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

AGENDA

May 03, 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*

OREGON HOUSING & COMMUNITY SERVICES
HOUSING STABILITY COUNCIL

TIME	TOPIC	SWHP Priority	ACTION
9:00	**Meeting Called to Order**		Call Roll
9:05	**Report of the Chair**		Briefing
9:15	**Report of the Director**		Briefing
9:30	**Housing Stabilization Division (pg. 04)** ***Liz Weber**, Interim Director of Housing Stabilization Division* • **Youth Emergency Housing Assistance (YEHA):** *Judy Hui-Pasquini, Homeless Services Policy Strategist*		Decision
10:00	**Homeownership Division (pg. 12)** ***Keeble Giscombe**, Director of Homeownership Division* • **Public Hearing Comments in accordance with ORS 456.561** • **Homeownership Development NOFA Recommendations:** *Jessica MacKinnon*		Decision
10:30	**15 min Break**		

10:45	**Affordable Rental Housing Division (pg. 28)**
	***Natasha Detweiler-Daby**, Director of Affordable Rental Housing Division*
	• **Public Hearing Comments in accordance with ORS 456.561**
	• **Transactions:** *Tai-Dunson Strane, Assistant Director Production*
	  o College View Apartments
	  o Cypress Hills
	  o MountainView Townhomes
	• **Renaissance Commons (fka REACH Argyle) bond refunding and reissuance and bond charge Recommendations**: *Hattie Iott, Production Manager; Tai-Dunson Strane, Assistant Director Production*
	• **Funding Resources & Set Asides Recommendation:** *Mitch Hannoosh, Senior Operations and Policy Analyst; Roberto Franco, Assistant Director Development Resources; Natasha Detweiler-Daby, Director*
	• **Evaluation Standards Recommendation:** *Mitch Hannoosh, Senior Operations and Policy Analyst; Rick Ruzicka, Assistant Director Planning and Policy*
	• **Construction Loan Guarantee Framework Recommendation:** *Mitch Hannoosh, Senior Operations and Policy Analyst*
			Decision

12:00	**Meeting Adjourned**		

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.

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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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Housing Stability Council

MEETING MATERIALS PACKET

Sequoia Apts.
Salem, Or

May 3, 2024
9:00 a.m. – 12:00 p.m.
Oregon Housing & Community Services
Webinar

Council Members:
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DATE: May 3, 2024

TO: Housing Stability Council
Andrea Bell, Executive Director

FROM: Liz Weber, Interim Director of Housing Stabilization
Judy Hui-Pasquini, Homeless Services Policy Strategist

SUBJECT: Youth Emergency Housing Assistance Program Briefing and Decision (DCT)

Motion: Approve the use of Direct Cash Transfers for the Youth EHA Program.

Summary
The Youth Emergency Housing Assistance Program or Youth EHA is funded by a legislative appropriation of **$5 million** in one-time funding to OHCS in General Funds through HB 2001 and HB 5019 during the 2023-25 biennium to increase services and assistance to school-aged, K-12 children or their families who are experiencing homelessness or are at risk of experiencing homelessness. The general funds were directed to be deposited into the Emergency Housing Account Other Funds account to support use for long term rent assistance.

The legislative intent of this funding is broad. Service and assistance types, geographic allocation, and award amounts were not specified in the bill language. The Governor's Office has directed state agencies to take a more coordinated response to homelessness and housing instability and in line with that priority has provided direction for this funding to pursue alignment with McKinney Vento efforts.

This memo will provide results of stakeholder engagements, program design recommendations, regional grantee awards and funding allocations.

Engagement

Housing Stability Council Feedback
Our presentation to Housing Stability Council on February 2, 2024 resulted in the following feedback based on our preliminary program recommendations:

- Address the alignment between McKinney Vento definition of homelessness with State definition (usually from HUD)
- Understand and research demographic information for each school district and region.
- Explore intervention services that can be applied before rehousing needs to happen.

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- **Target and focus the interventions without prolonged application process.**
- Recommendation from all HSC members that Youth EHA funding is used for **Basic Income pilots** and not to build a new program but utilize current programs in targeted regions.

Basic Income Pilots Research

Based on HSC feedback, I have researched basic income pilots throughout Oregon and the United States. There are three pilot programs in the state identified by the Stanford basic income lab; two are in Multnomah County and one is based in Southern Oregon. These pilots vary in target populations. The two providers in Multnomah County are the Black Resilience fund and the Multnomah Mother's Trust. Both provide either $500 or $1000 in basic income and are tracking outcomes for spending and the individuals/families that are participating. The third pilot is directly connected to educational, behavioral health and housing providers in Southern Oregon, serving Jackson and Josephine counties and was a brief project that provided $100/month for wildfire survivors.
https://basicincome.stanford.edu/research/guaranteed-income-dashboard/.

In addition, DHS received Youth Experiencing Homelessness (YEHP) funding to address youth homelessness. Their programs are diverse in nature, ranging from investments such as street outreach, basic shelter, transitional living, host homes, direct cash transfers (DCT) and job development/mentoring. Three of their providers are actively running direct cash transfer pilots in Clackamas, Deschutes, and Multnomah counties.
https://www.oregon.gov/oha/HSD/BH-Child-Family/Documents/Youth-Homelessness-Programs.pdf

Direct Cash Transfers (DCT) will be an allowable YEHA expense and program delivery type in addition to the standard housing retention and homeless services expenditures. We allow for direct cash transfers within housing retention and homeless services investments with the approval of Housing Stability Council. We are proposing the use of DCT as an allowable expenditure within the Youth EHA funding and use of these funds will not exceed 50% of the award.

In researching Universal Basic Income pilots across the United States, projects generally allow much greater flexibility with the use of the income and as an example do not require receipts to show proof of expenses. ODHS and the Youth Experiencing Homelessness Program has three pilot programs happening within the state and have provided guidance to grantees in DCT structures. For OHCS, more flexibility and changes around our fiscal policy is required to offer a Universal Basic Income program that aligns with other projects happening within the state and across the US.

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Community/Stakeholder Engagement

REAT Workgroup

OHCS developed a Racial Equity Analysis Tool (REAT) to help ensure that each program in development operationalizes our equity and racial justice work and ensures accountability to those most impacted by housing instability in Oregon. A workgroup of HSD staff members from the program, policy, and performance & evaluation teams are currently utilizing the toolkit to identify racial equity considerations and implications of YEHA program design. The REAT implementation of this project is ongoing.

Using the REAT tool as guidance, the workgroup seeks to clarify intent, identify stakeholders, and engage intentionally using the following guiding questions:

1. Who are the most affected community members who are concerned with or have experience related to this proposal?
2. How have you involved these community members in the development of this proposal?
3. What has your engagement process told you about the factors that produce or perpetuate racial inequity related to this proposal?
4. What hurdles did you encounter using your engagement process and how might you adjust to improve it?

In January 2024, the YEHA community outreach plan was finalized with assistance of the OHCS public affairs department. The initial plan included meeting with various stakeholders that reached out to OHCS, including Ecumenical Ministries, SOCAC and ODHS. Our team reached out to ODE to discuss the funding and developed a roadmap to target the investment to specific regions of the state. Once those regions were identified, meetings with McKinney Vento Liaisons (MKVs) were scheduled to discuss challenges and needs in their school districts and determine if collaborative systems existed between the educational system and local housing/service providers. After our engagement with the MKV liaisons, we focused our efforts on meeting with the named providers that work closely with the school districts and the McKinney Vento Liaisons.

In April 2024, we concluded our community and stakeholder engagement sessions and have met with the following organizations:

- Ecumenical Ministries
- SOCAC (System of Care Advisory Council)
- ODHS Youth Experiencing Homelessness Program (YEHP)
- Oregon Department of Education McKinney Vento Office
- Lincoln County Department of Health and Human Services
- Lincoln County Community Advisory Board (LCMCFH CAB)
- Housing/Youth Service Providers in Lincoln, Coos, Josephine, Klamath, Douglas, and Lake Counties

- McKinney Vento Liaisons (MKVs) in Lincoln, Coos, Josephine, Klamath, Douglas, and Lake Counties
- Mary Ferrell, Executive Director, Maslow Project
- Mary Li, Director, Multnomah Idea Lab
- OHCS Tribal Housing Work Group

County and Total Houseless Students ODE Report		EO LPG/MAC Region
Lincoln	**836**	**Lincoln County LPG**
Klamath	**651**	**Klamath and Lake County LPG**
Coos	**763**	**Coos County LPG**
Josephine	**880**	**Josephine County LPG**
Douglas	**857**	**Douglas County LPG**

Targeted Regions

In the 2022-2023 school year, 21,478 students in the state qualified as McKinney Vento students. The current funding for YEHA of $5 Million would be insufficient to provide services to all students and their families who are experiencing homelessness statewide. Due to the amount of funding that is available, our recommendation is to concentrate the funding to specific and targeted regions. We utilized homelessness data compiled by the Oregon Department of Education (ODE) Annual Report card to inform the basis for narrowing the scope of eligibility. We considered two key data sets in our efforts to suggest an initial prioritization.

1) ODE State Report Card data on school districts with high numbers and percentages of homeless students and high numbers of unsheltered student homelessness.
2) Executive Order (EO) 23-02 investment levels by Local Planning Group or MAC group.

Our engagement process included conversations with stakeholders, ODE, McKinney Vento Liaisons, local planning groups and service providers in targeted regions. Here are the commonalities we heard:

- Transportation Issues: In rural areas, McKinney Vento students have a difficult time accessing reliable transportation and the rate of chronic absenteeism with this population is the highest of any other groups.
- Lack of affordable housing: many of these areas are experiencing the same issues statewide. High rents, no housing units and substandard housing placements especially for youth and families. Families face many obstacles in securing housing besides affordability, which includes a history of bad credit and requirements that include earning 3x the monthly rent to qualify for a unit.

- An overrepresentation of students from Spanish speaking families in 2 of 5 regions. This data is not represented in other data sets such as PIT counts.
- Due to the lack of financial investment for families and students to these regions, the funding that exists has been largely invested in serving those who are literally homeless. YEHA funding will address homelessness and add financial resources to prevention efforts.
- The initial EO funding to BoS regions were not inclusive of providing rental assistance to MKV students and their families.
- Shelters: Family Shelters in the regions we surveyed have limited options for families with children. Hotel/motel vouchers are often used as a method of emergency assistance. The other option for families seeking shelter is to split the families between adult and youth shelters, not allowing for family members to stay intact. Many times, families will opt to sleep in their vehicles or camp outdoors rather than splitting the family unit. There are little to no shelters or services that specifically work with or can accommodate LGBTQIA+ youth.
- Vulnerable populations include, Families with Children, Migrant families with children (often times Spanish speaking), Unaccompanied Youth (on the rise in all areas), LGBTQIA+ Youth, Seniors, Persons experiencing mental illness, behavioral health, SUD.
- ARP-HCY funds are expiring in September 2024 and will lose this additional resource that offers more flexibility and funding outside of McKinney Vento funding. For MKV liaisons that maximized funding from this source will likely lay off additional employees and reduce services to MKV students within their districts.

Through our engagement sessions with local service providers OHCS determined there existing and collaborative efforts to address student and family homelessness across all five regions. These service providers were identified by the McKinney Vento Liaisons as working in close partnership with their students and families and have established relationships with the educational system.

- All five regions participate in of collaboratives that meet on a regular cadence (weekly, monthly, or quarterly) to address homelessness and barriers to housing.
- Two of the five regions are currently recipients of HB4123 funding and have a coordinated and strategic homelessness response plan.
- Two of the five regions are participating in the Re!nstitute 100-day challenge.
- Three of the five regions have consolidated and collaborative efforts in their family and youth homelessness space and include service providers from behavioral health, the educational system, DHS, housing and youth providers and health care providers.
- Three of the five regions were awarded Project Turnkey sites which will be dedicated to one or more of the specific vulnerable populations listed above.
- Four of the five regions have formed or are in various stages of forming homelessness taskforce/response offices to collaborate on county wide homelessness efforts.

