

# Housing Stability Council

## MEETING MATERIALS PACKET



Peace Village Cooperative  
Eugene, Or

August 2, 2024  
9:00 a.m. – 12:00 p.m.  
Oregon Housing & Community Services  
Webinar



Council Members:  
 Claire Hall, Chair  
 Sami Jo Difuntorum  
 Mary Ferrell  
 Maggie Harris  
 Mary Li  
 Erin Meechan  
 Javier Mena  
 Kristy Rodriguez  
 Sharon Nickleberry Rogers

**AGENDA**  
 August 2, 2024 9:00 a.m. – 12:00 p.m.  
 Oregon Housing and Community Services  
 725 Summer St NE, Salem OR 97301



Webinar Mtg Only  
 Public [register](#) in advance for this webinar

\*Please note the new [public hearing process](#)

TIME	TOPIC	SWHP Priority	ACTION
9:00	<b>Meeting Called to Order</b>		Call Roll
9:05	<b>Report of the Chair</b>		Briefing
9:15	<b>Report of the Director</b>		Briefing
9:30	<p><b>Affordable Rental Housing Division (pg. 04)</b>  <i>Natasha Detweiler-Daby, Director of Affordable Rental Housing Division</i></p> <ul style="list-style-type: none"> <li>• <a href="#">Public Hearing</a> Comments in accordance with <a href="#">ORS 456.561</a></li> <li>• Transactions: <i>Tai Dunson-Strane, Assistant Director Production</i> <ul style="list-style-type: none"> <li>o Dolores</li> <li>o Redmond Landing</li> <li>o Strong Family</li> </ul> </li> <li>• ORCA Recommendations: <i>Amy Cole, Assistant Director Development Resources; Roberto Franco, Deputy Director Development Resources and Production</i> <ul style="list-style-type: none"> <li>o Lighthouse Village</li> <li>o Shortstack Belmont</li> </ul> </li> <li>• PuSH Seller's Tax Credit: <i>Love Jonson, Planning &amp; Policy Analyst; Rick Ruzicka, Assistant Director of ARH Planning &amp; Policy</i></li> <li>• Qualified Allocation Plan Discussion: [no memo] <i>Mitch Hannoosh, Senior Policy Analyst; Amy Cole, Assistant Director Development Resources; Natasha Detweiler-Daby, Director</i></li> </ul>		<p>Decision</p> <p>Briefing</p>
11:00	<b>Break</b>		
11:15	<p><b>Homeownership Division (pg. 37)</b>  <i>Keeble Giscombe, Director of Homeownership Division</i></p> <ul style="list-style-type: none"> <li>• <a href="#">Public Hearing</a> Comments in accordance with <a href="#">ORS 456.561</a></li> <li>• Homeownership Development Project Approvals: <i>Jessica MacKinnon, Talia as a backup presenter (10 minutes)</i></li> </ul>		Decision
12:00	<b>Meeting Adjourned</b>		

The Housing Stability Council will provide [public hearing](#) time in accordance with ORS 456.561. Council's review of loan, grant or other funding award proposals under this section shall be held at a public hearing of the council. A public hearing is a formal proceeding held in order to receive testimony from all interested parties, including the general public, on a proposed issue or action. A public hearing is open to the public but is regarding a specific proposal/project.

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.

# AGENDA

August 2, 2024 9:00 a.m. – 12:00 p.m.  
Oregon Housing and Community Services  
725 Summer St NE, Salem OR 97301



Council Members:  
Claire Hall, Chair  
Sami Jo Difuntorum  
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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](http://www.oregon.gov/OHCS)

Date: August 2, 2024

To: Housing Stability Council Members;  
Andrea Bell, Executive Director

From: Tai Dunson-Strane, Assistant Director, Transactions  
Hattie Iott, Housing Production Manager  
Roberto Franco, Assistant Director, Development Resources  
Natasha Detweiler-Daby, Director, Affordable Rental Housing

Re: **Approval for Resolution #2024-08-02**

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**Motion:** Approve the Resolution #2024-08-02 recommendations for the following projects:

**BOND RECOMMENDED MOTION:** Move to approve Pass-Through Revenue Bond Financing in an amount up to and not to exceed \$22,803,000 to Dolores Apartments Limited Partnership for the construction of Dolores, subject to the borrower meeting OHCS, Beneficial Stare Bank, and Redstone Equity Partner's underwriting, closing criteria, and documentation satisfactory to legal counsel and Treasurer approval for the bond sale.

**LIFT RECOMMENDATION MOTION:** Move to approve Local Innovation and Fast Track (LIFT) funds in the amount of \$2,399,522 to Dolores Apartments Limited Partnership for the construction of Dolores, subject to the borrower meeting OHCS, lender and investor's underwriting, closing criteria and documentation satisfactory to legal counsel.

**BOND RECOMMENDED MOTION:** Move to approve Pass-Through Revenue Bond Financing in an amount up to and not to exceed \$37,043,000 to VBT Redmond Landing LP for the acquisition, rehabilitation and construction of Redmond Landing, subject to the borrower meeting OHCS, Key Bank, and R4 Capital's underwriting, closing criteria, and documentation satisfactory to legal counsel and Treasurer approval for the bond sale.

**BOND RECOMMENDED MOTION:** Move to approve Pass-Through Revenue Bond Financing in an amount up to and not to exceed \$22,880,000 to Strong Family AA Limited Partnership for the construction of Strong Family Property, subject to the borrower meeting OHCS, Hudson Housing Capital, and JPMorgan Chase Bank's underwriting, closing criteria, and documentation satisfactory to legal counsel and Treasurer approval for the bond sale.





At the upcoming Housing Stability Council meeting, we will be presenting three 4% LIHTC/Conduit Bond transactions for Council approval.

The projects included in the Resolution following this memo were approved by the OHCS Finance Committee or are scheduled for an approval by the Finance Committee. In this memo we are providing you with a high-level summary of the recommended projects. More detailed information regarding the projects and the additional funding recommendation can be found in the individual project summaries.

All projects are subject to underwriting and programmatic requirements established under the Qualified Allocation Plan, General Policy and Guideline Manual (GPGM) and MWESB/SDVBE Compliance Manual are eligible to be considered for funding. All applications proposed a percentage target of MWESB contractors and subcontractors above the minimum standards set forth in the OHCS MWESB Compliance Policy, and all have an Affirmatively Furthering Fair Housing Marketing Plan including a Tenant Selection Plan that will market to those least likely to apply. All projects sponsored have signed our Diversity, Equity, and Inclusion (DEI) Agreement and submit an Equity & Racial Justice (ERJ) project status report.

**Funding Recommendation:**

We are recommending funding reservation for three (3) projects. This project will create **298** units of new affordable housing.

**Projects with Other OHCS Funding**

Project Name	County	Total Units	Sponsor	Underwriting Stage
Dolores	Washington	67	Hacienda CDC	FC schedule for 7/30
Strong Family Property	Multnomah	75	CDP Oregon LLC, Self Enhancement Inc	FC schedule for 8/6



**August 2, 2024**

4% LIHTC/Conduit Bond Funding

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**Projects without OHCS gap funding**

Project Name	County	Total Units	Sponsor	Underwriting Stage
<b>Redmond Landing</b>	Deschutes County	<b>156</b>	MacDonald Ladd Development LLC	FC schedule for 7/30
<b>Total</b>		<b>298</b>		

See attached project summaries.



