GHAP Capacity Building Program Framework

Oregon Housing and Community Services (OHCS) established the Affordable Rental Housing (ARH) Capacity Building (CB) program to support the important role our local and regional housing partners play in fostering community, health, and housing stability. Nonprofit housing developers, local housing authorities, and Native nation (Tribal) housing entities are uniquely positioned within their communities to support placemaking and provide culturally specific and responsive housing and resident services. Local governments also play a key role in facilitating the development and long-term viability of affordable rental housing projects.

In 2024, ARH is launching capacity-building initiatives within various ARH programs (e.g. Predevelopment Loans, Loan Guarantee, in-house Technical Assistance staff, improvements to ARH data accessibility and mapping, ARH Online Partner Database) that aim to enhance developer and sponsor capacity for building, operating, and preserving affordable rental housing. This document will focus on updates to the GHAP Capacity Building program and grants.

The GHAP Capacity Building resource is generated from revenue from County Document Recording Fees into the General Housing Account Program (GHAP) and GHAP CB statutorily receives 8% of the funds transferred into GHAP. The strategies provided here are a combination of feedback through the agency's engagement process to develop the ARH Division's Oregon Centralized Application (ORCA) and from ongoing capacity building conversations held with stakeholder groups by GHAP CB program staff in 2022 and 2023. Information about stakeholder feedback and the current framework can be found on the GHAP Capacity Building webpage.

GHAP Capacity Building General Information

Capacity Building Definition:

Activities and resources needed to bring individuals, organizations, or systems to the next level of operational, programmatic, financial, or comprehensive development so they may more effectively advance our shared goals related to affordable rental housing in Oregon.

Program Goals

- Increase housing production, preservation, and sustainability in regions and communities in Oregon with unmet needs through capacity building investments.
- Strengthen capacity of eligible entities and geographic areas in Oregon with high need for housing and limited local resources to meet shared ARH housing development and operating goals.

Eligible Entities*:

- Nonprofits
- Public Housing Authorities

- Native Nations and Tribally Designated Housing Entities
- Local Governments

*GHAP rules also allow GHAP eligible entities to pass through GHAP CB funds to any of the above entity types.

Agency and Division Foundations, Guidance, and Focus

- Statewide Housing Plan Priorities
- Oregon Housing Needs Analysis
- HUD Consolidated Plan and Fair Housing Analysis of Impediments
- ARH Division Goals
- Executive Orders, Legislation, and other direction from the Governor's Office and Legislature
- OHCS statutes and rules

GHAP Capacity Building Program - Strategy

- Build knowledge and collective power for housing organizations
- Build capacity for organizational self-determination
- Build long-term stability
- Build leadership capacity

GHAP Capacity Building Program - Priorities

- ARH Workforce Development
- Culturally Specific Developer and Sponsor Organizations Capacity Building
- Rural Regional and Organizational Capacity Building

GHAP Capacity Building Program - Objectives

- Grant recipients meet the goals of their grant
- Grant recipients report increase in new, preserved, or strengthened ability to execute affordable rental housing projects
- Grant recipients conduct community engagement related to their grant
- Grant recipients report an increase in knowledge and networking related to the goals of their grant
- Grant recipients are working towards self-identified Diversity, Equity, and Inclusion (DEI) and Equity and Racial Justice (ERJ) goals

Themes from Capacity Building Stakeholder Input

Additional information about stakeholder feedback can be found in the 2021/22 GHAP CB Summary.

Multi-year, adequate, and flexible support is the central theme across feedback. ARH-related capacity building is complex. It can take years for an organization or housing team to the build skills and internal systems needed to effectively build and operate affordable rental housing. Stakeholders have also repeatedly emphasized a multi-faceted approach to capacity building is needed to serve the varied needs of current and emerging developer organizations and local governments. For example, an emerging developer may need funds to train or hire staff, whereas an established culturally specific developer organization may need resources to support growth of their internal management systems. A small local government may need funds to help them educate elected officials and community members about affordable rental housing.

Approximately $1.5M of GHAP funds flow into GHAP CB annually for capacity building. Many of the below concepts and themes elevated through stakeholder conversations are reflected in the framework (see next section) for deploying 2024 ARH Capacity Building Investments.

State Policy and Process Revision

Our partners emphasize that eliminating barriers arising from the misalignment of OHCS' internal systems and policies with our stated goals would result in a long-term expansion of affordable rental housing in Oregon.