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Summary of Program Design and Recommendations

Recommendation #1 Participant Eligibility

Applicant Eligibility	HOUSING STATUS	INCOME STATUS
• Resident of the state of Oregon **AND** • School aged youth K-12 including unaccompanied **AND/OR** • Family of a student of school age K-12	• Literally homeless • At imminent risk of homelessness • Fleeing domestic violence • Homeless under other federal statutes, including the McKinney Definition of Homelessness • Unstably housed	• No Income requirements

Recommendation #2 Direct Awards to the Following Regions and Organizations

Region #1 Coos County: Coos County Office of Homelessness Response.

Region #2 Klamath County: Klamath Homelessness Response Taskforce. Lead Agency: Integral Youth Services

Region #3 Lincoln County: The EO Local Planning Group: Lincoln County Housing Authority.

Region #4 Douglas County: Homeless Youth Solutions Initiative. Lead Agency: Phoenix School of Roseburg.

Region #5 Josephine County: Maslow Project for service areas of Josephine (priority) and Jackson Counties.

Recommendation #3 Funding Allocation by Region
Formula Funding Allocation with a base amount of $500K and number of homeless students (Source: ODE Report Card)

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Recommendation #4 Use of Funds + Decision for Use of Direct Cash Transfers

Eligible Expenses	Ineligible Expenses
• Operating costs/staffing for Youth and Family shelter and transitional housing sites • Rental/Utility financial assistance • Hotel/Motel stays • Household Goods • Employment and Educational Supports • Move-in/out financial assistance (eg, Deposit, Transportation, Storage, Application Fees) • Street outreach • Case management/Wrap around Services • Housing Navigation/Landlord engagement • Transportation • Block Leasing • Direct Cash Transfers (Not to exceed 50% of total grant) • Coordinated entry planning and delivery costs • Data collection • Admin	• Land or Property Acquisition • Construction • Conversion • Rehabilitation • Capacity building

Recommendation #5 Goals and Outcomes

Each Grantee will collaborate with regional service and educational providers to identify goals based on populations being served, eligible expenses categories and investments proposed as part of their scope of work. Goals must be clearly quantified to include number of households, beds, and/or people served. A timeline of quarterly milestones will be included to mark progress to achieve the goals and outcomes identified by the grantee.

Region	Admin	Program	Total	% of Agency Funds
Coos	$ 144,697.00	$ 819,949.00	$ 964,646.00	19.3%
Klamath	$ 136,648.00	$ 774,337.00	$ 910,985.00	18.2%
Lincoln	$ 154,167.00	$ 873,611.00	$ 1,027,778.00	20.6%
Douglas	$ 156,155.00	$ 884,880.00	$ 1,041,035.00	20.8%
Josephine	$ 158,333.00	$ 897,223.00	$ 1,055,556.00	21.1%
TOTAL	**$ 750,000.00**	**$ 4,250,000.00**	**$ 5,000,000.00**	**100.00%**

Alignment with the Statewide Housing Plan

Priority: Equity and Racial Justice–By aligning with the McKinney Vento definition of homelessness, we expand the reach of services to households who are doubled up or are migratory, circumstances which often impact households of color. As part of the scope of work and funding considerations, each entity will address planning input from disproportionately impacted groups and communities in their region and specify how they will address these challenges. This strategy will be similar to the planning requirements created through the EO work.

Priority: Homelessness–The legislative intent of this funding to provide services and support for K-12 students or their families who are experiencing homelessness or housing instability. This program will provide financial assistance and supportive services to end families' experiences of homelessness or prevent them.

Priority: Rural Communities–Analysis of ODE data shows high percentages, numbers, and numbers of unsheltered families in rural areas of the state as well as areas with larger population centers. By prioritizing regions with high rates of student homelessness that received less investment through EO 23-02, rural communities would see the greatest investment of these funds.

Priority: Permanent Supportive Housing: N/A

Priority: Affordable Rental Housing: N/A

Priority: Homeownership: N/A

Housing Stability Council Involvement and Next Steps:
Discussion and Decision for Direct Cash Transfers (DCT)

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DATE: May 3, 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

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Motion: Approve 10 projects recommended by staff for NOFA #2024-HOD including $19,415,606 in LIFT Homeownership funds (Article XI-Q Bonds) and $3,570,000 LIFT Supplemental funds (general funds).

Summary: The Homeownership Division has completed its first 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
1201 E 5th St	Newberg Area HfH	2	Small	$225,000 LIFT $175,000 Supplemental
Adams Commons	Sisters HfH	19	Rural Small	$3,040,000 LIFT $760,000 Supplemental
Breath of Life Medford	Turning Point Program	38	Equity Small	$5,220,000 LIFT $800,000 Supplemental
Hope St Project	Columbia Gorge HfH	4	Rural Small	$605,000 LIFT $195,000 Supplemental
Myrtlewood Way	HfH Portland Region	20		$2,680,000 LIFT
Rooted at 19th	RootedHomes	22	Equity	$1,799,996 LIFT $800,000 Supplemental
Rooted at Antler	RootedHomes	18	Equity	$1,470,000 LIFT
Southtown II	DevNW	16	Equity	$2,015,610 LIFT $800,000 Supplemental
Timber Cottages	Bend-Redmond HfH	13		$1,450,000 LIFT
Woodlands	Sisters HfH	5	Rural Small	$910,000 LIFT $40,000 Supplemental
	Total	157	30% Rural 50% Small 40% Equity	$19,415,606 LIFT $3,570,000 Supplemental

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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. Utilizing Article XI-Q bond funding as a source for housing development, LIFT requires the state to have an ownership or operational interest in any real property developed. For homeownership, this means that projects must use a shared equity model such as a community land trust (CLT), condo, or leasehold property. Additionally, the LIFT award cannot exceed the appraised value of the land, including infrastructure/site work but excluding housing structures.

OHCS has released a Notice of Funding Availability (NOFA) for LIFT Homeownership annually since 2018. Demand for the program has grown over time as nonprofit developers have learned to navigate a complex source of funds and more nonprofit developers shift to a shared equity model. To date $71.3 M in LIFT funds have supported the construction of 47 projects that will result in 752 homes affordable to Oregonians with an income of 80% area median income (AMI) or below.

In the 2023 legislative session, OHCS received over $600M in Article XI-Q bonds, $40M of which will go towards LIFT Homeownership for 2024. Additionally, OHCS received $5M in general funds to ensure LIFT Homeownership can reach rural communities and build the density needed to address our supply crisis (HB 5506).

Housing Stability Council approved the framework for the 2024 LIFT NOFA on December 1, 2023. Staff posted NOFA #2024-HOD on January 8, 2024.

NOFA #2024-HOD

The NOFA served as official notice of the availability of $40 million LIFT and $5.2 million LIFT Supplemental funding.[1] With awards being made on a first-come, first-served basis, the NOFA is open until September 2, 2024 or until all funds have been expended. To ensure equitable access for the varying sizes and capacities of applicants, LIFT funding was offered in two categories. The first $20 million is immediately available for all applicants. The second $20 million will be set aside for applicants who meet the definitions of Rural, Emerging, or Small, or those who demonstrate a commitment to equity through a higher score in the equity-related scoring criteria. After six months, any funding remaining in the set-aside will become available to all applicants. The LIFT Supplemental funding is only available to those who meet the criteria for the LIFT set-aside in limited amounts.

[1] We received $5M for LIFT Supplemental funding from the legislature in 2023. The additional $200,000 represents HDIP funds that were awarded in the 2023 NOFA, but returned to us because a project received other funding.

The primary goals of the 2024 NOFA include:

- Creating new affordable homeownership homes that serve historically underserved communities, especially communities of color;
- Fostering increased homeownership opportunities in rural areas and greater density in urban areas;
- Encouraging innovative, replicable, cost contained, and high-quality homes that can be built within 36 months;
- Serving families by prioritizing family-sized units (two bedrooms and larger);
- Supporting developments that reflect the needs of the communities they seek to serve through community-informed design;
- Supporting energy-efficient and climate-resilient homes; and
- Supporting homeownership development pipeline growth by keeping the NOFA process accessible to small, rural, culturally specific, and emerging developers.

Evaluation of Applications
NOFA #2024-HOD represents a major shift from the NOFAs that have characterized LIFT Homeownership's past offerings. Rather than a competitive format with a short turn-around time, the Homeownership Division has implemented a rolling NOFA that will be awarded on a first-come, first-served basis and offers a more collaborative approach between OHCS and applicants.

Applications are first reviewed for preliminary requirements, which considers completeness of applications, verifies signatures on all forms, and ensures the application meets all mandatory requirements such as site control, complete proformas, acceptable build schedules, and that requested funding meets appraisal requirements.

Applications that pass the preliminary review are then scored against a published rubric (see rubric at the end of this memo). In light of the shift to a rolling NOFA, the Homeownership Division significantly updated the scoring criteria to be more transparent and less subjective to ensure a fair evaluation of all applications regardless of reviewer. These updated scoring criteria were developed with outreach to development partners, culturally specific organizations, and OHCS staff with a focus on equity.

To receive a recommendation to Housing Stability Council, applications must meet a minimum required score in six separate categories. The categories include:

- ***Development Capacity:*** The applicant has the staffing and resources in place to complete the project.
- ***Development Experience:*** The applicant and its staff have a track record of completing comparative projects. If not, they plan to partner with experienced entities (consultants, other nonprofits) to bring in needed experience.

- ***Equity & Community Engagement:*** The applicant demonstrates an active commitment to diversity equity and inclusion. The applicant is and plans to engage and support community members and potential homebuyers throughout every stage of the process.
- ***Financial Viability:*** The project budget is detailed and realistic. The applicant has secured sufficient funding to cover both expected and unplanned costs.
- ***Project Details:*** The project is situated and designed to serve the community in essential ways (ex: accessibility, fire-resistant materials, energy-efficient building, central to key amenities, etc.).
- ***Stewardship Experience:*** The applicant has the necessary infrastructure and formulas and/or partnerships in place to administer the shared equity model.

Because this is a rolling NOFA, the Homeownership Division has the unique opportunity to work with applicants to help them meet these minimum requirements. This has allowed reviewers to request additional documents, clarify responses, and even walk through possible solutions to major issues in scoring. This has created an equitable process that does not hinder applicants with less experience in completing applications while also ensuring OHCS's confidence in the recommended projects.

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

1201 E 5th St - *Newberg Area Habitat for Humanity*
This project will provide 2 affordable three-bedroom units in a stacked townhome on a corner lot in an existing residential neighborhood less than a quarter of a mile from Newberg's downtown E 1st St. The ground floor unit is slated to be sold to a veteran, with designs capable of providing full ADA adaptations if necessary for the buyer. The plans also include a variety of energy-efficient enhancements including building materials, pervious pavement, heat pumps, and a rain garden. Newberg Area HfH maintains a diverse board with many community connections, resulting in 74% of all homebuyers identifying as BIPOC.
The total project cost is $1,021,500. OHCS recommends awarding this project $225,000 LIFT and $175,000 LIFT Supplemental.

Adams Commons – *Sisters Habitat for Humanity*
This project will bring 19 affordable single-family cottages to downtown Sisters in a larger mixed-income project. Through work with the city, these 2- and 3-bedroom homes will match the ambiance of the area while offering residents easy access to amenities. Units will be built with consideration to the environment including solar panels on all structures and native, fire- and drought-resistant landscaping. A small percentage of units will be fully accessible and 15 of the 19 units will be fully visitable. Sisters HfH is a small, rural organization with a history of local

and community partnerships that have brought households identifying as BIPOC served well above general county numbers.
The total project cost is $7,747,000. OHCS recommends awarding this project $3,040,000 LIFT and $760,000 LIFT Supplemental.