**STATE OF OREGON**  
**OREGON HOUSING AND COMMUNITY SERVICES**  
**HOUSING STABILITY COUNCIL**

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**RESOLUTION NO. 2024 – 08-02**  
**ADOPTED: AUGUST 2ND, 2024**

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**A RESOLUTION OF THE HOUSING STABILITY COUNCIL APPROVING PASS-THROUGH REVENUE BONDS AND HOUSING PROGRAM FUNDING TO FINANCE THE PROJECTS DESCRIBED HEREIN, SUBJECT TO THE BORROWERS AND PROJECTS MEETING CERTAIN PROGRAM REQUIREMENTS, CLOSING AND OTHER CONDITIONS AS DESCRIBED HEREIN; AND AUTHORIZING AND DETERMINING OTHER MATTERS WITH RESPECT THERETO.**

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**WHEREAS**, the State of Oregon (the “**State**”), acting by and through the State Treasurer (the “**Treasurer**”) and the Oregon Housing and Community Service Department (the “**Department**”) and collectively with the State and the Treasurer, the “**Issuer**”), is authorized, subject to Housing Stability Council (the “**Council**” or “**HSC**”) review and approval, pursuant to Oregon Revised Statutes (“**ORS**”) Chapter 286A and ORS Sections 456.515 to 456.725, inclusive, as amended (collectively, the “**Act**”) and Oregon Administrative Rules (“**OAR**”) Chapter 813, Division 35 pertaining to the Department’s Pass-Through Revenue Bond Financing Program (the “**Conduit Bond Program**”), to issue revenue bonds, notes and other obligations (collectively, “**Bonds**”) and to loan the proceeds thereof to borrowers (“**Borrowers**”) in order to finance certain costs associated with the acquisition, rehabilitation, development, construction, improvement, furnishing and/or equipping of multifamily housing;

**WHEREAS**, through the federal 4% Low-Income Housing Tax Credit Program (“**LIHTC Program**”), the Department allocates tax credits (the “**Credits**”) in accordance with the Act and OAR Chapter 813, Division 90 pertaining to the Department’s LIHTC Program;

**WHEREAS**, through the Department’s various financing programs as authorized by the Act and ORS Chapter 458 (collectively, “**Housing Programs**”), the Department, subject to the Council’s review and approval, provides loans, grants and other financing pursuant to the Act, ORS Chapter 458, applicable OARs and in conformance with Department policies (the “**Housing Program Funding**”). The Conduit Bond Program, the LIHTC Program and the Housing Programs are collectively referred to herein as the “**Programs**”; and

**WHEREAS**, the Department’s Finance Committee (the “**Committee**” or “**FC**”) has (i) approved the allocation of Credits, (ii) recommended to the Council the issuance of Bonds, and (iii) approved or recommended providing the Housing Program Funding to finance each of the affordable multifamily rental projects as listed on Exhibit A attached hereto (each an “**FC-Approved Project**” and collectively, the “**FC-Approved Projects**”); and

**WHEREAS**, Council desires to accept the recommendations of the Committee by (i) approving the Bonds and directing the Department to request that the State Treasurer issue the Bonds and (ii) further ratifying and/or approving providing the Housing Program Funding to finance each of the FC-Approved Projects; and

**WHEREAS**, the further Council desires to (i) approve the Bonds and direct the Department to request that the Treasurer issue the Bonds and (ii) further ratify and/or approve providing the Housing Program Funding to finance each of the affordable multifamily rental projects as listed on **Exhibit B** attached hereto (each a “**Proposed Project**” and collectively, the “**Proposed Projects**”), in each case subject final approval of the Projects by the Committee, including the allocation of Credits by the Committee to each of the Projects; and

**NOW, THEREFORE**, be it resolved by the Council as follows:

**SECTION 1. HSC APPROVAL.** The Council hereby acknowledges that it has reviewed the information and materials included in **Exhibit A** and **Exhibit B** attached hereto describing the Bonds and the Housing Program Funding, each FC-Approved Project and each Proposed Project (each a “**Project**” and collectively, the “**Projects**”) and the financing of each of the Projects, and hereby approves the issuance of the Bonds for the financing of each of the Projects, as described therein. Subject, in the case of each Project, to the Borrower’s compliance with all legal and other requirements of the Act and the applicable Programs and confirmation by the Department, including final approval by the Committee in the case of each Proposed Project, that the conditions described in Section 2 below have been satisfied, the Council finds that no further meeting or action of the Council is needed for the Department to request and the Treasurer to proceed with the issuance of the Bonds and for the Department to proceed with the financing of the Project.

**SECTION 2. CONDITIONS TO ISSUANCE, SALE AND DELIVERY OF BONDS.** The Council hereby approves the issuance, sale and delivery of the Bonds for each of the Projects. For each Project, such approval is subject to any remaining final approval(s) that may be required by the Committee (including the allocation of Credits to and final approval of each Proposed Project by the Committee) and/or the Department’s Executive Director (or her designee), and further subject to the Borrower meeting all requirements of the applicable Programs and satisfying all closing and funding conditions, including:

- (A) completion by the Department of all necessary due diligence related to the Project and the financing, consistent with applicable Program requirements, Department policies and practices;
- (B) the absence of any material change to the Project or the financing following the adoption of this Resolution;
- (C) confirmation that all legal and other requirements of the Act and the Conduit Bond Program for the issuance, sale and delivery of the Bonds have been satisfied, as determined by the Department, the Oregon Department of Justice and Bond Counsel; and
- (D) confirmation that all legal and other requirements of the Act and the Programs have been satisfied, as determined by the Department and the Oregon Department of Justice.

**SECTION 3. COUNCIL REVIEW, APPROVAL AND PUBLIC MEETING.** The Council hereby acknowledges that it has reviewed the information and materials included in **Exhibit A** and in **Exhibit B** attached hereto describing the Projects and the financing of each of the Projects, including the Bonds, and conducted such additional review and made such additional inquiry, if any, as it determined to be necessary or appropriate, in compliance with the Council’s obligations



under ORS 456.561(3) and other relevant authority, to review, and to approve or disapprove the financing of the Projects. The Council hereby further acknowledges that the adoption of this Resolution and the HSC approval set forth herein has been made at a public meeting of the Council as required by ORS 456.561(4) and other relevant authority, and that such meeting has been conducted in accordance with applicable law, including any required advance public notice of such meeting. Further, the Council acknowledges that in connection with the adoption of this Resolution and the HSC approval set forth herein, opportunity has been provided to the public to testify or otherwise provide public comment on the Projects and any other matters directly related thereto.

**SECTION 4. EFFECTIVENESS; CONFLICTING RESOLUTIONS.** This Resolution shall be effective immediately upon its adoption. Any prior resolutions of or other previous actions by the Council and any parts thereof that are in conflict with the terms of this Resolution shall be, and they hereby are, rescinded, but only to the extent of such conflict.

*[Signature follows next page]*

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## CERTIFICATION OF RESOLUTION

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The undersigned does hereby certify that I am the duly appointed, qualified and acting Chair of the Oregon Housing and Community Services Oregon Housing Stability Council (the “**Council**”); that the foregoing is a true and complete copy of Resolution No. 2024-08-02 as adopted by the Council at a meeting duly called and held in accordance with law on August 2th, 2024; and that the following members of the Council voted in favor of said Resolution:

\_\_\_\_\_  
\_\_\_\_\_

the following members of the Council voted against said Resolution:

\_\_\_\_\_  
\_\_\_\_\_

and the following members of the Council abstained from voting on said Resolution:

\_\_\_\_\_  
\_\_\_\_\_

In witness whereof, the undersigned has hereunto set her hand as of this 2 day of August 2024

\_\_\_\_\_  
Chair Claire Hall

**EXHIBIT A**

**Dolores (FC – Meeting Schedule for 7/30/2024)**

**Redmond Landing (FC– Meeting Schedule for 7/30/2024)**

**EXHIBIT B**

**PROPOSED PROJECT**

**Strong Family Property (FC– Meeting Schedule for 8/6/2024)**



**OREGON HOUSING** *and*  
**COMMUNITY SERVICES**

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SUMMARY			
Project Name:	Dolores		
City:	Hillsboro	County:	Washington
Sponsor Name:	Hacienda CDC		
Management Agent:	NW Real Estate Capital Corp		
Urban/Rural:	Urban	Total Units:	67
		Total Affordable Units:	66
# Rent Assisted Units:	20	Units by Size & Affordability:	10 one-BR at 60% AMI 10 one-BR at 30% AMI 11 two-BR at 60% AMI 6 two-BR at 30% AMI 14 three-BR at 60% AMI 12 three-BR at 30% AMI 1 four-BR at 60% AMI 2 four-BR at 30% AMI 1 two-BR Manager unit
Cost Per Unit:	\$680,400	Construction Type:	New Construction
Affordability Term(s):	LIHTC – 30 years LIFT – 30 years	# of Units with Non-OHCS Requirements:	Zero
Funding Request		Funding Use	
LIFT:	\$2,399,522	Acquisition	\$100
4% LIHTC:	\$1,959,704 annual allocation	Construction	\$12,609,583
Conduit Bonds	Up to \$22,803,000	Development	\$28,153,129
		Total:	\$40,762,812

PROJECT DETAILS	
Project Description:	Dolores is a new construction development located in Hillsboro. The project will consist of a single three-story mid-rise residential building with enclosed hallways. The development will include 67 units, with a mix of one, two, three, and four-bedroom units restricted to households earning 30% and 60% AMI. A total of 20 units (10 one-bedroom, 6 two-bedroom, 11 three-bedroom and 2 four-bedroom) will be restricted at 30% AMI, of these 12 units (8 one-BR and 4 two-BR) will be set aside for persons experiencing or at risk of homeless. These 12 units will be supported by Regional Long Term Rent Assistance (RLRA) vouchers with supported services provided by New Narrative.



