% forgiven after 5 years and the rest after 10 years
-likes Veteran build your future program but would not recommend going out 3 years based on current market conditions. Too long and too many things can change in the market (timing). 2 year program with reserving $15,000 per year
-Veterans may not need the full $30,000
-what if Veteran completes program and there are no affordable homes, what happens to reservation?
-not sure eligibility criteria will truly put BIPOC in homes
-what happens when owner passes away and no one else on deed, what happens to the lien: is it forgiven, passed on to the new owner/heir

Rural Organization 2:
-would recommend a "relaxed protocol" when it comes to the requirements for counseling sessions for the Veterans (need to meet them where they are-they have issues with documents and following specific requirements)
-paperwork for some Veterans can be difficult to get and/or complete
-recommends 1 session per 90 days, in general, but may be too intrusive for a Veteran
-if Action Plans are required, suggests "gentle" Action Plan so they don't get discouraged
-offer up "life skills" to aid in the homeownership transition
-not sure of success, but is a good program

OHCS Equity, Diversity and Inclusion Officer, Chelsea Bunch
-loves First Generation Homebuyer
-agrees less documentation to remove barriers
-explain to Culturally Specific Org. 2 that we would still have funding for a First Time Homebuyer, maybe they did not understand that it would still exist.
-First Generation is the key to close the wealth gap by offering financial support
-will support the programs to Margaret if necessary
-it's okay if all our programs don't align with all partners programs, we need to be intentional about getting funds out to support our Statewide Housing Plan
-likes the Veteran Build your Future
-good idea to eliminate the additional income for Veterans
-likes the idea of offering Veteran funding to spouses of deceased Veterans

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November 23, 2021

To: Housing Stability Council
Margaret Solle Salazar, Executive Director

From: Ryan Vanden Brink, Asst. Dir. of Homeowner Assistance Programs
Emese Perfecto, Director of Homeownership

Re: Oregon Homeowner Assistance Fund (HAF) update

There is no motion for approval required on today's briefing.

The Homeowner Assistance Fund (HAF), established by the American Rescue Plan Act in April 2021, is a mortgage-relief program that will assist homeowners who were financially impacted by the coronavirus pandemic. Oregon will help homeowners become current on their mortgages and other housing costs and, for certain homeowners, provide monthly mortgage payments.

This memo provides an update on Oregon homeowner need, the limitations of the Oregon HAF in relation to that need, Oregon's phased opening with a focus on homeowners most at risk of foreclosure, and OHCS' commitment to an equitable recovery for Oregon homeowners. Oregon HAF funds are limited and will not be sufficient to serve all homeowners at risk. It is also important to note that Oregon's HAF plan and program terms have not been approved by the U.S. Department of the Treasury, which must occur before Oregon opens its HAF program to more Oregon homeowners.

Homeowner Needs and the Limitations of Oregon HAF

Oregon was allocated about $90 million in federal funding through HAF, at least $72 million of which will be provided to Oregon homeowners. Sixty percent of the funds must be provided to low-income households earning less than 100% AMI or the median U.S. income, whichever is greater. Any assistance provided to median income homeowners (100% to 150% AMI) must be prioritized to socially disadvantaged individuals. Under Oregon's HAF plan, a homeowner may receive up to $60,000 in assistance, meaning Oregon might assist a total of 1,200 homeowners if each received the maximum amount of assistance, and an estimated 900 of those would need to be low-income households.

As of August 2021, the homeowner need is roughly eight times the amount of assistance available through HAF, with 10,009 homeowners 90+ days delinquent on their mortgages. **This means HAF will likely provide resources to less than 15% of homeowners in need.** The good news is that the many viable federal and servicer reinstatement and loss mitigation options are working. The 90+ day delinquency figures increased from 3,442 in January 2020 (HAF's hardship benchmark date is January 21, 2020) to 16,425 in August 2020 before decreasing to 14,225 in March 2021 and to 10,009 in August 2021. Because of the limited funding available to assist homeowners through HAF, it is promising to see that the complimentary federal and servicer options are working. These workout options continue past December 31, 2021, providing most borrowers with good options at the end of their forbearance plan and after the state foreclosure moratorium ends. Further, U.S. Treasury guidance and national calls have repeatedly stated that HAF is intended to supplement, not replace, other loss mitigation programs.

Because HAF program assistance is extremely limited in relation to need, and based upon U.S. Treasury guidance, stakeholder, and advisory engagement, OHCS decided to target HAF assistance to homeowners the most at risk of foreclosure or displacement. The overarching programmatic goal will be to assist homeowners the most at risk of foreclosure.

Oregon's Phased Program Opening

Since limited HAF resources will not reach all in need, it's important we are strategic about who can access resources. Oregon's Homeowner Assistance Fund will open in four phases to focus efforts on homeowners that are the most at-risk of foreclosure and displacement, opening in a targeted pilot and first program phase in December 2021 and January 2022 and then more broadly until it is open to all eligible homeowners in February or March 2022. This focus and phased opening also provide flexibility and the opportunity to be responsive to changing needs when the statewide foreclosure moratorium ends on December 31, 2021. The phases were developed in consultation with U.S. Treasury guidance, the Oregon Department of Justice, housing counselors, legal aid and foreclosure attorneys, and other stakeholders. Additional information on the four phases of opening is included below and on the third page of the attached HAF communications packet.

During the first two phases of the program, which are expected to stretch into January 2022, Oregon HAF will accept a very limited number of applications to try and prevent foreclosure or displacement of the most at-risk homeowners. The intent is to manage limited resources while also focusing programmatically until additional funds are available. Until Oregon receives U.S. Treasury approval for our plan and program terms, we may only use the initial $9 million we received, about half of which is reserved to increase administrative capacity. This means OHCS has just $5 million available at this time to begin serving homeowners. **Utilizing $5 million of Oregon's initial funds, Oregon can only assist 83 homeowners with the maximum award of $60,000 per household in the first two phases.** Oregon's focus is intended to preserve flexibility of the initial funds for the most at-risk homeowners as Oregon's foreclosure moratorium ends. The Council may recall that at a prior meeting, we communicated the intent to use this small pilot to focus on the OHCS borrower portfolio – focusing on low income borrowers with Oregon Bond Residential Loan Program mortgages. We heard from community and stakeholder organizations that a broader approach was desired, so we shifted our approach to be responsive to this feedback.

With the third phase of opening, <u>after U.S. Treasury approval</u> and processing of the most at-risk applications, Oregon will begin accepting higher volumes of applications. The third phase will also include socially disadvantaged individuals, traditionally underrepresented homeowners, and those who need additional assistance to recover from the pandemic. In the fourth phase, as long as funds are still available under U.S. Treasury guidance and HAF program terms, OHCS will accept applications from all eligible Oregon homeowners. As a reminder, this phased approach was submitted as part of our plan to US Treasury and is pending UST approval. We are not seeking Council amendments to this plan at the December meeting, but welcome questions and adjustments.

According to U.S. Treasury terms, the HAF program will end September 2025, with payments and wind-down possible through September 2026, although Oregon anticipates allocating its assistance funds within the first several years. There is no requirement to commit or disburse funds on an accelerated timeline. We know that our charge is to act with urgency, and we are working around the clock to stand up this new program as quickly as possible. OHCS recognizes that curing arrears and defaults is an urgent matter for all homeowners but we must also focus the limited funds where they are needed the most. Opening the program with an intentional focus on homeowners with the greatest needs – instead of focusing only on speed – best serves the intentions of Congress, U.S. Treasury, the State of Oregon, the agency's Statewide Housing Plan, and OHCS' commitment to equity and racial justice.

Phase 1: November 2021*

- Homeowners in active foreclosure (sheriff's sale date, judicial case, notice of default with sale date)
- Unemployed homeowners who have exhausted their unemployment benefits, forbearance (reduced or paused housing payments) due to the COVID-19 pandemic, and loss mitigation options (steps to avoid foreclosure)
- Servicer-identified borrowers who have been denied loss mitigation or have no loss mitigation options because their loans do not include options
- Homeowners with Chattel loans (for manufactured homes) and land sale contracts in default and at risk of foreclosure
- Homeowners whose property tax foreclosure redemption period (amount of time allowed to pay off back taxes, plus interest and fees, after a tax lien foreclosure) ends in 2021 or 2022

Phase 2: December 2021*

- Homeowners who participated in the Oregon Foreclosure Avoidance Program and were not offered loss mitigation by their servicer
- Homeowners with private mortgages or Individual Tax Identification Number (ITIN) loans
- Homeowners receiving disaster unemployment benefits
- Seniors with reverse mortgages (Home Equity Conversion Mortgages, or HECMs)
- Homeowners whose property tax foreclosure redemption period ends after 2022

Phase 3: January 2022*

- Unemployed or underemployed borrowers whose COVID-19 forbearance plans have reached the maximum term or are reaching that term within 60 days
- Homeowners with loans in default where HUD is the beneficiary
- Homeowners traditionally underserved or less able to recover, including those who are:
  - Elderly (65+)
  - Living with a disability (with proof of benefits)
  - Rural (determined by ZIP Code)
  - Socially Disadvantaged Individuals (defined by Treasury)
  - Limited English Proficiency
  - Recovering from natural disaster property damage or destruction

Phase 4: March 2022*

- **All eligible homeowners**

* These are anticipated dates that are subject to change.

OHCS' Commitment to an Equitable Recovery

Housing has long been one place where injustice, oppression and discrimination have had the most impact. OHCS acknowledges that governments were and continue to be central in disparate housing outcomes, particularly as it relates to homeownership. Oregon's homeownership rates include grave and unacceptable racial disparities. That fact is central to the development of HAF.

Preventing foreclosures and displacement aligns with OHCS' mission to provide stable and affordable housing so that Oregonians may live free from poverty and pursue prosperity. In addition to the federal income and equity requirements above, Governor Kate Brown directed "every state agency … [to] apply the *State of Oregon Equity Framework*" in planning for an equitable recovery. OHCS is following this framework by considering and prioritizing equity, attempting to address racial disparities and systematic wealth inequalities, and providing opportunities for underserved communities to return to stable and affordable homeownership. The

Homeowner Assistance Fund programs will also further Oregon's Statewide Housing Plan goals and the explicit priorities for equity and racial justice, homeownership, and rural communities.

Oregon's phased opening is intended to promote equity in the application process, in line with the HAF program's goal of preventing foreclosures and displacements. It is no accident that OHCS is developing a program and opening sequence focused on the homeowners that will be the most at-risk as Oregon's foreclosure moratorium ends. Our laser focus intentionally back stops federal and servicer mortgage options and will serve as a safety net to help families with fewer options avoid foreclosure and displacement. The phased opening will also promote the program's equity goals related to traditionally underrepresented populations or communities, as well as those needing additional assistance in recovery, to ensure hard won gains in homeownership are not erased by the pandemic or by disparities.

When fully open, Oregon plans to prioritize homeowners in four categories: homeowners most at risk of foreclosure, low-income households (100% AMI and below), socially disadvantaged individuals, and rural households. OHCS will also fast track – within the context of these other prioritizations – homeowners that have been doubly impacted by covid and displacement due to natural disasters. These are not additional eligibility criteria; they are prioritizations of applications within the program developed in response to program guidelines and Oregon's homeowner needs analysis.

OHCS will supplement these processes with direct, targeted outreach to underserved communities and populations, using community-based outreach and marketing, outreach application clinics, and individual application intake assistance. A request for admission is active allowing housing counselors, culturally specific organizations, and others to apply for funding to create community- or population-based outreach and marketing, as well as to provide application assistance. As Oregon's HAF submission is reviewed and approved by the U.S. Treasury, we plan to work with Sovereign Tribes on fast-track qualification, fraud checks, cross-promotion of programs and resources. We will be funding legal aid representation for Oregon homeowners with foreclosure, reinstatement, or other legal needs. And we will be monitoring foreclosure processes to the best of our ability to complete direct outreach to homeowners most at-risk of foreclosure.

OHCS is working to reduce application barriers based on feedback we have received on similar programs from our housing partners and national colleagues. Our communications packet and application will be translated into other languages as we progress through the phased opening, with full translations in Russian, Simplified Chinese, and Vietnamese complete for phase three. Our Spanish translations will be ready in two weeks. We have also reduced documentation requirements for the application. From all applicants we will require a third-party authorization to communicate with mortgage servicers, the most recent mortgage statement, property tax statement, utility bill, and HOA or condo association statement, if applicable. Additional documentation may be required of some applicants, such as income verification for self-employed individuals or foreclosure documents, if applicable, but we are trying to keep requirements at a minimum to reduce barriers and speed up processing. Based on our experience with the Oregon Homeowner Stabilization Initiative (OHSI), and information from other states, we estimate that application processing could take 60-90 days depending on applicant and mortgage servicer responsiveness.

While we do not control those factors, for many files we hope our barrier-reducing changes will speed up the process.

Conclusion

From August 2020 to August 2021, over 6,000 Oregon households that were 90+ days delinquent resolved their delinquencies using other federal and servicer options, as well as the homeowner protections built into HB 2009 (2021). We anticipate that most Oregon homeowners will be able to access similar reinstatement and loss mitigation options as their forbearances and the foreclosure moratorium end. However, not all homeowners will have viable options through their loan, servicer, or federal or state legislation, and it is those homeowners we seek to serve with Oregon's HAF. OHCS is excited to launch HAF in a very intentional and results-focused manner to best serve Oregon homeowners who need the program the most.

Oregon Homeowner Assistance Fund

Application Guide

EQUAL HOUSING OPPORTUNITY

OREGON HOMEOWNER Assistance Fund

OREGON HOUSING and COMMUNITY SERVICES

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This program is being supported, in whole or in part, by the U.S. Department of the Treasury.

Program Overview & Eligibility

OREGON HOMEOWNER Assistance Fund

Overview

The U.S. Department of the Treasury will allocate about $90 million to Oregon under the American Rescue Plan Act's Homeowner Assistance Fund. Oregon Housing and Community Services (OHCS) will assist homeowners at risk of losing their homes by preventing foreclosures and displacements and curing delinquencies and defaults. Eligible homeowners are those who meet program income limit requirements and experienced a financial hardship after January 21, 2020, due to the coronavirus pandemic. Other program requirements also apply.

Benefits and Eligibility

Homeowners who are eligible may apply for the following programs:

Past-Due Payment Relief

The Past-Due Payment Relief Program provides homeowners with up to $50,000 to eliminate or reduce payments on past-due eligible housing costs, including: forbearance plan

- forward mortgages
- reverse mortgages
- loans secured by manufactured homes
- land sale contracts
- property taxes
- homeowners' insurance
- homeowners' association (HOA) dues

Homeowners must be at or below 150% Area Median Income or 100% of the median income for the United States, whichever is greater (see income limits chart on page 8). Oregon Housing and Community Services will make payments directly to the servicer, county, HOA or other housing entity.

Ongoing Payment Relief

The Ongoing Payment Relief Program has two tracks. Homeowners may participate in only one track and must be at or below 100% Area Median Income for either one (see income limits chart on page 8).

- **Hardship Track.** Eligible homeowners who are experiencing ongoing financial hardship may receive up to 12 months of payment help, up to $15,000 per household, for eligible housing costs.
- **Stability Track.** Eligible homeowners may receive up to three months of payment help, up to $3,750 per household, to increase long-term housing stability. Homeowners must have housing expenses that total 43% or more of their household income.

Please Note: Homeowners who are eligible for both programs may not receive more than $60,000 in total assistance.

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EQUAL HOUSING OPPORTUNITY

OREGON HOUSING and COMMUNITY SERVICES

Program Overview & Eligibility

When can I apply for the Oregon Homeowner Assistance Fund?

The Homeowner Assistance Fund will open in phases, initially focusing on homeowners who are the most at risk of foreclosure or displacement. Refer to the chart below to see when you are eligible to apply.

