

What we do matters!



Oregon Housing and Community Services

Presentation to the Joint Committee on Ways and Means
Subcommittee on Transportation and Economic Development

May 2009

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Presentation Overview

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OHCS

OUR VISION: for all Oregonians to have housing that meets their needs.

OUR MISSION: to provide leadership that enables Oregonians to gain housing, become self-sufficient, and achieve prosperity.



Goals

Goal 1: Secure an end to hunger and homelessness for all Oregonians.

Goal 2: Ensure an ongoing inventory of affordable housing that meets community needs.

Goal 3: Help ensure that our partners have sufficient capacity to use OHCS resources effectively.

Goal 4: Create an agency culture that enables our staff to deliver the best possible programs and services.

Goal 5: Secure the long-term financial stability of OHCS.



Core Values

Communication: We value transparent, honest and respectful communication among all staff and with our partners.

Partnerships: We value our partners and our common expectation for excellence.

Customer Service: We value our customers by honoring our commitments to them.

Leadership: We value visionary leadership among all, encouraging innovative solutions to secure future opportunities.

Teamwork: We value teamwork, interdependence and cohesiveness as fundamental to achieving our mission.

Workforce: We value the expertise and diversity of our workforce and provide support through teamwork, training and respect.

Innovation: We value entrepreneurial thinking, creative actions, the results of lessons learned, and the celebration of success.

Stewardship: We value practices that optimize the benefits of current and future resources entrusted to us.

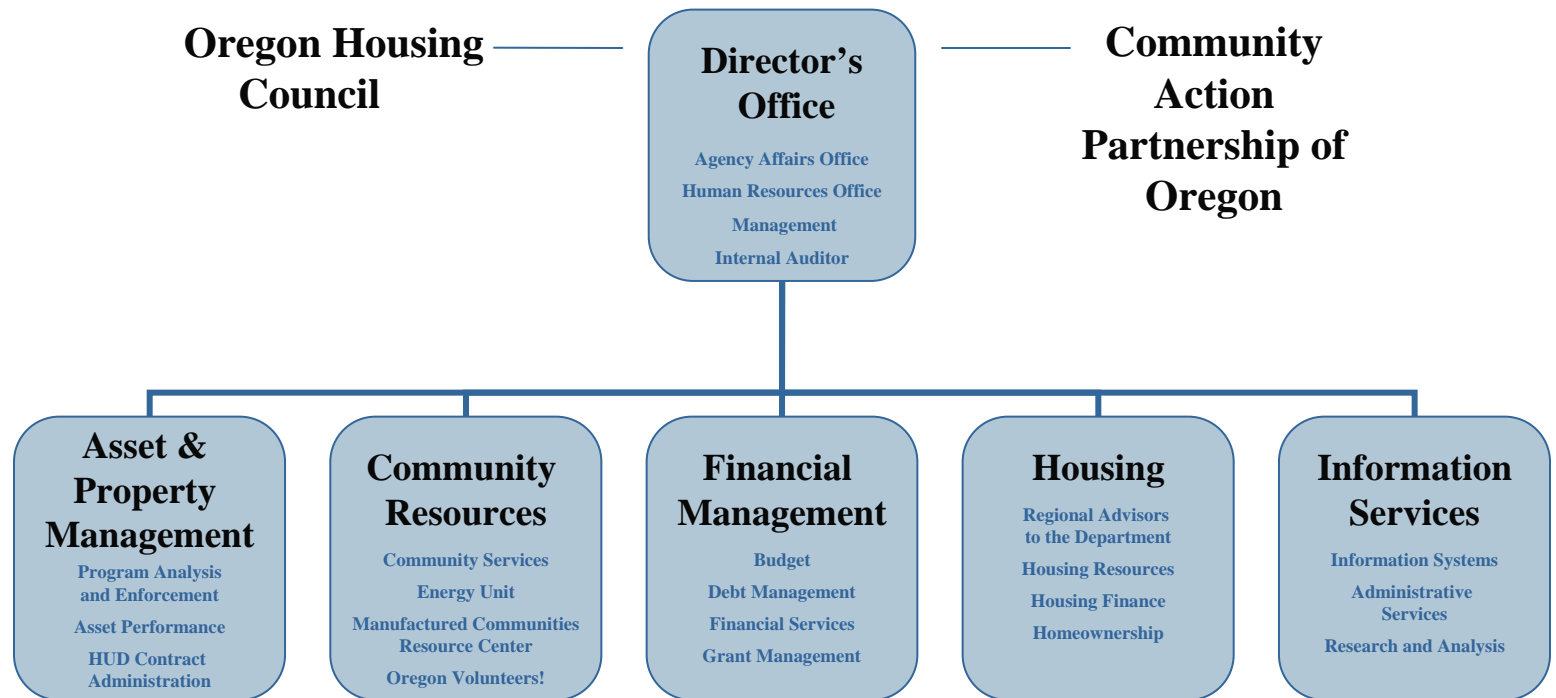


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Agency Structure

Agency Structure



Agency Structure

- For 2009-11, the Governor's Recommended Budget includes 127 positions, down 11 percent from 143 positions in 2007-09.
- OHCS delivers a continuum of services that meets the needs of Oregonians, from those in extreme poverty to first-time homebuyers.



What we do matters!



Continuum of Services

OHCS Partners

OHCS key partners include:

- Community Action Agencies
- Nonprofit and For-Profit Housing Developers
- Community Development Corporations
- Tax Credit Investors
- Housing Bond Investors
- Housing Authorities
- Low-Income Housing Owners
- Banks
- Oregon Food Bank
- Regional Food Banks
- Lenders
- Single-Family Loan Originators



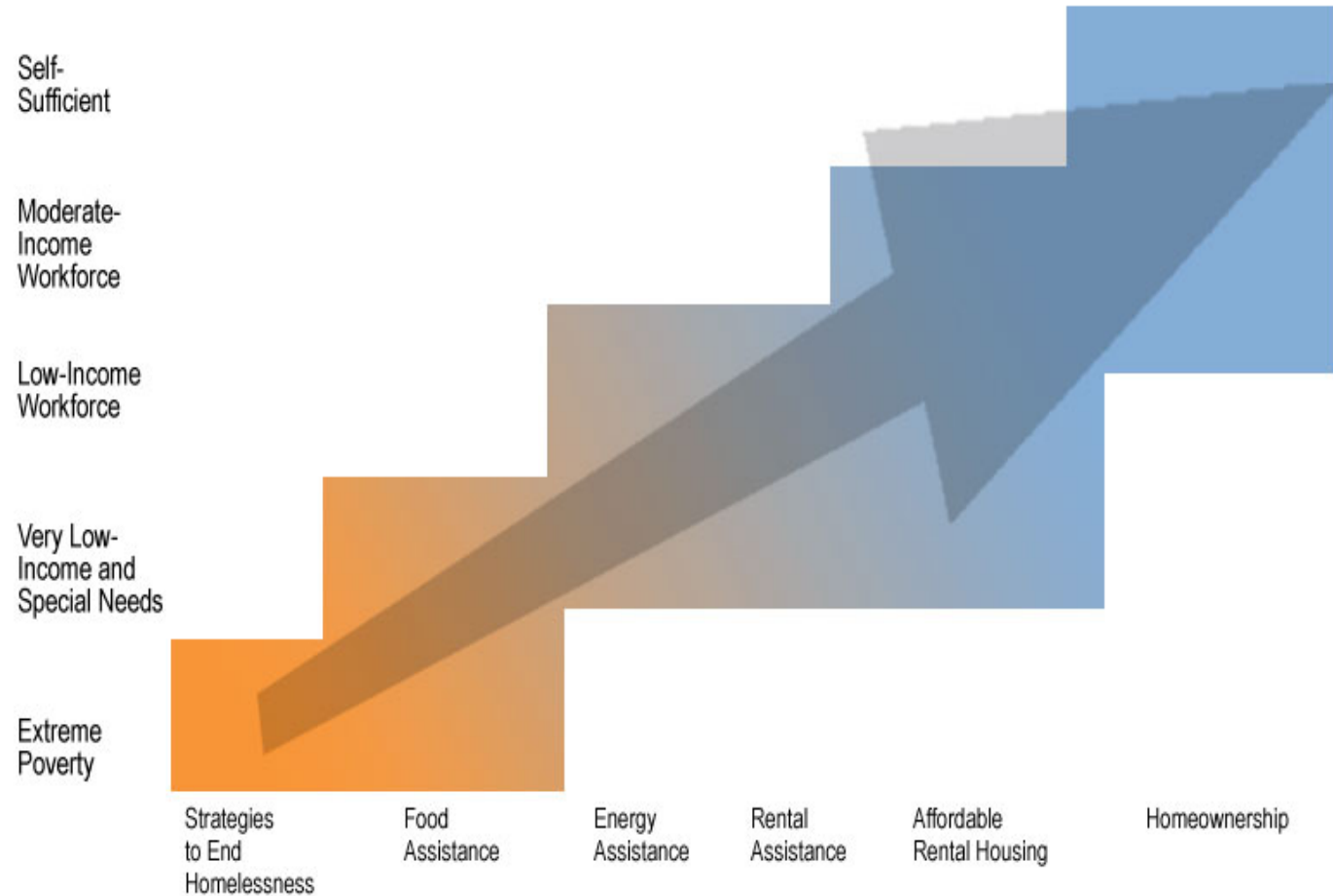
Continuum of Services

Oregon Housing and Community Services programs enable hardworking Oregonians and our most vulnerable neighbors to succeed, become self-sufficient and achieve prosperity.