Key ideas:

- Examine internal and state rules, systems and processes to identify and eliminate barriers
- Develop internal capacity to work across silos
- Inter-agency and multi-agency coordination

2023 Program work included: Changed Oregon Administrative Rules (OARs) for GHAP to include Native Nations (aka Tribes) and Local Governments as entities eligible to receive GHAP CB grants; established process and pathway to increase accessibility of advance payments on capacity building grants.

Organization Capacity Building Funding

Stakeholders underscored the importance of multi-year, direct-to-organization funding to boost capacity building. Their capacity building plans were greatly impacted by the loss of a previously reliable source for support when the capacity building general grant became inactive in 2015.

Key ideas:
- Multi-year general capacity building grants (with high flexibility)
- Support for strategies to meet staffing needs in development and asset management positions
- Support for critical Asset Management tools and reports
- Support for mutually beneficial partnerships between small nonprofit developers and large developers
- Emergency support
- Support for ERJ-centered initiatives

2023 Program work includes: Adding organizational ERJ-related training and development activities to list of allowable grant activities; creation of processes, materials, and tracking systems for multi-year capacity building grants; initiation and execution of multi-year capacity building grants.

Networking and Knowledge Sharing

Rural partners, emerging developer and sponsor organizations, and culturally specific partner organizations highlighted the critical importance of networking, convening, and training opportunities to their capacity building and housing goals.

Key ideas:
- 3rd party standing contracts for technical assistance
- In-house trainings and technical assistance
- Online tools and resources for new and emerging ARH professionals
- Updates to GHAP Capacity Building webpage
- Contracts to increase networking opportunities around Oregon
- Support or innovative solutions to address workforce needs/gaps
- Cyclical ARH training programs tailored to Oregon

2023 Program work includes: Expansion of existing networking and knowledge-sharing related grants and contracts to immediately increase direct training and technical assistance support; inclusion and expectations related to regional networking and training as allowable grant activities in GHAP CB funded offerings; advocacy for re-establishment of in-house technical assistance providers.

Transformative Support

The following three concepts repeatedly rose to the top of the program's conversations with partners around capacity building investments and strategies. These require a large investment of GHAP CB funds but could provide substantial increases to capacity of an organization, region, or system.
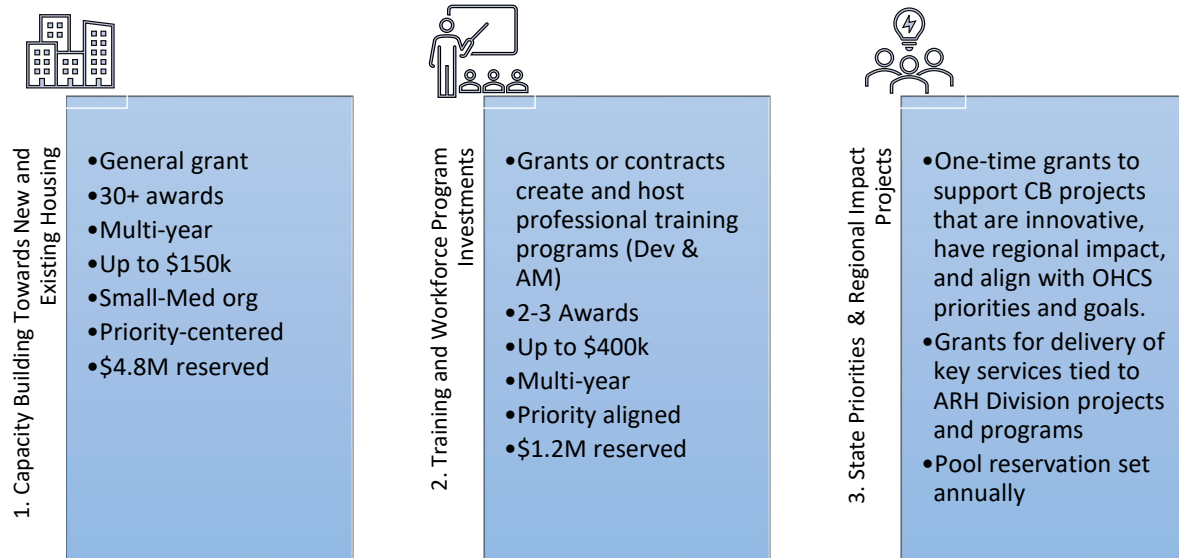
Key ideas:
- Housing development and asset management "Bootcamp style" intensive training programs with mentorships and apprenticeships
- Capital grants and loans
- Coordinated funding opportunities with other funders (banks, CDFIs, philanthropic organizations) to increase impact and available resources

2023 Program work includes: Provided partnership grants to participants of capacity building projects generated by regional funding partners such as Meyer Memorial Trust, Housing Development Center, and Network for Oregon Affordable Housing.