	<p>In addition to the residential units there will be an on-site managers office with clubhouse/community room as well as a central laundry facility, bike storage, a playground, picnic area and social services room. Each unit will offer an amenity package to include, dishwasher, refrigerator/freezer, oven/range, and central AC.</p> <p>Dolores and the 67 units are a stand-alone project and not subject to a master plan development. Closing is anticipated to be August 28, 2024.</p>
<p>Partnerships to Serve Communities of Color:</p>	<p>Hacienda CDC, a Latino-Led, culturally specified organization will provide on-site services delivered by a 1.0 FTE bilingual resident services coordinator. The resident service coordinator will be an active presence on site with scheduled office hours. The coordinator will function as a liaison between the property manager and residents, organize community events and offer resources navigating and supportive services to help residents overcome barriers and remain stably housed. Some day-to-day examples of this may be to:</p> <ul style="list-style-type: none"> <li>• Create, administer, and deliver supportive services programming and activities in collaboration with local community service providers.</li> <li>• Build social capital and prevent isolation amongst residents by building community and offering opportunities for connection.</li> <li>• Provide outreach services to identify residents who could benefit from services.</li> <li>• When needed, assist residents with forms and applications.</li> <li>• Respond to emergency or crisis situations that may arise between residents and apply conflict resolution skills.</li> </ul> <p>New Narrative Integrative Mental Health will partner with Hacienda to provide supportive services to tenants receiving RLRA vouchers. New Narrative has been providing a comprehensive set of mental health, peer support and supportive housing services to individuals in the Portland Metro area for over 45 years. A comprehensive delivery of services can involve multiple elements based on individual need including behavioral health counseling in both group and one-on-one settings, skills training, case management, employment assistance, obtaining benefits, prescriber services, medication consultation and management, medical coordination, connection to social support and community resources.</p>
<p>Reaching Underserved Communities:</p>	<p>Hacienda has nearly 30 years of experience with outreach to low income and BIPOC communities. This experience has informed their practices as an organization and through the lease-up process for new affordable housing developments. The outreach plan contains three main elements:</p> <ul style="list-style-type: none"> <li>• Marketing – Social media post, flyers, TV and radio add will be designed and distributed in various languages across Washington County and beyond once construction timelines are clear. Marketing will be primarily targeted to low-</li> </ul>



**Dolores – Housing Stability Council**

	<p>income and BIPOC communities and will continue throughout the lease-up process.</p> <ul style="list-style-type: none"> <li>• Community info sessions – Hacienda will invite community members, prospective tenants, and community organizations to attend three info sessions presented in various languages three months before the application release date. These sessions will be a mix of virtual and in-person. There will be a brief presentation on the new development and lease up process. Language interpretation shall also be provided.</li> <li>• Lease-up event – After the interest parties list is open and within the first week of the application release date, Hacienda will host an in-person event to provide technical assistance and collect completed applications. To reduce barriers Hacienda will provide access to interpretation and provide support for those who have challenges with reading or writing.</li> </ul>
<p>MWESB Target:</p>	<p>The sponsor has provided a detailed plan to actively engage with MWESB businesses and is committed to achieving the goal of 30% MWESB participation for construction and professional services.</p>
<p>Alignment with Statewide Housing Plan:</p>	<p>Equity and Racial Justice</p> <p>Affordable Rental Housing</p>
<p>Upon Housing Stability Council approval of the established conduit bond funding limit, ultimate approval will be based on conformance with OHCS underwriting standards and due diligence and is delegated to OHCS Finance Committee and the Executive Director.</p>	

**Rendering:**







**OREGON HOUSING *and*  
COMMUNITY SERVICES**

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SUMMARY			
Project Name:	Redmond Landing		
City:	Redmond	County:	Deschutes
Sponsor Name:	MacDonald Ladd Development LLC		
Management Agent:	Cambridge Management Inc		
Urban/Rural :	Urban	Total Units:	156
		Total Affordable Units:	155
# Rent Assisted Units:	0	Units by Size & Affordability:	60 2-BR at 60% AMI 71 3-BR at 60% AMI 1 3-BR Manager Unit 24 4-BR at 60% AMI
Cost Per Unit:	\$382,330	Construction Type:	New Construction
Affordability Term(s):	30 Years (4% LIHTC/Bond)	# of Units with Non-OHCS Requirements:	0
Funding Request		Funding Use	
4% LIHTC:	\$2,672,194	Acquisition	\$5,600,000
Conduit Bonds	up to \$37,043,000	Construction	\$36,183,350
		Development	\$17,860,200
		Total:	\$59,643,550

PROJECT DETAILS	
Project Description:	<p>Redmond Landing is a proposed 156-unit, new construction, affordable housing community approximately located at 1850 SW Umatilla Avenue, Redmond, Oregon. There will be 13 rental buildings, 1 community building, and 1 small maintenance garage. The unit mix will consist of two-, three-, and four-bedroom units, all of which will be deed restricted at or below 60% of the area median income.</p> <p>From early stages of development, the project team has been in regular communication with the City of Redmond and the Redmond School District and Board regarding ways that the project can best serve the local community. This engagement resulted in intentionally creating housing that can also serve and retain those in the education employment sector.</p> <p>Accordingly, Deschutes County has more than 3,000 K-12 students living in poverty and more than 800 K-12 students living with a disability. Many of those children are part of</p>



**Redmond Landing – Housing Stability Council**

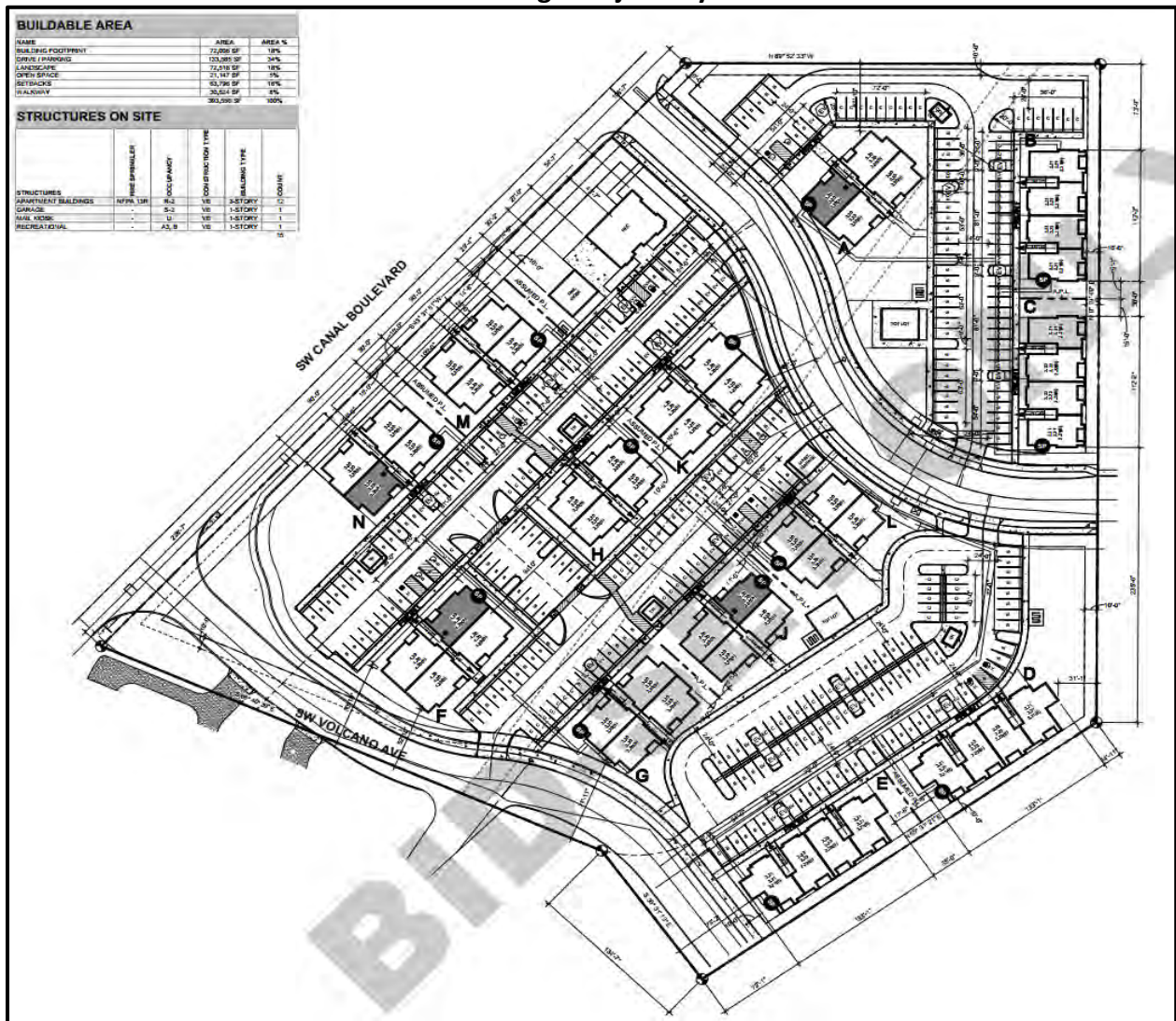
	<p>families or households who are historically underserved people of color, tribal communities, or households where English is a second language. The shortage of affordable housing and planned support can exacerbate these circumstances. There will be 139 units designated for general Family/Workforce populations, 16 units designated for Individuals and Families Serving in the Education Employment Sector, and 1 unrestricted manager unit. Some of the site amenities are included with supporting families and their children’s education in mind, such as Internet Access, Clubhouse, Media Room, and Playground.</p> <p>Through this early and continuing engagement, the project and development team will work with local partners to ensure underserved populations are reached and/or supported with housing and education related needs. Redmond Landing and the 156 units are a stand-alone project and not subject to a master plan development. Closing is anticipated to be in August 2024.</p>
<p>Partnerships to Serve Communities of Color:</p>	<p>Resident services and access to will be led by Trillium Housing Services, the General Partner in the project, in collaboration with the management agent company, Cambridge Management. Trillium Housing Services has over a decade of experience doing the same. Between CMI and Trillium, there is a breadth of ability to provide assistance in the form of resident education, rental assistance, back to school supplies, ESL classes, first time homebuyer classes, healthy aging activities and other resident services. Other local organizations such as Housing Works and Thrive of Central Oregon will be added to this coordination and collaboration for services.</p> <p>Engagement with the school district and local organizations working with the district and in the community will continue to be able to provide ongoing support for families and children including onsite tutoring, ESL classes, after school homework help, and financial assistance to families in need.</p>
<p>Reaching Underserved Communities:</p>	<p>Cambridge Management, the onsite management agent, has more than two decades in the business with extensive experience working with and partnering with non-profits, service providers, housing authorities, and local jurisdictions to identify and meet the needs of historically underserved residents.</p> <p>Trillium Housing Services, through the engagement and coordination of services, will be able to add collaborating partners such as the school district and other community groups in promoting the access to the housing for the identified underserved communities and populations.</p>
<p>MWESB Target:</p>	<p>The Redmond Landing Development Team and General Contractor, CS Construction, are committed to meeting the region 4/5 requirement of 20% participation. CS Construction</p>