*Phase 1: November 2021**

- Homeowners in active foreclosure (sheriff's sale date, judicial case, notice of default with sale date)
- Unemployed homeowners who have exhausted their unemployment benefits, forbearance (reduced or paused housing payments) due to the COVID-19 pandemic, and loss mitigation options (steps to avoid foreclosure)
- Servicer-identified borrowers who have been denied loss mitigation or have no loss mitigation options because their loans do not include options
- Homeowners with Chattel loans (for manufactured homes) and land sale contracts in default and at risk of foreclosure
- Homeowners whose property tax foreclosure redemption period (amount of time allowed to pay off back taxes, plus interest and fees, after a tax lien foreclosure) ends in 2021 or 2022

*Phase 2: December 2021**

- Homeowners who participated in the Oregon Foreclosure Avoidance Program and were not offered loss mitigation by their servicer
- Homeowners with private mortgages or Individual Tax Identification Number (ITIN) loans
- Homeowners receiving disaster unemployment benefits
- Seniors with reverse mortgages (Home Equity Conversion Mortgages, or HECMs)
- Homeowners whose property tax foreclosure redemption period ends after 2022

*Phase 3: January 2022**

- Unemployed or underemployed borrowers whose COVID-19 forbearance plans have reached the maximum term or are reaching that term within 60 days
- Homeowners with loans in default where HUD is the beneficiary
- Homeowners traditionally underserved or less able to recover, including those who are:
  - Elderly (65+)
  - Living with a disability (with proof of benefits)
  - Rural (determined by ZIP Code)
  - Socially Disadvantaged Individuals (defined by Treasury)
  - Limited English Proficiency
  - Recovering from natural disaster property damage or destruction

*Phase 4: March 2022**

- **All eligible homeowners**

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EQUAL HOUSING OPPORTUNITY

OREGON HOUSING and COMMUNITY SERVICES

Past-Due Payment Relief Eligibility Checklist

The Oregon Homeowner Assistance Fund Past-Due Payment Relief Program provides up to $50,000 toward past-due eligible housing expenses including, but not limited to, first and second lien mortgages, reverse mortgages, manufactured home loans, land sale contracts, property taxes, insurance and homeowners' association dues (HOAs). Oregon Housing and Community Services (OHCS) will make payments directly to the servicer, county, HOA or other housing entity.

Eligible applicants include all individuals living at the property who are listed as borrowers on your mortgage or are owners of the property. If you are not listed as a borrower on the mortgage or an owner on the deed, you are not considered an applicant.

To apply, you must meet the following requirements:

- [ ] You must submit all required documentation. See the Document Checklist on page 7.
- [ ] You must be at least 30 days past due on your mortgage, property taxes, homeowners' association dues, and/or other eligible housing expenses.
- [ ] The total amount of assistance for past-due eligible housing expenses cannot be more than $50,000. Exceptions may apply. Total assistance between the Ongoing Payment Relief and the Past-Due Payment Relief cannot be more than $60,000.
- [ ] Applicants do not have enough liquid assets to pay for at least nine (9) monthly mortgage payments, excluding retirement accounts and 529 College Plans. This is a combined total of **all** applicants' liquid assets.
- [ ] 1. Your current monthly housing expense-to-gross household income ratio is not more than 43%:
    - Your monthly housing expense divided by gross monthly income must not equal more than 0.43. For example, if your mortgage is $430, and your monthly income is $1,000, you would divide $430/$1,000 = 0.43.
    - Housing expenses include principal, interest, property tax, insurance, and homeowner or condominium association dues. These expenses are included in the ratio even if your mortgage company does not make it part of your mortgage payment (escrowed); **OR**

  2. You qualify for the Ongoing Payment Relief.
- [ ] You occupy your home, and it is your primary residence. It must be a single family, duplex, triplex, or fourplex (1-4 units). Condominiums, manufactured homes and floating homes are included. There are exceptions for homeowners who were displaced by a physical hazard event, casualty loss (sudden or unexpected event), or natural disaster.

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Oregon Homeowner Assistance Fund

Past-Due Payment Relief Eligibility Checklist

- [ ] Your original home loan amount must have been under the Federal Housing Finance Agency conforming loan limits on the date your loan originated. FHA, VA and USDA loans are all conforming. OHCS will verify whether your loan is conforming.
- [ ] Your mortgage cannot be an open home equity line of credit (HELOC). OHCS will verify whether your HELOC is open.
- [ ] Your current annual household income cannot be more than the limits in the Income Limits Chart on page 8 (based on household size).
- [ ] You or any other borrowers or owners of your property cannot have been convicted, within the last 10 years of any one of the following in connection with a mortgage or real estate transaction: (A) felony larceny, theft, fraud or forgery, (B) money laundering or (C) tax evasion.
- [ ] Your financial hardship must be related to the coronavirus pandemic and have either:
  1. Happened after January 21, 2020; **OR**
  2. Happened on or before January 21, 2020, and continued after that date.

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Ongoing Payment Relief Eligibility Checklist

The Homeowner Assistance Fund Ongoing Payment Relief Program provides reinstatement of past-due payments and monthly mortgage payments going forward. The total reinstatement cannot be more than $50,000, and the total assistance for Ongoing Payment Relief and Past-Due Payment Relief cannot be more than $60,000. Oregon Housing and Community Services (OHCS) will make payments directly to the servicer, county, homeowners' association dues or other housing entity.

Hardship Track – If you qualify under the hardship track, you can get up to $15,000 or 12 months of future mortgage payments, whichever comes first, as well as money to pay your past-due mortgage payments, if you have them.

Stability Track – If you qualify under the stability track, you can get up to $3,750 or three months of future mortgage payments, whichever comes first, as well as money to pay your past-due mortgage payments, if you have them.

Eligible applicants include all individuals living at the property who are listed as borrowers on your mortgage or are owners of the property. If you are not listed as a borrower on the mortgage or an owner on the deed, you are not considered an applicant.

To apply, you must meet the following requirements in both tracks:

- ☐ You must submit all required documentation. See the Document Checklist on page 7.
- ☐ The past-due amount on your mortgage is not more than $50,000. Exceptions may apply.
- ☐ Applicants do not have enough liquid assets to pay for at least nine (9) monthly mortgage payments, excluding retirement accounts and 529 College Plans. This is a combined total of **all** applicants' liquid assets.
- ☐
  1. **Hardship Track:** Your financial hardship related to the coronavirus pandemic is still ongoing; **OR**
  2. **Stability Track:** Homeowners must also be "housing cost burdened" by paying more than 43% of their household income toward housing costs. Your current monthly housing expense-to-gross household income ratio is more than 43%:
     - Your monthly housing expense divided by gross monthly income must not equal more than 0.43. For example, if your mortgage is $430, and your monthly income is $1,000, you would divide $430/$1,000 = 0.43.
     - Housing expenses include principal, interest, property tax, insurance, and homeowner or condominium association dues. These expenses are included in the ratio, even if your mortgage company does not make it part of your mortgage payment (escrowed).

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Ongoing Payment Relief Eligibility Checklist

- [ ] You occupy your home, and it is your primary residence. It must be a single family, duplex, triplex, fourplex (1-4 units). Condominiums, manufactured homes and floating homes are included. There are exceptions for homeowners who were displaced by a physical hazard event, casualty loss (sudden or unexpected event), or natural disaster.
- [ ] Your original home loan amount must be under the Federal Housing Finance Agency conforming loan limits on the date your loan originated. FHA, VA and USDA loans are all conforming. OHCS will verify whether your loan is conforming.
- [ ] Your mortgage cannot be an open home equity line of credit (HELOC). OHCS will verify whether your HELOC is open.
- [ ] Your current annual household income cannot be more than the limits in the Income Limits Chart on page 8 (based on household size).
- [ ] You or any other borrowers or owners of your property cannot have been convicted, within the last 10 years of any one of the following in connection with a mortgage or real estate transaction: (A) felony larceny, theft, fraud or forgery, (B) money laundering or (C) tax evasion.
- [ ] Your financial hardship must be related to the coronavirus pandemic and have either:
  1. Happened after January 21, 2020; **OR**
  2. Happened on or before January 21, 2020, and continued after that date.

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OREGON HOMEOWNER Assistance Fund

Document Checklist

Documents required of all applicants:

- [ ] Application (review the Program Overview & Eligibility Factsheet on page 1 to find out when you should apply; hard copies may be submitted through your local intake partners)
- [ ] HAF COVID-19 Hardship Declaration (included with application). All borrowers on your current loan(s) must sign and date, whether or not they are an applicant
- [ ] HAF Third-Party Authorization Form (included with application)
- [ ] Most recent mortgage statement for all mortgages on the property
- [ ] Most recent property tax statement (please check with your county)
- [ ] Most recent utility bill (any utility)
- [ ] Most recent homeowners' or condominium association dues statement, if applicable

Additional documents required of *some* applicants:

- [ ] Foreclosure documents, such as Notice of Sale, Notice of Default, or court papers, if applicable
- [ ] Most recent homeowner insurance declaration page or statement, if homeowner insurance is not part of your mortgage payment
- [ ] Divorce decree that describes ownership or award of the property or housing cost responsibility, in cases where an ex-spouse is still on the property title or mortgage
- [ ] Name change documentation – If the name on your mortgage statement is different from the name on application or identification, provide documentation demonstrating legal name change (e.g., marriage certificate, divorce decree, legal name change court order)
- [ ] Mobile home title or ownership certificate, loan statement, and/or lot rental agreement
- [ ] Floating home loan statement and/or moorage rental agreement
- [ ] Land sale contract and payment statement
- [ ] Private mortgage loan document and payment statement

__Please note:__ By applying, you agree to verify your stated income and hardship with additional documentation whenever requested. If, during the evaluation of your application, or after you have received the assistance, it is later determined that you provided false information in your application, false income or hardship documentation, or if you do not provide supporting information when later requested, your HAF loan will not be approved, or, if funded, will not be forgiven and you may be subject to criminal prosecution or civil action. You may submit income, hardship, or any other supporting documentation during the application process, even if not directly requested.

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OREGON HOMEOWNER Assistance Fund

Income Limits Chart

Past-Due Payment Relief: Homeowners must have household income at or below 150% of the area median income (AMI) for household size or 100% of the median income for the United States, whichever is greater.

Ongoing Payment Relief has two different tracks. Homeowners can only apply for one track. To be eligible for either, homeowners must have household income at or below 100% of the AMI for household size or 100% of the median income for the United States, whichever is greater.

- **Hardship Track**: Homeowners must also have a qualifying current and ongoing financial hardship.
- **Stability Track**: Homeowners must also be "housing cost burdened" by paying more than 43% of their household income toward housing costs.

Income Limit Requirements	County	1 Person	2 People	3 People	4 People	5 People	6 People	7 People	8+ People
100%	Baker	$79,900	$79,900	$79,900	$79,900	$79,900	$79,900	$79,900	$85,050
150%		$79,900	$79,900	$86,950	$96,600	$104,350	$112,100	$119,800	$127,550
100%	Benton	$79,900	$79,900	$79,900	$85,000	$91,800	$98,600	$105,400	$112,200
150%		$89,250	$102,000	$114,750	$127,500	$137,700	$147,900	$158,100	$168,300
100%	Clackamas	$79,900	$79,900	$87,050	$96,700	$104,450	$112,200	$119,950	$127,650
150%		$101,550	$116,050	$130,550	$145,050	$156,700	$168,300	$179,900	$191,500
100%	Clatsop	$79,900	$79,900	$79,900	$79,900	$79,900	$84,600	$90,400	$96,250
150%		$79,900	$87,500	$98,450	$109,350	$118,100	$126,850	$135,600	$144,350
100%	Columbia	$79,900	$79,900	$87,050	$96,700	$104,450	$112,200	$119,950	$127,650
150%		$101,550	$116,050	$130,550	$145,050	$156,700	$168,300	$179,900	$191,500
100%	Coos	$79,900	$79,900	$79,900	$79,900	$79,900	$79,900	$79,900	$85,050
150%		$79,900	$79,900	$86,950	$96,600	$104,350	$112,100	$119,800	$127,550
100%	Crook	$79,900	$79,900	$79,900	$79,900	$79,900	$79,900	$79,900	$85,050
150%		$79,900	$79,900	$86,950	$96,600	$104,350	$112,100	$119,800	$127,550
100%	Curry	$79,900	$79,900	$79,900	$79,900	$79,900	$79,900	$79,900	$85,050
150%		$79,900	$79,900	$86,950	$96,600	$104,350	$112,100	$119,800	$127,550
100%	Deschutes	$79,900	$79,900	$79,900	$80,400	$86,850	$93,300	$99,700	$106,150
150%		$84,450	$96,500	$108,550	$120,600	$130,250	$139,900	$149,550	$159,200
100%	Douglas	$79,900	$79,900	$79,900	$79,900	$79,900	$79,900	$81,350	$86,600
150%		$79,900	$79,900	$88,600	$98,400	$106,300	$114,150	$122,050	$129,900

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OREGON HOMEOWNER Assistance Fund

Income Limits Chart

Income Limit Requirements	County	1 Person	2 People	3 People	4 People	5 People	6 People	7 People	8+ People
100%	Gilliam	$79,900	$79,900	$79,900	$79,900	$79,900	$79,900	$79,900	$85,050
150%		$79,900	$79,900	$86,950	$96,600	$104,350	$112,100	$119,800	$127,550
100%	Grant	$79,900	$79,900	$79,900	$79,900	$79,900	$79,900	$79,900	$85,050
150%		$79,900	$79,900	$86,950	$96,600	$104,350	$112,100	$119,800	$127,550
100%	Harney	$79,900	$79,900	$79,900	$79,900	$79,900	$79,900	$79,900	$85,050
150%		$79,900	$79,900	$86,950	$96,600	$104,350	$112,100	$119,800	$127,550
100%	Hood River	$79,900	$79,900	$79,900	$79,900	$81,250	$87,250	$93,250	$99,300
150%		$79,900	$90,250	$101,550	$112,800	$121,850	$130,850	$139,900	$148,900
100%	Jackson	$79,900	$79,900	$79,900	$79,900	$79,900	$79,900	$84,700	$90,200
150%		$79,900	$82,000	$92,250	$102,450	$110,650	$118,850	$127,050	$135,250
100%	Jefferson	$79,900	$79,900	$79,900	$79,900	$79,900	$79,900	$79,900	$85,050
150%		$79,900	$79,900	$86,950	$96,600	$104,350	$112,100	$119,800	$127,550
100%	Josephine	$79,900	$79,900	$79,900	$79,900	$79,900	$79,900	$80,750	$85,950
150%		$79,900	$79,900	$87,900	$97,650	$105,500	$113,300	$121,100	$128,900
100%	Klamath	$79,900	$79,900	$79,900	$79,900	$79,900	$79,900	$79,900	$85,050
150%		$79,900	$79,900	$86,950	$96,600	$104,350	$112,100	$119,800	$127,550
100%	Lake	$79,900	$79,900	$79,900	$79,900	$79,900	$79,900	$79,900	$85,050
150%		$79,900	$79,900	$86,950	$96,600	$104,350	$112,100	$119,800	$127,550
100%	Lane	$79,900	$79,900	$79,900	$79,900	$79,900	$82,600	$88,300	$94,000
150%		$79,900	$85,450	$96,150	$106,800	$115,350	$123,900	$132,450	$141,000
100%	Lincoln	$79,900	$79,900	$79,900	$79,900	$79,900	$79,900	$79,900	$85,050
150%		$79,900	$79,900	$86,950	$96,600	$104,350	$112,100	$119,800	$127,550
100%	Linn	$79,900	$79,900	$79,900	$79,900	$79,900	$79,900	$83,350	$88,750
150%		$79,900	$80,650	$90,750	$100,800	$108,900	$116,950	$125,000	$133,100
100%	Malheur	$79,900	$79,900	$79,900	$79,900	$79,900	$79,900	$79,900	$85,050
150%		$79,900	$79,900	$86,950	$96,600	$104,350	$112,100	$119,800	$127,550
100%	Marion	$79,900	$79,900	$79,900	$79,900	$79,900	$82,050	$87,700	$93,350
150%		$79,900	$84,850	$95,450	$106,050	$114,550	$123,050	$131,550	$140,000
100%	Morrow	$79,900	$79,900	$79,900	$79,900	$79,900	$79,900	$81,600	$86,900
150%		$79,900	$79,900	$88,850	$98,700	$106,600	$114,500	$122,400	$130,300

This program is being supported, in whole or in part, by the U.S. Department of the Treasury.