- Homelessness – provides funding for shelter, case management, and transitional and permanent housing for the homeless.
- Food Assistance – provides funding to enable food delivery through the Oregon Food Bank and regional food banks.
- Rental Assistance – provides funding to supply short- and long-term rent payments to qualified renters.
- Energy Assistance – provides funding that reduces energy costs for qualified recipients through utility-assistance payments and weatherization.
- Affordable Rental Housing – provides funding for the acquisition, rehabilitation and/or construction of long-term affordable rental housing.
- Homeownership – provides funding for qualified homebuyers to purchase their first home, as well as receive the necessary support and counseling to sustain homeownership.



Continuum of Services



Support Across the Continuum

- Individual Development Accounts — provide funding to organizations that encourage financial savings to eligible recipients for the purpose of education, homeownership and small business development.
- Oregon Volunteers! Commission for Voluntary Action and Services — provides funding to organizations to promote volunteerism in communities.
- Manufactured Communities Resource Center — assists residents of manufactured dwelling parks by providing conflict mediation, information and referral services.



Teen volunteer offers plant to a shut-in.

What we do matters!



Agency Challenges

Challenges

Across the Continuum

Increases in Homelessness: The number of individuals and families who experience or are at-risk of homelessness continues to increase.

Meeting Basic Needs for Hardworking Oregonians: More people struggle to maintain employment, house and provide food for their families, and meet monthly household obligations.

Lack of Affordable Housing: Individuals and families pay more for housing than their incomes can adequately support, and the state's affordable housing stock is at risk.

Housing for Workforce and People with Special Needs: Too many Oregonians cannot afford to live in the community in which they work, and many with special needs lack any housing alternatives.

Weak Economic and Financial Conditions: National economic and financial conditions make it very difficult to finance affordable housing, causing substantially reduced agency revenues.



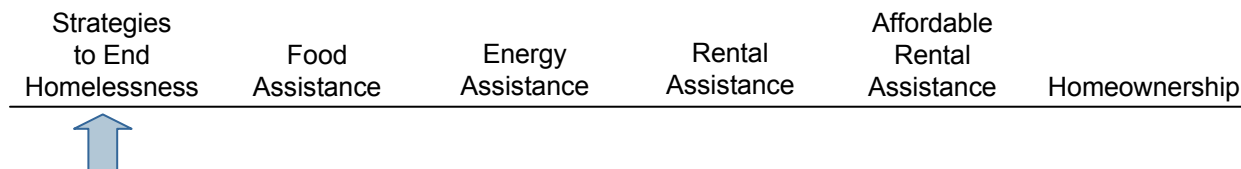
Challenges

Increased Homelessness

- On a single night in January 2008, OHCS partners counted 12,529 homeless individuals, more than half of whom were in families. This represented an 11 percent increase from 2007.
- Children represented 31 percent or 3,831 of those 12,529 individuals.
- Of the homeless population, nearly half say they need some form of service. Almost nine in 10 of those individuals reported a mental or emotional disorder, substance abuse problem, or both.
- During the 2007-08 school year, 15,859 students experienced some form of homelessness – almost double the 2003-04 level.



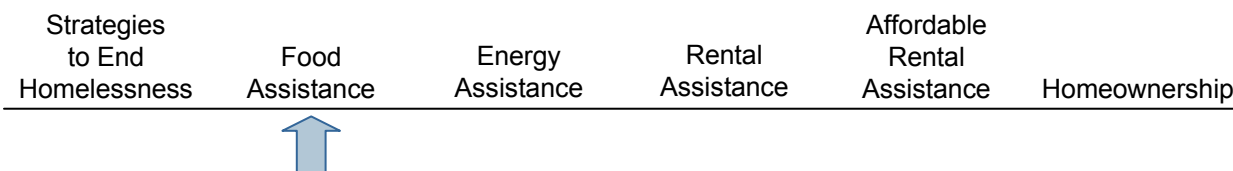
	Sheltered	Unsheltered	Total
2002	4,687	1,255	5,942
2008	7,136	5,393	12,529
% Change	52.3 %	329.7 %	110.9 %



Challenges

Meeting Basic Needs for Hardworking Oregonians

- Oregon's unemployment rate of 12.1 percent is second highest in the country.
- Oregon is one of only eight states with unemployment measured in double digits.
- Well over half a million people received food stamps in March 2009. This is a 24 percent increase over the March 2008 caseload.
- The Oregon Food Bank reported a 15 percent increase in the distribution of emergency food boxes in the last half of 2008. (KPM9)



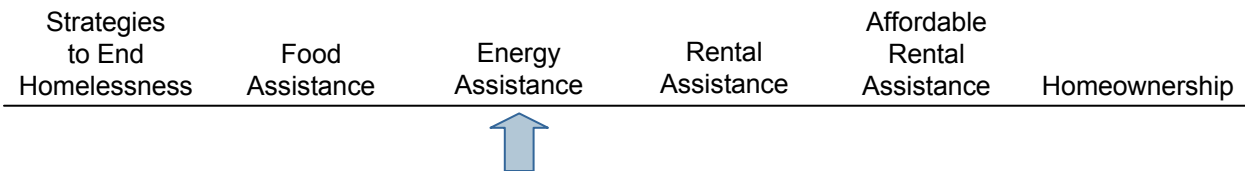
Challenges

Meeting Basic Needs for Hardworking Oregonians

- In the first three months of the 2008 program year, 36,505 households applied for energy assistance.
- For 2009, the number of applications for energy assistance increased more than 25 percent up to 45,818 households.
- More than 12,000 households are on waiting lists for weatherization services.



Weatherization
Projects



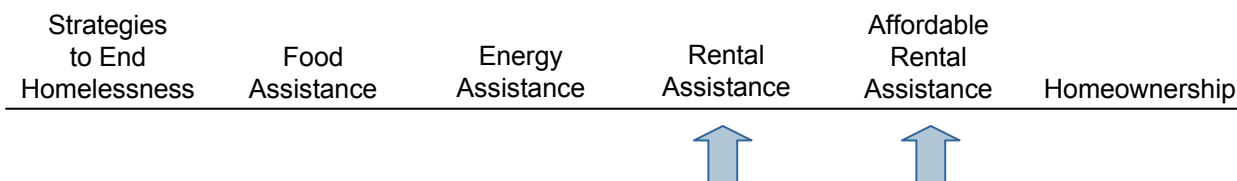
Challenges

Lack of Affordable Housing

- Two-thirds of Oregon's 560,000 low-income households pay more than one-third of their household income for housing.



	What's Needed 2007 Oregon Urban Basic Family Budget, 1-Parent, 1-Child	What's Available After Paying for Housing at 50% AMI	\$ Gap
Housing	\$718	\$718	\$ 0
Food	\$316	\$247	\$ 69
Child Care	\$491	\$385	\$106
Transportation	\$317	\$248	\$ 69
Healthcare	\$230	\$180	\$ 50
Other Necessities	\$321	\$251	\$ 70
Monthly Total	\$2,393	\$2,030	\$363
% Spent on Housing	30.0%	35.4%	
Annual Total	\$28,716	\$24,365	--



Challenges

For People with Special Needs

Oregon lacks adequate alcohol and drug rehabilitation housing, housing for people with mental illnesses, and people with developmental disabilities. (KPM7)

According to the 2005 Office of Mental Health and Addiction Services Housing Survey:

- 5,270 persons receiving mental health services needed affordable housing immediately.
- 2,327 addictions clients needed affordable housing immediately.
- 2,342 individuals needed addictions recovery housing.
- 1,940 individuals need mental health supportive housing.



New Winds:

This Florence complex provides housing for persons who have severe, persistent mental disabilities.

Strategies to End Homelessness Food Assistance Energy Assistance Rental Assistance Affordable Rental Assistance Homeownership



Economic and Financial Challenges

- The downturn in the housing and finance markets reduces OHCS and partner capacity at the same time that it reduces OHCS “other revenues.”
- The “lifecycle” of several HCS bond programs is nearing an end, further reducing “other revenues.”
- Insufficient capital prevents the department from continuing to provide homeownership opportunities.



Many of today's projects remain in the planning stages because of the slowdown in the housing market.

- As of **July 1, 2007**, OHCS has reduced its workforce by 15 percent, yet its overall budget (not related to debt service) increased 21 percent.



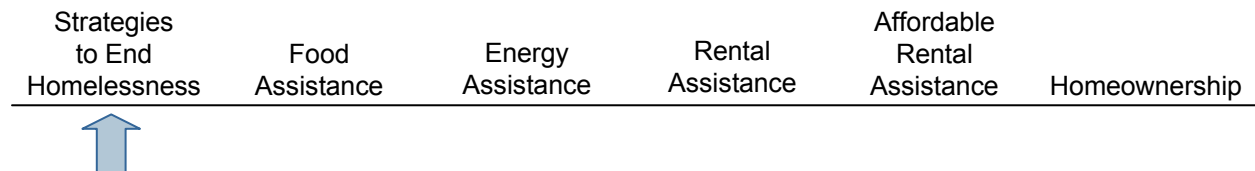
What we do matters!