# Redmond Landing – Housing Stability Council

	is a local business engaged in having a diverse workforce in their business and that is reflected in the more than half of their 53-person company being diverse
Alignment with Statewide Housing Plan:	- Affordable Rental Housing
Upon Housing Stability Council approval of the established conduit bond funding limit, ultimate approval will be based on conformance with OHCS underwriting standards and due diligence and is delegated to OHCS Finance Committee and the Executive Director	

Rendering: Project Layout





**OREGON HOUSING** *and*  
**COMMUNITY SERVICES**

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SUMMARY			
Project Name:	Strong Family Property		
City:	Portland	County:	Multnomah
Sponsor Name:	CDP Oregon LLC, Self Enhancement Inc		
Management Agent:	Guardian Management LLC		
Urban/Rural:	Urban	Total Units:	75
		Total Affordable Units:	75
# Rent Assisted Units:	0	Units by Size & Affordability:	3 one-bed units @ 30% AMI 18 one-bed units @60% AMI 5 two-bed units @ 30% AMI 27 two-bed units @ 60% AMI 3 three-bed units @ 30% AMI 19 three-bed units @ 60% AMI
Cost Per Unit:	\$573,669	Construction Type:	New construction
Affordability Term(s):	4% LIHTC/Bond – 30 years	# of Units with Non-OHCS Requirements:	0 units
Funding Request		Funding Use	
4% LIHTC:	\$2,088,344 annual allocation	Acquisition	\$6,750
OMEP:	\$200,000	Construction	\$29,935,661
Conduit Bonds:	up to \$22,880,000	Development	\$13,082,807
		Total:	\$43,025,218

PROJECT DETAILS	
Project Description:	Community Development Partners (CDP) is partnering with Self Enhancement Inc (SEI) to sponsor a 75-unit new construction rental housing development located in the Alberta neighborhood in NE Portland. The affordable community will serve households earning 30%-60% AMI and will consist of 21 studio units, 32 two-bedroom units, and 22 three-bedroom units in one residential four-story building. Project amenities will include access to public transportation, a clubhouse/community room, internet access, laundry facilities, on-site rental office, heat pump heating, and through the wall air conditioning. Strong Family Property and the 75 units are a stand-alone project and not subject to a master plan development. Closing is anticipated to be 8/22/2024.
Partnerships to Serve Communities of Color:	Resident services at the Strong Family Property will be provided by Self Enhancement Inc (SEI), Oregon’s largest African American-led nonprofit multiservice organization which has



## Strong Family Property – Housing Stability Council

	served the Portland community for over 40 years. SEI is a one stop resource for youth and families, primarily African Americans and others living in poverty or seeking culturally responsive services. There will be a full-time onsite SEI Resident Services Coordinator (RSC) providing both one-on-one counseling/support as well as community wide programs in the multiple community spaces located at the property.
Reaching Underserved Communities:	The partnership between CDP and SEI was formed with the shared vision of providing accessible housing to low-income Black, Indigenous, and Person of Color (BIPOC) in Portland. The partnership began in 2019 with an initiative called Alberta Alive. Strong Family Property will be the third phase of the Alberta Alive initiative which is a culturally specific affordable housing community in the heart of N/NE Portland serving families, veterans, and displaced/long-term residents with a strong focus on uplifting the neighborhood and community. CDP and SEI will work collaboratively to ensure there will be as few barriers as possible in accessing affordable housing, address specific issues of concern, and provide supportive services for underserved individuals and families. The partnership will strive to ensure residents are safe, stable, and have their critical social, emotional and economic needs met.
MWESB Target:	CDP, SEI and general contractor, Colas Construction, are committed to meeting the metro region 1 goal of 30% participation
Alignment with Statewide Housing Plan:	<ul style="list-style-type: none"> <li>- Equity and Racial Justice</li> <li>- Affordable Rental Housing</li> </ul>
Upon Housing Stability Council approval of the established conduit bond funding limit, ultimate approval will be based on conformance with OHCS underwriting standards and due diligence and is delegated to OHCS Finance Committee and the Executive Director	







**OREGON HOUSING** *and*  
**COMMUNITY SERVICES**

725 SUMMER STREET NE, SUITE B | SALEM, OR 97301  
503-986-2000 | [www.oregon.gov/OHCS](http://www.oregon.gov/OHCS)

Date: August 2, 2022

To: Housing Stability Council Members  
Andrea Bell, Executive Director

From: Amy Cole, Assistant Director, Development Resources  
Roberto Franco, Deputy Director, Development Resources and Production  
Natasha Detweiler-Daby, Director, Affordable Rental Housing

Re: August 2024 ORCA Funding Recommendations

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**Motion: Approve the funding reservation recommendations for the following projects:**

- **Lighthouse Village Apartments in Lincoln City, up to \$3,075,263 in LIFT funds in alignment with the ORCA framework and process.**
- **Shortstack Belmont Apartments in Portland, \$6,640,000 in LIFT funds in alignment with the ORCA framework and process.**

### **Summary**

At the upcoming Housing Stability Council (HSC) meeting, we will be presenting the first Oregon Centralized Application (ORCA) funding hold recommendations for approval by the Council. These recommendations are based on projects that have met the HSC approved ORCA standards for Impact Assessment, the first step of the three-step ORCA process.

In this memo, we are providing you with a high-level summary of the recommended projects. More detailed information regarding each project can be found in the attachments following this cover memo.

### **Applications**

In all, there are over 90 project applications actively in the Impact Assessment step of the ORCA that applicants are in various stages of completing. The two projects being recommended today were part of an early soft launch of the ORCA. These applicants provided feedback to staff on ORCA processes and standards as they worked through completing their applications, helping to refine processes immediately prior to the full launch of the ORCA.