EQUAL HOUSING OPPORTUNITY

OREGON HOUSING and COMMUNITY SERVICES

OREGON HOMEOWNER Assistance Fund

Income Limits Chart

Income Limit Requirements	County	1 Person	2 People	3 People	4 People	5 People	6 People	7 People	8+ People
100%	Multnomah	$79,900	$79,900	$87,050	$96,700	$104,450	$112,200	$119,950	$127,650
150%		$101,550	$116,050	$130,550	$145,050	$156,700	$168,300	$179,900	$191,500
100%	Polk	$79,900	$79,900	$79,900	$79,900	$79,900	$82,050	$87,700	$93,350
150%		$79,900	$84,850	$95,450	$106,050	$114,550	$123,050	$131,550	$140,000
100%	Sherman	$79,900	$79,900	$79,900	$79,900	$79,900	$79,900	$83,250	$88,600
150%		$79,900	$80,550	$90,600	$100,650	$108,750	$116,800	$124,850	$132,900
100%	Tillamook	$79,900	$79,900	$79,900	$79,900	$79,900	$79,900	$79,900	$85,050
150%		$79,900	$79,900	$86,950	$96,600	$104,350	$112,100	$119,800	$127,550
100%	Umatilla	$79,900	$79,900	$79,900	$79,900	$79,900	$79,900	$84,950	$90,450
150%		$79,900	$82,200	$92,500	$102,750	$111,000	$119,200	$127,450	$135,650
100%	Union	$79,900	$79,900	$79,900	$79,900	$79,900	$79,900	$79,900	$85,050
150%		$79,900	$79,900	$86,950	$96,600	$104,350	$112,100	$119,800	$127,550
100%	Wallowa	$79,900	$79,900	$79,900	$79,900	$79,900	$79,900	$81,600	$86,900
150%		$79,900	$79,900	$88,850	$98,700	$106,600	$114,500	$122,400	$130,300
100%	Wasco	$79,900	$79,900	$79,900	$79,900	$79,900	$79,900	$84,950	$90,450
150%		$79,900	$82,200	$92,500	$102,750	$111,000	$119,200	$127,450	$135,650
100%	Washington	$79,900	$79,900	$87,050	$96,700	$104,450	$112,200	$119,950	$127,650
150%		$101,550	$116,050	$130,550	$145,050	$156,700	$168,300	$179,900	$191,500
100%	Wheeler	$79,900	$79,900	$79,900	$79,900	$79,900	$79,900	$79,900	$85,050
150%		$79,900	$79,900	$86,950	$96,600	$104,350	$112,100	$119,800	$127,550
100%	Yamhill	$79,900	$79,900	$87,050	$96,700	$104,450	$112,200	$119,950	$127,650
150%		$101,550	$116,050	$130,550	$145,050	$156,700	$168,300	$179,900	$191,500

This program is being supported, in whole or in part, by the U.S. Department of the Treasury.

OREGON HOMEOWNER Assistance Fund

Frequently Asked Questions

About the Program

What is the Oregon Homeowner Assistance Fund?

The U.S. Department of the Treasury allocated $90 million to Oregon under the American Rescue Plan Act's Homeowner Assistance Fund. Oregon Housing and Community Services (OHCS) will prevent foreclosures and displacements by providing financial assistance to homeowners at risk of losing their homes due to delinquencies and defaults. Eligible homeowners must meet income requirements and must have experienced financial hardship after January 21, 2020, due to the coronavirus pandemic. Homeowners may have also experienced hardship on or before that date, so long as they experienced a coronavirus pandemic-related hardship after that date. Other program requirements also apply.

How much money is available?

The State of Oregon will receive about $90 million to launch the Oregon Homeowner Assistance Fund. This funding comes from the American Rescue Plan Act, which makes $9.961 billion available throughout the United States to help homeowners who are unable to pay their housing expenses due to the coronavirus pandemic. For more information on the American Rescue Plan Act Homeowner Assistance Fund, visit the U.S. Department of the Treasury website.

How will it be distributed among eligible applicants?

OHCS will open the program in phases and will prioritize applications of homeowners who are most at risk of foreclosure. Phase One includes:

- homeowners in active foreclosure
- unemployed homeowners who have run out of their unemployment benefits and forbearance options
- homeowners with chattel loans or private mortgages
- homeowners who have been denied all loss mitigation (steps to avoid foreclosure) options, and more.

See the Program Overview and Eligibility fact sheet on page 2 to find out when you are eligible to apply.

Applications are reviewed only in the correct phase and will be prioritized based on need using U.S. Treasury guidance. It is not first-come, first-serve. Everyone who applies will have their application reviewed, and not everyone will receive assistance. For more information about how applications are prioritized, see the Prioritization Information page.

This program is being supported, in whole or in part, by the U.S. Department of the Treasury.

Frequently Asked Questions

Eligibility and How to Apply

How do I apply?

The program will open in phases, first focusing on homeowners who are most at risk of foreclosure or displacement. Refer to the phase chart in Program Overview and Eligibility on page 2. Homeowners may only apply during the phase that they become eligible, or any phase after that. Your mortgage servicer must also participate in the program for your application to be processed. If your mortgage servicer is not participating, please have your mortgage servicer contact OHCS. (See the list of participating servicers.)

If you believe you fall within the open phase(s), please email HAF.homeowners@hcs.oregon.gov. If you are at-risk of foreclosure, would like to receive personalized housing counseling about your situation, or would like application assistance with the Homeowner Assistance Program, please call your local homeownership center.

What's the difference between a mortgage lender and a servicer?

Your mortgage lender is the financial institution that loaned you the money. Your mortgage servicer is the company that sends you your mortgage statements. Your servicer also handles the day-to-day tasks for managing your loan.

Your mortgage servicer typically processes your loan payments, responds to borrower inquiries, keeps track of principal and interest paid, manages your escrow account (if you have one). The loan servicer may initiate foreclosure under certain circumstances. Your servicer may or may not be the same company that originally gave you your loan.

If I receive housing relief, will my other benefits like food stamps and housing assistance be impacted?

No. Receiving this relief will not impact your eligibility for any federally funded program such as food stamps, Medicaid, Medicare, Social Security, or the Special Supplemental Nutrition Program for Women, Infant, and Children (WIC). If you receive a benefit that is not federally funded, please check with the benefit administrator.

If I apply for housing relief, is funding guaranteed?

No. Funding is limited and applying for the program does not guarantee your application will be approved.

This program is being supported, in whole or in part, by the U.S. Department of the Treasury.

OREGON HOMEOWNER Assistance Fund

Frequently Asked Questions

If my mortgage servicer is not enrolled to participate in the program, can I still apply?

No. If your mortgage servicer is not on the list of participating servicers, you are not eligible for assistance through this program. However, OHCS is enrolling new servicers all the time, and we will continue to update the list. Servicer participation in this program is voluntary, so some servicers may choose not to participate.

Who should I list as an applicant?

Applicants are all borrowers and all owners of the property who live on the property.

Can I apply if I am currently in a modification or forbearance?

Yes, you may apply if you are in a modification or forbearance with your mortgage servicer. However, your servicer may not be willing to participate in the program due to the current or pending modification or forbearance. If you do not know whether you are a modification or forbearance, contact your servicer (contact information available on your mortgage statement). In addition, by participating in the Oregon Homeowner Assistance Fund you may become ineligible for modification or forbearance options that would be beneficial to your situation. OHCS encourages all homeowners to learn about their options from their servicers or a local housing counselor.

How do I know if my income qualifies? What sources of income include household income?

Household income includes the combined gross income of everyone living in the home ages 18+ who contribute to the mortgage or other housing costs. The income of roommates paying rent is not included.

How will I be notified if I am approved or denied for the program?

If you are approved, you will receive an email to the email address on your application. If you submitted your application through one of our community/housing counseling partners, that organization will notify you and inform you of the next steps to receive support.

This program is being supported, in whole or in part, by the U.S. Department of the Treasury.

If you are denied, you will receive a notice in the mail from OHCS. Oregon Homeowner Assistance Fund. You will have 14 days to appeal the decision, if applicable. The appeal instructions are included in the denial notice. See Appeals FAQs below for more information.

I just learned I was approved. What happens now?

After your application is approved, you will need to review and sign the Oregon Homeowner Assistance Fund loan documents within seven days of receiving notice of approval in order to receive assistance. The community/housing counseling partner in your area can set up a time for you to sign your loan documents or you can arrange for an alternative opportunity to sign and notarize the loan documents. You may be able to sign your loan documents electronically. OHCS may be available to help you with online or in person signing opportunities. Contact your local housing counselor.

If I became ill with the coronavirus, can I still apply?

Yes. If you have experienced financial hardship, including inability to pay housing expenses, due to the coronavirus pandemic, you may be eligible.

Payment

Do I have to pay back the money I receive through the Homeowner Assistance Fund?

The Oregon Homeowner Assistance Fund relief comes in the form of a five-year, no-interest, forgivable loan. There are no fees to get the loan. The loan is recorded with the county as a junior mortgage on your property. Once you receive your final payment, OHCS will forgive 20% of the loan each year. After five years, OHCS forgives the entire loan. If you sell your home or refinance it for cash within five years, you may have to repay the portion of the loan that has not yet been forgiven, plus the county title recording fees.

If you commit fraud, provide false information on your application, or fail to provide income or hardship documentation when requested, OHCS will not forgive your loan, and you must repay it when you sell or refinance your home. You may also be subject to criminal prosecution or civil penalties.

This program is being supported, in whole or in part, by the U.S. Department of the Treasury.

Frequently Asked Questions

How is the housing relief paid?

OHCS sends electronic payments directly to your mortgage servicer, property tax authority, homeowners' association, or other housing entity.

Is the assistance taxable?

The Internal Revenue Service (IRS) published guidance [Revenue Procedure 2021-47] that says assistance payments made to homeowners under the [American Rescue Plan Act Homeowner Assistance Fund] are not considered gross income for federal tax purposes, but instead qualify as disaster relief payments. The document also provides guidance on how to manage your mortgage interest deductions if you receive assistance. OHCS anticipates that the IRS will add this guidance to the Home Mortgage Interest Deduction and Tax Information for Homeowners publications for use in preparing 2021 and subsequent returns.

Program participants are responsible for understanding the tax implications outlined in the guidance. OHCS cannot provide tax advice. For additional information, contact the IRS or a tax professional.

Appeals

Who can I contact for more information about why my application was denied, withdrawn, or terminated?

Please email the Appeals Team at haf.appeals@hcs.oregon.gov to get more information about why your application was denied, or withdrawn, or why the funding was terminated. You must request an appeal within 14 days from the date of your notice. See your notice for instructions on how to submit an appeal.

This program is being supported, in whole or in part, by the U.S. Department of the Treasury.

Additional Resources

Contact Information

If you have additional questions or need assistance with your application, please contact us.
Website: www.OregonHomeownerAssistance.org
Phone: 1-800-604-0879
E-mail (Preferred method): hcs.haf@hcs.oregon.gov
Hours: 8 a.m. to 5 p.m.

Homeowners! Sign up to receive Homeowner Assistance Fund updates every time a new application phase opens. Sign up today at bit.ly/oregonhaf

Additional Support

If you need other types of assistance or have mortgage relief questions, please contact 211.
Website: www.211info.org
Phone: 2-1-1 or 1-866-698-6155
Phone available 24 hours a day / 7 days a week
Text your zip code to 898211 (TXT211)
E-mail: help@211info.org
Hours: 9 a.m. to 5 p.m. Monday-Friday

Report Fraud

Oregon Housing and Community Services will never ask you to pay a fee to apply or get information. If you suspect fraud or misrepresentation of the Oregon Homeowner Assistance Fund, email hcs.haf@hcs.oregon.gov.

OREGON

HOMEOWNER

Assistance Fund

OREGON HOUSING and COMMUNITY SERVICES
725 SUMMER STREET NE, SUITE B | SALEM, OR 97301
503-986-2000 | www.oregon.gov/OHCS

DATE: December 3, 2021

TO: Housing Stability Council
Margaret Solle Salazar, Executive Director

FROM: Tanya Stagray, Production Analyst
Tai Dunson–Strane, Production Team Manager
Roberto Franco – Assistant Director of Development Resources and Production
Natasha Detweiler-Daby, Interim Director of Affordable Rental Housing

SUBJECT: The Joyce Tax-Exempt Conduit Bond Transaction

Motion: Move to approve Pass-Through Revenue Bonds in an amount up to and not to exceed $11,150,000 to CPAH Joyce Limited Partnership for the construction of The Joyce, subject to the borrower meeting OHCS, Red Stone Equity, HUD and Umpqua Bank underwriting and closing criteria and receipt of documentation satisfactory to legal counsel and Treasurer approval for the bond sale.

SUMMARY			
Project Name:	The Joyce		
City:	Portland	County:	Multnomah
Sponsor Name:	Community Partners for Affordable Housing (CPAH)		
Urban/Rural :	Urban	Total Units	66
# Rent Assisted Units:	66	Units by Size & Affordability:	66 - SRO restricted at 60% AMI
Funding Request		**Funding Use**	
4% LIHTC:	$8,824,522	Acquisition	$500,000
Conduit Bonds:	*Up to* $11,150,000	Construction	$14,581,422
		Development	$6,236,450
		Total:	$21,317,872

PROJECT DETAILS	
Project Description:	The Joyce is a 4-story historic brick building, deemed ‘National Register Eligible’ by the Oregon State Historic Preservation Office (SHPO), located in the heart of downtown Portland. The building was built in 1912 and used for various businesses over the years and most recently used as a hotel. The building will be repurposed as a residential facility to include 66 Single-room occupancy (SRO) units serving homeless individuals with project based rent assistance. The Joyce will also offer robust wrap around services to respond to the increased need in the City of Portland for affordable housing and to reduce homelessness. The building will consist of housing units with kitchenettes in each apartment. Multiple shared bathrooms will be located on each level. The ground floor will include a community room with a full kitchen and computer stations, management office, clinical space for service providers and a meeting space. Project amenities on the subject property include bike parking, community room with kitchen, laundry facilities, roof top terrace, and on-site service providers for supportive housing needs, including mental health services. All 66 units will have LIHTC restrictions at 60% AMI to assure long term financial viability of the project. There will be 66 project-based vouchers, provided through Home Forward, which will allow for deeper affordability and affordable to households making 30% AMI and below. The project is to be renovated with an extensive remodel that will go down to the studs with full replacement of finishes. A seismic upgrade to the unreinforced masonry structure will be conducted, as well as the replacement of all building systems, including a new elevator. Exterior rehabilitation work and streetscape upgrades on both frontages is also included in the project. Exterior work will be conducted in a manner that respects the historic vintage of the Joyce Hotel.
Partnerships to Serve Communities of Color:	A rich array of voluntary supportive services will be offered on site through a collaboration of Joint Office of Homeless Services (JOHS) vendors: Cascadia Behavioral Healthcare (Cascadia), Native American Rehabilitation Association of the Northwest Inc. (NARA), and Cascade AIDS Project (CAP). On-site staff can connect residents to additional organizational resources, including primary and behavioral health care and peer specialists. JOHS will ensure that there is coordinated access for permanent supportive housing (PSH) and that the resident services plan is effective by regularly

	evaluating our outcome data. The Resident Services Coordinator (RSC) will be working as a member of the services team and with partners listed above to ensure that all staff are working together to achieve building outcomes around housing stability, eviction prevention, and improving health and wellness.
Reaching Underserved Communities:	The Joyce is a recipient of the PHB BOS (Bond Opportunity Solicitation) NOFA that included Portland Housing Bond funds and South Blocks Urban Renewal Area Tax Increment Financing for capital, Project based section 8 vouchers and PSH service funds from the Joint Office of Homeless Services through a partnership with Multnomah County Behavioral Health Division (BHD). The JOHS and BHD have committed to providing up to $10,000 per PSH unit per year, or up to $660,000 in total, to fund PSH support services at this project. The JOHS and BHD will have contracts with CAP, Cascadia Behavioral Health and NARA to include funding for culturally appropriate and enriched housing services and referral pathways into these units will be determined in partnership with BHD. The PSH operating subsidy will provide funding for nine staff. The PSH funding involves a joint venture where Portland Housing Bureau and JOHS are combining resources to focus on serving individuals who are chronically homeless with mental health issues or with serious and persistent mental illness that put them at risk of chronic homelessness, as well as the Native American population and those persons living with HIV/AIDS. Pinehurst Management has been selected as the property manager and uses many approaches for marketing and outreach when adding prospective residents and adding to their waitlists. A focus on cultural groups and their needs will be a consistent theme across their marketing strategy. Pinehurst will market the property in various languages and analyze the performance of these marketing campaigns to pinpoint problem areas. The specific marketing and leasing plans directed to the BIPOC community relies on relationship building with those organizations that are in contact with this population. Commonly, these are housing agencies, public health agencies, employment organizations, mental health agencies, and consumer outlets. These groups include, but are not limited to; NAYA, Urban League of Portland, El Programa Hispanico, and the Asian and Pacific Islander Action Team. It is noteworthy to mention the CPAH staff as well as Pinehurst Management staff attended the OHCS PSH institute and therefore are educated on serving the intended population of The Joyce.