Breath of Life Medford – Turning Point Program
This first phase of a much larger mixed-income, mixed-use development brings innovation to all parts of the development. Using trauma-informed design principles and ongoing community engagement, these 38 1- and 2-bedroom units will be built and sold with special consideration for Survivors of Domestic Violence, persons with a disability, and households displaced by the 2020 wildfires. The development itself will be constructed as a concept for potential modular homes, and at least 80% of electricity costs for residents will be offset by solar infrastructure built into the parking structures. Turning Point Program is an emerging developer with a commitment to equity that is looking forward to bringing their first project to life after five years of planning and preparation.
The total project cost is $14,015,476. OHCS recommends awarding this project $5,220,000 LIFT and $800,000 LIFT Supplemental.

Hope St Project – *Columbia Gorge Habitat for Humanity*
This project will be the first affordable homeownership development in the rural City of Hood River. Located on donated land valued at close to $1 million, this will be the first of two fourplexes developed within an existing residential area. Each unit will offer 3 beds and 2 baths, solar-ready construction, and energy-efficient and fire-resistant construction techniques and materials. Columbia Gorge HfH provides a robust support system to homebuyers including pre- and post-purchase classes and counselling, and they require homebuyers to meet with an attorney to understand and discuss the shared equity model, ground lease, and other paperwork.
The total project cost is $2,558,575. OHCS recommends awarding this project $605,000 LIFT and $195,000 LIFT Supplemental.

Myrtlewood Way – *Habitat for Humanity Portland Region*
These 20 townhomes built in Gresham's Rockwood area embrace the goal of "family-sized" units, with 13 3-bedroom homes, 5 4-bedroom homes, and 2 5-bedroom homes. These larger homes are rare among affordable developments and seek to serve large, blended, or multigenerational households. This development is across the street from one 10-acre park and within walking distance of two others and receives a walk score of very bikeable, somewhat walkable, and good for transit. These solar-ready unit designs won the Habitat for Humanity 2020 Design Contest Award for energy efficiency in multi-family design. All units are built with visitability features, and all 4- and 5- bedroom units include a bedroom on the ground floor. 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 $11,778,782. OHCS recommends awarding this project $2,680,000 LIFT.

Rooted at 19th – *RootedHomes*
This 22-unit development is one of two projects serving as RootedHomes' expansion into the City of Redmond. Composed of a mix of duplex and triplex units, the development matches surrounding properties and provides both 2- and 3-bedroom units. Every home is considered visitable, all 3-bedroom homes include a bedroom on the ground floor, and all 2-bedroom homes include flexible space on the ground floor that may be used as a bedroom to support aging in place. All homes are built to net-zero standards, include solar panels, and all households will receive an electric bike in addition to their parking space with EV charging capabilities. This development will include significant green space including a community garden and a mature fruit tree area. RootedHomes partners with Housing Works to provide a portion of these homes to eligible voucher holders to offer homeownership opportunities for households earning as low as 40% AMI.
The total project cost is $10,160,686. OHCS recommends awarding this project $1,799,996 LIFT and $800,000 LIFT Supplemental.

Rooted at Antler – *RootedHomes*
This development is the second project serving as RootedHomes' expansion into the City of Redmond. Part of a much larger development in partnership with Housing Works including rental, commercial, and possible daycare space, this project includes 10 single-family cottage cluster homes and 8 duplex units. All units are built to net-zero standards, and four of the duplex units will be designed for ADA accessibility requirements and as in-home childcare centers. These units will prioritize applicants who meet one of these needs, while other homes may be available to voucher holders through their ongoing partnership with Housing Works. RootedHomes has a proven track record of serving a diverse range of applicants including 57% identifying as BIPOC and 71% as first-generation homebuyers.
The total project cost is $7,114,514. OHCS recommends awarding this project $1,470,000 LIFT.

Southtown II – *DevNW*
This 16-unit development is the second of several phases for DevNW's Southtown townhome subdivision in Corvallis. The project maximizes density for homeownership opportunities and will ultimately expand to a "neighborhood center" which will include rental housing and commercial services and represents an opportunity to create long-term affordability in an area declared both an Opportunity Zone and an Urban Renewal District. All homes will include 3 bedrooms and 2 bathrooms, will be fully visitable, and will be built to Energy Star certification

standards. DevNW has a diverse staff and board that is representative of the communities served, and 34% of households served identify as BIPOC. DevNW has comprehensive and culturally relative outreach and have pioneered an ITIN lending program to support homebuyers who may not possess a SSN.
The total project cost is $8,280,610. OHCS recommends awarding this project $2,015,610 LIFT and $800,000 LIFT Supplemental.

Timber Cottages – *Bend-Redmond Habitat for Humanity*
Between 2020 and 2024, the median home price in Deschutes County has increased from $411,000 to $670,000. The increase in cost alone is more than the typical Habitat for Humanity homeowner can afford. This development will provide 13 single-family cottage homes in Redmond near both schools and services for less than $200,000. The development will include both 2- and 3-bedroom homes and vary between one and two stories to address different needs including aging in place and accessibility needs. Each home will include all-electric energy efficient design and include solar panels and native, drought-resistant xeriscaping. In 2023, Bend-Redmond HfH hired a CEO with a strong comment to incorporate equity, diversity, and inclusion in all levels of the organization. One such activity includes community listening sessions to identify housing needs of their target communities. Community members attending these sessions were paid for their time.
The total project cost is $5,976,450. OHCS recommends awarding this project $1,450,000 LIFT.

Woodlands – *Sisters Habitat for Humanity*
This project is part of a larger development by Sisters Woodlands Development who partnered with Sisters Habitat for Humanity to provide affordable housing within the greater mixed-use, mixed-income project. Plans that blend into the fabric of the neighborhood were provided pro bono, with internal configurations that can be customized to the buyer’s needs. This request is for 2 single-family townhome units and a triplex. These sustainable and energy efficient homes will be built on a beautiful wooded lot with preserved trees and natural landscaping. All 4 units will be visitable, and 1 will include a bedroom on the ground floor. Sisters HfH will engage in equitable marketing for this project including town hall meetings and partnerships with local community organizations with connections to schools, businesses, social services providers, and other resources.
The total project cost is $2,016,500. OHCS recommends awarding this project $910,000 LIFT and $40,000 LIFT Supplemental.

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. Currently, 2 additional applications totaling $6.6 million LIFT have been received and are under

review, and we expect to receive an additional 7 applications for over $19 million in the coming months. Specific details are included in the table below.

	LIFT General	LIFT Set-Aside	LIFT Supplemental
Total Available Funding	**$20,000,000**	**$20,000,000**	**$5,200,000**
Total Recommended	$4,130,000	$15,285,606	$3,570,000
Total Available	**$15,870,000**	**$4,714,394**	**$1,670,000**
Applications Received	$5,000,000	$1,600,000	$0
Pre-applications Received	$6,990,000	$12,168,000	$1,864,000

Attachment: NOFA #2024-HOD Scoring Criteria

Applicants must meet a minimum number of points in each scoring category, listed in the table below. To promote equity and access across Oregon, qualified Rural, Emerging, and Small developers, and those with a demonstrated commitment to equity as referenced in section 5.2 of the NOFA (RESCE) will have a lower minimum threshold. Additional details on each criterion are included in the following sections.

<table>
<tr><th>Criteria</th><th>Points</th><th>Minimum Required</th><th>RESCE Required</th><th>Total Possible</th></tr>
<tr><td colspan="5">Development Capacity</td></tr>
<tr><td>Reasonableness of Pipeline</td><td>2</td><td rowspan="6">10</td><td rowspan="6">8</td><td rowspan="6">12</td></tr>
<tr><td>Organization Capacity</td><td>3</td></tr>
<tr><td>Staff Capacity</td><td>3</td></tr>
<tr><td>Financial Stability and Capacity</td><td>4</td></tr>
<tr><td>Gap Mitigation Narrative (optional)</td><td>2</td></tr>
<tr><td>Guarantee (optional)</td><td>3</td></tr>
<tr><td colspan="5">Development Experience</td></tr>
<tr><td>Organization Experience</td><td>3</td><td rowspan="7">10</td><td rowspan="7">8</td><td rowspan="7">14</td></tr>
<tr><td>Staff Experience</td><td>5</td></tr>
<tr><td>Staff Turnover</td><td>2</td></tr>
<tr><td>Partnerships</td><td>3</td></tr>
<tr><td>PDCB Recipient</td><td>1</td></tr>
<tr><td>Gap Mitigation Narrative (optional)</td><td>2</td></tr>
<tr><td>Guarantee (optional)</td><td>2</td></tr>
<tr><td colspan="5">Equity and Community Engagement</td></tr>
<tr><td>Organizational Equity, Diversity, and Inclusion</td><td>4</td><td rowspan="6">15</td><td rowspan="6">13</td><td rowspan="6">23</td></tr>
<tr><td>Target Communities</td><td>5</td></tr>
<tr><td>Reaching Underrepresented Homeowners</td><td>5</td></tr>
<tr><td>Community Centered Design</td><td>3</td></tr>
<tr><td>Buyer Education and Support</td><td>4</td></tr>
<tr><td>MWESB</td><td>2</td></tr>
<tr><td colspan="5">Financial Viability</td></tr>
<tr><td>Evaluation of Proforma, Sources, and Uses</td><td>5</td><td rowspan="3">8</td><td rowspan="3">7</td><td rowspan="3">11</td></tr>
<tr><td>Cost Effectiveness</td><td>3</td></tr>
<tr><td>Market Volatility Planning</td><td>3</td></tr>
<tr><td colspan="5">Project Details</td></tr>
<tr><td>Project Description</td><td>3</td><td rowspan="7">17</td><td rowspan="7">12</td><td rowspan="7">31</td></tr>
<tr><td>Site Review Checklist</td><td>3</td></tr>
<tr><td>Access to Amenities</td><td>5</td></tr>
<tr><td>Service to the Community</td><td>2</td></tr>
<tr><td>Geographic Target Area</td><td>2</td></tr>
<tr><td>Innovation, Efficiency, and Replicability</td><td>3</td></tr>
<tr><td>Additional Site Specifics</td><td>13</td></tr>
<tr><td colspan="5">Stewardship Experience</td></tr>
<tr><td>Ground Lease</td><td>2</td><td rowspan="3">7</td><td rowspan="3">6</td><td rowspan="3">9</td></tr>
<tr><td>Home price and mortgage products</td><td>5</td></tr>
<tr><td>Documentation and Processes</td><td>2</td></tr>
</table>

Detailed Scoring Criteria

Applicants may use the detailed scoring criteria below to understand how their projects will be scored. In the application, applicants will be asked to score themselves based on this table. The numbers in the Points column indicate possible scoring criteria. If the numbers are alone (such as 0, 1, 2) the applicable Evaluation criteria are a scale and the applicant will be assigned one of those scores. If the numbers have a plus sign (such as +1), the applicant will receive the points if the associated evaluation criteria is true.