Program Performance

Strategies to End Homelessness

- Homelessness represents an extreme form of poverty. The number of people experiencing homelessness in this state has grown dramatically.
- When asked, homeless individuals most frequently cite unemployment and inability to afford rent as the cause of their homelessness.
- Local services include crisis intervention, emergency shelters, transitional housing, permanent housing with services for people with disabilities, discharge planning, and case management leading to self-sufficiency.
- OHCS allocates state and federal homeless assistance funds to community action agencies to administer at the local level.



Homelessness

Results



Homeless veteran in Coos Bay

- OHCS and its partners served nearly 83,000 people at-risk of or experiencing homelessness.
- The performance measure reflects the percentage of households entering a housing program that exit to a stable housing situation. (KPM3)
- In 2008, more than 25 percent of clients achieved that goal.
- Homelessness is a growing problem, as reflected in the One-Night Homeless Count:

2006	9,692
2007	11,292
2008	12,529

Strategies to End Homelessness Food Assistance Energy Assistance Rental Assistance Affordable Rental Assistance Homeownership

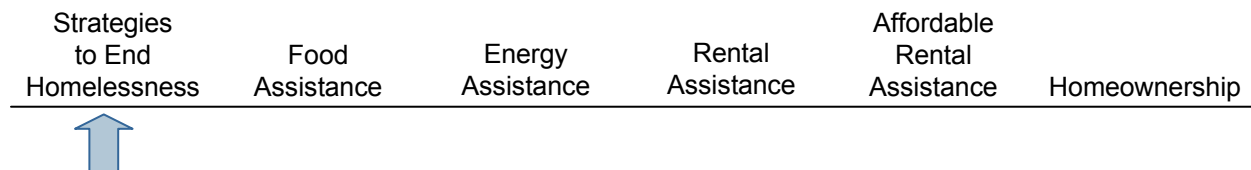
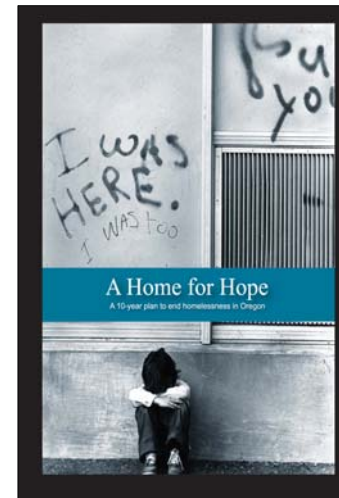


Homelessness

Results

The statewide Ending Homelessness Advisory Council and Interagency Council on Hunger and Homelessness worked diligently to develop *A Home for Hope*, Oregon's blueprint to end homelessness. These partners have taken the first steps toward plan implementation.

- OHCS has revised funding allocation processes and made structural and programmatic changes to support the strategies identified in the plan to end homelessness.



Food for Hungry Oregonians

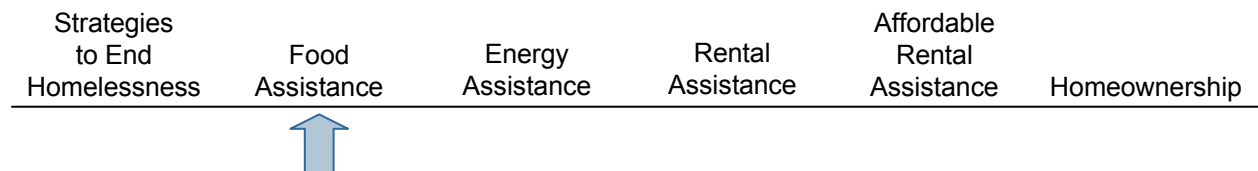
OHCS administers several food programs that assist Oregonians feeling hunger and food insecurity. The programs provide:

- Commodities to low-income households through the Oregon Food Bank.
- Distribution of food to the Umatilla Tribe in partnership with the local community action agency.
- Support for the Hunger Relief Task Force.

➤ The Oregon Food Bank administers the General Fund Food Program through its 325 network members to expand capacity to obtain and deliver more food at the local level.

➤ Funding associated with these programs is:

- Federal Temporary Emergency Food Assistance Program, Commodity Supplemental Food Program, Food Distribution Program on Indian Reservations.
- State General Fund Food Program



Food Assistance *Results*

Key Performance Measure 9

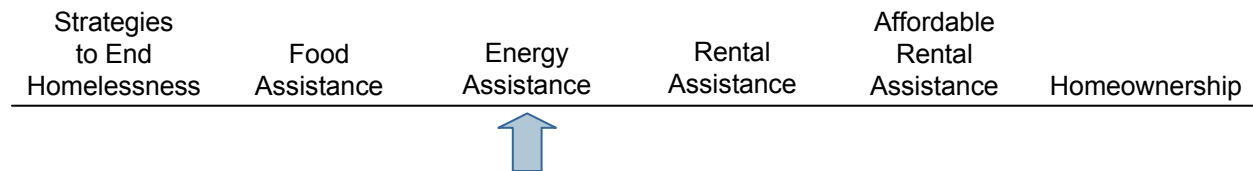
- In 2008, the General Fund Food Program contributed 7 percent to the total food that was processed or repackaged through the Oregon Food Bank (target 8 percent up from 6 percent in 2007).



Providing Energy Assistance

- Allowable weatherization activities can include such measures as furnace replacement, water heater and appliance replacement, insulation, window and door replacement, and mold and lead hazard mitigation.
- Weatherization – Priority to low-income seniors, people with disabilities, and households with children under 6 years old.
- Low-income energy assistance provides low-income bill payment and crisis assistance, including preventing service disconnections and in-kind benefits that may be used to augment crisis assistance. Case management, energy education and innovative pilot projects (e.g. Heat and Eat) also receive funding.

OHCS weatherization and bill payment assistance programs are administered locally by community action agencies using a variety of funds allocated by OHCS.



Energy Assistance *Results*

Energy Assistance and Weatherization programs stretch clients' budgets and save energy.

- OHCS partners provided energy assistance to more than **334,000** low-income Oregonians in **125,000** households from July 1, 2007 through April 1, 2009.
- First-time applicants represented 28 percent of the households served in the current program year.



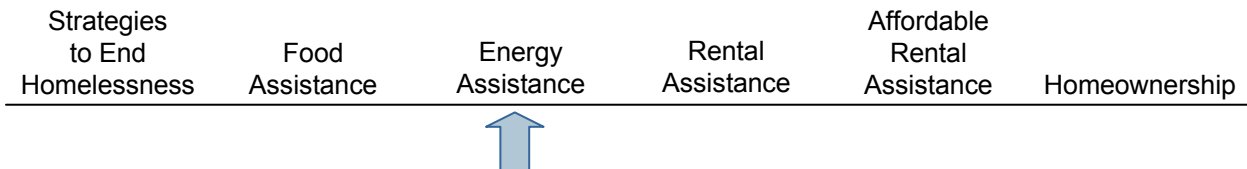
MCCAC workers ready firewood for needy families to use during the winter months.

Strategies to End Homelessness Food Assistance Energy Assistance Rental Assistance Affordable Rental Assistance Homeownership



Energy Assistance *Results*

- Created \$1.04 in energy savings for every \$1 of Energy Conservation Helping Oregonians investment. (KPM6)
- During the 2007-09 biennium, weatherization programs will save an estimated 96.5 billion BTUs.
- Homes weatherized in 2007-09 include:
 - Owner-occupied, single-family units: 2,166
 - Renter-occupied, single-family units: 1,018
 - Manufactured-home, owner-occupied units: 2,548
 - Manufactured-home, renter-occupied units: 186
 - Multi-family units: 598

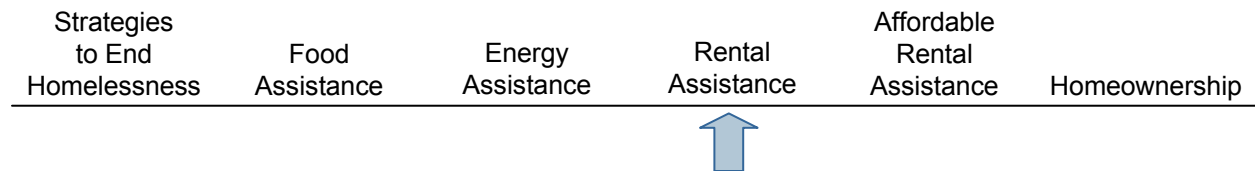


Rental Assistance

Low-Income Tenants

Three rental assistance programs help very low-income Oregonians stay in stable housing:

- The federal **Section 8** project-based rental assistance program provides subsidies so that very low-income individuals spend no more than 30 percent of their income on rent. Administered by OHCS.
- The federally funded **HOME Tenant-Based Rental Assistance Program** (HOME TBA) offers rental assistance in six-month or one-year terms. Administered by community action agencies.
- The state-funded **Low-Income Rental Housing Fund Program** provides short-term rental assistance. Administered by housing authorities and community action agencies.