MWESB Target:	The Joyce team has committed 30% of the construction costs to BIPOC owned contractors. CPAH strives not only to meet but to exceed those standards established by our funders. Both Portland Housing Bureau and Oregon Housing and Community Services have set a participation goal of 30%. PHB also requires compliance with its Equity Policy and Practices. Bremik, as general contractor, is committed to projects and actions that respond to the needs of the communities it serves. They propose to support CPAH's diversity/equity/inclusion commitment by meeting and exceeding the target of 30% DMWESB subcontractor/supplier utilization. Bremik will utilize our strong relationships in the DMWESB community to bring awareness and gain interest in bidding the Joyce project. Within the last 10 years, Bremik has completed 12 affordable rental housing projects totaling 480 units. Throughout this process, Bremik has continued to cultivate relationships with DMWESB subcontractors and gained the mutual trust needed to help both firms be successful. On each of these affordable rental housing projects, Bremik has exceeded the MWESB/SDVBE participation goals. To ensure solicitation to the BIPOC construction community, Bremik conducts an early awareness campaign by meeting with various community organizations and presenting with trade groups, including Community Opportunities and Enhancement Programs (COEP) and their member organizations. Bremik presented to COEP in August, as they were preparing to bid for the project, and encouraged bidding by BIPOC construction firms. They also encouraged reaching out to subs who are affiliated with LatinoBuild, Livelihood NW, National Association of Minority Contractors (NAMC), Professional Business Development Group (PBDG), and Urban League. Bremik also conducted community outreach events offered both at the job walk on and virtually via GoToMeeting in September, and advertises in multiple local publications including the Asian Reporter, Daily Journal of Commerce (DJC), and through Oregon Association of Minority Entrepreneurs (OAME). Bremik employs a Diversity Outreach Coordinator to help identify and attract a wide range of MWESB firms to bid on the project. CPAH has chosen this development team with intentionality and has selected MWESB contractors as part of predevelopment.
Alignment with Statewide Housing Plan:	• Equity and Racial Justice - through a commitment to exceed the required MWESB participation rate • Affordable Rental Housing

	• Homelessness - through housing and services • Permanent Supportive Housing - through 66 housing units
This development conforms to all OHCS underwriting standards. The primary risk is with the current unknown environment relating to COVID-19 and whether it will affect the construction period or delay any material deliveries necessary for the project. Enough contingency was built into the budget to mitigate risk of delay	

OREGON HOUSING and COMMUNITY SERVICES
725 SUMMER STREET NE, SUITE B | SALEM, OR 97301
503-986-2000 | www.oregon.gov/OHCS

DATE: December 3, 2021

TO: Housing Stability Council
Margaret Solle Salazar, Executive Director

FROM: Alan Borges, Production Analyst
Tai Dunson–Strane, Production Team Manager
Roberto Franco, Assistant Director of Development Resources and Production
Natasha Detweiler-Daby, Interim Director Affordable Rental Housing

SUBJECT: Traditions at Hazelwood Tax-Exempt Conduit Bond Transaction

Motion: Move to approve Pass-Through Revenue Bond Financing in an amount up to and not to exceed $26,000,000 to Traditions at Hazelwood LLC for the construction of Traditions at Hazelwood, subject to the borrower meeting OHCS, Citibank and Wells Fargo underwriting and closing criteria and receipt of documentation satisfactory to legal counsel and Treasurer approval for the bond sale.

SUMMARY			
Project Name:	Traditions at Hazelwood		
City:	Portland	County:	Multnomah
Sponsor Name:	Inland Oregon, LLC		
Urban/Rural:	Urban	Total Units	211
# Rent Assisted Units:	none	Units by Size & Affordability:	13 Studio at 60% AMI 119 1-BR at 60% AMI 79 2-BR at 60% AMI
Funding Request		**Funding Use**	
		Acquisition	$2,215,000
4% LIHTC:	$21,498,000	Construction	$35,544,491
Conduit Bonds:	*up to* $26,000,000	Development	$12,797,895
		Total:	$50,557,386

PROJECT DETAILS	
Project Description:	Traditions at Hazelwood is a new construction development with 211 affordable housing units located in the Hazelwood neighborhood of Portland. The project will consist of a single

	5 story, midrise building with 13 studio, 119 one-bedroom, and 79 two-bedroom units. The building will be oriented around a fully enclosed central landscaped courtyard. All units will be designed for seniors aged 55 or older and will offer an open floor plan with a full-size washer/dryer, in unit storage space, and finishes in line with market rate products. Additionally, this project will include underground parking and a common area with a fitness center, game room, lounge, business center, movie theater and a craft room. Outdoor amenities will include a BBQ area, pickleball court, community garden, bike storage and a dog wash station. Located in the Hazelwood neighborhood, Portland Metro has designated this neighborhood as a Regional Center, which means Hazelwood will have a similar density to the Pearl District or Lloyd district in the future. It is well served with excellent transit options including its location adjacent to the TriMet Max Line, proximity to a nearby regional hospital and local amenities and services including retail grocery education and parks.
Partnerships to Underserved Communities :	To remove barriers for access to affordable housing, Inland Oregon has engaged with program staff who are working to developing a pathway to partner with community-based organizations to meet equity and racial justice goals. This project will serve the senior population, the FPI onsite management team will be fully integrated within the local senior housing community and other service providers. The management team will assist residents by utilizing an abundance of local area resources. Key priorities of the resident service plan will be to promote enhanced mobility, balance, flexibility, and enable residents to learn basic/advanced computer skills. Additional services will be provided through referrals to the local community origination listed below. • Hollywood Senior Center is a nonprofit committed to creating an uplifting and vibrant environment for adults 55 and older. The center offers a variety of services to the aging community including the following. o Care Coordination o Support Groups o Information and assistance including a senior law project legal clinic, senior health insurance benefits assistance, transportation coordination and seasonal services like, income tax assistance, flu shots and energy assistance.
Reaching Underserved Communities:	The property manager, FPI Management, has built a culture around the acronym HEART (Humility, Excellence, Accountability, Respect, Teamwork). An Affirmative Fair Housing Marketing Plan will be implemented to identify and attract underserved populations. Marketing activities will be reviewed bi-annually to determine if the property is still attracting targeted populations. If the evaluation determines that the marketing failed to

	attract the identified least likely to apply the AFHMP will be revised and resubmitted for review and approval.
MWESB Target:	The sponsor and general contractor has established a MWESB participation goal of 30% for both professional and contracting services. The percentage was determined as a minimum threshold with the goal of exceeding it. The COBID List of Certified MWESB Subcontractors will be utilized to reach out directly to potential bidders and offer technical assistance in responding to bid requests.
Alignment with Statewide Housing Plan:	• Affordable Rental Housing *Although the project meets the equity and racial justice requirements that applied at the time of funding, staff have determined it is not actively furthering equity and racial justice.*
This development conforms to all OHCS underwriting standards. Risks related to the ongoing COVID-19 pandemic and global supply chain issues are primarily potential delays in material deliveries this could extend the construction period. Construction contingency has been built into the budget to mitigate risk of delay.	

Rendering:

01 EXTERIOR BUILDING ELEVATION -SOUTH

OREGON HOUSING and COMMUNITY SERVICES
725 SUMMER STREET NE, SUITE B | SALEM, OR 97301
503-986-2000 | www.oregon.gov/OHCS

DATE: December 3, 2021

TO: Housing Stability Council
Margaret Solle Salazar, Executive Director

FROM: Affordable Rental Housing Division; Program and Policy Staff
Roberto Franco, Assistant Director Development Resources and Production
Natasha Detweiler-Daby, Interim Director Affordable Rental Housing

SUBJECT: 2022-23 Affordable Rental Housing Funding Calendar and Frameworks

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Motion: To adopt the 2022-2023 Affordable Rental Housing Funding Calendar and NOFA Frameworks as presented [or with noted revisions].

This month the Affordable Rental Housing Division is introducing a final 2022 - 2023 Funding Calendar and Funding Frameworks for Housing Stability Council consideration. These recommendations have been updated since last month's introduction based on additional public engagement regarding the funding calendar and needed adjustments to the use of 4% LIHTC leverage. We believe this final recommendation offers a balanced opportunity to develop and preserve housing statewide.

In this memo, we review:

- 4% LIHTC program; next steps
- 2022-2023 Funding Calendar Overview
- 2022-2023 Funding Frameworks

4% LIHTC program; next steps

Before going into the details on the 2022-2023 Funding Calendar, we want to take a moment to provide an update on the 4% Low Income Housing Tax Credit (LIHTC) program. Given the constraint in the availability of Private Activity Bond (PAB) authority going into 2022, OHCS issued a temporary freeze on the acceptance of 4% LIHTC applications. Along with this freeze in accepting applications we established that we plan to open the 4% application again in early 2022 after establishing and implementing updated policies which will have to prioritize applications. As a first step to updating policies, we have drafted placeholder language within our Qualified Allocation Plan (QAP) to indicate priority for 4% LIHTC leverage for state funded projects using XI-Q bonds such as LIFT and PSH as well as Preservation resources, along with those with substantial other public funding, such as METRO or Portland Housing Bonds along with Housing Authority Rental Assistance Demonstration projects. We expect that this language will be revised as we go through deliberate public engagement to design our new processes. Since our last Housing Stability Council meeting, staff have spent substantial time in conversation with funders, developers and stakeholder groups to discuss and prioritize next steps for this important program. We are all too aware that the uncertainty for sponsors and funders about how we implement a competitive 4% application process is uncomfortable at-best; we hope to take necessary steps forward as pending unknowns are clarified. The areas of greatest ambiguity are:

- Whether the federal legislation in the **Build Back Better Bill** passes; this bill currently both increases state allocations of Private Activity Bond and temporarily reduces the criteria for generating a 4% tax credit from 50% of project cost to 25% financed with PAB.[1]

- What state **PAB resources are allocated to OHCS** and housing investments more broadly in January 2022 from the Oregon Private Activity Bond Committee; while traditionally supportive of housing investments, we'll have more certainty around these investments following the Committee's January 2022 meeting.

In the meantime, we are actively working on the following:

- **Researching best practices** and state examples of competitive 4% LIHTC application processes. As part of this research, we have heard clearly from stakeholders and funders that:
    - Local government funders desire clarity first and foremost, even if it means they may not be able to put funding to projects to leverage the 4% LIHTC / PAB;
    - To the best extent possible, they would like OHCS to try to preserve a pathway for 4% LIHTC transactions that do not access other OHCS resources. (This is accounted for in our adjustments to the leverage of this resources with OHCS funds in the funding calendar);
    - We must allow for submission of 4% LIHTC applications more than one time per year;

[1] Novogradac estimates lowering the threshold from could generate an additional 714,400 affordable rental homes financed by 2022-2026 multifamily PAB issuances nationwide. The record high multifamily PAB issuance means additional funds will be available to further support expansion of the country's affordable rental housing supply. Yet, the overall competition for PABs, multifamily issuance is just one of several eligible uses for PABs, means that the continued record usage of PABs for multifamily is not guaranteed. On November 15, President Biden signed the Infrastructure Investment and Jobs Act (PL 117-58) into law. Specifically, the package adds two new categories of exempt facility private activity bonds (PABs) for Broadband Projects and Carbon Capture Facilities which will only create more demand for PABs in years to come.

  - A 4% LIHTC application should not be structured like our traditional, more time consuming, 9% LIHTC competitive application.
- **Compiling details of 4% LIHTC pipeline statewide**. OHCS has inherent visibility over 4% LIHTC applications our team has received. We also have detailed assumptions based on our engagement with local government funders. We feed all of this into our overall modeling to project the current and future pipeline of development projects that will seek 4% LIHTC and PAB, but we want to have more detailed information! The better we understand what the needs and demands from other funders in addition to developers across the state the better we can be responsive to needs.

- **Providing comfort to current applicants**. At the time when we froze our acceptance of 4% LIHTC application due to PAB constraint, we had received eight applications that had not been processed and formally accepted. Inherent to any re-opening strategy, we have committed to resolving these open applications that had been submitted before our freeze was implemented. While we are not in a position to issue formal intent resolutions committing PAB, we are working to issue more general 4% LIHTC application acceptance letters.

As we move forward in this work, we remain committed to being open and responsive; building and supporting partnerships is the way we will best serve Oregonians across the state. Developing this next phase for the 4% LIHTC program will require deliberate conversation and input from public funders, developers, and Housing Stability Council. At this time, it is unclear to OHCS whether the PAB constraint will be a short and mid-term concern, or whether this is the “new normal” requiring a more comprehensive overhaul of our business model. Either way, we are doing our best to learn from other states and how they transitioned to a landscape of limited PAB.

2022-2023 Funding Calendar

We are pleased to be introducing our 2022- 2023 Funding Calendar recommendation for Housing Stability Council consideration. Reflected in this funding calendar are funding efforts to support a wide array of affordable housing investments. While we have worked to reduce our dependency on the 4% LIHTC / PAB, we have retained core ability to fund the preservation and new construction of affordable housing across the state.

This calendar proposal strives to carve out some new paths for funding smaller projects while prioritizing large investments which leverage 4% LIHTC. In order to have this calendar withstand potential changes to the 4% program due to potential programmatic revisions from the Build Back Better Bill, we have incorporated ranges of 4% LIHTC / PAB leverage across these fund offerings. These are ranges subject to change, but the calendar and paths allow sponsors clarity over how OHCS will respond if these federal program elements are adjusted.

	coverage		*best-fit*		
Fund Offering	**Urban**	**Rural**	**Very Large Projects**	**Large Projects**	**Small Projects**
9% LIHTC	♦	♦		♦	
LIFT Rental Resources					
LIFT Rental with 4%s NOFA	♦	♦	♦	♦	
LIFT Rental without 4%s NOFA	♦	♦		♦	♦
LIFT Rental Wildfire Direct Award Pool		♦		♦	♦
LIFT Homeownership Resources					
LIFT Homeownership NOFA	♦	♦			♦
LIFT Homeownership Wildfire Direct Award Pool		♦			♦
Permanent Supportive Housing (PSH) NOFA (with and without 4%)	♦	♦		♦	♦
Gap Wildfire Direct Awards		♦	♦	♦	♦
Preservation Resources					
Preservation NOFA (with and without 4%)	♦	♦	♦	♦	♦
Preservation Wildfire Direct Awards		♦			♦
Preservation PuSH Pool Resources	♦	♦		♦	♦
Preservation Pool Resources	♦	♦		♦	♦
Manufactured Park Preservation NOFA	♦	♦			
OAHTC Resources					
OAHTC Pool	♦	♦	♦	♦	♦
OAHTC Pool for Wildfire		♦	♦	♦	♦
Veterans GHAP	♦	♦		♦	♦
Ag Worker Housing Tax Credits (AgWHTC)	♦	♦		♦	♦
Small Projects Gap	♦	♦			♦
Land Acquisition Program	♦	♦	♦	♦	♦

This revised funding calendar includes several key updates to respond to stakeholder input and programmatic guidance:

LIFT Rental Resources:
A key part of scaling our 4% LIHTC / PAB leverage was to reduce the portion of LIFT resources that will be designed to leverage tax credits. In our revised funding calendar, we assume that approximately half of the LIFT rental resources can be paired with 4% LIHTC / PAB. The remaining half of LIFT rental resources will be offered with slightly higher subsidy caps and be targeted to projects that do not require a 4% LIHTC / PAB leverage.

While we heard significant support for creating a new path for using LIFT resources for housing development, we also heard many indicate concern about the focus on reduced subsidy investment in projects that are unable to leverage 4% LIHTC; in particular for projects located in urban areas which had the lowest proposed funding cap and are unable to rely on higher pricing for tax credit investors. In response, we are recommending a revised approach to establishing programmatic funding caps.

Instead of the previously proposed three tier LIFT subsidy with the most restrictive caps for the urban areas, we are incorporating an increased urban and rural funding limit. In developing these limits, we adhered to the LIFT conceptual priority for low cost and low subsidy investments; all of the proposed limits are modestly lower than those offered through our stand-alone small project funding. And yet with a deliberate focus on building in rural areas which have lesser opportunity and ability to leverage local resources or waivers, the rural limits remain slightly higher than those offered in urban areas of the state.

Initial Proposed Caps in LIFT without 4% LIHTC			
	Urban	**Mid-Sized Urban**	**Rural**
Studio	$75,000	$90,000	$110,000
1 Bd	$120,000	$150,000	$170,000
2 Bd	$160,000	$200,000	$230,000
3 Bd	$200,000	$250,000	$290,000

Updated Caps in LIFT without 4% LIHTC		
	Urban and Mid-Sized Urban	**Rural**
Studio	$90,000	$110,000
1 Bd	$150,000	$170,000
2 Bd	$210,000	$230,000
3 Bd	$270,000	$290,000

Housing Stability Council Question:
Is Housing Stability Council comfortable with the proposal to balance LIFT investments with slightly higher funding limits while retaining commitment to the LIFT focus on rural areas, and low subsidy investment?