Criteria	Description	Evaluation	Points
Development Capacity (12 points)			
Reasonableness of Pipeline (2 points)	The applicant demonstrates a reasonable pipeline of projects in different construction phases that do not demonstrate ongoing delays or a risk of delays caused by a bottleneck. Applicants will be evaluated on the dispersal of projects in the pre-development, site work, vertical construction, and sales phases of construction.	The applicant provides a healthy development pipeline that is dispersed among the various phases of development.	2
		The applicant provides a development pipeline that is not optimally dispersed but does not raise concerns OR the applicant qualifies as RESCE and does not have more than 2 projects in the site work or vertical construction phases.	1
		OHCS identifies issues with the current pipeline including but not limited to major delays or too many projects in the site work or vertical construction phases.	0
Organization Capacity (3 points)	The applicant has an established development history that supports the current pipeline including the proposed project.	The applicant demonstrates successful management of a similar workload OR has demonstrated sufficient growth to justify the current workload.	3
		The applicant demonstrates successful management of workloads but not enough to justify this project OR applicant qualifies as an emerging developer and has fewer than 30 total homes in the site work, vertical construction, and sales phases of the pipeline.	2
		The applicant demonstrates successful management of workloads but OHCS has minor concerns with the difference between the current and past workloads or timelines with workloads of similar size.	1
		The applicant does not demonstrate successful management of workloads OR OHCS has major concerns with current workload.	0
Staff Capacity (3 points)	The applicant demonstrates sufficient staff capacity including the proposed project. *Additional Documentation: Project Manager Bios*	Each project manager has no more than 3 ongoing projects in active development within their portfolio.	+1
		Project managers are qualified for and have the experience to manage the size and difficulty of the projects assigned to them.	+1

		Project managers are not filling multiple roles (or if they are, they have a sufficiently reduced workload).	+1
Financial Stability and Capacity (4 points)	The applicant displays successful fiscal practices and a record of financial stability and capacity. *Additional Documentation: Financial statements for the last 2 years (audited preferred)*	Statements are audited with no major findings or successful resolution of findings (½ point per year).	+1
		Current ratio is above 1 (½ point per year).	+1
		Debt to net asset ratio is under 0.8 (½ point per year).	+1
		Organization is not operating in a deficit and revenues are equal to or greater than expenses (½ point per year).	+1
Gap Mitigation Narrative (optional) (2 points)	The applicant may submit a narrative identifying any gaps in the organization or staff experience/turnover and explaining how those gaps are being addressed to mitigate risk to the project. The mitigation steps and tools may not be duplicative with any other factor that has earned points in this category such as the resolution of an audit finding (ie an applicant may not earn points twice for the same thing).	Applicants may "earn back" 1 point per scoring criterion for up to 2 criteria. No points will be awarded for scoring criteria which have already been awarded full points. For example, a narrative detailing steps to reduce staff workload will not score points if the applicant received the full 3 points in that section (ie an applicant may not earn more than the maximum points in any one category).	2
Guarantee (optional) (3 points)	The applicant may provide a financial guarantee or performance bond for the construction phase of the project. The guarantee can be for the LIFT loan or the construction loan. Applicants with a guarantee will earn 3 additional points in the Developer Capacity category. *Additional Documentation: Proof of guarantee*		3
Development Experience (14 points)			
Organization Experience (3 points)	The applicant shows a demonstrated history of developing projects of similar size, scope, and schedule to the proposed project.	The applicant has substantially completed at least 3 projects including one project of similar size, scope, and schedule OR has completed at least 5 projects demonstrating growth that justifies this project.	3
		The applicant has substantially completed at least 1 project of similar size, scope, and schedule OR has completed 5 or more projects in total that do not demonstrate growth to justify the project.	2
		The applicant has substantially completed between 1 and 4 projects and none are of similar size, scope, and schedule OR OHCS has concerns about developments that would otherwise qualify for a higher score, such as major delays.	1
		The applicant has not completed any development projects OR OHCS has significant concerns about development history.	0
Staff Experience (5 points)	The applicant employs experienced staff with demonstrated and relevant development experience to the proposed project.	Applicants will earn 1 point for each role filled with at least 5 years' experience and ½ point for each role filled with at least 3 years' experience, up to a maximum of 5 points. Consultants or contractors may also be used to fill these roles. 1 point will be	5

	Additional Documentation: Staff/Consultant Bios, Contracts if applicable	awarded for consultants or contractors if there is a contract already in place.	
Staff Turnover (2 points)	The applicant shows stability and/or growth within their organization's staffing.	There has been no significant turnover in the last 12 months.	+0.5
		There has been no turnover in leadership roles in the last 12 months.	+0.5
		The number of positions in the organization has increased in the last 12 months.	+0.5
		A staff member has been promoted internally with a competitive increase in salary in the last 12 months.	+0.5
Partnerships (3 points)	The applicant has established partnerships that fill gaps or meaningfully benefit the project. Partners included in this section may not also be listed in the staff experience section. *Additional Documentation: MOUs from Partners*	Applicant has a solid partnership, supported by MOU, contract, or similar agreement, that directly benefits this development project.	+2
		The applicant has more than one solid partnership supported by MOU, contract, or similar agreement, that directly benefits this development. The partners fill different roles in the project.	+1
PDCB Recipient (1 point)	Pre-development and Capacity Building (PDCB) grant recipients will receive one additional point if they are in good standing AND the grant provided capacity funding for a new staff position that is currently still filled OR the grant provided pre-development funding for the project being proposed in this application.		1
Gap Mitigation Narrative (optional) (2 points)	The applicant may submit a narrative identifying any gaps in the organization or staff experience/turnover and explaining how those gaps are being addressed to mitigate risk to the project. The mitigation steps and tools may not be duplicative with any other factor that has earned points in this category such as consultants used in Staff Experience or partnerships included in the Partnership section (ie an applicant may not earn points twice for the same thing).	Applicants may earn back 1 point for the Organization Experience category and 1 point for either the Staff Experience or Staff Turnover categories. No points will be awarded for scoring criteria which have already been awarded full points. For example, a narrative detailing a mitigation strategy for turnover of the executive director will not score points if the applicant received the full 2 points via the other scoring criteria (ie an applicant may not earn more than the maximum points in any one category).	2
Guarantee (optional)	The applicant may provide a financial guarantee or performance bond for the construction phase of the project. The guarantee can be for the LIFT loan or the construction loan. Applicants with a guarantee will earn 2 additional points in the Developer Experience category.		2
Equity & Community Engagement (23 points)			
Organizational Equity, Diversity, and Inclusion	The applicant demonstrates steps being taken toward diversity, equity, and inclusion within their organization. Applicants will be asked to provide staff and board	Staff composition is representative of the community served.	+1

(4 points)	demographics and a brief narrative describing a Diversity, Equity, and Inclusion policy that has been implemented in the past 2 years and how the policy's effectiveness has been evaluated. Staff and board make-up will be considered in relation to the county in which the project is being developed. Regardless of county population, a minimum of one board or staff member who is representative of any target population will be required to receive points.	Board is representative of the community served.	+1
		Applicant gives a specific example of a DEI policy that they have implemented	+1
		Applicant describes how the DEI policy effectiveness has been evaluated.	+1
Target Communities (5 points)	Applicants will explain how their project supports populations that are underrepresented as homeowners. They will be asked to provide details about any target communities they are looking to serve and their track record of serving the community.	Target community is clearly identified	+1
		Reasonable explanation of the target population's need and how this project can support that.	+1
		Applicant's track record for serving the target community is at least the county percentage plus ten. For example, if the county percentage of the population is 25%, at least 35% of households served should be that population.	1
		50% or more of households served are underserved low-income populations that have been historically excluded from homeownership opportunities.	2
		20% or more of the project will be set aside for buyers below 60% AMI.	+1
Reaching Underrepresented Homeowners (5 points)	The applicant demonstrates an impactful outreach strategy to identify and serve homeowners who are underrepresented in homeownership opportunities in Oregon.	Homebuyer outreach plan is clearly articulated with specific methods and steps listed.	+1
		Applicant provides examples of culturally responsive outreach.	+1
		Applicant's outreach plan exceeds expectations, such as including additional cost or time.	+1
		Applicant describes how eligible buyers are identified and selected. The process is equitable and complies with fair housing laws.	+2
Community Centered Design (3 points)	The applicant demonstrates an approach to the project that includes target communities in even the earliest stages of the development.	Applicants describes specific instances of engagement.	+1
		Applicant provides quality examples of how the feedback influenced the design of the project.	+1
		Community members were paid for their time and consultation.	+1
Buyer Education and Support	The applicant demonstrates sufficient effort to educate and support the homebuyer through the specifics of shared-	Applicant provides pre-purchase support in-house or through a partner.	1

(4 points)	equity projects and the general shift in becoming a homeowner.	Applicant describes a robust menu of support for homebuyers, provided either in-house or through a partnership, that includes continued support once the homeowners are in the home.	2
		Applicant describes how the support is culturally responsive.	+1
		Applicant has a specific plan for communicating and educating homebuyers about the shared equity model.	+1
MWESB **(2 points)**	The applicant demonstrates sufficient efforts to recruit and hire minority, women owned, or emerging small businesses.	Applicant includes specific examples of marketing and outreach to qualifying firms.	+1
		Applicant demonstrates how that outreach will be culturally relative.	+1
Financial Viability (11 points)			
Evaluation of Proforma, Sources, and Uses **(5 points)**	The applicant provides an effective proforma, including sources and uses, that demonstrates that the project is reasonable, financially viable, and properly supported by other financing sources. Evidence may include estimates from contractors, recent receipts for similar work, or similar documentation *Additional Documentation: Construction Cost Estimates, Letters of Commitment*.	The proforma is detailed, realistic, balanced, and matches construction cost estimates.	+1
		Applicant provides thorough supporting evidence for the costs included in the proforma.	+1
		All financing sources outside of this NOFA are committed.	2
		At least 85% of financing sources outside of this NOFA are committed.	1
		LIFT accounts for less than 50% of project funding.	+1
Cost Effectiveness **(3 points)**	The applicant takes steps toward cost effective building, cost reduction, and value engineering.	Project costs are less than the RS Means calculated data.	2
		Project costs that are no more than 15% greater than the available RS Means data.	1
		Applicant provides specific and effective cost containment measures.	+1
Market Volatility Planning **(3 points)**	The applicant demonstrates sufficient planning and financing to successfully manage unforeseen issues and market volatility.	Applicant has additional plans in place beyond budgeting for escalation and contingency.	+1
		Applicant has a minimum escalation of 3%.	+1
		The market volatility narrative demonstrates that the developer has planned for unexpected circumstances to the best of their ability.	+1
Project Details (31 points)			
Project Description **(3 points)**	The applicant must include a narrative with a project description. This narrative should include information about how the site was selected, how the site plan, development	The narrative demonstrates that the developer has exceeded expectations in the development of the project plans to ensure a significant impact to the community.	3

	type, and home designs were chosen, what benefit the project is providing the community, and any additional details that make the project unique or impactful.	The narrative demonstrates a project that was intentionally selected and designed to provide an impact to the community served.	2
		The narrative provides requested details and contains a sufficient explanation of impact.	1
		The narrative does not explain the project well, provide requested details, or sufficiently articulate impact.	0
Site Review Checklist (3 points)	Applicants have completed the site review checklist and due diligence on the project site to ensure that it is feasible for housing development and will continue to be a stable, safe, and healthy environment for homebuyers. If any issues are found during site review, applicants must also provide a mitigation narrative explaining how their development will consider and handle any risks associated with the site. OHCS reserves the right to deny a project if it has concerns with risks on the review checklist, regardless of overall score in this category. *Additional Documentation: Site Review Checklist*	Applicants have thoroughly completed the checklist	+1
		There are no major concerns regarding the site, or a sufficient mitigation strategy has been provided	+2
Access to Amenities (5 points)	The project site is located near amenities that are necessary or beneficial to homebuyer.	Applicants will receive 1 point for each category of amenity within ½ mile (or 1 mile for rural applicants) or ½ point for each amenity within 1 mile (or 2 miles for rural applicants) up to a maximum of 5 points.	5
Service to the Community (2 points)	The project includes additional services that will benefit the community beyond the addition of homeownership units. Applicants will earn one point for services that benefit their homebuyers or two points for services that benefit the greater community.	Applicant provides service that benefit the greater community	2
		Applicant provides service that benefit only homeowners of the development	1
Geographic Target Area (2 points)	The project site is located within a locally designated geographic area designated for targeted development, or the developer is otherwise partnered with the locality for a larger development effort. *Additional Documentation: Evidence of Target Geography*	Applicant successfully demonstrates geographic targeting in partnership with the locality or other key partners. Rural projects will receive full points, as rural geographies are considered a target for OHCS Homeownership Development.	+2
Innovation, Efficiency, and Replicability (3 points)	The applicant uses evidence-based innovation in the project that will improve effectiveness, efficiency, replicability, or quality of the project. *Additional Documentation: Additional Evidence (if applicable)*	The project includes innovation that is supported by quality evidence that indicates a significant investment/change in the project (such as an innovative construction method).	3
		The project includes innovation that is supported by quality evidence that indicates a minor investment or change in the project (such as am innovative software).	2