Rental Assistance

Results

Section 8 projects house more than 30,000 Oregonians:

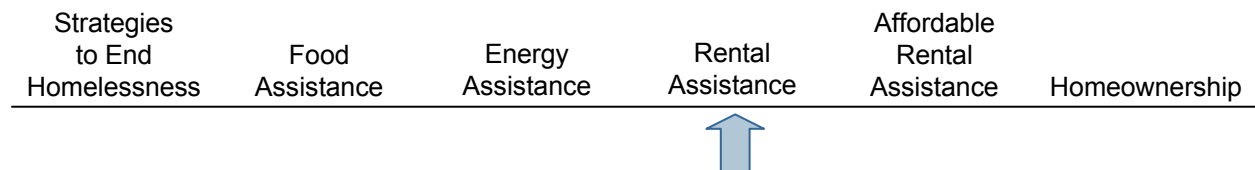
- 10,000 households
- 3,101 people with disabilities
- 5,325 older Oregonians
- 3,667 children

For the state's project-based subsidized housing, OHCS:

- Inspects common areas and individual homes to ensure the health and safety of residents.
- Provides for the financial, regulatory and physical integrity of the properties to ensure that the bond holders are held harmless.

In the 2007-09 biennium, OHCS:

- Completed to date 1,028 property inspections/management reviews with 95 percent good to superior approval ratings.
- Received \$3.9 million in monitoring fees under the HUD contract.



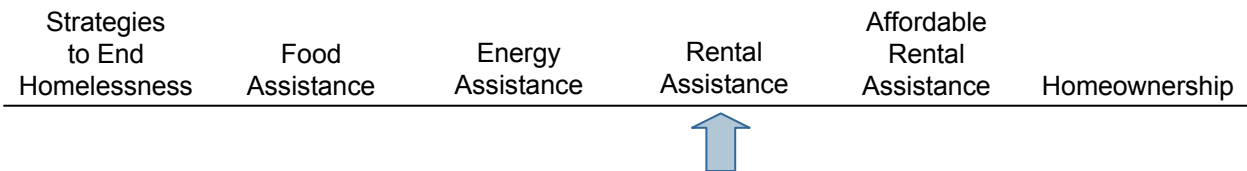
Rental Assistance

Results

- The Low-Income Rental Housing Fund Program served **729** households with short-term rental assistance.
- The HOME Tenant-Based Rental Assistance Program served **2,233** households with medium-term rental assistance.



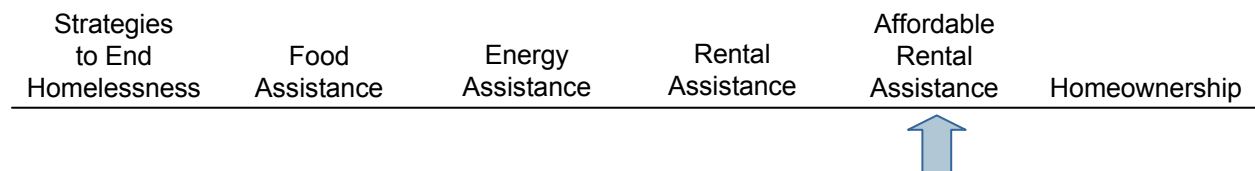
Rental assistance allows families to find decent, safe housing like the Garlington apartments.



Affordable Rental Housing

OHCS provides funding for the acquisition, rehabilitation and/or construction of long-term affordable rental housing. Funding sources include federal/state grants, tax credits and bonds, and encompass nearly 20 funding streams.

- The department's Consolidated Funding Cycle allows developer partners to access multiple grant and tax credit programs in one application.
- The department also provides affordable rental housing development opportunities through loan programs funded with tax-exempt bonds.
- Housing developers include housing authorities, community development corporations, nonprofit organizations and private housing developers.
- Use restrictions guarantee that these units will stay affordable for 30 years or longer.

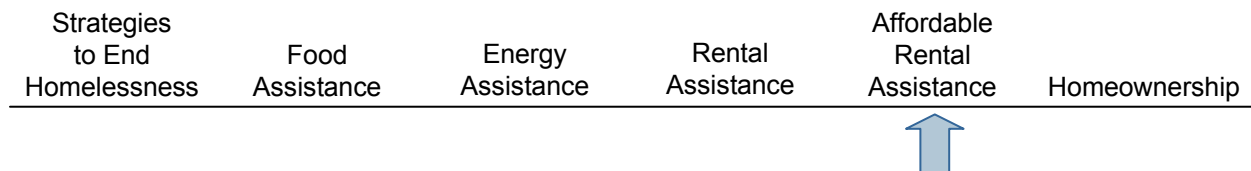


Affordable Rental Housing

Results

Historically, OHCS has met or exceeded its affordable rental housing performance measure targets. In 2008:

- 100 percent of tax-exempt bond financed projects served people at 60 percent of area median income or lower (target 88 percent). (KPM4)
- 92.4 percent of all housing developed through the department's grant and tax credit programs served people at 60 percent of area median income or lower (target 93 percent). (KPM5a)
- 39.8 percent of the units developed in the department's grant and tax credit program served people at 50 percent of area median income or below (target 58 percent). (KPM5b)
- 17.3 percent of the units developed in the department's grant and tax credit program served people at 40 percent of area median income or below (target 23 percent). (KPM5c)
- 4 percent of the units developed in the department's grant and tax credit program served people at 30 percent of area median income or below (target 10 percent). (KPM5d)
- Rising construction costs prevented OHCS from meeting its targets for serving very low-income Oregonians.



Affordable Rental Housing

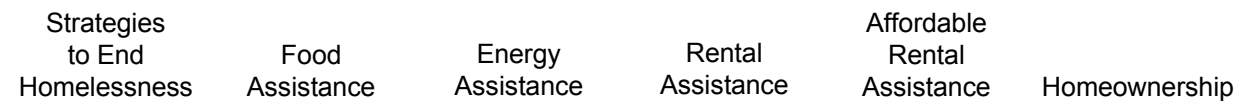
Results

- In 2008, only 25.6 percent of the multifamily units developed were for individuals with special needs (target 50 percent). (KPM7)
- A new performance measure will help the department reduce structural barriers that drive up the costs of affordable housing construction. (KPM10)
- Goal: To maintain a cost per square foot that is no more than 5 percent above the RSMeans average. In 2007, the target was \$163.77 per square foot, and our actual performance was \$143.74 per square foot. In 2008, OHCS exceeded the target by \$2.17 per square foot with actual costs of \$169.95 per square foot.



The Watershed

A new green-built project in Portland that provides a mix of commercial space and affordable housing for seniors and formerly homeless veterans.