Permanent Supportive Housing and Housing Trust Funds

The Permanent Supportive Housing resources funded through the state are offered along with our National Housing Trust Fund (HTF) resources which are a HUD resource designed to fund units affordable to households with extremely low incomes (at or below 30% AMI). This is a resource which is well aligned with permanent supportive housing for those who are chronically homeless. However, given the scale of resources allocated by HUD and the under-subscription of them last year, we have flagged the risk that these resources may not be fully subscribed within our PSH offering. We have previously also offered this resource within our 9% LIHTC NOFA, but in that case the resource was over-subscribed which meant we needed to substantially forward allocate the resources in order to commit the 9% LIHTC which is not sustainable.

As such, a key part of our strategy for ensuring our ability to allocate HTF resources will be to evaluate and track the interest in the HTF resources throughout the 2022 NOFA period. In early 2022, based on the PSH pre-applications, we will be able to understand whether the PSH NOFA is likely to obligate the full $16.5 million in HTF. With that understood, staff will plan to begin outreach to evaluate strategies for ensuring these resources can be deployed within the expected funding timelines; among other concepts, this could include opting to program it back into the 9% LIHTC NOFA, to work directly with jurisdictions looking to foster the development of 30% AMI units, or developing a stand-alone HTF supplemental offering. The goal of this outreach will be to develop an operational strategy for this commitment to roll out as early as June 2022.

Housing Stability Council Question:
Does Housing Stability Council have any guidance for OHCS as we look to do future outreach around the statewide need for these Housing Trust Fund resources and identifying better ways to ensure they are leveraged to serve those with extremely low incomes?

Build Back Better Bill 4% LIHTC Programmatic Revisions:

As discussed above, the current Build Back Better Bill under review by the Senate includes provisions to increase the Private Activity Bond (PAB) allocations to state as well as to reduce the threshold for generating a 4% LIHTC from 50% to 25% total project costs. While the fate of this revision remains unknown over the next several weeks, we want to adopt a Funding Calendar to guide resource use moving forward.

As discussed last month with Housing Stability Council, the primary areas of impact for the 4% LIHTC leverage are to the LIFT rental program, Permanent Supportive Housing, and Preservation. As presented on the funding calendar, if the program revision to 25% is implemented we propose the ability to leverage PAB with an additional:

- $30 million for the LIFT Rental program (to pair with $150 million of LIFT over two years, instead of $120 million)
- $10 million in PAB for the PSH program (to pair with $50 million of PSH over two years, instead of $40 million), &
- $30 million in Preservation resources (to pair with $70 million in Preservation over two years, instead of $40 million)

This recommendation is informed by stakeholder input regarding the demand for the 4% LIHTC leverage in these programmatic areas, while preserving the new LIFT without 4% LIHTC path for supporting affordable rental housing development moving forward.

2022-23 Funding Calendar

On the next page, you will find an updated draft funding calendar that implements the strategies outlined above.

	est. 2-year 4% Leverage*	2022 Resources	2023 Resources	2022				2023			
Fund Offering		**Resources Included***	**Resources Included***	**Jan - March**	**April - June**	**July - Sept**	**Oct - Dec**	**Jan - March**	**April - June**	**July - Sept**	**Oct - Dec**
9% LIHTC NOFA	n/a	$10MM 9% LIHTC $5.5 MM HOME $5 MM Gap OAHTC	$10MM 9% LIHTC $5.5 MM HOME $5 MM Gap OAHTC	Jan release		Aug decision		Jan release		Aug decision	
LIFT Rental with 4%s NOFA	$121.4 MM *($150 MM if 25% test)*	$60.7 MM LIFT OAHTC ~$170 MM PAB	$60.7 MM LIFT OAHTC ~$170 MM PAB	Jan release		Aug decision		Jan release		Aug decision	
LIFT Rental without 4%s NOFA	none	$30.35 MM LIFT OAHTC	$60.7 MM LIFT OAHTC	Jan release		Aug decision		Jan release		Aug decision	
LIFT Rental Wildfire Direct Award Pool	none	$30.35 MM LIFT OAHTC	--	Jan open; commit by June or re-allocate in 22 LIFT w/o 4% NOFA & if not all used Preservation net-new unit							
LIFT Homeownership NOFA	n/a	$15 MM LIFT	$30.35 MM LIFT	Jan release		July/Aug decision		Jan release		July/Aug decision	
LIFT Homeownership Wildfire Direct Award Pool	n/a	$15.35 MM LIFT	--	Jan open; commit by June or re-allocate in 22 LIFT H.O. NOFA -& if not all used Preservation net-new unit							
Permanent Supportive Housing (PSH) NOFA	$40 MM *($50 MM if 25% test)*	$25 MM PSH; $16.5 MM HTF; OAHTC; $5 MM Gap ~$100 MM PAB	$25 MM PSH; $9.5 MM HTF; OAHTC; $5 MM Gap ~$100 MM PAB	Jan release		Aug decision		Jan release		Aug decision	
Gap Wildfire Direct Awards	n/a	$20 MM GHAP & HDGP	--	Jan open; commit by Sept or they will roll over to 2023 small project NOFA							
Preservation NOFA	$40 MM *(100% if 25% test)*	$42.5 MM Pres; OAHTC; $10 MM Gap ~$60 MM PAB	--			Sept Release			April decision		
Preservation Wildfire Direct Awards	none	$2.5 MM Pres		Jan open; commit by Feb or they will roll over to Preservation NOFA							
Preservation PuSH Pool Resources	none *($10 MM if 25% test)*	$10 MM Pres		Jan open; commit by Feb or they will roll over to Preservation NOFA							
Preservation Pool Resources	none *($20 MM if 25% test)*	$20 MM Pres		Jan open; commit by Feb or they will roll over to Preservation NOFA							
OAHTC Pool	none	$250 MM OAHTC		Jan release	open til used						
OAHTC Pool for Wildfire	none	$200 MM OAHTC		Jan release							
Manufactured Park Preservation NOFA	n/a	$25 MM Pres; OAHTC		Jan release	open til used						
Veterans NOFA	none	$17 MM Vets GHAP; OAHTC	$15 MM Vets GHAP; $4 MM OAHTC		June release		Nov decision		June release		Nov decision
Ag Worker Housing Tax Credits (AgWHTC)	none	$6.7 MM - community $1.67 MM on farm	$1.67 MM on farm	Jan open non-competitive with CB readiness required through Sept or they go into the 2023 Small Project NOFA				Jan open first-come first served through July or they go into the 2023 Small Project NOFA			
Small Projects NOFA	none	--	$20 MM Gap; $13.4 MM AgWHTC; OAHTC						June release		Nov decision
Land Acquisition Program	n/a	$20 MM		Jan release	open til used						

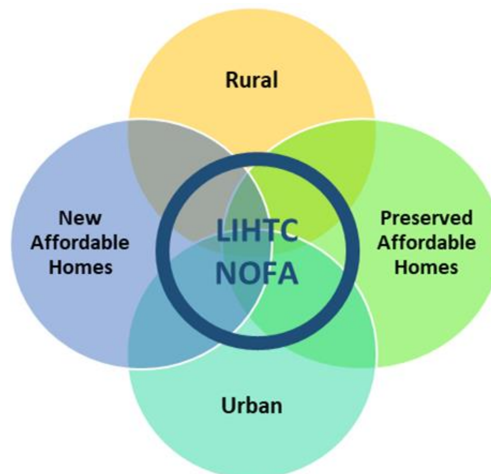
*** These are approximate resources; if resource availability changes to allow for more resources they will be added to the NOFA.**

Frameworks:
Following this memo (Exhibit A) are high level funding frameworks for each of the offerings listed above. Noted within each page are the primary updates that have been made to align with this two-year funding calendar.

Next Steps
It is our hope to discuss these key updates and request that Housing Stability Council consider the motion to approve this funding calendar and funding frameworks for the 2022-2023 calendar years.

EXHIBIT A
2022-2023 Funding Calendar Frameworks

Fund Offering	9% LIHTC NOFA
Development Type	New; Acq/Rehab; Federal Rent Assistance Preservation
Geography	Statewide; allocated to regions
Subsidy Limits	9% LIHTC - QAP defined HOME - $1,000,000 min request for new construction only Gap - $500,000 per project max OAHTC – up to 95% perm loan
Scoring Principles	QAP determined
Equity	- Affirmative Fair Housing Marketing - MWESB Construction Workforce Engagement reporting - Tribal Set-Aside; Culturally Specific Set-Aside - Resident Services; culturally responsive partnerships with resources - Opportunity Area and Vulnerable Gentrification Area preference, points - Diversity, Equity and Inclusion (DEI) agreement, reporting - 9% LIHTC Regional Allocation formula; inclusion of communities of color



Primary Updates:

- *Creation of a Culturally Specific Set-Aside*
- *Inclusion of HOME for new construction*
- *Increased minimum for HOME funds*
- *Planned clarification and technical fixes*

<table>
<tr><th>Fund Offering</th><th>LIFT Rental with 4% LIHTC NOFA</th></tr>
<tr><td>Development Type</td><td>New Housing Units</td></tr>
<tr><td>Geography</td><td>Split between Rural 50% and Small Urban 25% and Large Urban 25%; 15% of overall resources to Culturally Specific Developers or Tribal Led</td></tr>
<tr><td>Subsidy Limits</td><td>
<table>
<tr><th>Unit Type</th><th>Urban</th><th>Mid-Sized Urban</th><th>Rural</th></tr>
<tr><td>Studio</td><td>$60,000</td><td>$75,000</td><td>$90,000</td></tr>
<tr><td>1 Bd</td><td>$100,000</td><td>$125,000</td><td>$150,000</td></tr>
<tr><td>2 Bd</td><td>$130,000</td><td>$165,000</td><td>$200,000</td></tr>
<tr><td>3 Bd</td><td>$160,000</td><td>$205,000</td><td>$250,000</td></tr>
</table>
4% LIHTC
OAHTC up to 95% perm loan</td></tr>
<tr><td>Scoring Principles</td><td>Detailed LIFT framework Draft
generally Communities of Color / Costs / Partnerships / Equity</td></tr>
<tr><td>Equity</td><td>- Affirmative Fair Housing Marketing
- MWESB Construction Workforce Engagement
- Resident Services; culturally responsive partnerships
- Location Accessibility
- Diversity, Equity and Inclusion (DEI) agreement, requirement</td></tr>
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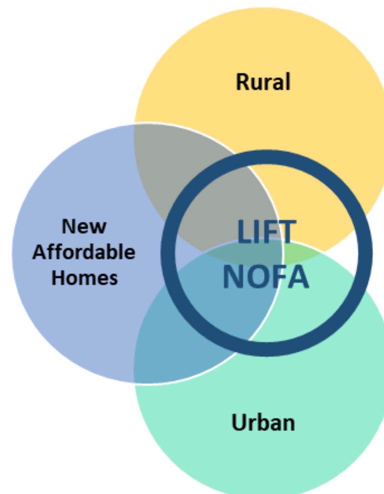

Primary Updates:

- *Expansion of geographic set-asides for Large vs Small Urban areas*
- *Inclusion of a 15 percent set-aside of resources for culturally specific developers*
- *Updated subsidy caps broken out by region and bedroom size.*

<table>
<tr><th>Fund Offering</th><th>LIFT Rental non-4% NOFA</th></tr>
<tr><td>Development Type</td><td>New Housing Units</td></tr>
<tr><td>Geography</td><td>Split between Rural 50% and Small Urban 25% and Large Urban 25%; 15% of overall resources to Culturally Specific Developers or Tribal Led

If undersubscribed – 1st to LIFT with 4% leverage if allowable; 2nd to Preservation Redevelopment for net new units.</td></tr>
<tr><td>Subsidy Limits</td><td>
<table>
<tr><th colspan="3">Unit Caps in LIFT Rental without 4% LIHTC</th></tr>
<tr><th></th><th>Urban and Mid-Sized Urban</th><th>Rural</th></tr>
<tr><td>Studio</td><td>$90,000</td><td>$110,000</td></tr>
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</table>
OAHTC up to 95% perm loan</td></tr>
<tr><td>Minimum Thresholds</td><td>-Detailed LIFT framework Draft
generally Communities of Color / Costs / Partnerships / Equity</td></tr>
<tr><td>Equity</td><td>- Affirmative Fair Housing Marketing
- MWESB Construction Workforce Engagement
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- Location Accessibility
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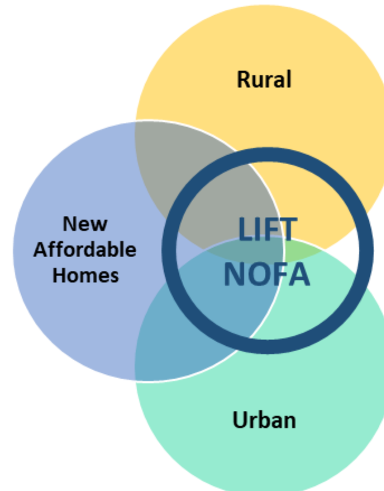

Primary Updates:

- *New offering approach that does not rely on leverage of 4% LIHTC*
- *Updated funding caps; broken out by region and unit size.*

<table>
<tr><th>Fund Offering</th><th>LIFT Rental non-4% Wildfire Direct Awards</th></tr>
<tr><td>Development Type</td><td>New Housing Units</td></tr>
<tr><td>Geography</td><td>50% to Lane, Lincoln, & Marion Counties
30% to Clackamas, Douglas, Klamath, & Linn Counties
20% to Jackson County
Set-asides held until March 1st 2022; excess applications will be prioritized first-come first-served. Any resources not used by June 1st 2022 would be made available through the general pool of the LIFT w/o 4% Rental NOFA.</td></tr>
<tr><td>Subsidy Limits</td><td>
<table>
<tr><th colspan="3">Unit Caps in LIFT Rental without 4% LIHTC</th></tr>
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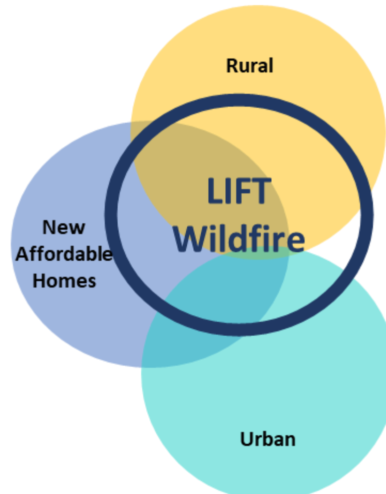
<tr><td>3 Bd</td><td>$270,000</td><td>$290,000</td></tr>
</table>
OAHTC up to 95% perm loan</td></tr>
<tr><td>Minimum Thresholds</td><td>-Must serve communities of color and/or rural communities;
-Must include engagement of culturally specific or responsive partners in project design, outreach;
-Must incorporate disaster resiliency in placement and construction
-Must provide explanation of cost-cutting strategies;
-Must prioritize those impacted by wildfires</td></tr>
<tr><td>Equity</td><td>- Affirmative Fair Housing Marketing
- MWESB Construction Workforce Engagement
- Resident Services; culturally responsive partnerships
- Location Accessibility
- Diversity, Equity and Inclusion (DEI) agreement, requirement</td></tr>
</table>

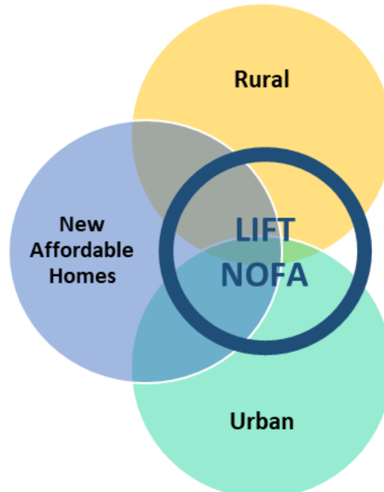


Rationale for Direct Awards for Wildfire Recovery:




- *Opportunity to get housing built faster*
- *Any project that is not ready can come through regular NOFA*
- *Focusing resources on federally identified Most Impacted & Distressed Counties though limiting funds to Jackson county due to Disaster Credit investment*
- *Will not leverage the 4% LIHTC*
- *Updated funding caps and broke down by unit size*