		The project includes small-scale innovation that may or may not be supported by evidence.	1
Additional Site Specifics (13 points)	Additional points will be awarded for other project features and additions that align with the goals of OHCS.	The spreadsheet provided will calculate and display points based on a set formula.	13
Stewardship Experience (9 points)			
Ground Lease (2 points)	The applicant has developed a ground lease template that meets the needs of the organization and development which has received approval from trusted counsel. *Additional Documentation: Recorded or Draft Ground Lease*	The ground lease has been reviewed and approved by a relevant attorney.	2
		The organization is using a Grounded Solutions template or other template that has been developed/used by an experienced shared equity steward but has not been reviewed by appropriate counsel.	1
Home price and mortgage products (5 points)	The applicant provides the planned resale formula and a description of how it aligns with the organization's goals.	Applicant provides a solid resale formula that fits Grounded Solutions standards	+1
		Applicant clearly articulates the connection between the resale formula methodology and the organization's goals.	+1
	The applicant has considered multiple factors when determining initial sales price of the home and can explain all assumptions.	Applicant provides a reasonable methodology and clear assumptions for home pricing.	2
		The home price methodology is reasonable but the assumptions are unclear.	1
	Applicant has identified safe, affordable mortgage products for homebuyers with evidence of availability. *Additional Documentation: LOIs or term sheets from potential lenders*	Mortgage product(s) with terms and relevant information are provided.	+1
Documentation and Processes (2 points)	The applicant demonstrates sufficient development of the necessary documentation and processes required for long-term management of a ground lease.	The applicant has developed sufficient processes and systems to manage homeowners, transactions, and compliance for all ground leases in the portfolio	+1
		Applicants use a shared and centralized system such as Homekeeper or an Excel document with backup and/or versioning.	+1

OREGON HOUSING and COMMUNITY SERVICES
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503-986-2000 | www.oregon.gov/OHCS

Date: May 3, 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 #2024-05-03**

Motion: Approve the Resolution #2024-05-03 recommendations for the following projects:

- **BOND RECOMMENDED MOTION: Move to recommend approval of Pass-Through Revenue Bond Financing in an amount up to and not to exceed $13,447,500 to Simpson Affordable LLC for the construction of College View Apartments, subject to the borrower meeting OHCS, Washington Federal, and PNC's underwriting, closing criteria, and documentation satisfactory to legal counsel and Treasurer approval for the bond sale.**

- **BOND RECOMMENDED MOTION: Move to recommend approval of Pass-Through Revenue Bond Financing in an amount up to and not to exceed $11,803,000 to Cypress Hills Apartments LLC for the construction of Cypress Hill Apartments, subject to the borrower meeting OHCS, Umpqua Bank NOAH, PNC, and RD's underwriting, closing criteria, and documentation satisfactory to legal counsel and Treasurer approval for the bond sale.**

- **BOND RECOMMENDED MOTION: Move to approval of Pass-Through Revenue Bond Financing in an amount up to and not to exceed $16,500,000 to Mountainview Townhomes Limited Partnership for the construction of Mountainview Townhomes, subject to the borrower meeting OHCS, US Bank, NOAH, and National Equity Fund, Inc.'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 (3) transactions -4% LIHTC/Conduit Bond and 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 project and the additional funding recommendation can be found in the individual project summaries and Equity & Racial Justice (ERJ) project status reports included as Exhibit B.

4% LIHTC Applications

The 4% LIHTC program has focused primarily on helping OHCS meet its unit production goals; often in partnership with policy aligned gap funds from OHCS or other public funding partners. All applications that are submitted and conform to OHCS's underwriting guidelines and the baseline policy standards established across programs are brought to OHCS's Finance Committee for review and approval, in addition to transactional authority given through Housing Stability Council resolution.

All applications 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 Recommendations:

We are recommending funding reservation for four (3) projects. This project will create **231** units of new affordable housing communities across the state. The recommendation is for an award totaling over $67 million.

Projects with Other OHCS Funding

Project Name	County	Total Units	Sponsor	Underwriting Stage
College View Apartments	Deschutes	59	Housing Works	Scheduled FC Approval 4/30/2024
Cypress Hills Apartments	Wasco	100	Chrisman Development, Inc.	Scheduled FC Approval 4/30/2024
Mountainview Townhomes	Klamath	72	Stewardship Development, LLC	Approved by FC 4/23/2024
	Total	**231**		

See attached project summaries

STATE OF OREGON
OREGON HOUSING AND COMMUNITY SERVICES
HOUSING STABILITY COUNCIL

RESOLUTION NO. 2024 – 05-03
ADOPTED: MAY 3RD, 2024

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.

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]

CERTIFICATION OF RESOLUTION

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. 2024-05-03 as adopted by the Council at a meeting duly called and held in accordance with law on May 3rd, 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 3rd day of May 2024

____

Chair Claire Hall

EXHIBIT A

APPROVED PROJECTS

1- **Mountainview Townhomes (FC – Meeting Schedule on 4/23/2024)**

EXHIBIT B

PROPOSED PROJECTS

1- **College View Apartments (FC – Meeting Schedule for 4/30/2024)**
2- **Cypress Hills Apartments (FC – Meeting Schedule for 4/30/2024)**

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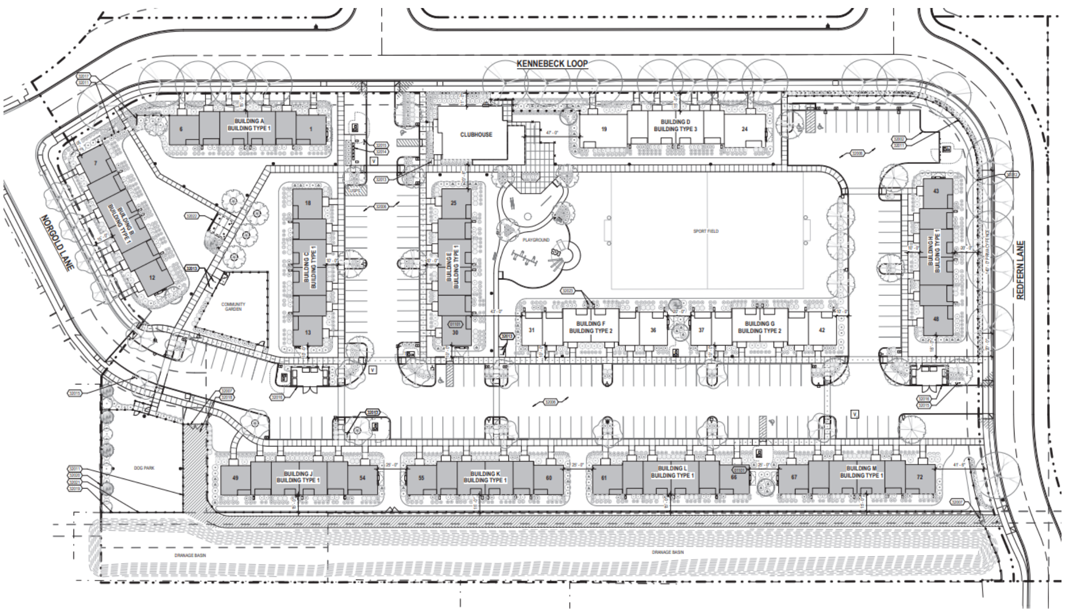
SUMMARY			
Project Name:	Mountainview Townhomes		
City:	Klamath Falls	County:	Klamath
Sponsor Name:	Stewardship Development, LLC		
Management Agent:	Klamath Housing Authority		
Urban/Rural:	Rural	Total Units:	72
		Total Affordable Units:	72
# Rent Assisted Units:	8	Units by Size & Affordability:	4 1-BR at 30% AMI 9 2-BR at 30% AMI 9 3-BR at 30% AMI 14 1-BR at 60% AMI 18 2-BR at 60% AMI 18 3-BR at 60% AMI
Cost Per Unit:	$420,278	Construction Type:	New Construction
Affordability Term(s):	4% LIHTC/Bond: 30 years LIFT: 30 years OAHTC: 20 years	# of Units with Non-OHCS Requirements:	8
Funding Request		**Funding Use**	
LIFT Request:	$11,348,101	Acquisition	$715,000
4% LIHTC:	$1,437,920 (annual allocation)	Construction	$19,833,282
Conduit Bonds	up to $16,500,000	Development	$9,711,751
		Total:	$30,260,033

PROJECT DETAILS	
Project Description:	Mountainview Townhomes is a new construction project that will provide 72 units of affordable housing across thirteen buildings. The project will be located in the city of Klamath Falls in Klamath County. The project will serve families and individuals with 22 units for families earning less than 30% of the Area Median Income (AMI) and 50 units for families earning less than 60% AMI. 8 of the 72 units will receive site based rental assistance. Mountainview Townhomes and the 72 units are a stand-alone project and not subject to a master plan development. Closing is anticipated to be in May 2024.

Partnerships to Serve Communities of Color:	Mountainview Townhomes has signed MOUs with Oregon Human Development Corporation (OHDC) and Cornerstone Community Housing (Cornerstone) to provide Resident Services. Coordination of services between OHDC and Cornerstone will include support, referral, advocacy, workforce development, assistance, and education. OHDC has a 50-year history of providing housing, life skills, social services, and economic empowerment. They provide a firm foundation and understanding of the ever-changing needs of diverse communities. OHDC will collaborate with Cornerstone to offer services on-site that include referrals to rental assistance, workforce development opportunities, education, and assistance as determined by the needs of the community. Cornerstone is a non-profit certified Community Housing Development Organization (CHDO) with a history of delivering programs and revitalizing communities. Cornerstone developed the Healthy Homes program to promote personal growth and economic independence for low-income households. All programs are offered on-site and include safe, after school activities for kids, food distribution programs, and referrals to rent and food and utility assistance.
Reaching Underserved Communities:	Mountainview Townhomes has completed an Affirmative Fair Housing Marketing Plan for the development. Mountainview Townhomes will work with the following Culturally Specific Organizations for outreach and marketing to the target population for the project: • Oregon Human Development Corporation (OHDC)– Hispanic/Latinx • Klamath Tribes – Native American • Department of Human Services – All Races • Cascade Health Alliance – All Races • Klamath Basin Behavioral Health – All Races Per the signed MOU, OHDC will support the project during the marketing and lease-up phase to ensure targeted outreach is conducted to farmworkers and disadvantaged individuals.
MWESB Target:	Mountainview's General Contractor, Bogatay Construction, has committed to meeting the region 4/5 requirement of 20% participation.
Alignment with Statewide Housing Plan:	- Equity and Racial Justice - Affordable Rental Housing - Rural Communities.