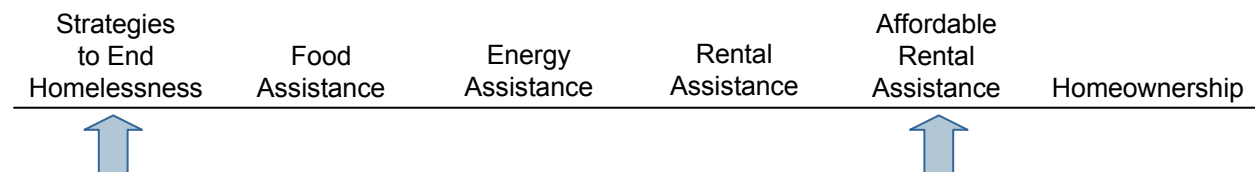


Affordable Rental Housing

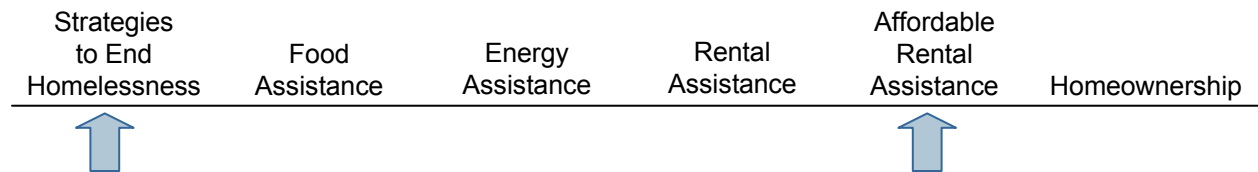
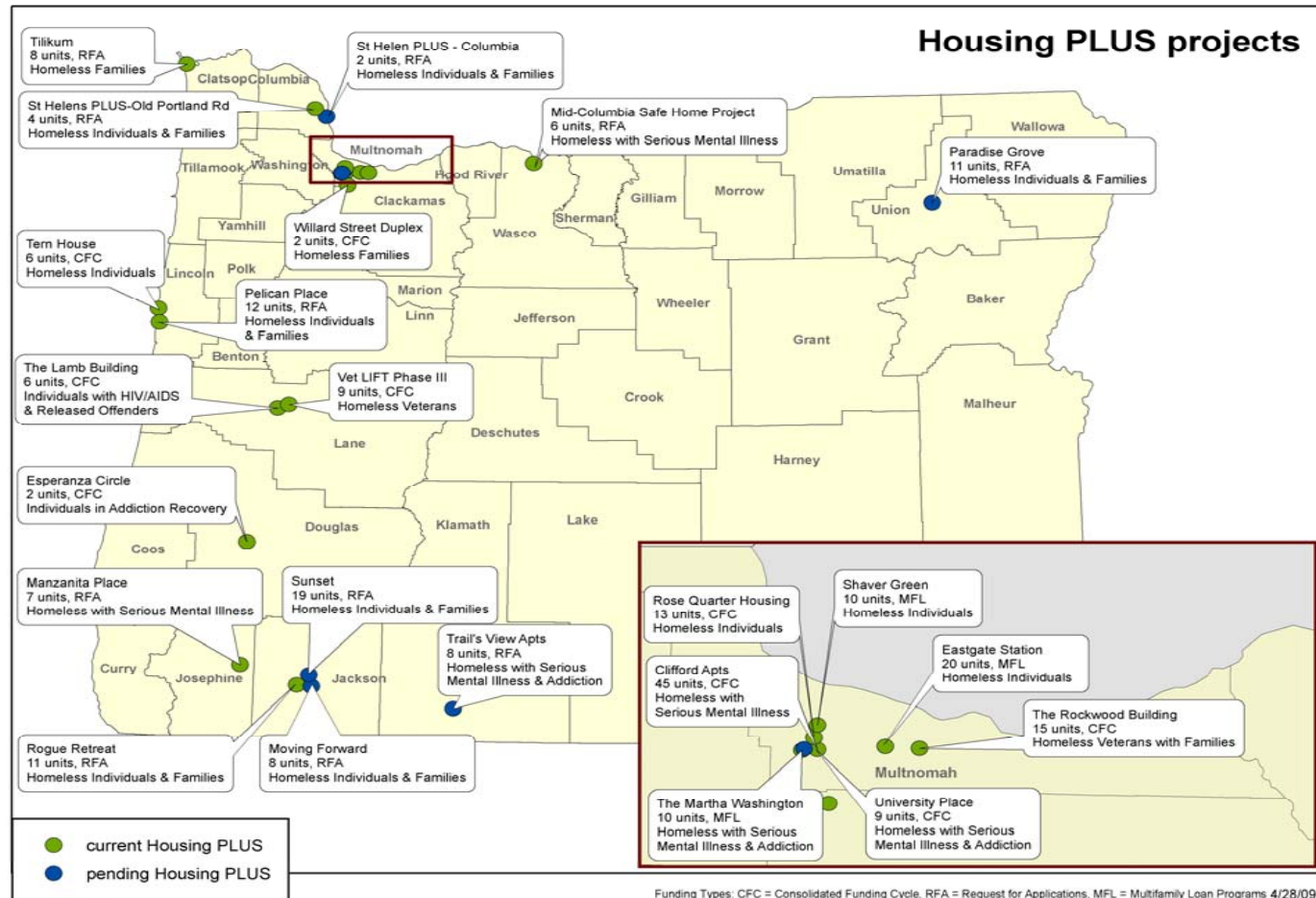
Results

Housing PLUS (Permanent Living Utilizing Services)

- Permanent supportive housing throughout the state for chronically homeless populations, funded by lottery-backed bonds authorized by the 2007 Legislature.
- Enhances clients' response to other social interventions, including addiction treatment and mental health care.
- Investment in 2007 of \$16.1 million in lottery-backed bonds financed 150 units of permanent supportive housing for individuals and families experiencing chronic homelessness.
- OHCS exceeds the legislative target of 150 units by awarding funding for 183 units in 18 developments, with another 37 units in four developments pending final review and approval.
- Developments have been funded across the state to address both urban and rural homelessness.



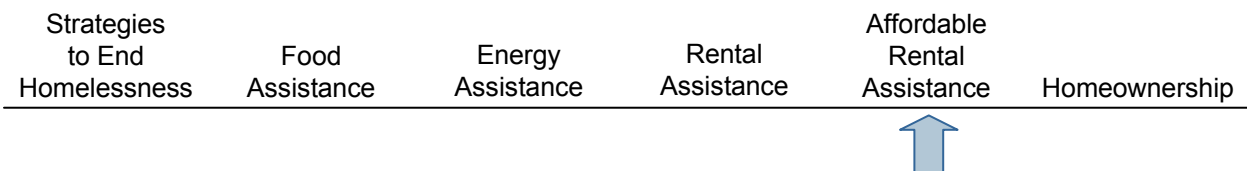
Affordable Rental Housing Results



Affordable Rental Housing

Priorities

- OHCS priority: preserving existing federally funded affordable housing with its associated project-based rental assistance.
- An immediate need: existing federal rental subsidy contracts that house Oregon's very low-income populations (30 percent area median income or less) are nearing expiration.
- OHCS and other affordable housing partners are working with existing and new owners to renew federal contracts, rehabilitate units where needed and set up state contracts to ensure the housing remains affordable for at least the next 30 years.



Affordable Rental Housing

Preservation Results

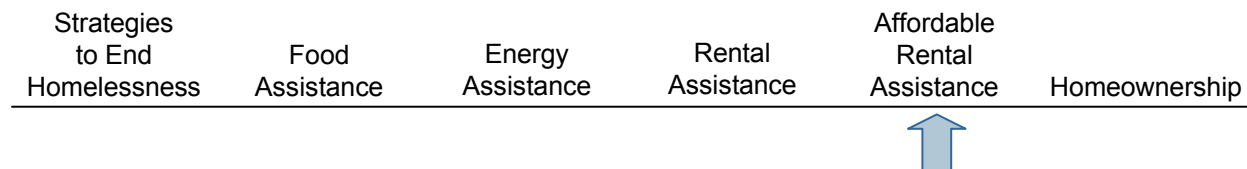


- A green alternative:
 - Less expensive and resource-intensive than new construction.
 - Energy upgrades are required to insulation, lighting, appliances and windows.
- A preventive approach:
 - Prevents displacement of households, higher rents and increased homelessness for low-income families.
 - Reduces strain on remaining affordable housing.
 - Prevents increased demand for emergency shelter, counseling and other community social services.



Conifer Gardens in Medford

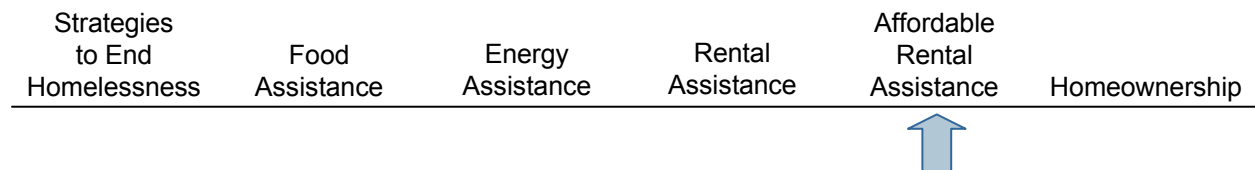
A rehabilitation project that generates income in the local community while providing much-needed housing for seniors.



Affordable Rental Housing

Preservation Results

- The 2007 Legislature granted a \$2 million increase in the Oregon Affordable Housing Tax Credit program.
- In February 2008, the Legislature increased the OAHTC annual limit to \$17 million, and invested \$1 million in General Funds in preservation.
- Private philanthropies have provided short-term financing for preservation projects until long-term financing is secured.
 - \$5 million from the MacArthur Foundation
 - \$4 million from the Meyer Memorial Trust
- Last year, 786 units out of 1,610 units targeted for preservation were preserved. The remaining 824 units are still in queue to be preserved, if permanent financing becomes available.



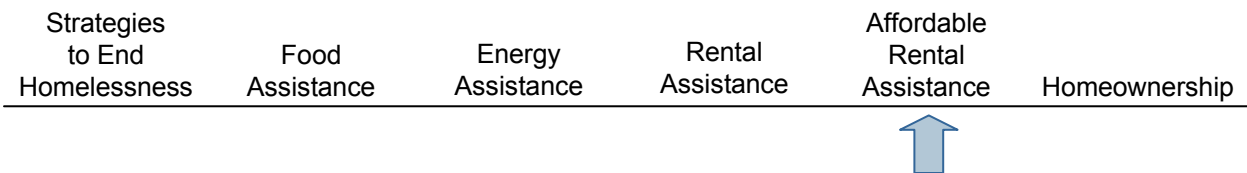
Affordable Rental Housing

Economic Stimulus Results

- Department investments made in affordable housing provide economic returns to Oregon.
- Every \$1 invested in affordable housing generates \$11 in economic benefits to family incomes, business coffers and government revenues.
- Every \$10,000 in rental income generates more than \$22,000 in economic activity.

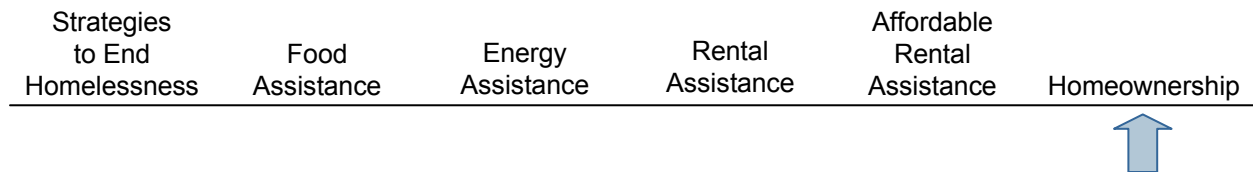


Homeport townhouses provide safe housing for Oregonians.