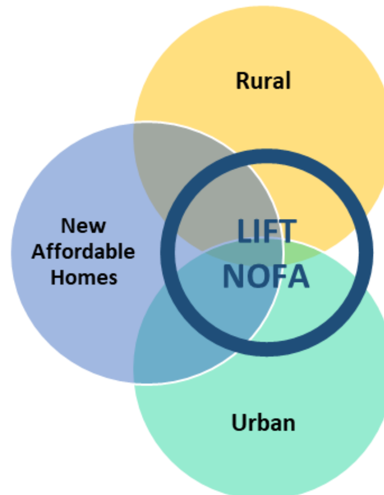
Fund Offering	LIFT Homeownership NOFA
Development Type	New Housing Units; Potential to allow for use for New Manufactured Home Parks or Spaces
Geography	Split between Rural 50% and Small Urban 25% and Large Urban 25%; 15% of overall resources to Culturally Specific Developers or Tribal Led *If undersubscribed – 1st to LIFT Rental; 2nd to Preservation Redevelopment for net new units.*
Subsidy Limits	LIFT: land value, max $115k/unit
Scoring Principles	[Detailed LIFT Program Draft]: Communities of Color / Costs / Partnerships / Equity
Equity	- Affirmative Fair Housing Marketing - DMWESB Construction Workforce Engagement - Culturally responsive partnerships for outreach- Location Accessibility - Diversity, Equity and Inclusion (DEI) agreement, requirement



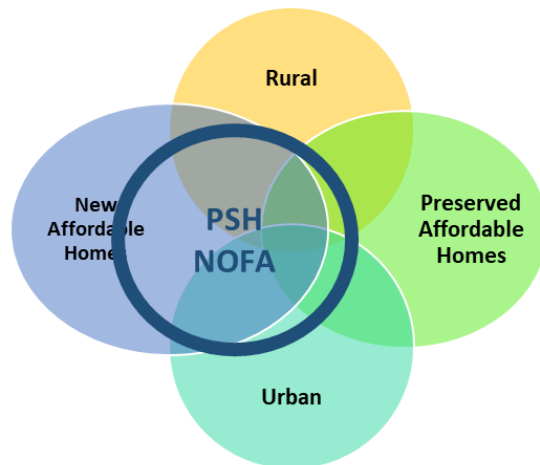
Primary Updates:

- *Expansion of geographic set-asides for Large vs Small Urban areas*
- *Inclusion of a 15 percent set-aside of resources for culturally specific developers*
- *Increased subsidy limits by 15%*
- *Consideration for use for new Manufactured Home Parks or Spaces*

Fund Offering	LIFT Homeownership Wildfire Direct Awards
Development Type	New Housing Units; Potential to allow for use for Net-New Manufactured Home Parks/Spaces
Geography & Set-Asides	40% to Lane, Lincoln, & Marion Counties 20% to Clackamas, Douglas, Klamath, & Linn Counties 40% to Jackson County Set-asides held until March 1st 2022; excess applications will be prioritized first-come first-served. Any resources not used by June 1st 2022 would be made available through the general pool of the LIFT H.O. NOFA.
Subsidy Limits	LIFT: land value, max $115k/unit
Minimum Thresholds	-Must include engagement of culturally specific or responsive partners in project design, outreach; -Must provide explanation of cost-cutting strategies; -Funding limited to land value and proportion of units with affordability restrictions; -Homes must be held affordable upon resale; -Must prioritize those impacted by wildfires
Equity	- Affirmative Fair Housing Marketing - DMWESB Construction Workforce Engagement - Culturally responsive partnerships for outreach - Location Accessibility - Diversity, Equity and Inclusion (DEI) agreement, requirement



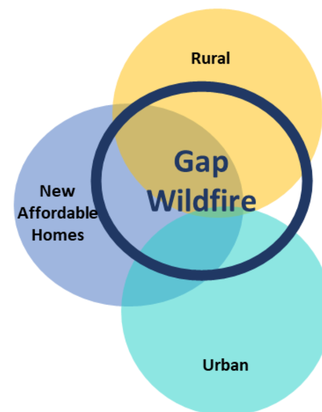
Fund Offering	Permanent Supportive Housing (PSH) NOFA
Development Type	PSH units in New / Acq/Rehab or Existing
Geography & Eligibility	Split between Urban & Rural& Tribal; eligibility and preference based on prior attendance at a PSH Institute with a preference for PSH Institute Projects
Subsidy Limits	Preference for less than $300k per unit of PSH or HTF; Integrated projects may request an additional $1 MM in gap per project. OAHTC 95% perm loan
Scoring Principles	Community Need for PSH; PSH Services Plan (Tenant-Centered, Accessible, Coordinated, Integrated, Sustainable); Inclusion of culturally responsive and equity measures; Tenant-centered design; Coordination with homelessness system in region; Anticipated outcomes and reporting capacity; Housing First
Equity	- Affirmative Fair Housing Marketing - MWESB Construction Workforce Engagement - Resident Services; culturally specific or responsive services and partnerships - Location Accessibility - Diversity, Equity and Inclusion (DEI) agreement, reporting -Points for equity measures including prioritization of serving Communities of Color



Primary Updates:

- *Increased subsidy limits*
- *Gap resources for integrated projects*
- *Allowing Institute Developers to apply for projects that have different teams*
- *Only approx. 80% of resources will be able to pair with 4% LIHTC / PAB*

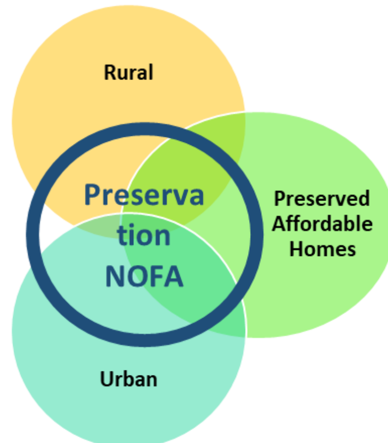
<table>
<tr><th>Fund Offering</th><th>Gap Wildfire Direct Awards</th></tr>
<tr><td>Development Type</td><td>New Construction / Rehab of Affordable Rental Housing in Wildfire Impacted Areas</td></tr>
<tr><td>Geography</td><td>50% to Lane, Lincoln, & Marion Counties
30% to Clackamas, Douglas, Klamath, & Linn Counties
20% to Jackson County
Set-asides held until March 1st 2022; excess applications will be prioritized first-come first-served. Any resources not used by June 1st 2022 would be made available through LIFT Rental NOFA.</td></tr>
<tr><td>Subsidy Target</td><td><table>
<tr><th></th><th>Urban and Mid-Sized Urban</th><th>Rural</th></tr>
<tr><td>Studio</td><td>$90,000</td><td>$110,000</td></tr>
<tr><td>1 Bd</td><td>$150,000</td><td>$170,000</td></tr>
<tr><td>2 Bd</td><td>$210,000</td><td>$230,000</td></tr>
<tr><td>3 Bd</td><td>$270,000</td><td>$290,000</td></tr>
</table></td></tr>
<tr><td>Threshold</td><td>80% AMI and below
60 year affordability
Must address Local Need
Must prioritize those impacted by Wildfire</td></tr>
<tr><td>Equity</td><td>- Affirmative Fair Housing Marketing
- MWESB Construction Workforce Engagement
- Resident Services; culturally responsive partnerships
- Location Accessibility
- Diversity, Equity and Inclusion (DEI) agreement, requirement</td></tr>
</table>



Primary Updates:

- *Will not be able to leverage 4% LIHTC*

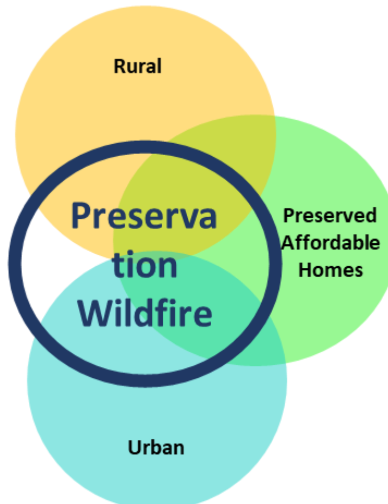
Fund Offering	Preservation NOFA
Development Type	Federal Rent Assisted at Risk; Portfolio Preservation; Physical Condition Risk of Loss
Geography & Set-Asides	Split between Urban & Rural - 30% for federal rent assisted at risk of expiration - 40% for portfolio at risk of expiration - 30% for physical condition at risk of loss
Subsidy Limits	Preservation funding to be loaned due at earlier of maturity, sale or refinance: cost must be justified by capital needs assessment Gap for including net-new units; use LIFT Limits OAHTC up to 95% perm loan
Scoring Principles	Criteria to be specific to each set-aside and vary based on project size; to include: Risk of Loss; Impact to tenants; Physical condition needs; Community supply / need; Family sized units; Compliance Risk Points for Culturally Specific Organizations
Equity	- Affirmative Fair Housing Marketing - MWESB Construction Workforce Engagement - Resident Services; culturally responsive partnerships - Diversity, Equity and Inclusion (DEI) agreement, requirement



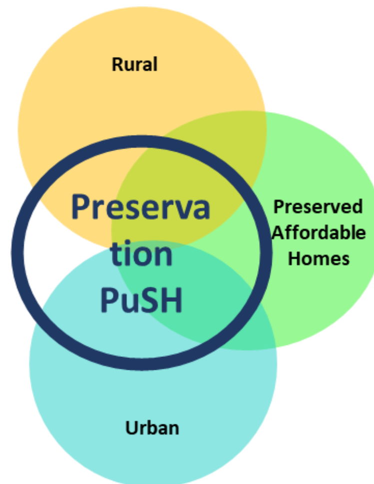
Primary Updates:

- *Established Set-Asides;*
- *Points for Culturally Specific Developers*
- *To scale scoring based on project size*
- *Funding must be loaned to project; no interest due at earlier of maturity, sale or refinance*
- *Limit the ability to leverage 4% LIHTC / PAB to approx. $40 M.*

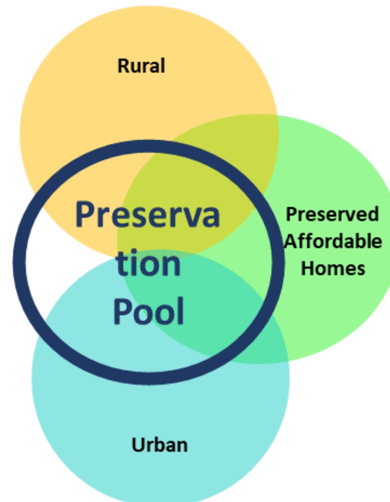
Fund Offering	Preservation Wildfire Direct Awards
Development Type	Wildfire impacted Affordable Rental Housing
Geography & Set-Asides	- Wildfire Impacted Counties
Subsidy Limits	Preservation funding to be loaned: cost must be justified by capital needs assessment OAHTC up to 95% perm loan
Minimum Thresholds	Must address wildfire impacted portfolio property physical rehab or rebuilding needs
Equity	- Affirmative Fair Housing Marketing - MWESB Construction Workforce Engagement - Resident Services; culturally responsive partnerships - Diversity, Equity and Inclusion (DEI) agreement, requirement



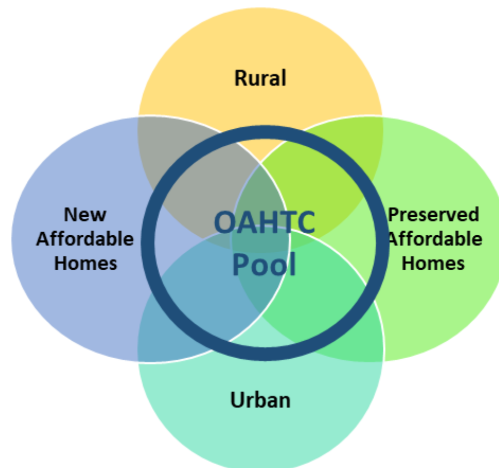
Fund Offering	Preservation PuSH Pool Resources
Development Type	Preservation of project at risk of loss and noticed through the PuSH regulations; must be local government with ROFR rights or the state's designee
Geography & Set-Asides	- statewide
Subsidy Limits	Demonstrated Need; leverage OAHTC as-needed. 4% LIHTC Leverage not allowed.
Minimum Thresholds	Must address life / health / safety concerns and accept 60-year affordability extension
Equity	- Affirmative Fair Housing Marketing - MWESB Construction Workforce Engagement - Resident Services; culturally responsive partnerships - Diversity, Equity and Inclusion (DEI) agreement, requirement



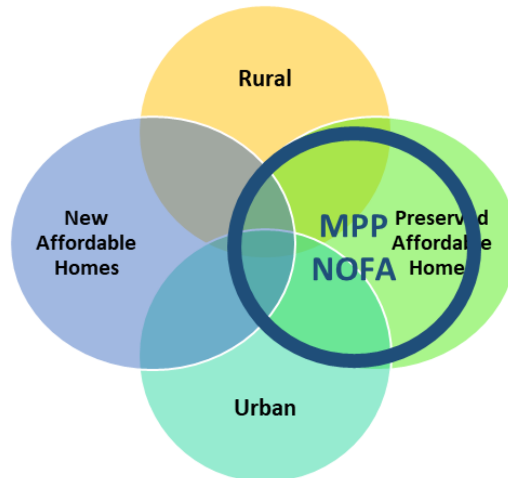
Fund Offering	Preservation Pool Resources
Development Type	Preservation of existing affordable rental housing; may include at risk through expiry, or physical condition need.
Geography & Set-Asides	- statewide
Subsidy Limits	Up to $20,000 per unit; may be used with or without OAHTC. 4% LIHTC leverage not permitted.
Minimum Thresholds	Must address life / health / safety concerns and accept 60 year affordability extension
Equity	- Affirmative Fair Housing Marketing - MWESB Construction Workforce Engagement - Resident Services; culturally responsive partnerships - Diversity, Equity and Inclusion (DEI) agreement, requirement



Fund Offering	OAHTC Pool
Development Type	for projects without OHCS competitive resources: New; Acq/Rehab; Federal Rent Assistance and Publicly Supported Preservation; Manufactured Home Park Preservation
Geography	Statewide
Subsidy Limits	OAHTC up to 95% permanent loan
Scoring Principles	Statewide Housing Plan Alignment; projects must serve Very Low Income Households
Equity	- Affirmative Fair Housing Marketing - DMWESB Construction Workforce Engagement - Diversity, Equity and Inclusion (DEI) agreement, requirement



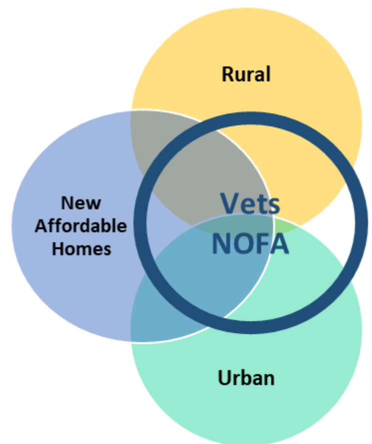
Fund Offering	Manufactured Home Park Preservation NOFA
Development Type	Preservation of existing Manufactured Home Parks
Geography	Statewide
Subsidy Limits	Gap: $40,000 cap per space in gap funding for parks with 51 spaces or more $50,000 cap per space in gap funding for parks with 50 spaces or less; OAHTC no cap
Scoring Principles	First Come First Served
Equity	- Diversity, Equity and Inclusion (DEI) agreement, requirement - Community engagement / representation



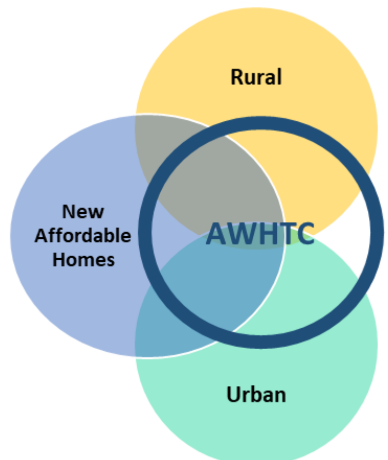
Primary Updates:

- *$5k subsidy increase*
- *To be offered first-come first-served in the first year; will close whenever resources are obligated*

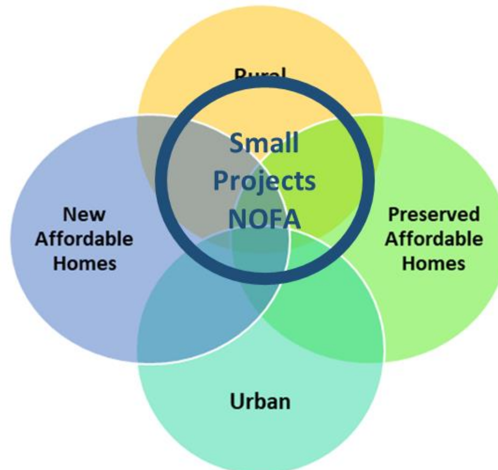
Fund Offering	Veterans NOFA
Development Type	New Units for Veterans in any New Construction or Conversion of Existing non-Residential; excludes Preservation
Geography	Split between Urban & Rural
Subsidy Limits	Vets GHAP; studio: $145,000/unit 1 bdrm: $200,000/unit 2 bdrm: $250,000/unit 3 bdrm: $300,000/unit If serving homeless population + 20% (studio $174k; 1 bdrm $240k; 2 bdrm $300k; 3 bdrm $360k) OAHTC up to 95% perm loan
Scoring Principles	Service connections; Location accessibility; Family sized units; AMI served; Low Subsidy; Homelessness
Equity	- Affirmative Fair Housing Marketing - MWESB Construction Workforce Engagement - Resident Services; culturally responsive partnerships - Location Accessibility - Diversity, Equity and Inclusion (DEI) agreement, requirement