The LIFT program requires that all project sponsors sign a Diversity, Equity, and Inclusion (DEI) agreement and engage MWESB organizations. This project includes a culturally responsive property manager, culturally responsive service provider, and a culturally specific organization partnership for marketing and affirmative fair housing outreach.
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



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SUMMARY			
Project Name:	College View Apartments		
City:	Bend	County:	Deschutes
Sponsor Name:	Housing Works		
Management Agent:	Epic Property Management, LLC		
Urban/Rural:	Urban	Total Units:	59
		Total Affordable Units:	59
# Rent Assisted Units:	8 (Local Housing Authority Project Based Vouchers)	Units by Size & Affordability:	11 – One BR units @ 60% AMI 36 – Two BR units @ 60% AMI 12 – Three BR units @ 60% AMI
Cost Per Unit:	$413,996	Construction Type:	New Construction
Affordability Term(s):	4% LIHTC – 30 years LIFT – 30 years City of Bend Loan – 20 years	# of Units with Non-OHCS Requirements:	All units @ 60% AMI (City of Bend)
Funding Request		**Funding Use**	
LIFT:	$8,300,000	Acquisition	$275,000
4% LIHTC Equity:	$7,796,910	Construction	$18,433,217
Conduit Bonds Request:	Up to $13,447,500	Development	$5,717,545
		Total:	$24,425,762

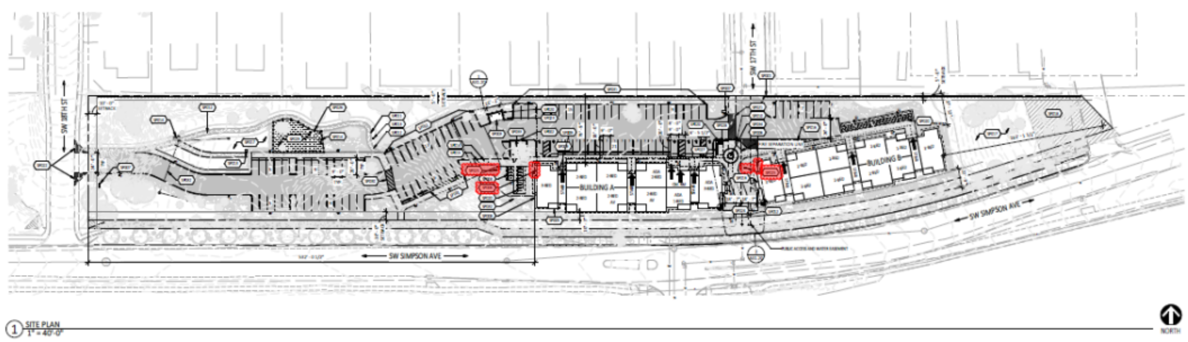
PROJECT DETAILS	
Project Description:	College View Apartments is a new construction, 100% affordable housing development located in Bend. The project will consist of 59 total new units in two three-story residential buildings. The unit mix includes 11 one-bedroom units, 36 two-bedroom units, and 12 three-bedroom units. There will be 102 surface parking spaces. This proposed parking plan meets zoning requirements. Project amenities will include a community room, on site manager, and on-site parking. Unit amenities will include an electric range/oven, microwave, dishwasher, refrigerator, in-unit laundry, warm and cool air high efficiency mini split heat pumps with electric wall heaters, and a balcony or patio. College View Apartments and the units are a stand-alone project and not subject to a master plan development. Closing is anticipated to be in June 2024.

Partnerships to Serve Communities of Color:	College View resident services will include access to a broad spectrum of programs offered by several partner agencies. Housing Works has contracted with Cornerstone Community Housing to facilitate and manage resident service programs throughout the Housing Works portfolio. Cornerstone Community Housing is a 501(c)3 non-profit corporation that provides resident services to affordable housing communities across the state. Cornerstone is experienced and well versed in collaborating with partner agencies to link residents to a variety of services based on their individual and community needs. The current list of our resident service programs designed to help residents thrive are: security deposit assistance loans; credit improvement programs; asset building opportunities through VIDA; discounted recreation and youth sports through local parks and recreation departments; nutrition and gardening education through OSU extension; Early Learning Hub programs for parents and their children ages 0-5; on and off site library events and programs through Deschutes Public Library; eviction prevention and financial assistance through Thrive of Central Oregon and Neighbor Impact; expungement services for those who are eligible through Qui-Qui Law; and senior services through Council on Aging and Central Oregon Veterans Outreach. Cornerstone will also create monthly calendars of events and produce outreach flyers and newsletters. Housing Works and the Latino Community Association have an MOU in place to ensure our outreach and marketing efforts are available to Spanish speaking members of our communities and the LCA will provide housing navigation services to Spanish language dependent members of the community.
Reaching Underserved Communities:	Epic Property Management, LLC will be the management agent. Housing Works is the Housing Authority for Deschutes, Crook, and Jefferson Counties. Housing Works was established in 1977 and has been managing and developing affordable housing for over 47 years. The management team will identify target populations of those least likely to apply and will work with local service providers to ensure outreach efforts are targeted to those populations.
MWESB Target:	Housing Works and general contractor, R&H Construction Co., are committed to meet the Rural Region 4 goal of 20% participation.
Alignment with Statewide Housing Plan:	• Equity and Racial Justice • Affordable Rental Housing
The LIFT program requires that all project sponsors sign a Diversity, Equity, and Inclusion (DEI) agreement and engage MWESB organizations. This project is supported with culturally responsive organizations in property management and with culturally specific service providers including for marketing and affirmative fair housing outreach.	

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

Drawings:

SITE PLAN



ELEVATIONS

SUMMARY			
Project Name:	Cypress Hills Apartments		
(Scattered Site) City:	The Dalles	County:	Wasco
	Cascade Locks		Hood River
	Reedsport		Douglas
Sponsor Name:	Chrisman Development, Inc.		
Management Agent:			
Urban/Rural:	Rural	Total Units:	100 (3 Manager Units)
		Total Affordable Units:	97
# Rent Assisted Units:	68	Units by Size & Affordability:	52 one-BR at 60% AMI 45 two-BR at 60% AMI 3 two-BR Manager units
Cost Per Unit:	$222,413	Construction Type:	Rehabilitation
Affordability Term(s):	LIHTC 4% - 30 years OAHTC – 25 years Preservation – 60 years	# of Units with Non-OHCS Requirements:	N/A
Funding Request		**Funding Use**	
		Acquisition	$5,742,356
LIHTC 4% Annual Allocation:	$936,840	Construction	$9,719,785
Conduit Bonds:	Up to $11,803,000	Development	$6,779,160
		Total:	$22,241,301

PROJECT DETAILS	
Project Description:	Cypress Hills Apartments is a scattered site project consisting of 3 properties located in the cities of The Dalles, Cascade Locks and Reedsport. The acquisition and rehabilitation of these properties will help ensure their continued operation as affordable rental housing for the foreseeable future along with preserving 68 units of USDA Rural Development rental assistance. The properties are as follows: **Flora Thompson Apartments** – Originally constructed in 1981, Flora Thompson is a 40-unit senior apartment community located in The Dalles consisting of six two-level apartment buildings and one community room/laundry room building. The unit mix will include 36 one-bedroom, 3 two-bedroom and 1 two-bedroom manager unit.

	Riverview Terrace – Originally constructed in 1995 Riverview Terrace is a 24-unit family apartment located in Cascade Locks consisting of four two-level apartment buildings and one managers office/laundry room building. The unit mix includes 23 two-bedroom units and 1 two-bedroom manager unit. **Woodland Apartments** – Originally constructed in 1975 Woodland Apartments is a 36-unit family apartment community located in Reedsport consisting of seven two-level apartment buildings and a shop building. The unit mix includes 16 one-bedroom, 19 two-bedroom and 1 two-bedroom unit. The rehabilitation of each property will address critical repairs and maintenance items identified in the physical needs assessment completed for each property. Exterior items identified for all properties include siding replacement, or siding repairs and paint, new roof, new windows, LED lighting, and road and walkway repairs. Interior items will include new plank flooring, energy efficient appliances and hot water heaters, and plumbing as needed, new doors, new trim, new paint, new ductless mini splits, new cabinets, countertops, and window coverings. All properties are fully occupied, tenants will likely need to be temporarily relocated during the rehabilitation. Across all properties, the tenant population are represented by families, families with children and seniors? The sponsor and Viridian Management will assist with the temporary relocation of tenants. The proposed plan is based on a model that has been successful on other rehabilitation projects of a similar size and scope. Cypress Hills Apartments and the units are a stand-alone, split site project and not subject to a master plan development. Closing is anticipated to be June 13, 2024.
Partnerships to Serve Communities of Color:	According to data gathered from existing tenants and the areas' low-income demographics the resident service plan will emphasize increased access to resources that will directly assist residents to thrive in the community and help overcome barriers. Chrisman Development has entered a MOU with The Next Door to assist in providing bilingual and multicultural services to residents. The Next Door is a well and long-time established service provider in the region. With their multiple programs they aim to empower people in their communities through parenting, leadership and economic development opportunities, parenting, wellness and health advocacy, and safe spaces for children and families. The resident service plan will be coordinated with the property management company, Viridian Management Inc.
Reaching Underserved Communities:	The properties that make up Cypress Hills are currently fully leased with a waiting list. The property manager and post-closing plans to expand relationships with local agencies and organizations to assist residents in crisis and prevent eviction. Additionally, Viridian will collaborate with The Next Door to develop marketing materials and process to reduce

	language barriers and address concerns common to Latinos and other underrepresented communities.
MWESB Target:	The sponsor has provided a detailed plan to actively engage with MWESB businesses and is committed to achieving the goal of 20% MWESB participation for construction and professional services.
Alignment with Statewide Housing Plan:	• Affordable Rental Housing • Rural Communities
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

Flora Thompson:

View of subject building exterior and parking areas.

View of subject building exterior and courtyard area.

View of subject building exterior.

View of subject building exterior and parking areas.

Riverview Terrace:

View of subject building exterior.

View of subject building exterior.

Playground.

Playground.

Woodland Apt:

View of main parking lot entrance from Longwood Drive.

View of subject office/laundry area and apartment building exterior.

Apartment exterior.

Apartment exterior and grounds.

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Date May 3, 2024

To: Housing Stability Council Members
Andrea Bell, Executive Director

From: Brad Lawrence, Production Analyst
Hattie Iott, Production Manager
Roberto Franco, Assistant Director of Development Resources
Tai Dunson-Strane, Assistant Director of Production
Natasha Detweiler-Daby, Director Affordable Rental Housing Division

RE: Renaissance Commons (fka REACH Argyle) – Portland, Oregon

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MOTION: Approve the motions listed below to support the refunding and restructuring of bonds for Renaissance Commons (formerly known as REACH Argyle), the addition of up to $5 million in LIFT resources, as well as to establish charges for OHCS to do these activities not included in prior adopted charge structures.

- **MOTION: Move to approve the refunding and restructuring of the Department's Housing Development Revenue Bonds 2019 Series A-1 (the "2019 A-1 Bonds" and together with the 2019 Series A-2 Bonds, the "2019 Bonds") for the Renaissance Commons (fka REACH Argyle) project (the "Project") from Barings/Mass Mutual forward purchase bonds, as described in the Forward Bond Purchase Agreement dated as of January 28, 2019 and related documents contained in the Closing Transcript for the 2019 Bonds to a Housing Development Governmental Note of the Department to be purchased by Citibank as Permanent Funding Lender and issued to refund a portion of the 2019 A-1 Bonds to provide a portion of the permanent funding for the Project, subject to meeting all OHCS, Oregon State Treasury, Citibank and other funder conditions, including underwriting, satisfactory documentation, legal opinions and all necessary approvals as may be reasonable required by OHCS, and as determined to be legally sufficient by Bond Counsel and the Department of Justice.**

- **MOTION: Move to recommend to the Director to move forward to Housing Stability Council approval of a Local Innovation and Fast Track (LIFT) Loan in an amount up to and not to exceed $5,000,000 to REACH Argyle Limited Partnership to refund a portion of the 2019 Bonds and to provide a portion of the permanent funding for the Project, subject to meeting all OHCS and other funder conditions, including underwriting, satisfactory documentation, legal opinions and all necessary approvals as may be reasonable required by OHCS, and as determined to be legally sufficient by the Department of Justice.**

- **MOTION: Move to approve the creation of OHCS bond amendment and reissuance-charge of $2,500 from bond amendments, extensions and other modifications which trigger a reissuance for federal tax purposes (which charge may be waived by the Department if the**

EQUAL HOUSING OPPORTUNITY

transaction does not require TEFRA approval or other material action on the part of the Department) and a refunding and restructuring charge of $12,500 in the aggregate in connection with transactions involving the refunding and/or restructuring of the Bonds initially issued for a project, including material modifications to the terms of the permanent bonds and replacement of the permanent lender (provided that such transaction does not involved a supplemental issuance of bonds requiring the award of additional private activity bond volume cap), to address updates to reflect updated associated with the new body of work created by implementing these needed strategies within this market.