2024 Recommended ARH Capacity Building Investments

The distribution framework below reflects priorities for GHAP Capacity Building investments.

1. Capacity Building Towards New and Existing Housing	2. Training and Workforce Program Investments	3. State Priorities & Regional Impact Projects
• General grant • 30+ awards • Multi-year • Up to $150k • Small-Med org • Priority-centered • $4.8M reserved	• Grants or contracts create and host professional training programs (Dev & AM) • 2-3 Awards • Up to $400k • Multi-year • Priority aligned • $1.2M reserved	• One-time grants to support CB projects that are innovative, have regional impact, and align with OHCS priorities and goals. • Grants for delivery of key services tied to ARH Division projects and programs • Pool reservation set annually

1. Organizational Capacity Building Towards New and Existing Housing (*ORCA CB Grants*)

ORCA CB Grant resources will be available to organizations working to bring housing to their communities as well as those working to steward their current portfolio of affordable rental housing. These grants will be integrated into the updated Oregon Centralized Application (ORCA) process. These resources will aid organizational growth and development at a structural level, increasing an organization's ability to deliver on its mission over time. They are not intended to cover routine core operating expenses nor provide on-going programmatic support.

Reservation: Approximately $4M at start and tapering in subsequent years to sustainable level
Set-Asides: Phased roll-out with Balance of State Housing Authorities and Tribal Nations set aside for first 6 months
Resource Type: Multi-year grants
Amount: Up to $150k to be spent down over two years
Access: ARH – Oregon Centralized Application (ORCA) Intake Form (open starting Spring 2024)
Selection Process: Threshold application only, no scoring
Primary Pathway: Intake Form > Technical Advisor > GHAP CB Grant Application> GHAP Capacity Analyst
Referral Pathway: Asset Management Internal Referral > GHAP CB Grant Application > GHAP Capacity Analyst

Eligibility:

- Eligible Entities: Nonprofit Developers and Sponsors, Public Housing Authorities, Tribal Nations. Phased application roll out by eligibility types and groups. Culturally Specific and Rural priority groups.
- Bylaws, Charter, or documented Board decision towards development or operations of ARH
- Established and emerging developers and sponsors with prior experience
- Capacity building request tied to plans for a new development project or existing (in-service) project
- No other current ORCA CB Grant
- DEI Agreement registered (prior to grant agreement execution)

Considerations to Prioritize Investments:

- Intends to serve an identified (evidence-based) unmet need (community or geographic)
  - Focus: State or Agency priorities
  - Focus: OHNA and/or OHCS geographic priorities

Examples of grant activities may include, but are not limited to:

- Adding or expanding grantee housing staff capacity, or to pay current housing development or asset management staff
- Staff training, including professional certifications, memberships, and continuing education
- Acquiring technical assistance, including contracting with consultants
- Community engagement, networking, and collaboration related to organizational housing development and operating priorities, including for service-enriched housing
- Acquiring hardware or software
- Strengthening organizational management systems (e.g. financial, project tracking, portfolio management, etc.)
- Paying for report costs for Asset Management evaluation activities
- Paying for other expenses reasonably necessary to meet their identified organizational or regional capacity building priorities related to ARH development or portfolio management and preservation
- Paying for the following project-related predevelopment soft costs (up to 10% of the total grant funds) such as:
  - Accounting and financial analysis;
  - Research, required audits, and legal consultant fees

2. Training and Workforce Investments

OHCS will invest in coordinated capacity building and development of Oregon-based training to stimulate growth and expansion of professional development programs for key roles within the ARH lifecycle and ecosystem. This area of capacity building will focus investment on expansion and implementation of training programs for ARH Developers, Asset Managers, Culturally Specific and Culturally Responsive Property Managers, and other key ARH workforce roles (e.g. MWESB contractors).