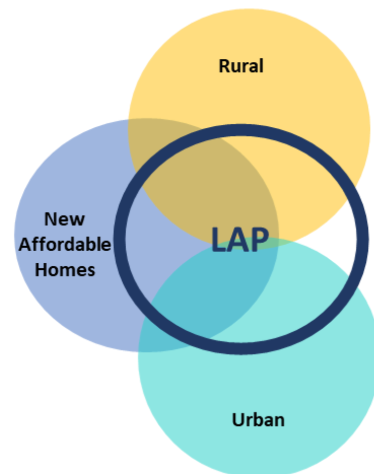
Fund Offering	Agricultural Workforce Housing Tax Credit (AWHTC)
Development Type	New or Acq/Rehab of housing that serves Agricultural Workers
Geography	Statewide
Subsidy Limits	AWHTC: no cap/50% eligible costs Off farm must demonstrate readiness to proceed (pending RD resources OK)
Scoring Principles	Currently First-Come First-Served; in 2022 for both on-farm and community; if resources are not fully subscribed by September the credits will roll over to the 2023 Small Project NOFA; 2023 will offer on-farm credits only
Equity	- Affirmative Fair Housing Marketing - DMWESB Construction Workforce Engagement - Resident Services; culturally responsive partnerships - Location Accessibility - Diversity, Equity and Inclusion (DEI) agreement, requirement



Fund Offering	Small Projects NOFA
Development Type	New Small Projects between 5 and 40 units Ag Project set-aside
Geography	Majority Rural
Subsidy Limits	studio: $145,000/unit 1 bdrm: $200,000/unit 2 bdrm: $250,000/unit 3 bdrm: $300,000/unit If serving homeless population + 20% (studio $174k; 1 bdrm $240k; 2 bdrm $300k; 3 bdrm $360k) OAHTC: up to 95% perm loan AWHTC: no cap
Scoring Principles	Service connections; Location accessibility; Family sized units; AMI served; Low subsidy; Asset building partnerships / service
Equity	- Affirmative Fair Housing Marketing - DMWESB Construction Workforce Engagement - Resident Services; culturally responsive partnerships - Location Accessibility - Diversity, Equity and Inclusion (DEI) agreement, requirement



Fund Offering	Land Acquisition Program
Development Type	Land banking for 5-8 years to be used for affordable homeownership or rental development
Geography & Set-Asides	15% for culturally specific organizations (not location specific), 33% for Portland Metropolitan Statistical Area, 32% for all other Metropolitan Statistical Areas in the State, 20% for all other geographic regions. Set-asides will be re-evaluated approximately 12 months after program release. 40% will be set-aside for affordable Homeownership opportunities, 60% will be set-aside for affordable Rental opportunities. Homeownership vs Rental use to be held in set-aside regions for six months. All recycled funds are subject to the 40% Homeownership set-aside.
Subsidy Limits	90% LTV
Scoring Principles	First Come First Served Loan
Equity	- Affirmative Fair Housing Marketing - Diversity, Equity and Inclusion (DEI) agreement, requirement



OREGON HOUSING and COMMUNITY SERVICES
725 SUMMER STREET NE, SUITE B | SALEM, OR 97301
503-986-2000 | www.oregon.gov/OHCS

Date: November 24, 2021
To: Housing Stability Council Members
Margaret Solle Salazar, Executive Director

From: Ryan Flynn, Assistant Director of Disaster Recovery and Resiliency
Caleb Yant, Deputy Director

Re: CDBG-DR

On September 30, Congress appropriated supplemental disaster recovery funds for states affected by Presidentially Declared Disasters in Public Law 117-43. This act resulted in the allocation of $422,286,000 in Community Development Block Grant- Disaster Recovery, or "CDBG-DR," funds on October 31. CDBG-DR is a new block grant to OHCS containing rigorous requirements while ensuring flexibility to meet the varying needs of wildfire survivors. The purpose of this memo is to provide basic grant and program information in advance of a presentation by our federal partners, HUD, during Friday's Housing Stability Council meeting. In addition to basic grant information, Friday's presentation will focus on best practices in CDBG-DR programing, operations, and ensuring a racially equitable recovery.

Background on CDGB-DR:

CDBG-DR is a block grant focused solely on recovery from the Labor Day 2020 wildfires. It allows for multiple types of activities including housing programs, business assistance programs, and infrastructure programs, however HUD prioritizes meeting unmet housing needs first. CDBG-DR requires a specific appropriation from HUD to fund the grant. Recovery programs with this grant must prioritize low-and-moderate income (LMI) persons and must respond to the Unmet Needs resulting from the 2020 Wildfires. 80% of the funding must be spent in the HUD-defined Most Impacted and Distressed Areas (MIDs), which are yet to be defined by HUD (the MID areas and other requirements will be defined in the to-be-released Federal Register Notice).

OHCS does not have access to the CDBG-DR grant funding today. To access the grant, OHCS will follow a HUD-required process which generally can be outlined in the following steps:

- Needs Assessment
- Action Plan Draft
- Public Comment and Public Engagement

- Action Plan Submission to HUD
- Submit Certifications to HUD
- Action Plan Approval and Grant Agreement

Programing Responsive to the Housing Need

The Needs Assessment, which is not yet complete, is likely to reveal a need to exclusively prioritize housing programs with the CDBG-DR grant. The Labor Day Wildfires of 2020 led to the loss of nearly 4,200 homes, 1,795 of which were manufactured homes in counties already experiencing a housing crisis.

The table below represents the number of destroyed or damaged homes as a percentage of annual residential building permits. At 19% of statewide annual permits the relative devastation of housing compared with the pre-wildfire housing production rates far outpaces the pre-wildfire building capacity and investment in housing. Local governments and the market will continue to struggle with meeting production needs and it is critical for the state to bolster local capacity by driving housing production in the impacted communities.

Impacted County	Destroyed & Damaged Homes (1)	Annual Residential Building Permits (2)	Lost homes as percentage of pre-wildfire area permits
Clackamas (3)	62	826	8%
Douglas	133	243	55%
Jackson	2,373	921	258%
Klamath	11	137	8%
Lane (3)	615	214	287%
Lincoln	288	333	86%
Linn	71	716	10%
Marion	633	1,638	39%
Total	4,186	5,028	83%
2019 Oregon Permits		22,037	19%

Sources:
1) Oregon Office of Emergency Management
2) HUD Office of Planning and Research, most recent annual data from 2019 or 2020
3) Clackamas and Lane County permit data is for unincorporated areas only

In addition to the obvious need for housing stock, needs of all community members are critical to develop the programing for this grant. As of November 2021, OHCS is dependent upon FEMA Individual Assistance data for estimating the number of impacted residents and projecting the number of potential applicants to any housing programs offered with state or CDBG-DR/MIT funds. However, as local community-based organizations and schools have reported, many potential applicants may not be accounted for in existing federal or state data sets. For example, according to HUD's Housing Impact Assessment, an estimated 55,000 migrant or seasonal workers live in the 8 impacted counties. Although these individuals are integral to Oregon's economy, culture, and community, it is not year clear what their housing impacts were or how they are represented in FEMA's Individual Assistance data.

OHCS is committed to providing inclusive housing solutions that benefit *all* Oregonians, including impacted residents who may have been reluctant or afraid to participate in government-funded programs that have been offered to date. To this end, OHCS must increase efforts with local CBOs, CAAs, and school districts to understand each community's need, including the needs of those who have been marginalized or excluded from government-funded recovery programs.

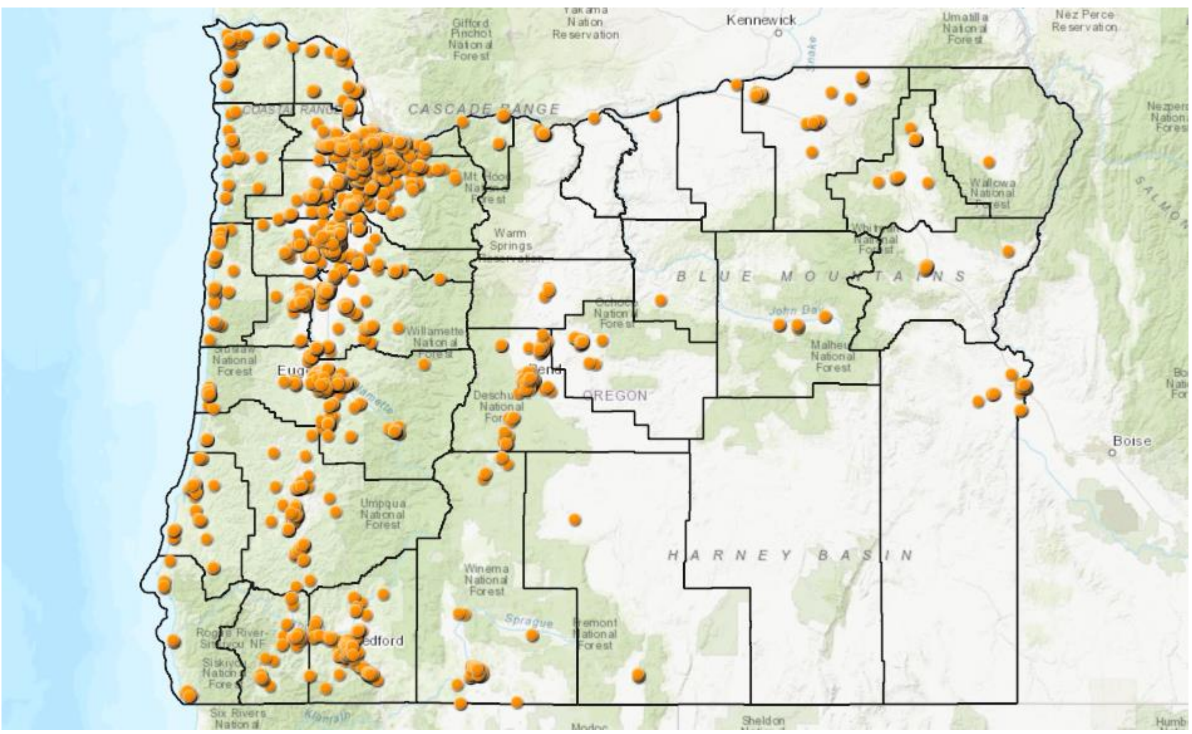
Next Steps

OHCS is currently working on the data analysis and interagency coordination to complete the Needs Assessment. This is an extensive data-gathering process to catalogue the Unmet Needs following the disaster. Once the Needs Assessment is complete, OHCS will begin the process of drafting the Action Plan, which will detail the programs OHCS intends to run to respond to the Unmet Needs. OHCS will formulate an engagement plan to ensure the Action Plan and underlying data is representative of local communities wants and needs. This will be done before, during, and after the formal public comment and public engagement periods required by HUD. OHCS is also currently awaiting the publication of the Federal Register Notice by HUD which will detail the grant requirements of this CDBG-DR award.

Oregon Landlord Compensation Fund

THE LANDLORD COMPENSATION FUND (LCF)

House Bill 4401, authorized in the 3rd Special Session of 2020, created and funded the Landlord Compensation Fund (LCF) to be implemented by Oregon Housing & Community Services (OHCS). This program was allocated $150 million in General Funds to provide relief to landlords who have tenants living in their homes who had been unable to pay rent at any point since April 2020 due to a financial hardship. To qualify for the payment of 80 percent of past-due rent, the tenant had to provide a signed Declaration of Financial Hardship established with the state's eviction moratorium, and the Landlord was required to forgive the remaining 20 percent of rent arrearages. In the 2021 Legislative Session, as the program was set to close, the Legislature increased the repayment from 80 percent to 100 percent, per Senate Bill 278.



LCF has approved nearly $152 million in payments to landlords to cover past due rent payment for qualified tenants from April 2020 – June 2021. All of these dollars have been distributed to Public Housing Authority partners who have distributed nearly 90 percent of program funds as of November 15, 2021.

Nearly 23,700 tenants were assisted at 7,015 properties providing compensation to approximately 5,500 Landlords in 35 counties across the state of Oregon.

Program Retrospective – What Worked

LCF assisted thousands of tenants and landlords, protecting these tenants from eviction, and wiping away tens of millions of dollars of rental debt, helping vulnerable landlords avoid foreclosure, preventing employee layoffs, and continuing to provide housing services to Oregonians during the Eviction Moratorium period. OHCS fulfilled legislative intent by providing a platform that enabled landlords to apply for relief on behalf of their tenants, receive assistance, and ensure program integrity measures.

At program close, OHCS has a few key takeaways:

- 23,619 tenants were assisted at 7,015 properties providing compensation to nearly 5,500 landlords.
    - Half of the owners listed indicated owning one property;
    - A third of the properties funded are likely single family properties
    - A third of properties funded are likely to have 10 or more units
- All $150 million dollars allocated to the program will be utilized.
- OHCS stood up, administered, and supported an extensive program serving the entire state in approximately six months, despite immense challenges. This program was one of only a handful of its kind in the nation.
- This program accomplished its goals, utilized its funds, and did so within the framework set forth by the legislature.

OHCS is also glad to share the perspective of some applicants:

I filled out a compensation application, but needed to make corrections and was unable to do it on line. I emailed for help, attaching files that I had been unable to upload. Ronald replied promptly with instructions, and he also loaded the corrected files into my application for me. I was fearing computer-only bureaucratic frustration and failure, and was so relieved to find real-person expert advice and guidance.

I just opened my letter from Home Forward today and I just wanted to say thank you so very much for helping me so generously with my rent. The process was surprisingly easy and user friendly and you processed it so quick. I don't have the words to tell you how grateful I am but please know from the bottom of my heart that I am grateful and this just means so much to me and is such a weight off my shoulders. To everybody who helps facilitate this, you have my unending gratitude.

I was delighted for this opportunity to have full forgiveness for my tenant, a restaurant worker and student. To also recover 80% of my losses is a bonus I did not expect would ever happen. This process was ultimately fast, considering what had to be done to execute quickly. So thankful.

Tenants Served by County	
Baker	11
Benton	193
Clackamas	2,085
Clatsop	105
Columbia	141
Coos	96
Crook	20
Curry	27
Deschutes	305
Douglas	202
Gilliam	3
Grant	14
Hood River	20
Jackson	533
Jefferson	4
Josephine	86
Klamath	146
Lake	4
Lane	1,501
Lincoln	84
Linn	327
Malheur	54
Marion	1,976
Morrow	2
Multnomah	10,417
Polk	262
Sherman	1
Tillamook	29
Umatilla	91
Union	48
Wallowa	1
Wasco	30
Washington	4,582
Wheeler	1
Yamhill	218
Grand Total	23,619

Program Direction & Operationalization Challenges

The Landlord Compensation Fund (LCF) concept was largely developed by a legislative working group. The direction OHCS received is summarized as follows:

- The program was to be implemented as quickly as possible following bill passage.
- OHCS was directed to provide multiple competitive rounds of funding vs. a singular application process or a first-come, first-serve method.
- OHCS was instructed to prioritize payment to "small landlords" (owners with fewer properties) over "big landlords" (owners with many properties).
- There was an expectation that OHCS would work with Public Housing Authority (PHA) partners in program delivery.

To meet the above objectives, OHCS began an extensive review of current and past tenant and landlord-based programs across the country. LCF is a relatively unique program design in that it was a landlord-facing application program. In general, rental assistance programs (at this time) were based on a tenant-initiated application processes and there were only a handful of landlord-facing programs.

A network of 20 PHAs were engaged as the resource delivery partners. PHAs were to performed audit testing on the ownership verification (requiring proof that the owners in the application were owners of the property), issue payments, and send tenant issuing tax documents via US mail. Several trainings on data hand-off procedures with the PHAs were held prior to this work. As application rounds closed and funding was approved for each cohort of applicants, the files were transferred to PHAs to process within the negotiated 30-60 day payment timeline.