Project Sponsor:	**REACH Community Development, Inc.**
Property:	**Renaissance Commons (formerly called REACH Argyle Apartments)**
Owner:	**REACH Argyle Limited Partnership**

Description:

Renaissance Commons is a new construction, 189-unit multifamily rental project developed by REACH CDC. The project consists of two buildings located in the Kenton neighborhood in the Interstate Corridor Urban Renewal Area, near the intersection of Argyle and Interstate Avenue. Renaissance Commons includes units ranging from studios to three-bedroom units, with sizes varying from 375 to 1,055 square feet. It is located across from Kenton Park and within walking distance of the Kenton/N Denver MAX station. Amenities include ground floor community space, office spaces, a fitness room, community pantry, bike rooms, an outdoor play area and small lounge areas. All units will be rented to households earning 60% of area median income (AMI) or less, with ten units rented to those earning 30% AMI or less.

The project is subject to the City's N/NE Preference Policy. This policy provides leasing preferences to current and former residents of North and Northeast who involuntarily have been displaced, or are at risk of displacement, from the area. In addition to implementing the N/NE Preference Policy, REACH has entered into partnerships with North by Northeast Community Health Center (NxNE) and Worksystems Aligned Partner Network (Worksystems APN) to increase the services for REACH Argyle. NxNE will help better serve the residents of REACH Argyle by providing health services and health insurance enrollment services. With Worksystmens APN, REACH Argyle residents will receive workforce training resources for adults and youth through the workforce development initiative.

The Renaissance Commons Project (fka REACH Argyle) is a 4% LIHTC and Conduit Bond project that closed financing in January 2019. Renaissance Commons completed construction in July 2020 in Portland's Kenton neighborhood providing 189 units of affordable homes. To-date, the

Project has been unable to meet occupancy levels, income / expense and other financial performance metrics to convert from construction financing to permanent financing.

At the time of financial closing, Wells Fargo Bank purchased the short-term bonds to provide construction financing. Permanent debt financing was to be provided by Barings/Mass Mutal Mutual pursuant to a Forward Bond Purchase Agreement (described above). Due to delays with lease-up, market conditions, and construction, the project was unable to meet the initial anticipated conversion date and requested an extensions from Wells Fargo and Barings/Mass Mutual. These extensions and related amendments and modifications to the terms and conditions of the 2019 Bonds did not impact the Department's private activity bond volume cap and did not require a supplemental issuance of any additional private activity bonds.

Faced with lower than projected income, a hard to serve tenant population, extended periods of vacancy, and higher than expected operating expenses, the Project has been unable to convert to permanent financing under its original financing structure, including particularly the Forward Bond Purchase Agreement (described above). The sponsor made significant efforts to work within these constraints, including extended negotiations with Barings/Mass Mutual. Thes efforts included the sponsor contributing substantial organizational resources to operate the property and find solutions, all while meeting the public policy intentions of Portland's N/NE Preference Policy.

Due to these reasons, the Project has had to restructure the project debt significantly, including the paydown of the portion of the 2019 Bonds held by Wells Fargo as a condition to the extension of the construction funding maturity date, and securing a commitment from Citibank instead of Barings/Mass Mutual to serve as the permanent lender for the Project. Additionally, this financial restructuring also requires significant additional funding from the sponsor in the form of additional subordinate Project indebtedness and leverage up to $5 million in LIFT resources. This financing restructure does not create any additional risk to the Project, but rather provides a debt structure and the additional resources necessary to convert from construction loan to permanent debt, with Wells Fargo funding the balance of the Project's LIHTC equity and Citi as the Permanent Funding Lender providing a portion of the permanent financing in the form of the Housing Development Governmental Note of the Department (as described above). The project is scheduled for conversion on or about May 8, 2024.

In addition to the project-specific motions raised in this memo, we are including one to establish appropriate charges for our bond amendment, reissuance, refunding, and restructuring processes. This interim update reflects the need to be able to deploy our work in alignment with being responsive to the current market climate. After adopting this interim update to our charges to be implemented now, we will incorporate them into planned analysis, engagement, and long-term update recommendations that will be brought to Housing Stability Council for additional conversation later this calendar year.

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Date: May 3, 2024

To: Housing Stability Council
Andrea Bell, Executive Director

From: Affordable Rental Housing Division
Mitch Hannoosh, Senior Policy Analyst
Natasha Detweiler-Daby, Director Affordable Rental Housing

RE: 2024 – 2025 Funding Resources and Set-Asides Expanded Introduction

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Motion: Adopt the Funding Resources and Set-Asides Framework as presented.

BACKGROUND

The Affordable Rental Housing Division is working to launch an updated funding solicitation process in the spring that offers resources through a centralized application. Leading up to this point, the division has been engaging in broad outreach including monthly consultation with Housing Stability Council (HSC) that have focused providing input and sharing feedback received on a wide range of topic areas.

In the May Housing Stability Council meeting we are bringing back final recommendations that incorporate discussions and feedback given to-date.

Information in this memo is organized as follows:

Affordable Rental Housing Resource Values

In launching the Affordable Rental Housing (ARH) Oregon Centralized Application (ORCA) process we are trying on a lot of new practices to allow us to support expanded housing production by building more collaborative and supportive processes where we can balance support and market responsiveness with accountability. In this balance we want to retain flexibility wherever possible while also making sure that we are making decisions informed by clear and consistent values.

Projects funded through the ORCA should be good-fits for the resources we have available and be in alignment with our identified ARH values that create a road map for how resources are allocated within our funding processes:

1. **Production Needs**: in alignment with the Executive Order 2023-04, the critical need for housing demands that we provide resources aligned with bringing new units into affordability. As such we should prioritize all resources possible for building new or securing new subsidized affordable rental housing. Having flexible pathways and resource use policies aligns with supporting innovation and expedient development timelines.
2. **Predictable and Available Resources**: resource clarity and availability will expedite development efforts. We should clearly communicate resource availability and ensure greatest flexibility of funds to align with project profiles that are positioned to move forward and into construction.
3. **Tenant centered building design and funding strategies**. Whenever possible, we should seek to ensure resources are aligned with meeting tenant needs. Tenant facing local nonprofits and housing authorities should be key partners across the state as a key infrastructure of development, housing operation, and service provision across the state. Project resources should be intentional to support project needs aligned with tenants.

4. **Serve the state**. Geographic distribution matters, ARH should strive to have developments in communities statewide. We should seek to ensure cooperation with local jurisdiction processes, and we should incorporate strategies to intentionally off-set impacts of historic lack of investment in rural communities.
5. **Equity and Racial Justice** needs to be imbedded to serve tenants and also to disrupt impacts of systems that have served to prevent wealth building among organizations that are led by and support BIPOC communities and has limited full access and services to BIPOC community. We need to support meeting BIPOC tenant needs and incorporate policies and set-asides that ensure all projects are culturally responsive and that culturally specific organizations have deliberate pathway to access resources, and Tribes need dedicated access to funding.

Funding Resource Recommendations

The following are the frameworks of these Development and Capacity resources, reflecting many of our ongoing discussions with Housing Stability Council. The resources will be deployed using established program structures (aside from where noted) and will be focused in the following ways:

General Development Capital:

- Resources to be used to support the creation of new Affordable Rental Housing either through new construction or the acquisition of market rental housing that was recently placed in service (approx. within the past 7 years), as resources allow within program structures.

PSH Capital:

- Resources to be used to support the creation of new Affordable Rental Housing either through new construction, acquisition, or conversion of units in existing portfolio properties to serve chronically homeless households referred through local coordinated entry; resources to provide supportive services and rent assistance will also be made available. Sixty-percent of the resources will be set-aside to fund projects that have completed the Oregon Supportive Housing Institute.

Preservation Capital:

- Resources to support physical and financial risk of loss for existing publicly supported housing; all projects must incorporate property improvement plans.
- Resources for critical portfolio intervention in cases of imminent risk of loss through the Portfolio Stabilization funds. to stabilize properties through a Portfolio intervention in

cases of imminent risk of loss; all projects must incorporate property improvement plans.
- Resources to support preservation of federal funded properties.

Manufactured Park Preservation:
- Resources to support the acquisition of naturally occurring affordable housing within Manufactured Dwelling Parks.

Native Nation Capital:
- Resources that can be loaned or granted to support tribal development of new affordable rental housing.

Veteran Capital:
- Resources that can be loaned or granted to support development of new affordable rental housing that significantly serves and dedicates units for Veterans.

Agricultural Workforce Capital: *new resource*
- Predevelopment Grant Set-Aside – 25%
    - Eligible organizations, costs, and other programmatic considerations will mirror that of the Predevelopment Loan Program to support affordable rental housing development, but the resources will be provided as a grant, and eligibility will be further restricted to include only projects that will serve agricultural workers.
- Development Grant Set-Aside – 75%
    - To support production of housing to serve agricultural workforce; up to a total of $2 million would be eligible, though not set-aside, for supporting cooperative owned manufactured parks dedicated to serving agricultural workforce. Of the total resources, $5 million be set-aside to fund agricultural workforce housing projects that are being developed either by Culturally Specific Organizations or that are located in rural communities.

Last Gap for Current Pipeline:
- The intent of these resources is to be able to address critical gaps in current projects either under construction or for projects that could otherwise move forward if their current funding gaps could be addressed. As we have discussed several times with Housing Stability Council, market volatility continues to challenge development processes both before and after they begin construction. These projects without sufficient resources are holding valuable public funds and it is important for OHCS to either find ways to support the projects where the gaps can be address or determine that the project needs to be re-worked and use the resources to support a more viable project.
- Recommendation for Incentivizing Remedy and Production:
    - Offering Tools for Remedy:

        - First priority: projects under construction, review scrutiny on budgets, evaluate any opportunities for value engineering or other resource leverage and allow for increases in subsidy up to 10% from what has already been invested.
        - Second priority: projects unable to reach construction close due to funding gap; review scrutiny on budgets, evaluate any opportunities for value engineering or other resource leverage; evaluate whether updated subsidy limits (once finalized) would solve the challenge and/or allow the subsidy increase up to 10 percent.
    - Incentivizing Production:
        - Applicants that have projects in the OHCS pre-construction pipeline that want to use the Last Gap resources are not able to submit new project applications for funding consideration until their pipeline project is proceeding with project development (3-6 months from construction close); projects that are financially infeasible would have the opportunity to re-apply for funds once the former reservation is returned.

Capacity resources:

- $4.8 million in funding.
- Capacity resources will be limited to a total investment of $150,000 per recipient. Capacity resources are able to be accessed by non-profit organizations, Public Housing Authorities, Local Governments, Native Nations, and Tribally Designated Housing Entities.
- Set-aside resources within this bucket will be held for 6-months for:
    - all nine Native Nations,
    - the fifteen balance of state Public Housing Authorities, and
    - 8 culturally specific or rural organizations.

The resource offering table can be found on the following page.