Homeownership

- The sale of tax-exempt bonds fund the first-time homebuyer loan program.
 - Offers loans at a 30-year-fixed, below-market rate.
 - Serves people at or below 100 percent of area median income.
- Past sub-prime lending practices and high unemployment rates have increased the number of Oregon homes at risk of foreclosure. Through March of 2009, OHCS partners provided 541 households with foreclosure counseling.
- For a limited time, the Housing and Economic Recovery Act of 2008 allows state housing finance agencies to refinance existing loans with funds from the first-time buyer program. OHCS is willing to refinance loans based on Fannie Mae underwriting guidelines when the market allows.



Homeownership

Results

- OHCS has successfully provided first-time homeowner loans to people at or below 100 percent of area median income. (KPM1a)
- OHCS exceeded its target of providing 85 percent of its first-time homebuyer loans to people at 90 percent of area median income (KPM1b). The department fell short of its target of providing 70 percent of its loans to people at 80 percent of area median income (actual results, 69.2 percent) (KPM1c).
- Prior to the market collapse, the number of loans reached near record levels, with 1,850 in 2008.



Strategies
to End
Homelessness



Food
Assistance



Energy
Assistance



Rental
Assistance



Affordable
Rental
Assistance

Homeownership



Homeownership

Results

- OHCS received a grant to fund foreclosure prevention counseling.
- That grant funding, along with funds from the Department of Consumer and Business Services and OHCS, totaled nearly \$522,000.



Strategies to End Homelessness Food Assistance Energy Assistance Rental Assistance Affordable Rental Assistance Homeownership



Community Capacity Programs

- **Manufactured Community Resource Center** is funded by an assessment on each manufactured dwelling designated as personal property. Housed in OHCS, program staff:
 - Assist park owners and residents in resolving concerns associated with their parks and living situations through informal dispute resolution.
 - Provide technical assistance, information about the laws, and information about resources available that may assist in the voluntary resolution of disputes.
 - Maintain statistics and information about manufactured dwelling parks.
- **Individual Development Account** participants save towards a goal such as launching a small business, finishing their education, or buying a home. They receive matching payments when their financial training is completed and they reach their savings goal.
 - Funded by a state tax credit, and managed on behalf of OHCS by the Neighborhood Partnership Fund.
 - Provides financial education to youth and adults throughout Oregon using a broad and diverse network of partner organizations.



Community Capacity Programs

- **Oregon Volunteers! Commission for Voluntary Action and Service** administers the AmeriCorps program for the state and promotes volunteerism and civic engagement to strengthen Oregon communities. The commission seeks to help Oregonians achieve their potential working through a wide array of partners.

The commission's work enhances community capacity by providing statewide training on volunteer recruitment and retention to nonprofit organizations.



Community Capacity Programs

Results

Manufactured Communities Resource Center

- For 12 closed parks, MCRC served 1,146 clients with direct assistance (information and referral to resources) and case management.
- Increased by 35 percent increase the number of mediations in the last year.
- Participated in 65 park meetings during the biennium (averaging about three per month).
- In total, nearly 7,000 client contacts through information and referral, mediation, training, case management and landlord training.

Oregon Volunteers!

- 14,365 non-AmeriCorps volunteers were recruited or supported and provided 94,107 hours of service in the 2007-08 program year.
- Tutored 2,232 students in grades 1-12.



What we do matters!



Program Prioritization

Program Prioritization

- Oregon Housing and Community Services uses a comprehensive matrix to prioritize its agency programs.
- The department has more than 50 funding sources or financial tools that roll up into six primary program areas.
- Each funding source and financial tool is evaluated in six criteria areas, including:
 - Revenue Generation: Program is self-supporting and generates funds for sustaining other programs.
 - Sustainability: Program funds both direct and indirect costs.
 - Leveraging: Program allows the department or state to increase other funding.
 - Unmet Need: Program is able to deliver services that cannot easily be replaced by the private sector or other governmental activity.
 - Program Outreach and Effectiveness: Program is able to reach out to a large, diverse low-income population and deliver appropriate services.
 - Economic Stimulus: Program is able to create jobs and initiative activities that effectively stimulate the economy.



Program Prioritization

- The results of the evaluation reflect the following program priorities:

1. Homeownership
2. Homeless Programs
3. Affordable Rental Housing
4. Energy & Weatherization
5. Food & Anti-Poverty
6. Rental Assistance
7. Community Capacity Building



- Details of the evaluation of all agency funding sources and financial tools are included in the comprehensive worksheet provided to Legislative Fiscal Office.

What we do matters!

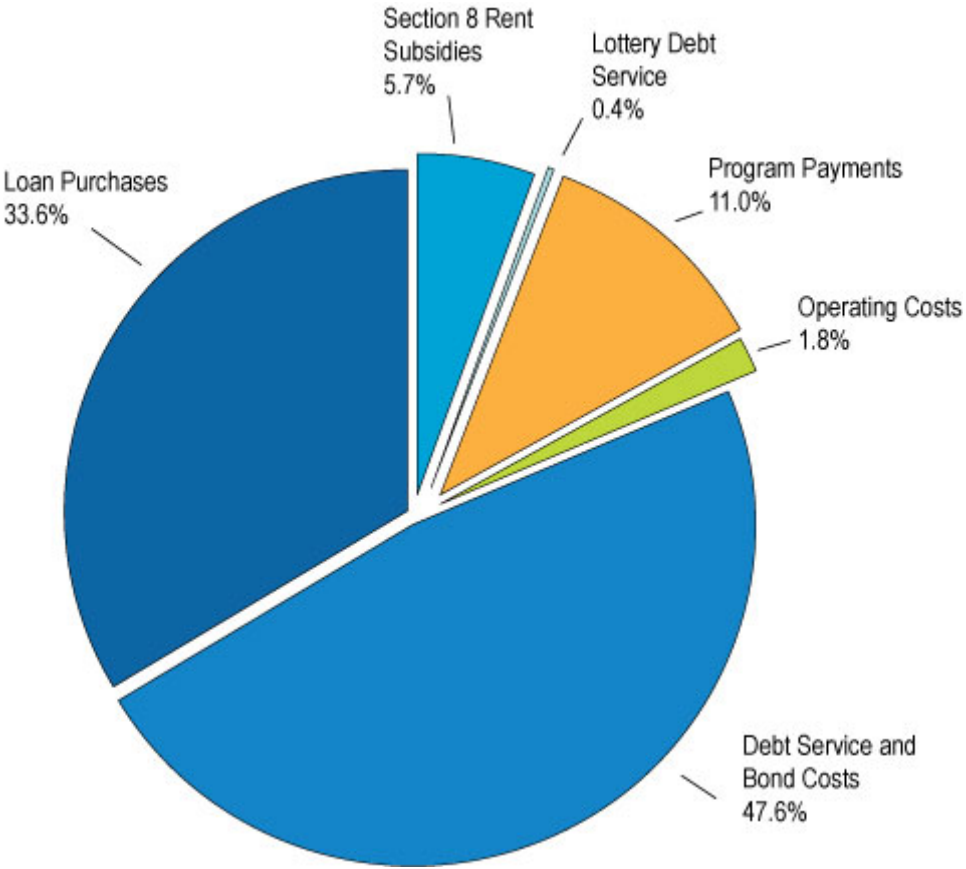


Essential Budget Level

Overview

Essential Budget Level

\$1,894.7 million



Lottery Debt Service	\$7,636,849
Section 8 Rent Subsidies	\$107,250,000
Loan Purchases	\$636,000,000
Debt Service & Bond Costs	\$901,062,014
Operating Costs	\$33,959,387
Program Payments	\$208,774,379
Total Budget	\$1,894,682,629

Essential Budget Level *Components*

- **Section 8 Housing Assistance Payments:** Rent-subsidy payments made to landlords under the U.S. Department of Housing and Urban Development's Project-Based Section 8 Program.

(Non-limited Federal Funds)

- **Loan Purchases:** Amounts disbursed to fund single-family and multifamily loans. Most loans are financed through the issuance of bonds. The amount of limitation needed depends on the demand for the department's bond financed programs and the ability of the department to issue bonds.

(Non-limited Other Funds)

- **Debt Service and Bond Costs:** Principal and interest payments on bonds issued to fund single-family and multifamily loan programs and expenditures related to debt issuance and debt service. Bond-related costs include bond counsel, financial advisor services, printing and mortgage servicing fees.

(Non-limited Other Funds)



Essential Budget Level *Components*



- **Operating Costs:** Expenditures for staff that ensure the department's mission is achieved, program objectives are met and assistance is provided to partners. Operating costs also include rent, telephone services, state government service charges, travel and other expenditures necessary for staff members to fulfill their responsibilities.