These two projects will add a total of 63 new units to the state (62 affordable), of which 35 will be in Portland and 28 (27 affordable) will be in Lincoln City. Rent restrictions range in affordability from 30% AMI-80% AMI. Lighthouse Village Apartments will focus on serving persons experiencing severe and persistent mental illness. Shortstack Belmont has partnered with a culturally specific organization to focus on serving Somali immigrants.

Applications were reviewed for completeness and to ensure they meet all evaluation standards that are part of the Impact Assessment step. These standards include review of the following documents:

- Affirmative Fair Housing Marketing Plan (AFHMP)
- Conceptual site plan
- Construction costs
- Development team capacity
- Diversity, Equity, and Inclusion (DEI) Agreement
- Engagement and community needs
- Environmental reports
- Equity and Racial Justice strategy
- Financial proforma for Impact Assessment
- HUD requirements review
- Infrastructure readiness
- Location preferences
- Minority-owned, Woman-owned, and Emerging Small Businesses (MWESB) strategy
- Permanent Supportive Housing (PSH) standards
- Permit strategy
- Prequalification
- Resident services
- Site control
- Zoning in place

### **Next steps**

If projects are approved for a funding reservation, they will receive a conditional commitment of funds and move to the second step in the ORCA process, Financial Eligibility, where they will have up to 6 months to complete the requirements of that step. Once the requirements of the Financial Eligibility step are met, projects will move to the third and final step, Commitment, and from there move to financial closing and project construction.



**Early learnings**

In the first couple of months of the ORCA opening, we have confirmed the significant demand for ORCA resources. As stated earlier, over 90 applications are working to complete submission of an Impact Assessment application, with additional Intake forms being submitted weekly. There are quite a few new partners that are interested in developing affordable housing and our new Technical Advisor team is working with many of them to answer questions and assist with access to the ORCA. We are receiving feedback from partners regularly on issues that arise and recommendations for updating the ORCA in the future. Internally, we continue to refine processes for receipt, review, and processing of applications.

We look forward to bringing additional recommendations to Housing Stability Council in the coming months and working with partners to understand how we can support them and continue to improve the ORCA and surrounding programs and processes.



## Housing Stability Council Project Summary – From ORCA Impact Assessment

SUMMARY			
Project Name:	Lighthouse Village Apartments		
City:	Lincoln City	County:	Lincoln County
State House District:	10	State Senate District:	5
Sponsor Name:	Housing Authority of Lincoln County (HALC)		
Urban/Rural:	Rural	Total Units:	28
		Total Affordable Units:	27
# Rent Assisted Units:	19	Units by Size & Affordability:	26 1 BR units at 30% AMI 1 2 BR unit at 30% AMI 1 manager unit
# of Units with OHCS PSH Services Funding:	0		
Cost Per Unit:	\$386,436	Construction Type:	New Construction
Affordability Term(s):	30 years	# of Units with Non-OHCS Requirements:	1 unrestricted manager unit
Estimated Funding Request			
Total OHCS Request:	\$2,460,210	Total project cost:	\$10,820,210

This project is currently in the Impact Assessment step and there may be changes as it progresses through the ORCA process. We recommend to Housing Stability Council the reservation of an up to amount that is the lesser of the maximum allowable subsidy or 125% of the project subsidy ask, which would be \$3,075,263 in LIFT Rental resources for this project, with the requirement that the project retains the characteristics submitted in the Impact Assessment step without substantial changes.

PROJECT DETAILS	
Project Description:	Lighthouse Village Apartments is a new construction project in Lincoln City, Oregon that consists of 28 units. The building is three stories totaling 24,860 square feet and includes a community room, tenant laundry rooms and offices. All units will be affordable at 30% of AMI, with 19 of the 27 designated affordable units planned to receive the following rental assistance:

**Lighthouse Village Apartments – Housing Stability Council**

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	<ul style="list-style-type: none"> <li>• HALC will provide 8 project-based vouchers which will be committed but added to the project after completion of construction.</li> <li>• Lincoln County HHS will provide 8 rental subsidies through funding from Intercommunity Health Network (IHN), the area CCO with funding from OHA.</li> <li>• HALC is applying for three HUD based 811 subsidies for the project.</li> </ul> <p>This project is designed for households with a member experiencing severe and persistent mental illness (SPMI) and tenants will be referred by Lincoln County Health and Human Services.</p>
<p>Anticipated closing date:</p>	<p>Late fall 2024</p>
<p>Focus Population(s):</p>	<p>The primary focus for Lighthouse Village is households experiencing Severe and Persistent Mental Illness (SPMI).</p>
<p>ERJ Strategy:</p>	<p>The Housing Authority of Lincoln County actively seeks ways to improve access to housing programs for populations of color. For example, they are increasing outreach to Hispanic communities to better understand what barriers this population experiences in applying for the housing choice voucher program to increase participation.</p> <p>The sponsor actively partners with Centro de Ayuda and have utilized their input to inform program effectiveness. They have been in communication with the NAACP and the Urban League of Portland to better understand how to meet the housing needs of the African American community.</p> <p>HALC has contract requirements with O’Brien Design+Build that they meet the MWESB requirements. The Housing Authority of Lincoln County will monitor their performance during the contract.</p> <p>O’Brien Design+Build is invested in meeting and exceeding the MWESB requirements for all projects it is involved in. O’Brien is in a joint venture partnership with Lucas Design+Build, an emerging MBE and ESB that is a majority minority owned organization. O’Brien will serve as a mentor for Lucas DB and will support this company through education and financing through a 5-year plan with the goal of Lucas DB becoming an established Black-owned construction company, with the intent promoting the visibility and involvement of MWESB companies.</p>



**Lighthouse Village Apartments – Housing Stability Council**

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<p>Resident Services:</p>	<p>Case management and referrals for Lighthouse Village Apartments will be run by Lincoln County Health and Human Services, which includes the service divisions of behavioral health (treatment, skill building, case management and peer support), primary care/community health centers (including medication assisted treatment), public health (harm reduction, maternal/child family support, communicable disease prevention and health education) and developmental disabilities.</p> <p>Additionally, through the Behavioral Health Resource Network (BHRN)/Measure 110, the County has strong collaborative relationships and referral pathways with agencies that include: Northwest Coastal Housing (Project Turnkey housing in both Lincoln City and Newport), C.H.A.N.C.E. Recovery (peer support), Community Services Consortium (training and employment), Phoenix Wellness Center (substance abuse treatment), Reconnections (substance abuse treatment and project turnkey housing), the Confederated Tribes of the Siletz and more.</p> <p>Lincoln County Health and Human Services staff will offer to establish and facilitate a resident council, which will inform the project’s management agent of residents’ needs and desires for supportive services.</p>
<p>Location Preferences:</p>	<p>Lighthouse Village is close to recreation areas, being close to parks and beaches. The property is adjacent to a grocery store and multiple retail outlets. Bus service is accessible at the shopping center next door to the site. The residents will also be able to access on demand ride services and will have access to bikes/bike paths.</p> <p>The property has a walk score of 72, indicating a very walkable area where most errands can be accomplished on foot. The minimum walkability score in rural areas is 50.</p>
<p>Alignment with Statewide Housing Plan:</p>	<p>Lighthouse Village Apartments supports the affordable housing, equity and racial justice, and homelessness priorities included in the Statewide Housing Plan.</p>





**Lighthouse Village Apartments**





## Housing Stability Council Project Summary – From ORCA Impact Assessment

SUMMARY			
Project Name:	Shortstack Belmont Apartments		
City:	Portland	County:	Multnomah
State House District:	42	State Senate District:	21
Sponsor Name:	Shortstack Developer LLC		
Urban/Rural:	Urban	Total Units:	35
		Total Affordable Units:	35
# Rent Assisted Units:	0	Units by Size & Affordability:	7 efficiency units at 60% AMI 10 1 BR units at 60% AMI 3 1 BR units at 80% AMI 1 2 BR unit at 60% AMI 5 3 BR units at 60% AMI 9 3 BR units at 80% AMI
# of Units with OHCS PSH Services Funding:	0		
Cost Per Unit:	\$395,307	Construction Type:	New Construction
Affordability Term(s):	30 years	# of Units with Non-OHCS Requirements:	0
Estimated Funding Request			
Total OHCS Request:	\$6,076,000 + OAHTC	Total project cost:	\$13,835,748