In order to operate multiple rounds of applications and be able to prioritize applications with established scoring criteria OHCS determined that a complex application and data system was required. OHCS engaged with Allita, a vendor already known to the agency and began workshopping a conversion of their existing tenant facing application system to be usable for landlord directed applications. Because of the expectations on the time frame to launch the program as quickly as possible, OHCS did not have the option of openly bidding and sourcing the project with outside software vendors.

- OHCS began working with Allita, basing software configurations on standard programmatic assumptions. Staff went through this process with the understanding that OHCS would have the ability to gather information necessary to operate a program with a clear path of documentation to maintain integrity over data as well as resource use.

  Staff designed program delivery that included the gathering of basic tenant information: names, addresses, and a tenant identifier (birth date, etc.). This information had several purposes in the application process: to ensure tenants were aware that their landlord applied for assistance on their behalf, to avoid duplication, and to prevent fraud. OHCS also proposed tracking race and ethnicity characteristics to track equity outcomes. The tenant identifier was an essential data point for the software's functionality, so OHCS conceived a "Tenant Attestation" form to gather this information. OHCS testified about initial program plans to the Joint Interim Committee On The Third Special Session of 2020.

- To the detriment of data integrity, programmatic controls, and equity and racial justice – as OHCS began demonstrating the planned LCF application portal, the landlords and legislators involved in LCF program design determined that **OHCS was not empowered to collect any additional tenant data that was not prescribed in program statute**.

Without the tenant attestation allowable, OHCS had little to no means to create unique identifiers for tenants in the data base which would be needed for establishing system controls around detecting duplicate application coverage, ascertaining fraudulent applications, verifying that all eligible tenants were included in the landlord application, verifying landlord compliance with programmatic requirements. Overall, without the ability to capture meaningful and consistent information from applicants was a detriment to program integrity and in real terms the late-stage change slowed the software developer's progress and with no means of separating and sorting data, we had to work with the software provider to implement untested and largely unknown workaround procedures. This ultimately resulted in software failure at program launch.

Although the required prioritization of applications required **prioritizing small vs large landlords**, the program advocates and their counsel argued that property managers needed to be able to have full rights to apply for all properties that they managed. While this made sense for property management, it introduced **several key programmatic inconsistencies** which prevented our ability to determine if an applicant was in compliance with providing us with the detail on all properties they own, requirements that if they choose to participate for one tenant they do so for any qualified tenants in their properties, among others:

- If the owner of several rental properties used multiple property managers, and the property manager applies on behalf of the landlord, it is not possible for staff to confirm whether an application was submitted for all properties within the owner's portfolio.
- If a property manager is the applicant, and represents many different ownerships, they are unable to make unilateral decisions for all owners within their portfolio, so can also not meaningfully attest that the property manager applied for their entire portfolio or for every property they manage.
- The related statutory requirement to prioritize applications based on the number of units in a given landlord's portfolio became unfeasible to operationalize consistently.

Together, these programmatic shifts in January 2021 delayed and compressed the testing period for the software. Consequently, the system was not fully operational at the time of launch. System patches were subsequently put into place to allow for applications to be submitted, but without any fundamental tenant data structure. Due to both the needs of landlords missing months of rent and the June 30th deadline to spend the funds, OHCS felt intense pressure to launch on February 17, 2021.

Program Operations

On February 17, 2021 the LCF program was launched. The software program was almost immediately overwhelmed as applicants flooded the system, demonstrating the significant need from landlords. New and largely untested system patches did not work as intended. As thousands of applicants loaded and re-loaded data with no structure to the system, the workarounds in the software coding were simply not robust enough to handle the immense amount of data that OHCS needed to gather to meet the other programmatic intentions. The lack of a key identifiers complicated data integration, consolidation, and reporting.

To resolve the initial challenges, the system was shut down overnight on March 2, 2021 to address issues on the front end of the application portal. Time spent working on this detracted staff from building out the backend of the system. At the same time, OHCS had limited staff to assign to this project due to COVID-19 and wildfire response efforts. The agency had to rapidly hire and train staff while simultaneously rebuilding largely incomplete and unfinalized applications due to the software system malfunctions. While the system was shut down, staff surveyed all potential applicants and manually entered thousands of records into the system directly. This was done by emailing all potential applicants and offering one-on-one support in completing applications. Round 1 was extended multiple times to allow time for applications to get cured, re-entered and finalized. Round 1 finally closed in April after staff worked directly with hundreds of landlord to complete their application.

Concurrently, OHCS and the system developer had created a new application process using the parts of the software system that did work while removing and developing new workarounds for the pieces of the software that caused the systemic failures. Thus, a new, less sophisticated, and more labor-intensive system was designed from the ashes of the original. This allowed the second round to go live in May, along with a customer service team nearly 6 times larger than at the time of the February system launch. This team was also dedicated to assisting landlords who did not have access to technology. The system changes proved to be adequate and more user-friendly, and the additional staff improved response time for applicants. This updated system was also used in round 3, opened in June.

On June 22nd, the day before the program closed, the Oregon Legislature passed [Senate Bill 278] which directed OHCS to pay landlords the 20 percent in past-due rent that they had previously been required to forgive. While a simple concept, this change created a flood of new applications from those following legislative activities on the last day of program operations, un-did the programmatic principles that drove program design, communication and processes. This meant adding additional time to support applicants, required legal amendments to already signed programmatic grant agreements for each transactions, added administrative complexity to update messages, update program processes, track compliance with program regulations, and extended the work of the PHAs in issuing payments.

Statewide Housing Plan Goal Retrospect

The Landlord Compensation Program touched many of our Statewide Housing Plan priorities, but it was certainly not as effective as it could have been largely due to the limited program design influence that program staff was able to have. This also carried forward into implementation limitations. In retrospect these are the areas that staff believe were missed opportunities in SWHP alignment.

- Affordable Rental Housing – LCF was designed without any income restrictions or Fair Market Rent caps. It was designed to assist all landlords and not just affordable rental housing providers. Was this a factor in the decision to pay 80% of rental debt owed rather than 100%? Regardless, we do not know if this discouraged affordable housing providers from utilizing the program understanding that they may have much tighter margins than unregulated housing. The switch to 100% payment was done so late that it is likely small landlords and Naturally Occurring Affordable Housing providers were not aware of the change and likely many that would have liked to apply did not have the information timely to do so.
- Equity & Racial Justice – ERJ was the area we believe was most effected by OHCS' inability to control program design. Data collection, partner agencies and even program distribution were all locked in for the agency and these are areas where ERJ work can be the most influential. Further, because we could not track data, we have no idea how effective the program was and if BIPOC communities, who were the most effected by the pandemic, were actually the ones that most benefitted from the program. We suspect that decisions like the last-minute determination to pay 100% of the debt, resulted in the larger and more well-informed properties receiving a much larger share of LCF funding than the intended "Mom & Pop" operations.

- Homelessness – The question here is did those families most at risk of homelessness receive these benefits. Once again, the lack of being able to track tenant data and incomes makes the beneficiary effects purely speculative. These funds were not targeted to those most in need or even towards owners that serve those most in need. There was so much need that we suspect a large group of households that may have become homeless or at risk of homelessness after the eviction moratorium was lifted ultimately benefitted but we also believe a more strategic approach may have made more of an impact.
- Rural Communities – Rural communities may also have been better served with a different approach. The last-minute modification of the program from 80% payment to 100% likely left many rural landlords not following legislative activities left out. But we also believe that more time on the front end could have been used to focus on outreach and marketing the program to rural communities. This is where we believe additional partnerships would have been very beneficial to the program. Though PHA's were great partners, additional partnerships with community organizations and local property owner networks may have increased utilization in the rural areas of the state.

Conclusion

The LCF served a large number of tenants and landlords in a short period of time. OHCS hopes that in the future, emergency response efforts can be designed in statute with more flexibility and that the agency can be more in the driver's set on program design; as discussed above, the conflicting expectations of policymakers and stakeholders boxed OHCS into certain pathways and revisions and this led to challenges in implementation. OHCS has also learned an important lesson about staffing and capacity. Our permanent and temporary staff did heroic work to keep this program running under great pressures, but when the program expanded from an expected $20M to $150M in short order, it would have made sense in hindsight to engage an outside firm to administer the program as OHCS did not have prior experience with this level of direct assistance and customer service.

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Date: December 3, 2021

To: Housing Stability Council Members
Margaret Solle Salazar, Executive Director

From: Andrea Bell, Director of Housing Stabilization Division
Laura Lien, Assistant Director of Homeless Services
Sam Kenney, Senior Homeless Services Policy Analyst
Lauren Dressen, Rental Assistance Program Coordinator

Re: COVID-19 Oregon Emergency Rental Assistance Program (OERAP) Update

Purpose: Briefing; no HSC decision to be made.

Background

The 2021 Federal Emergency Rental Assistance Program was funded through the Consolidated Appropriations Act (ERA1; the State of Oregon received approx. $204M) and the American Rescue Plan Act (ERA2: the State of Oregon received approx. $156M). Information about the program from the U.S. Treasury can be found here, and the state program here.

The Oregon Emergency Rental Assistance Program (OERAP) is in the final stages of ERA1 spend downs and OHCS is simultaneously paying out applications using ERA2 dollars to maximize payments as tenant rental assistance applications continue to be submitted through December 1st. At 11:59pm on December 1st, the OERAP program will pause application intake for a minimum of six weeks as the program is expected to be fully subscribed, with all $289M available for rent assistance being requested. Please see associated press releases here.

ERA2 Transition Overview

Our goals of OERAP remain the same, with the following being informed by the data and processing experience of our partners:

1. Increasing speed of payments to tenants and landlords;
2. Eviction prevention;
3. Improving the tenant experience with the ERA program; and
4. Pay as many households already in the ERA queue as possible – i.e., lead with breadth instead of depth to support the most households possible with ERA allocations.

Given the demand for rental assistance, OHCS is administering ERA 1 and 2 concurrently versus sequentially. Within ERA2, there are several flexibilities afforded in statute that grantees such as OHCS are expected to fully incorporate to accelerate payments to tenants, who are the beneficiaries of this statute. Having real-time data for this program has allowed OHCS to closely examine trends and bottlenecks in the current process – including where the processing of applications is often slowed down and what potential solutions may inform the expediting of those payments to tenants and landlords.

Centralizing Processing

We initially underestimated the large-scale operational undertaking of ERA 1, and while our initial plan was to have local administrators processing applications and payments, it became evident that OHCS needed to bring on additional capacity support this effort. One of our lessons learned is that an undertaking of this scale requires both scalability and coordination. We have extended our contract with Public Partnerships, LLC (PPL) to centralize the "backend" functions for ERA; centralizing application and payment processing with one vendor is both a proven best practice and is also a key characteristic of national programs that were highly effective at expediting payments. We have a great deal of data from the first six months of the program and it is evident that the processing times vary widely depending on the local program administrator across the state, anywhere from under 30 days per application to more than 100 days per application. At the time of this writing, we are using an "all hands on deck" approach, with Community Action Agency partners continuing to process and pay out applications for ERA 1 while our outside vendor, PPL, processes and pays out applications as well. PPL has consistently exceeded our benchmark of processing 500 applications per week. OERAP is paying out approximately $10-$12M per average each week and the program is a national leader.

ERA 2 Treasury Flexibilities

Since the launch of the ERA program, the U.S. Treasury has continuously updated their FAQs and overall expectations for implementation of emergency rental assistance dollars across the country.

Utilities: One flexibility Treasury explicitly recommended for ERA2 dollars was to remove utility assistance to focus on rent assistance. There continues to be a very high demand for rental assistance, which is key to tenants being able to remain housed during COVID-19. Generally, the process of obtaining the necessary documentation to demonstrate the need for utility assistance is tedious and often slows the processing of applications. Similarly, with SB 278 protections lapsing and the impending end of SB 282 protections, providing rental assistance to the most families possible is key in the success of OERAP. It would also help expedite processing and payments and prevent evictions to the extent possible, overall keeping Oregonians housed. After careful consideration, we made this move with ERA2 applications knowing that there are several other statewide utility programs to support households in need. We are committed to using other funds to pay utility bills for these families.

Landlord engagement: As we heard from many landlords, there was a desire to have more transparency and involvement with the portal from the landlord perspective to be able to better support tenant applications and eviction prevention. As we work to improve landlord and tenant experiences as well as expedite payments to prevent evictions, we aim to strike an appropriate balance including incorporating new application statuses in the portal for ERA2 and removing additional barriers to expediting payments by streamlining the landlord outreach policy. ERA1 included extraordinarily prescriptive instructions from US Treasury, for example, on how may landlord contact attempts were required under what time frame. ERA2 provides a more streamlined approach that will keep landlords engaged but allow OHCS to move the process along more quickly.

Next Steps

With the shift toward clearer Treasury expectations, OHCS stands ready to ensure that our OERA Program is built and processed on a solid foundation attentive to eviction prevention, improving the tenant and landlord experience with both the application and the processing of that application, and expediting payments as fast as possible. We also look to supporting as many households as possible with these limited funds, and continuing to put equity and racial justice at the center of all decisions we make both at the start and in the future of this program.

As the Council may be aware, Oregon's state elected leaders are considering the possibility of a Special Session to make changes to Oregon eviction laws. OHCS has been clear that any legislative action should also address the lack of state rental assistance, with the swell of demand demonstrated by OERAP being fully subscribed. We have also called for solutions to the eviction crisis that not only provide tenants with more time for application review, but also invest in the funding and creation of a long-term eviction prevention infrastructure. Rent assistance alone is not sufficient. We will plan to provide an update at the Council meeting.

Alignment with the Statewide Housing Plan

Priority: Equity and Racial Justice

Creating a homeless services system in Oregon that reaches those historically underserved and/or disproportionately impacted by housing instability requires us to examine the status quo and push for solutions that lead with equity. The current rent assistance funds provide an opportunity to implement changes to the existing system and to ensure we are leading with intent and expediency to mitigate the disproportionate effects of both COVID-19 and housing instability on our communities of color. As outlined in our goals, OHCS is working to integrate equity into the state's COVID-19 response and recovery efforts. COVID-19 does not affect all communities equally, and it is well documented that people of color are experiencing disparate effects of the pandemic.

For the first time, OHCS has access to real time data related to the race and ethnicity of rental assistance applicants, and we have made this data available as part of weekly public "dashboard" updates. We are pleased to see the program's reach into the Black, African American and Native American community, where the applications that have come in (and those paid out) exceed the percentage of Oregonians with these racial and ethnic identities living in poverty. =However, we can see from this data that we have more work to do to reach Oregon's Latinx and Asian and

Pacific Islander communities – we are under-serving these residents compared to the populations of these Oregonians living in poverty. OHCS has translated materials into many languages and invested dollars in a multitude of community-based organizations for outreach and tenant support. As noted above, our program is currently fully subscribed, but in the event that OHCS receives more funds for OERAP, we will intentionally work with community partners to improve application intake from these residents. In the event that we continue to have scarce resources and cannot reach every applicant with these funds, OHCS will continue to use our hybrid prioritization schema that is prioritizing applicants using the Urban Institute racial equity tool.

Priority: Homelessness
Rent assistance dollars are aligned with providing eviction preventions and other needed supports to households at risk of losing their housing and entering homelessness. The primary goals for these rent assistance programs include a focus on eviction prevention and connecting households experiencing housing instability on account of COVID-19 with the resources and support to remain housed that mitigates barriers and provides greater accessibility. The investments in homelessness prevention does not mean that our commitment to those who have already lost their homes are not able to be served – these dollars can also pay for the critical needs of those who need to get back into housing such as rents, deposits, and move-in costs.

Priority: Permanent Supportive Housing
N/A

Priority: Affordable Rental Housing
With the COVID-19 pandemic (and subsequent eviction moratorium) also directly impacting landlords with respect to overdue rent, it is challenging for landlords to pay mortgages on their rental properties and keep rents reasonable and affordable in communities across the state. Since OERAP helps pay both arrearages owed and forward rent due, the program directly impacts stability for landlords and the rental housing market, which in turn provides stability for renters.

Priority: Homeownership
N/A

Priority: Rural Communities
Housing instability can and does look different across geography. For rural communities, the hidden nature of instability, large distances between supportive services/resources, a shortage of affordable housing, and fewer economic and employment opportunities are all challenges to stabilizing an individual or household. Rent assistance program funds are available statewide, ensuring geographic coverage to meet state goals and state/federal priorities. The method that rural communities best access rent assistance resources can also be drastically different than in urban communities due to limited internet capacity in some areas, thus the need to have flexible processes to ensure nobody is left out due to the digital divide.

Housing Stability Council Involvement and Next Steps:
No HSC decisions to be made. Update on ERA2 progress only.