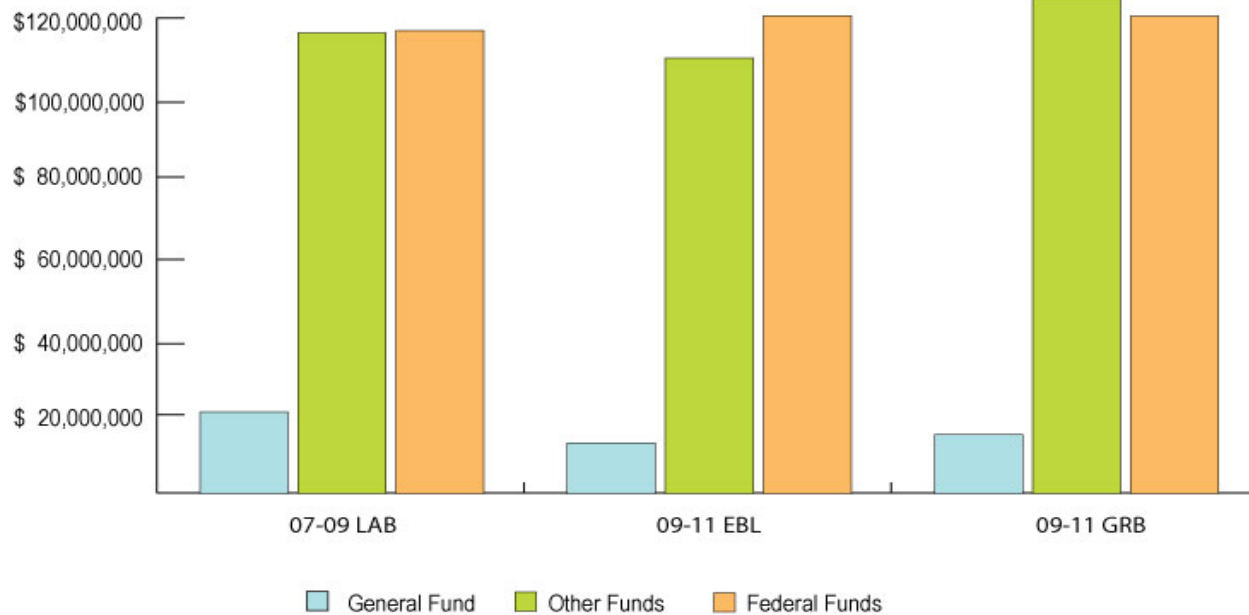
(General Fund, Other Funds, Federal Funds)

- **Program Payments:** Payments to community action agencies, housing developers and other partners who use OHCS funds to help Oregonians along the continuum and to build affordable rental housing.

(General Fund, Other Funds, Federal Funds)

Operating Costs and Program Payments

(Excludes lottery funds and non-limited funds.)



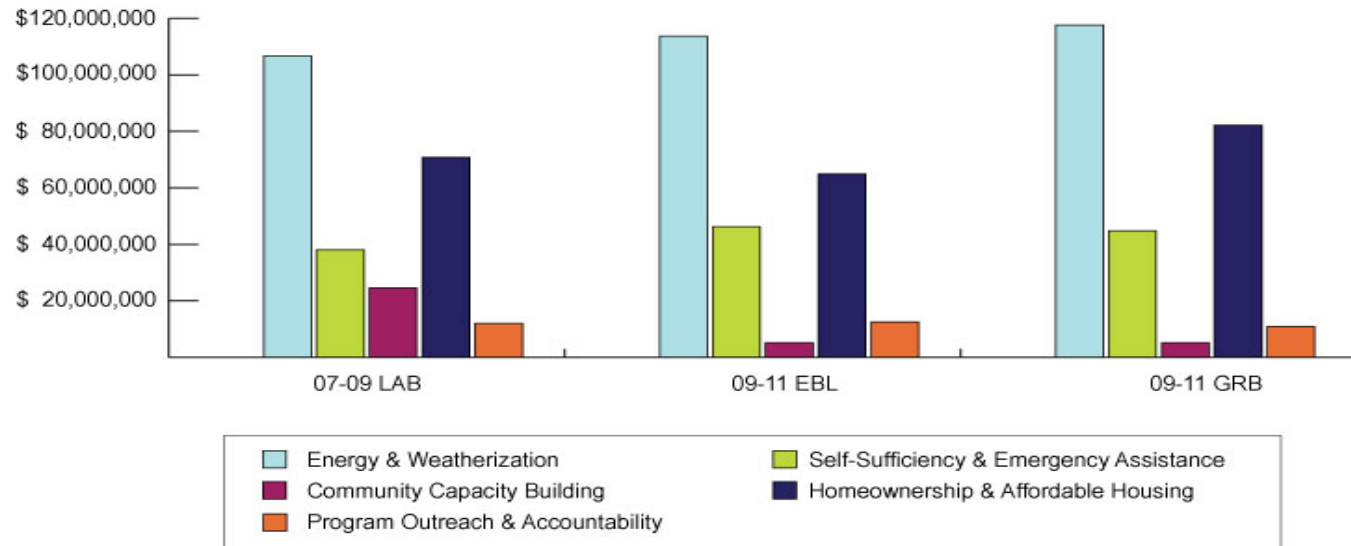
	07-09 LAB	09-11 EBL	09-11 GRB
General Fund	\$ 20,496,271	\$ 12,760,057	\$ 14,841,217
Other Funds	\$ 116,105,494	\$ 109,731,506	\$ 125,750,037
Federal Funds	\$ 116,636,686	\$ 120,362,585	\$ 120,312,815
	\$ 253,238,451	\$ 242,854,148	\$ 260,904,069

Essential Budget Level

- EBL for all funds is \$277.7 million less than the 2007-09 Legislatively Approved Budget.
- EBL for limited funds (excluding lottery debt service) is \$10.4 million less than 2007-09 LAB.



Operating Costs and Program Payment by Program Area



	07-09 LAB	09-11 EBL	09-11 GRB
Energy & Weatherization	\$ 106,773,192	\$ 113,701,498	\$ 117,701,498
Self-Sufficiency & Emergency Assistance	\$ 38,036,682	\$ 46,311,539	\$ 44,767,746
Community Capacity Building	\$ 24,646,277	\$ 5,248,939	\$ 5,190,883
Homeownership & Affordable Housing	\$ 70,798,468	\$ 64,925,204	\$ 82,223,592
Program Outreach & Accountability	\$ 11,983,831	\$ 12,546,586	\$ 10,899,968
	\$ 252,238,450	\$ 242,733,766	\$ 260,783,687

Essential Budget Level

Changes from LAB



- Energy Programs: Weatherization and Energy Assistance
 - Bill payment assistance increases \$3,384,500.
- Self-Sufficiency and Emergency Assistance
 - Technical reduction of General Fund.
 - Moved Community Services Block Grant here from Community Capacity Building program area.
- Community Capacity Building
 - Moved Community Services Block Grant to Self-Sufficiency and Emergency Assistance program area.
 - Moved Community Development Block Grant to Homeownership and Affordable Rental Housing program unit and technical reduction of Other Funds.

Essential Budget Level

Changes from LAB

- Homeownership and Affordable Rental Housing reflect that the following one-time 2007-09 initiatives are not 2009-11 Essential Budget Level:
 - \$5 million in General Fund and \$8.1 million in Other Funds for affordable housing preservation gap financing.
 - \$1 million General Fund for Oregon Housing Acquisition Fund (affordable housing preservation).
 - \$1 million Other Fund (Community Development Incentive Fund) for affordable housing preservation.



Essential Budget Level

Changes from LAB

- Homeownership and Affordable Rental Housing reflect that the following one-time 2007-09 initiatives are not 2009-11 Essential Budget Level:
 - \$521,484 in Other Funds for Housing PLUS
 - \$2 million General Fund capital infusion to strengthen the department's financial condition

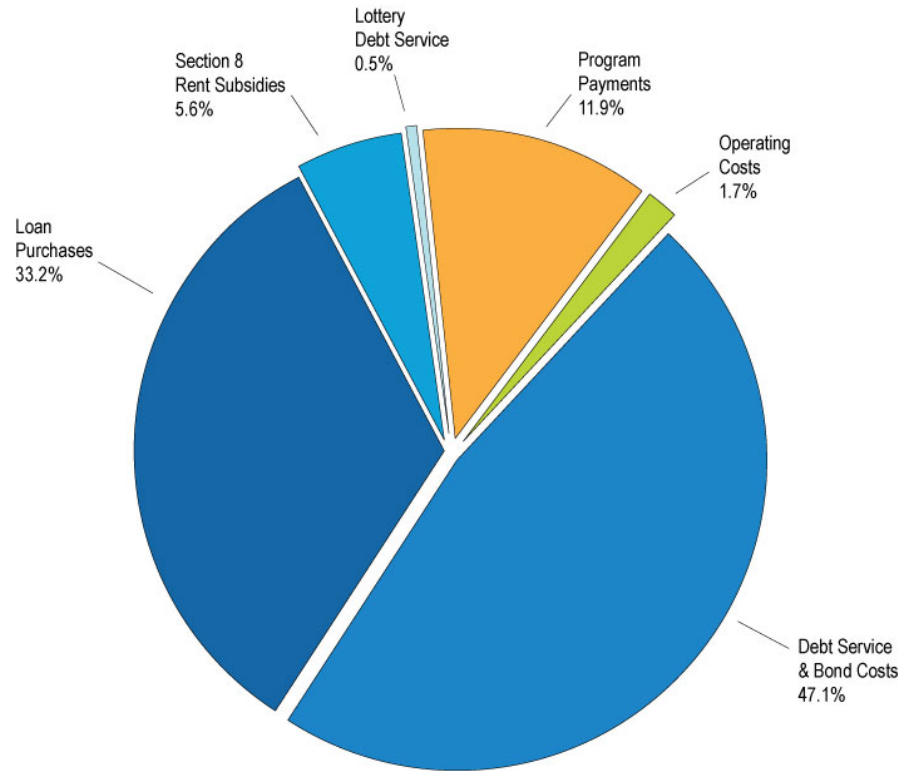


What we do matters!