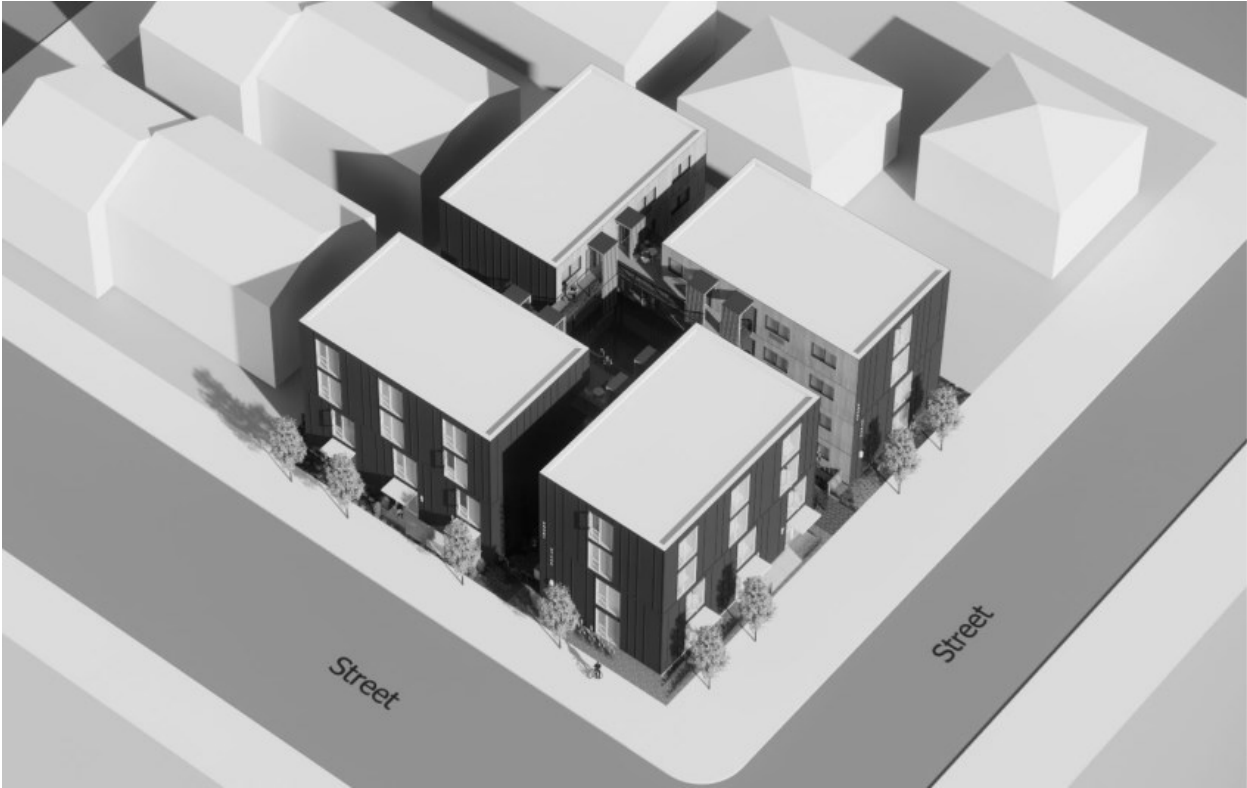
This project is currently in the Impact Assessment step and there may be changes as it progresses through the ORCA process. We recommend to Housing Stability Council the reservation of an up to amount that is the lesser of the maximum allowable subsidy or 125% of the project subsidy ask, which would be \$6,640,000 in LIFT resources for this project, with the requirement that the project retains the characteristics submitted in the Impact Assessment step without substantial changes. This project will also be utilizing Oregon Affordable Housing Tax Credits (OAHTC), with an amount yet to be determined.



## Shortstack Belmont – Housing Stability Council

PROJECT DETAILS	
Project Description:	Shortstack Belmont is a new construction project in Portland, Oregon that consists of 35 affordable units with a focus on providing affordable housing and services for the Somali community. The project will have a gated, interior courtyard that includes landscaped seating and totals 34,000 square feet.
Anticipated closing date:	November 2024
Focus Population(s):	The primary focus for Shortstack Belmont is low-income households from the Somali community with incomes between 60% and 80% AMI.
ERJ Strategy:	Shortstack LLC is partnering with the Somali American Council of Oregon (SACOO) to tailor tenant outreach, placement and services to the immigrant populations served by SACOO throughout Multnomah County. The project will also accommodate intergenerational living by providing larger units.  Additionally, the project anticipates meeting OHCS MWESB goals, having exceeded them on a previous project with the same general contractor.
Resident Services:	The Shortstack Belmont resident services plan is outlined in a Memorandum of Understanding (MOU) between Shortstack Belmont LLC (Owner) and the Somali American Council of Oregon (SACOO) and encompasses a comprehensive array of resident services tailored to meet the diverse needs of the community. SACOO, designated as the agent, will spearhead service delivery in collaboration with Shortstack Belmont and their third-party property management team.  Services offered by SACOO include eviction prevention, health and wellness programs, lifelong learning initiatives, financial literacy training, community building activities, family support services, and intergenerational programming. Service delivery will prioritize accessibility, cultural sensitivity, and inclusivity.
Location Preferences:	Shortstack Belmont has multiple parks, grocery stores, childcare centers and high performing schools all within a half mile, and the walkability score for its location is 93, indicating a “walker’s paradise” where daily errands do not require a car. A minimum walkability score of 70 is required in urban areas. Bus service is accessible immediately outside the property.
Alignment with Statewide Housing Plan:	Shortstack Belmont supports the affordable housing and equity and racial justice priorities included in the Statewide Housing Plan.





**Shortstack Belmont**



Date: August 2, 2024

To: Housing Stability Council  
Andrea Bell, Executive Director

From: Love Jonson, Planning and Policy Analyst  
Rick Ruzicka, Assistant Director, Planning and Policy  
Natasha Detweiler-Daby, Director, Affordable Rental Housing

Re: Publicly Supported Housing (PuSH) Seller's Tax Credit framework

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**Motion: Approve the PuSH Seller's Tax Credit framework as presented [or with noted revisions].**

## **BACKGROUND**

At this month's Housing Stability Council meeting, the Affordable Rental Housing division will follow up on our discussion from the June meeting related to the new Publicly Supported Housing (PuSH) Seller's Tax Credit. The recommended PuSH Seller's Tax Credit framework incorporates feedback from Housing Stability Council and stakeholder engagement, as described in this memo.

## **OVERVIEW**

Publicly supported housing (PuSH) refers to any multifamily affordable housing development that receives or benefits from public assistance and involves restrictions that govern the affordability of units through maximum allowable rents. OHCS operates the [PuSH Contract Preservation process](#), which aims to preserve a project's affordability contract.

House Bill 2071, which passed in 2023, directed OHCS to create a funding source to complement the Contract Preservation process. This new resource is the PuSH Seller's Tax Credit. This new tax credit is available to sellers of publicly supported housing who sell to a purchaser that agrees to maintain affordability restrictions. The credit can be used by purchasers as part of their negotiations with the seller, helping them compete with other potential purchasers who may not keep the property affordable.

## PuSH Seller's Tax Credit framework

The detailed framework aligns with this memo and is also available [on the OHCS website](#). This framework details the proposed resource structure and incorporates substantial feedback shared through engagement. Comprehensive information on this resource is detailed in the framework that follows this memo and will be discussed during the August Housing Stability Council meeting.

HB 2071 was passed during the 2023 Legislative Session and provides \$3 million annually in tax credits that may be used to help entice owners of expiring PuSH rental properties to sell to buyers that would extend the affordability restrictions on the property. HB 2071 requires that the affordability restriction be extended for no less than 30 years if the PuSH Seller's Tax Credit is used. The statute caps the amount of tax credit per property as a percentage of the sale price (or appraised price, whichever is less) based on the duration of time the property has been owned by the seller. It allows a cap of up to 5% for properties owned for 10 or more years, and a cap of up to 2.5% for properties owned for more than 5 years but less than 10 years.

The statute allows OHCS to review and prioritize applications for the PuSH Seller's Tax Credit. The tax credit will be offered alongside OHCS' other funding sources through the Oregon Centralized Application (ORCA) in a first-come, first-reviewed process.

Culturally specific organizations, federally recognized Tribes in Oregon, and project sponsors who are Black, Indigenous, or other People of Color (BIPOC) have historically received less funding from federal, state, and local governments. To advance racial equity in our funding decisions, OHCS will allocate tax credits according to whether the transaction involves one of these entities.

## Framework and response to feedback

From April through June 2024, OHCS engaged to seek feedback on and refine the framework for the HB 2071 PuSH Seller's Tax Credit, including broad stakeholder groups including the advocates instrumental in the creation of the PuSH Seller's Tax Credit concept and development partners likely to use the credit.