Reservation: Approximately $1.2M

Resource Type: Multi-year grants or contracts
Amount: 3 Awards - Up to $400k total award per grant/contract
Access: Procurement – Request for Proposals (RFP) resulting in contracts or Request for Application (RFA) resulting in grants (Fall 2024)
Selection Process: Scored application

Examples of Training and Workforce Investments may include but are not limited to:
- ARH Developer and Asset Manager Training Programs
- Culturally Specific and Culturally Responsive Property Management Training Programs
- Support expansion or enhancement of the Portland State University Master in Real Estate Development Program's Affordable Rental Housing Curriculum
- MWESB Training Programs
- Permanent Supportive Housing Institute – required training element of PSH development funding

3. State Priorities and Regional Impact Projects (*Innovation and Regional Impact Grants*)

The GHAP Capacity Building program will support opportunities to explore innovative solutions to capacity problems, projects that align with OHCS' priorities and goals in housing development and operations, and one-time capacity building projects with regional impact. Resources will be reserved annually to fund these opportunities and other agency capacity building efforts that are tied to delivery of ARH Division projects and programs.

Reservation: Amount will be determined annually
Resource Type: One-Time Grants, rolling application window
Amount: Amount will be determined annually, reserved funds available until depleted
Access: ARH Oregon Centralized Application (ORCA) Intake Form or internal referral (Fall/Winter 2024)
Selection Process: To be determined

Examples of projects that qualify for Innovation & Regional Impact may include:
- Innovative opportunities that may increase a current sponsor's ARH portfolio while also addressing another key capacity building priority (e.g. ARH development project that will provide workforce development opportunity to a priority service community or geographic area)
- Housing related studies that seek to increase knowledge and understanding of the current and future strengths, challenges, needs, and general state of affordable rental housing in a specific region
- Pilot capacity building projects that seek to improve equitable housing outcomes for BIPOC individuals and communities
- Opportunities that provide OHCS the chance to partner with other funders to enhance a project or program that's aligned with agency, division, or GHAP CB program priorities

Measuring Success

Capacity building can be challenging to measure. The investments often have hidden impacts or results that take years to materialize. Aspects of the activities of the GHAP CB program's work and the work of grant recipients can and should be measured in real time and also longitudinally. The GHAP Capacity Building program plans to measure the success of capacity building investments through a variety of key indicators. In 2022 the GHAP CB program updated the design of the grant progress reporting tool and program data collection to strengthen the program's connection with grantees, and better support measuring and reporting program effectiveness.

1. **Knowledge and Skills** - The successful acquisition of new skills and knowledge by individuals and organizations involved in housing development will/can be assessed. This includes requiring grantees and contractors to provide OHCS with evaluations of the effectiveness of training programs and workshops.
2. **Efficiency and Effectiveness** – Measuring the effectiveness of grantees in meeting the goals of their grant, and efficiency of OHCS' own internal processes, such as planning, funding, and execution, can serve as measures of success.
3. **New Projects and Preservation** - The number and quality of new ARH projects initiated and completed and projects preserved by a GHAP CB recipient organization or geographic regions are important quantitative indicators.
4. **Community Engagement** - Community engagement and satisfaction surveys collected by the GHAP CB program and by grantees for their own activities are crucial qualitative and quantitative measures.
5. **Sustainability** - Financial sustainability, demonstrated by the ability of grant recipients to secure additional funding or partnerships and manage their portfolio of property, is another measure to consider when evaluating the success of GHAP CB grants.

Opportunities for Improvement and Growth

OHCS has experienced rapid growth in the past five years, placing strain on internal systems. Despite challenges, new staff bring valuable expertise from various fields, fostering innovation. It's both an exciting time for innovation and a challenging time given the demands of rapid growth. There's a pressing need for OHCS to increase internal capacity and support capacity strengthening of GHAP CB-eligible partners to address Oregon's housing demands. Without increased funding and workforce development pipelines, smaller housing developers and sponsors may struggle, impacting affordable housing ecosystems and prioritized communities.

The GHAP Capacity Building program stands out as a stable source of ARH capacity building funding nationally. OHCS has a timely opportunity to bolster capacity and achieve housing development goals in Oregon.

More information about the GHAP Capacity Building program can be found on the program website.