Governor's Recommended Budget and Legislative Issues and Priorities

Governor's Recommended Budget



Operating Costs	\$	32,542,184
Program Payments	\$	228,241,503
Lottery Debt Service	\$	9,116,730
Section 8 Rent Subsidies	\$	107,250,000
Loan Purchases	\$	636,000,000
Debt Service & Bond Costs	\$	901,062,014
Total Budget	\$	1,914,212,431

Proposed Reductions

- The Governor's Recommended Budget reflects both General Fund and Other Funds reductions for 2009-11.
- OHCS General Fund budget is decreased by 15 percent (\$1.9 million), which eliminates the Homeownership Assistance Program, reduces the Emergency Housing Assistance Program 5.5 percent, and reduces the State Homeless Assistance Program by 26 percent.
- OHCS has also modeled General Fund reductions up to 30 percent (\$6 million).
- In addition to General Fund reductions, OHCS also forecasts a shortfall in Other Funds (\$2.2 million) that support agency operations and reduce the number of loans that we are able to make to first-time homebuyers.



Reduction Impacts

- The impacts of the Governor’s Recommended Budget are as follows:
 - Elimination of General Fund support for the Homeownership Assistance Program.
 - State Homeless Assistance Program reduction will affect more than 5,000 people experiencing homelessness.
 - Emergency Housing Assistance reduction will affect nearly 1,800 people experiencing homelessness.



Package 090 – GRB reductions		
Homeownership Assistance Program: down-payment and closing-cost assistance and homebuyer education.	(\$842,468)	Program elimination means homeownership will be less possible for 160 individuals and families.
State Homelessness Assistance Program: emergency shelter, case management, information and referral, services, transportation and housing search.	(\$733,680)	Program elimination. Represents more than 5,000 service contacts with people experiencing homelessness.
Emergency Housing Assistance: shelter, transitional housing, supportive services, emergency mortgage, rent or utility payments, and case management	(\$342,692)	Reduces capacity. Impacts nearly 1,800 people experiencing homelessness.

Reduction Impacts

- The Other Fund reduction will mean:
 - Scaling back the department's first-time homebuyer loan program.
 - Elimination of 15 agency positions.
 - Reduced support systems, such as information technology, accounting, payment processing and human resources.
 - Increased risk resulting from diminished capacity for program oversight.

- Three positions shifted to federal and other energy-funded programs to address findings of a federal report on the department's energy programs.



Additional General Fund Cuts

The department also modeled 20 and 30 percent reductions.



20 % Reduction

Homeownership Assistance Program: down-payment and closing-costs assistance and homebuyer education.	(\$842,468)	Program elimination means homeownership will be less possible for 160 individuals and families.
State Homelessness Assistance Program: emergency shelter, case managements, information and referral, services, transportation and housing search.	(\$2,994,467)	Program elimination. Represents more than 21,000 service contacts with people experiencing homelessness.
Emergency Housing Assistance: shelter, transitional housing, supportive services, emergency mortgage, rent or utility payments and case management.	(\$218,370)	Reduces capacity. Impacts nearly 1,800 people experiencing homelessness.

30 % Reduction

Homeownership Assistance Program (see above)	(\$842,468)	Program elimination. (see above)
State Homelessness Assistance Program (see above)	(\$2,994,467)	Program elimination. (see above).
Emergency Housing Assistance (see above)	(\$2,246,022)	Reduces program capacity, affecting approximately 18,400 people experiencing homelessness.

GRB Investments

The 2009-11 Governor's Recommended Budget for OHCS includes \$19.4 million for the preservation of affordable housing.

- Of the \$19.4 million, \$16.3 million will preserve federally subsidized housing projects slated to expire in 2009-11.
- Preserves an estimated 1,598 units* with contracts that will bring nearly \$200 million in federal rent subsidies to the state over the next 20 years.
- Every \$1 invested in affordable housing generates an average of \$11 in economic benefit. The \$16.3 investment will generate an anticipated \$177 million in economic benefits.
- \$3.1 million will preserve up to three manufactured dwelling parks, with 100 spaces at risk of use conversion.
- Restores two positions targeted for elimination.

Establishes the Energy Matchmaker Program to make energy efficiency improvements in the housing of low-income Oregonians.

* Subject to tax credit market.



Housing Opportunity Bill

HB 2436

- Increases recording fee for certain real property documents by \$15 and provides an estimated \$15,158,666 in revenues to OHCS.
- Funds will support:
 - Construction, rehabilitation and preservation of multifamily housing.
 - Expanding homeownership opportunities for working families.
 - Homeless services including case management, transitional housing, permanent housing and rental housing.
 - Oregon’s affordable housing development network capacity.



Program Unit	Amount	Positions	FTE
Self-sufficiency and Emergency Assistance	\$1,515,867	1	.75
Community Capacity Building	909,520	1	.5
Homeownership/Affordable Rental Housing	\$12,733,279	6	3.85
Total	\$15,158,666	8	5.1

Federal Stimulus

*Housing and Economic Recovery Act
American Recovery and Reinvestment Act*



Program	HERA Funds	ARRA Funds
Neighborhood Stabilization Program 1	\$19,600,000	
Low-Income Weatherization Program		\$38,512,236
Temporary Emergency Food Assistance Program		\$626,014
Homeless Prevention and Rapid Re-housing Program		\$7,873,436
Community Services Block Grant		\$7,989,158
Oregon Volunteers		\$366,326
Neighborhood Stabilization Program 2		UNKNOWN
Tax Credit Assistance Program		\$27,343,971
Tax Credit Exchange Program		UNKNOWN
Community Development Block Grant		UNKNOWN
Total	\$19,600,000	\$82,711,141

Federal Stimulus

Homelessness – Homelessness Prevention and Rapid Re-housing Program for rental assistance, housing relocation and stabilization services and case management.

Food Assistance – Temporary Emergency Food Assistance Program provides food commodities and funds to distribute them.

Homelessness and Food Assistance – The Community Services Block Grant will have an additional \$7.99 million over the next three years.

Energy Assistance – Weatherization assistance for low-income households, similar to the current DOE program.

Affordable Rental Housing – Neighborhood Stabilization Program and gap financing to kick start projects with Low Income Housing Tax Credit Program allocations (Tax Credit Assistance Program and Tax Credit Exchange Program).

Homeownership – Neighborhood Stabilization Program.

Community Capacity Building Programs – Funding for community service programs through Oregon Volunteers!



2009-11 Key Legislation

- **HB 2255** – Defines manufactured dwelling park units in manufactured dwelling park nonprofit cooperatives as real property instead of personal property.
- **HB 2256** – Allows the State Housing Council to set its own dollar-value thresholds for review of loans, grants and other funding for proposed multifamily housing projects.
- **HB 2257** – Simplifies the process for OHCS to invest Community Development Incentive Project funds in affordable housing preservation.
- **HB 2258** – Makes individual development accounts accessible to more low-income Oregonians and removes urban bias in the program's eligibility standards.



2009-11 Key Legislation

- **HB 2259** – Brings Oregon into alignment with national practices for naming community action networks by changing “Community Action Directors of Oregon” to “Community Action Partnership of Oregon.”
- **HB 2261** – Streamlines process for issuance of tax-exempt bonds for affordable housing project development by formalizing that OHCS can pair tax-exempt and taxable bonds with Oregon Affordable Housing Tax Credits to finance projects.
- **SB 199** – Prevents the loss of existing affordable housing through a \$4 million increase in the Oregon Affordable Housing Tax Credit cap. Preserves existing Section 8 and Rural Development federal rent subsidies.



2009-11 Key Legislation

- **SB 200** – Establishes Oregon’s policy to end homelessness; requires greater collaboration between OHCS and the Department of Human Services; proposes that permanent housing be the state’s preferred response to homelessness; calls for a comprehensive and coordinated response to meet the individual needs of homeless persons.
- **SB 201** – Reduces the energy costs faced by low-income individuals in single- and multifamily housing, including those financed by OHCS.



Innovations/Improvements

An award-winning housing needs analysis allows OHCS to better target limited resources for special needs and workforce housing.

➤ Special needs:

- Persons in recovery
- Homeless
- Persons with developmental or physical disabilities
- Frail elderly
- Farmworker
- Persons with HIV/AIDS
- Domestic violence victims
- Released offenders

➤ Workforce need based on percentage of rent-burdened renter households between 30 and 60 percent of area median income.



Innovations/Improvements

- Newly instituted agency road trips, community meetings and better outreach.
- Agency technical advances: Director's Bulletin, Legislative Updates, Clearing House and additional online information.
- Publication of *Housing as an Economic Stimulus* brochure, *OHCS Annual Report* and updated *CSBG* report.
- Online housing reservations.
- CFC streamlining, a two-part process that cuts costs for applicants.
- Exceeded all our targets for customer service performance. (KPM8)



What we do matters!

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**Oregon Housing and
Community Services**