The primary message we heard is that the intent of the bill was to create a ***fast, flexible tool*** for buyers who want to keep housing affordable ***to better negotiate with the sellers of the building*** and ***compete with other buyers*** who might convert it to market-rate. For this reason, the tool ***needs to be simple for purchasers to apply for with a quick turnaround.***

To meet this end, we have focused the framework on ease and simplicity in several ways, including:

1. Critically, to streamline the purchase, the resource will be distributed using the standards-based structure of the ORCA (versus a competitive process). Any eligible

property will be able to access the tax credit to support property purchase. This resource is not directly paired with the robust review of preservation gap financing, as that would both impede the ability to use the tax credit to negotiate purchases as well as limit the ability to assess readiness for both resources.

2. To align with our equity and racial justice priorities, we have incorporated policies to support property purchase by culturally specific organizations, Tribes, or BIPOC-led organizations. While through engagement we heard concerns that not many buildings have been purchased by culturally specific organizations, Tribes, or BIPOC-led organizations in the past, we recognize the historical reasons why this may be the case – including racism in funding decisions by public and private institutions. For this reason, we created tax credit award percentages in two streamlined tiers that focus on enhancing impact for those historically underserved organizations and believe it is unlikely they resource will be underutilized.

### **Final framework**

Over the past several months, we have reviewed and updated the draft framework by incorporating feedback. In response to this final draft, partners and stakeholders have expressed some concern that the criterion related to racial equity would result in under-allocation of the tax credit. However, given the amount of preservation funding OHCS has available over the next biennium (which will often complement the tax credit), we believe this is an acceptable level of risk and is in direct alignment with our priority of equity and racial justice. We aimed to strike a balance between ensuring OHCS allocates the available resources each year while prioritizing culturally specific organizations, Tribes, and BIPOC-led organizations, in alignment with our goals for equity and racial justice. We look forward to a future when more transactions involve CSOs, Tribes, and BIPOC-led organizations. We recommend OHCS revisit this criterion annually and make adjustments if the credit is under-allocated.

### **MOTION**

OHCS requests that the Housing Stability Council move to approve the PuSH Seller's Tax Credit framework. If the Council approves the framework, OHCS aims to make the PuSH Seller's Tax Credit available through the Oregon Centralized Application in August 2024.



# Framework for PuSH Seller’s Tax Credit

presented to August 5, 2024 Housing Stability Council

## About PuSH and the new Seller’s Tax Credit

Publicly supported housing (PuSH) refers to any multifamily affordable housing development that receives or benefits from public assistance and involves restrictions that govern the affordability of units through maximum allowable rents.

PuSH includes housing that has a contract with Oregon Housing and Community Services (OHCS) involving affordability restrictions, a contract for project-based rental assistance administered by the U.S. Department of Housing and Urban Development or USDA Rural Development, or subsidies from local government. *See the full definition in [ORS 456.250](#) and more information in [OAR 813-115](#).*

OHCS operates the [PuSH Contract Preservation process](#), which aims to preserve a project’s affordability contract. When affordability restrictions are set to expire, owners must provide notice of the impending expiration to tenants, prospective tenants, OHCS, and local government. OHCS, the local government, or an OHCS designee may make an offer to purchase the property. The owner does not have to accept this offer, but OHCS, the local government, or an OHCS designee have a right of first refusal to match any offers made by other parties. If an offer is matched by OHCS, the local government or an OHCS designee, the owner must accept if they choose to sell.

House Bill 2071, which passed in 2023, directed OHCS to create a funding source to complement the Contract Preservation process. This new resource is the PuSH Seller’s Tax Credit, often called the “preservation tax credit” by advocates during the legislative session.

This new tax credit is available to sellers of publicly supported housing who sell to a purchaser that agrees to maintain affordability restrictions.<sup>1</sup> The credit can be used by purchasers as part of their negotiations with the seller, helping them compete with other potential purchasers who may not keep the property affordable.

HB 2071 sets a total cap of \$3 million per year for the PuSH Seller’s Tax Credit. OHCS cannot carry forward unallocated funds to future years.

This framework outlines the eligibility, tax credit award criteria, distribution process, and reporting for the PuSH Seller’s Tax Credit, operating within the parameters set by HB 2071.

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<sup>1</sup> HB 2071 defines a “**qualifying sale**” for the tax credit as “any sale of publicly supported housing to a purchaser that enters into a recorded affordability restriction agreement governing the use of the housing that:

- (a) Applies to publicly supported housing on or before the expiration of the right of first refusal under ORS 456.262 (3)(d); and
- (b) Adopts affordability restrictions for a period of at least 30 years that:

- (A) For dwelling units of the participating property that were subject to an expired or expiring affordability restriction, extend those expired or expiring restrictions, except in cases where the affordability restriction was based on a project-based rental assistance program which has been terminated by the issuing agency; or

- (B) For any other dwelling units, require rental rates for the housing to be affordable under federal rental affordability standards to households earning 80 percent of the area median income.”

## Eligibility

HB 2071 outlines the following parameters for eligibility:

- The statute defines a “qualifying sale” as a sale of publicly supported housing that occurs on or before the expiration of the 2-year right of first refusal window created by the PuSH Contract Preservation regulations (see [ORS 456.262 \(3\)\(d\)](#)) and adopts affordability restrictions for 30 or more years that either:
  - Extend existing affordability restrictions that are set to expire (if applicable), or
  - If there are no existing affordability restrictions, set rents at 80% of Area Median Income (AMI). OHCS will clarify in rules that the agency will allow units *up to* and including 80% AMI to access the tax credit.<sup>2</sup>
- The seller cannot have an identity of interest (business relationship) with the purchaser.
- The tax credit can only be used for a particular property once every 30 years.

## Maximum credit awards vary based on length of ownership

HB 2071 sets a cap for the tax credit percentages that changes based on how long the seller has owned the property. It allows a cap of up to 5% for properties owned for 10 or more years, and a cap of up to 2.5% for properties owned for more than 5 years but less than 10 years. Tax credits are awarded as a percentage of the sale price or assessed value, whichever is lower.

The statute does not allow OHCS to award tax credits to properties owned by the seller for less than 5 years. This limitation intends to prevent flipping, or quick transactions for the purpose of acquiring the tax credit.

## Awarding credits based on policy priorities

The statute allows OHCS to review and prioritize applications for the PuSH Seller’s Tax Credit. The tax credit will be offered alongside OHCS’ other funding sources through the Oregon Centralized Application (ORCA) in a first-come, first-reviewed process. The ORCA does not involve scoring, competition, or comparing applications against each other. Rather, any application that meets a set of minimum requirements, or evaluation standards, will be awarded funding.

In this context, OHCS will award credits to all eligible PuSH Seller’s Tax Credit applicants until funding is exhausted. OHCS will use the amount of credit awarded as the “lever” to meet the agency’s priority of equity and racial justice as established in the Statewide Housing Plan.

Culturally specific organizations<sup>3</sup>, federally recognized Tribes in Oregon, and project sponsors who are Black, Indigenous, or other People of Color (BIPOC) have historically received less funding from federal, state, and

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<sup>2</sup> See full definition of “qualifying sale” in footnote 1.

<sup>3</sup> The ORCA defines “**culturally specific organization (CSO)**” as “an entity that provides services to a cultural community and the entity has the following characteristics: majority of members and/or clients must be from a particular Community of Color; organizational environment is culturally focused and the community being served recognizes it as a culturally-specific entity that provides culturally and linguistically responsive services; majority of staff must be from the community being served, and the majority of the leadership (defined to collectively include board members and management positions) must be from the community being served; the entity has a track record of successful community engagement and involvement with the community being served; and the community being served recognizes the entity as advancing the best interests of the community and engaging in policy advocacy on behalf of the community being served.”

local governments. To advance racial equity in our funding decisions, OHCS will allocate funding as follows, in alignment with the cap based on length of ownership set out in statute:

Tax credit award percentages for transaction types	Owned by seller for 5-10 years	Owned by seller for 10+ years
One or more of the following are true of the selling or purchasing entity: <ul style="list-style-type: none"> <li>• Culturally specific organization is majority owner or sole sponsor</li> <li>• Entity is a federally recognized Tribe in Oregon</li> <li>• For for-profit sole entities, &gt;50% of ownership identifies as BIPOC</li> <li>• For non-profit sole entities, &gt;50% of board identifies as BIPOC and/or executive director or CEO identifies as BIPOC</li> </ul>	2.5%	5%
None of the above applies to the selling or purchasing entity	2%	4.5%

## Examples

Credit amounts will be determined by multiplying the percentage an applicant is awarded (based on the above criteria) by the sale price or appraisal (whichever is less).

The sale prices of acquisition projects recently funded by OHCS range from \$920,000 to \$51,425,000, with a median of \$3,640,070. Based on this range and the percentages above, we can estimate the value of tax credits that *hypothetical* buildings may receive.

For example, a building selling at the median price of \$3,640,070 that was owned by the seller for 5 years in a transaction that does not involve a culturally specific organization, Tribe, or BIPOC ownership/leadership would be allocated a tax credit equivalent to 2% of the sales price. This amounts to \$72,801.40 in credit.

A building selling at the median price that was owned by the seller for over 10 years in a transaction involving a culturally specific organization, Tribe, or BIPOC ownership/leadership would be allocated a tax credit equivalent to 5% of the sales price. This amounts to \$182,003.50 in credit.

The purchaser of each building would apply for this credit from OHCS, receive their allocation, and use it as a tool in their negotiation with the seller of the building. The seller would then receive the tax credit against their State tax liability.

## Distributing credits

The PuSH Seller’s Tax Credit will be available through OHCS’ Oregon Centralized Application (ORCA) for affordable housing funding. Like all funding available through the ORCA, applicants will be assessed on a first-come, first-reviewed basis. Applications that meet eligibility criteria will be awarded tax credits using the criteria above.

Receiving a PuSH Seller’s Tax Credit reservation does not guarantee, reserve, prioritize, or advantage an applicant in receiving Preservation funding or another funding award from OHCS.

A total of \$3 million per year is available for the PuSH Seller’s Tax Credit, and OHCS cannot carry this funding forward to future years. All tax credits must be awarded within the calendar year.

Awardees may not sell the tax credits they receive. They can, however, carry over the credits they receive for up to three additional tax years.

## Monthly reporting

If an awarded transaction falls through, awardees must make OHCS aware immediately so that credits can be reallocated within the calendar year.

To this end, awardees will send OHCS monthly reports on the status of their transaction.

## Collecting data and tracking program impact

OHCS staff will track data on the PuSH Seller's Tax Credit alongside data for the PuSH Contract Preservation process. This data collection will include a list of transactions and amounts awarded; number of units involved; affordability levels of funded units; length of ownership by the seller; and whether and how the selling or purchasing entity involves culturally specific organizations, federally recognized Tribes in Oregon, and/or BIPOC ownership/leadership.

Additionally, HB 2071 requires OHCS to report to the Department of Revenue a list of sellers and approved amounts of credit each year.

## Engagement and what we heard

From April through June 2024, OHCS engaged to seek input and refine the framework for the HB-2071 PuSH Seller's Tax Credit, including broad stakeholder groups including the advocates instrumental in the creation of the PuSH Seller's Tax Credit concept and development partners likely to use the credit.

OHCS held meetings with the following groups:

- Network for Oregon Affordable Housing's Preservation Work Group
- Housing Oregon's Portland Metro Policy Council
- Housing Oregon's Rural Policy Council
- Oregon Housing Alliance's Development, Land Use, and Preservation Steering Committee
- A monthly meeting of culturally specific developers OHCS convenes
- A monthly meeting of a Tribal housing work group OHCS convenes

OHCS also held a virtual engagement via Zoom open to all interested parties on May 16, 2024 and introduced the tax credit to the Housing Stability Council on June 7, 2024.

Throughout this time, we received feedback from individuals representing nonprofit developers and advocacy organizations, for-profit developers, cities, counties, and Home Forward. The primary message we heard is that the intent of the bill was to create a fast, flexible tool for buyers who want to keep housing affordable to better negotiate with the sellers of the building and compete with other buyers who might convert it to market-rate. For this reason, the tool needs to be simple for purchasers to apply for with a quick turnaround. This framework has been developed with these objectives in mind.



**DATE:** August 2, 2024

**TO:** Housing Stability Council  
Andrea Bell, Executive Director

**FROM:** Jessica MacKinnon, Senior Homeownership Development Program Analyst  
Talia Kahn-Kravis, Assistant Director of Homeownership Programs  
Keeble Giscombe, Director of Homeownership

**SUBJECT:** NOFA #2024-HOD LIFT & LIFT Supplemental Funding Recommendations

**Motion: Approve 2 projects recommended by staff for NOFA #2024-HOD including \$3,780,000 in LIFT Homeownership funds (Article XIQ Bonds).**

Summary: The Homeownership Division has completed another round of scoring for the 2024 Homeownership Development Notice of Funding Availability (NOFA) and recommends awarding the following projects:

Project	Awardee	Units	Set-Aside Eligibility	Recommended Award
Duke Street Townhomes	Habitat for Humanity Portland Region	8	N/A	\$1,240,000 LIFT
Rooted at Northpoint	Northwest Community Housing Foundation	30	N/A	\$2,540,000 LIFT
	<b>Total</b>	38		\$3,780,000 LIFT

**Background**

The objective of the LIFT Homeownership Program is to build new affordable homes for low-income households. With a focus on increasing housing supply, LIFT funds can only be used for new construction, and homes must be ready for sale within 36 months of receiving a funding reservation. Applicants may be awarded LIFT funding up to the value of the land plus site work/infrastructure or \$200,000, whichever is lower.

LIFT Supplemental is a more flexible funding source awarded in addition to LIFT in situations where LIFT is not enough to support the required affordability. Due to the limited availability of these funds, LIFT Supplemental funding is only available to rural, emerging, and small developers, and those with a commitment to equity demonstrated through the scoring criteria up to \$800,000 per entity.



To date, Housing Stability Council has awarded 12 projects \$25,813,733 LIFT and \$4,571,873 LIFT Supplemental to build 203 new affordable homes during the 2024 NOFA cycle.

### **Recommendations**

After careful review and collaboration among scorers and applicants, the Homeownership Division is pleased to present the following recommended projects for LIFT funding.

#### Duke Street Townhomes – *Habitat for Humanity Portland Region*

Duke Street Townhomes, a development of eight 2- and 3-bedroom townhomes in Portland, represents an expansion of Habitat for Humanity Portland's (HFHPR's) ability to provide new homes in the region. Recognizing the continuing need for affordable housing in the Portland region and the limitations on their own development capacity, HFHPR has begun seeking partnerships with private developers interested in building affordable housing. DBS Group LLC will construct the townhomes on HFHPR's site in Portland. Homes will be built to Earth Advantage Platinum standards, use heat pumps, and include 2 fully accessible homes. HFHPR will provide all homeownership services from outreach and selection and education to closing and CLT management. HfH Portland Region maintains a strong commitment to equity, committing \$1 million to advance black homeownership and ITIN lending in Portland. They have an established history of serving diverse communities with over 84% of their households served identifying as BIPOC.

The total project cost is \$4,002,148. OHCS recommends awarding the project \$1,240,000 LIFT.

#### Rooted at Northpoint – *Northwest Community Housing Foundation*

This 30-unit project is part of the larger Northpoint development supported by the City of Redmond. Part of the State's pilot program to increase housing production, the City of Redmond expanded its urban growth boundary into a 40-acre parcel and put out an RFP for developers to propose a plan of which at least 30% of units built must be affordable. The development of this site was awarded to Edlen & Co and deChase Miksis, who will build 450 units of mixed-income homes of varying housing models ranging from cottages to multifamily units and townhomes. This first phase will support 30 2- and 3-bedroom duplex units. Homes will be net-zero, all will be visitable where the site allows, and half of all units will include a bedroom on the main floor. With NWCHF serving as project manager, Edlen & Co will develop the units while Rooted Homes will support homeowners from outreach and selection through their partnership with HousingWorks to managing the CLT after completion. Rooted Homes is committed to equity, and through their unique partnerships and selection criteria has ensured more than half of their households served are part of the BIPOC community, over 70% are first-time homebuyers, and some may earn as low as 30% AMI.

The total project cost is \$13,217,900. OHCS recommends awarding the project \$2,540,000 LIFT.



### **LIFT Pipeline**

While the 2024 NOFA is a rolling NOFA, OHCS urged partners to fill out a pre-application in the beginning of the year to help us understand the pipeline and cadence of expected projects. In addition to the previous awards and these recommendations, OHCS anticipates applications from up to seven additional projects. Details are provided in the table below:

	LIFT	LIFT Supplemental
<b>Total Available Funding</b>	<b>\$40,000,000</b>	<b>\$5,200,000</b>
<b>Total Awarded</b>	\$25,813,733	\$4,571,873
<b>Total Recommended</b>	<b>\$3,780,000</b>	<b>\$0</b>
<b>Total Available</b>	<b>\$10,406,267</b>	<b>\$628,167</b>
<b>Applications Received</b>	\$0	\$0
<b>Pre-applications Received</b>	\$17,118,000	\$1,864,000