2024 ORCA Resources	Totals	Resource Types
General Development Capital	$300,000,000	Includes LIFT & HOME*
PSH Capital	$88,200,000	Includes PSH & HTF
Preservation Rental Capital	$50,000,000	Includes Preservation Funding & GHAP
Physical and Financial Risk of Loss	*$30,000,000*	
Portfolio Stabilization in cases of Imminent Risk of Loss	*$10,000,000*	
Properties with Federal Project Based Rent Assistance Risk of Loss	*$10,000,000*	
Manufactured Park Preservation Capital	$10,000,000	Includes Preservation Funding
Native Nation-dedicated Capital	$30,000,000	Includes GHAP & HDGP
Veteran-dedicated Capital	$30,000,000	Includes GHAP
Ag. Worker Housing-dedicated Capital	$10,000,000	Includes Ag Worker Housing Grant Program
Total Capital Available	**$544,495,588**	
LIHTC Pairing (4% Credit)	*$0*	*No LIHTC available in 2024*
LIHTC Pairing (9% Credit)	*$0*	*No LIHTC available in 2024*
Ag. Worker Housing Tax Credit	*$12,660,000*	*Includes Ag Worker Housing Tax Credit*
Oregon Affordable Housing Tax Credit	*$250,000,000*	*Includes OAHTC Loan amount ($18M credits)*
Total Credits Available	***$30,660,000***	

2024 Other Resources	Totals	Resource Types
Last-Gap for current pipeline at readiness	*$30,000,000*	Includes LIFT & GHAP
Other Non-Capital Fund Offerings		
GHAP Capacity Building	$4,800,000	GHAP Capacity set-aside
General Capacity Resources (Rural / Culturally Specific)	*$1,200,000*	
Public Housing Authorities in the Balance of State	*$2,250,000*	
Native Nations	*$1,350,000*	
Land Acquisition Program	$1,031,900	as of (4/25/2024)
Pre-Development Funding	$9,700,000	2023 Legislative Allocation
Unsubscribed 2024 resources to roll into 2025 offering, and will add the following additional resources…		

2025 ORCA Resources	Totals	Resource Types
General Development Capital	$20,000,000	Includes LIFT
LIHTC Pairing Capital	$105,000,000	Includes LIFT & GHAP
9% Low Income Housing Tax Credit**	*TBD*	to be based on 2026 9% allocation ~$10 million
4% Low Income Housing Tax Credit**	*TBD*	to be based on PAB availability

*HOME resources seem unlikely to be available at this time; will be included if resources become available.
**Qualified Allocation Plan, which guides the Low Income Housing Tax Credit programs, to be updated with engagement beginning in 2nd quarter 2024.

Set-Aside Recommendation

A. **Organizational Set-Asides: 25%** of Development Resources set-aside in 2024 – 2025 with dedicated access to Culturally Specific Organizations and Non-Profit development in Rural Communities. Approximately $130 million.

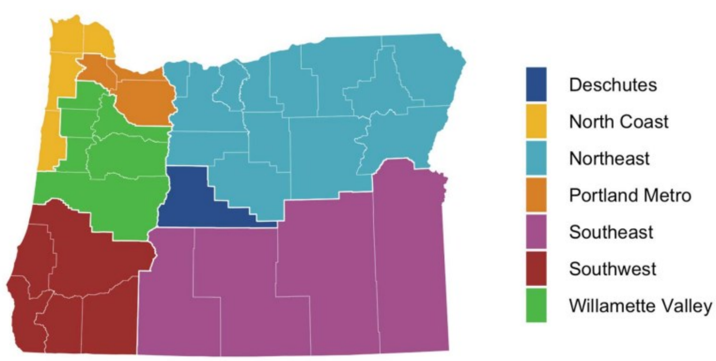
B. **Geographic Set-Asides: 75%** of Development Resources set-aside in 2024 and allocated to three regions across the state. Approximately $400 million, with 10 percent held back to ensure ability to fully fund projects in geographic regions.

- Regional Allocations:

	Oregon Housing Needs Analysis Underproduction	**Housing Burdened BIPOC Households**	***equal weight of the two factors***
Eastern	17%	13%	***15%***
Metro	35%	44%	***40%***
Western	47%	43%	***45%***

These percentages translate to the following ~allocations.

- Eastern: 15% (approx. $60 million)- Deschutes, Northeast, Southeast
- Metro: 40% (approx. $160 million) - Portland Metro
- Western: 45% (approx. $180 million) - North Coast, Southwest, Willamette Valley

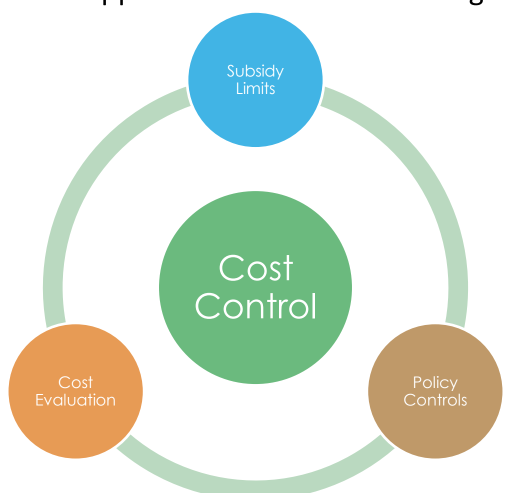


Cost Controls

As we implement the ORCA process, we will need to balance workflow and shifts with policies, strategies, and subsidy limits that sufficiently surround a project to provide comfort that the resource needs are:

- Real and Accurate in the Market Environment; allowing OHCS to be responsive.
- Bring clear controls to prevent mis-use of resources and support leverage of private capital and investment; balance with the reality that we want the units to be resilient and durable and to meet tenant needs (quality).
- Ensure ability to make informed decisions and build and share data on impact of public investments.

To accomplish this, we will seek to approach Cost Controls through three key strategies:



Cost Evaluation

- Through research, survey, and discussion the most impactful way to ensure cost reasonability will be to build on the data from the significant OHCS portfolio and development pipeline to identify projects with costs outside expectations from the data. The reason to do this will be to place additional scrutiny in review, including allowing OHCS to request a third-party Cost Justification if determined necessary to substantiate project costs. Additionally, applicants will continue to provide detailed cost estimates and track project costs to detailed line items within the financial pro forma.

Policy Controls

- Through best-practices evaluation, survey, and discussion we will continue to create limits on developer fee increases once resource commitments are made, we will identify and document critical elements that are fundamental to meeting project intent and ensure that those are not eligible for value-engineering, will review any material changes in projects, and will continue to not allow cost savings clauses.

Subsidy Limits

- Through project financing review, survey, and evaluation of total development cost increases, we are proposing the following draft subsidy limits.
- The conceptual framework for subsidy limits is:
  - Subsidy limits that are scaled by bedroom size and the AMI served;
  - Subsidy limits should be responsive to the lower rent rates in rural communities with significantly lower Area Median Incomes, which reduces the ability for those projects to cover fixed costs of development.
  - Include subsidy for the building for projects that are incorporating unique building design functions to serve the target population.
  - Establish subsidy limits as well as allowance for reasonable increases above those at the time when they are approaching final commitments of resources, at the oversight of the OHCS finance committee. Recommend this be allowable for increases up to 10 percent above the limits.
- Subsidy Limits for gap-only resources offered through the ORCA: these subsidy limits incorporate additional feedback received over the past 2 months.

	Rural New Construction			
Incomes Served (based on unit restrictions; PBRA units use 60% AMI)	**Studio**	**1 bedroom**	**2 bedroom**	*+ Per-Bedroom*
30% AMI	$275,000	$335,000	$395,000	*$60,000*
40% AMI	$265,000	$325,000	$385,000	*$60,000*
50% AMI	$250,000	$300,000	$350,000	*$50,000*
60% AMI	$240,000	$290,000	$340,000	*$50,000*

	Rural Acquisition / Rehabilitation			
Incomes Served (based on unit restrictions; PBRA units use 60% AMI)	**Studio**	**1 bedroom**	**2 bedroom**	*+ Per-Bedroom*
30% AMI	$190,000	$250,000	$310,000	*$40,000*
40% AMI	$175,000	$235,000	$295,000	*$40,000*
50% AMI	$160,000	$210,000	$260,000	*$35,000*
60% AMI	$145,000	$195,000	$245,000	*$35,000*

	Urban New Construction			
Incomes Served (based on unit restrictions; PBRA units use 60% AMI)	**Studio**	**1 bedroom**	**2 bedroom**	*+ Per-Bedroom*
30% AMI	$265,000	$325,000	$385,000	*$60,000*
40% AMI	$250,000	$300,000	$350,000	*$60,000*
50% AMI	$240,000	$290,000	$340,000	*$50,000*
60% AMI	$230,000	$280,000	$330,000	*$50,000*

	Urban Acquisition / Rehabilitation			
Incomes Served (based on unit restrictions; PBRA units use 60% AMI)	**Studio**	**1 bedroom**	**2 bedroom**	*+ Per-Bedroom*
30% AMI	$175,000	$235,000	$295,000	*$40,000*
40% AMI	$160,000	$210,000	$260,000	*$35,000*
50% AMI	$145,000	$195,000	$245,000	*$35,000*
60% AMI	$130,000	$180,000	$230,000	*$35,000*

- **+ up to $200,000 per project** where there is a unique functional building need to meet Tenant Life / Safe / Health: including spaces to meet Agricultural Workforce Needs, Accessibility Factors for serving Elder or Disabled populations, supporting children, durability interventions. (including standard amenities or community rooms would not qualify)

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Date: May 3, 2024

To: Housing Stability Council
Andrea Bell, Executive Director

From: Love Jonson, ARH Policy Analyst
Mitch Hannoosh, ARH Senior Policy Analyst
Rick Ruzicka, Assistant Director, ARH Planning & Policy
Natasha Detweiler-Daby, Director, Affordable Rental Housing

RE: Evaluation Standards in the Oregon Centralized Application - Recommendation

Motion: Approve the Evaluation Standards framework to be included and implemented in the Oregon Centralized Application (ORCA) review process.

Background

At the March 1, 2024 HSC meeting, the Evaluation Standards framework was introduced, establishing a series of baseline standards that OHCS staff recommend become part of the Oregon Centralized Application (ORCA) process. The ORCA process is the new non-competitive process that OHCS will use with the evaluation standards laid out in this framework to determine funding awards. Our takeaway from the March 1, 2024 meeting was that the HSC supported this concept. At the May 3, 2024 meeting, staff will return to request approval of the Evaluations Standards framework.

Overview and Context

As OHCS updates its funding processes to a more supportive, less competition-based structure, we needed to reimagine the methods through which the agency ensures it funds high-quality properties that respond to tenant needs and that appropriately steward public resources. Historically, these policy objectives have been accomplished through competitive scoring, where funding applications were compared against a minimum standard and to one another to determine which to prioritize with limited resources. This meant that in some cycles, we were unable to fund very good projects that were ready simply because there was a high number of applicants. And at times, could have funded projects barely met minimum standards or were not near ready due to a lack of competition for the resources.

The new Oregon Centralized Application (ORCA) process, combined with a historic investment from the Legislature and support from the Governor's Office, provides OHCS with an opportunity to change the paradigm, establishing a standards-based evaluation process in which projects that adequately meet agency standards will be given surety of funding. Applications will compete only against their own project, and if they are able to meet the standards OHCS has established, they will move through the ORCA process toward closing more efficiently. Just as critically, projects that do not meet these standards will not receive funding until they are able to do so, but they will be given support and a clear, predictable pathway to succeed on their own timeline.

Memo Structure

This memo will provide an overview of the evaluation standards that will be used at each of the steps in the updated ORCA process: Impact Assessment, Financial Eligibility, and Commitment. The Intake Form, which applicants complete before beginning these steps, does not use standards in the same way.

The standards for each step are presented in the following groupings: 1) pre-existing standards from prior NOFAs; 2) enhanced versions of previously used standards, and 3) new standards created for the ORCA process.

Impact Assessment

Pre-existing standards

- *Affirmative Fair Housing Marketing Plan*
- *Architectural Plans*
- *Development Team Capacity*
- *Environmental Reports*
- *Housing and Urban Development (HUD) Requirements Review*
- *Permanent Supportive Housing (PSH) Standards*
- *Site Control*
- *Zoning in Place*

Enhanced standards

- *Construction Costs*
  Previous NOFAs asked developers to provide a cost escalation percentage and their reasoning. Over the past several years, and after many requests for gap funding and fundamental changes to project design (unit numbers, tenants served, amenities), OHCS has acknowledged that this question was not sufficient to understand if a project team had spent the time necessary to ensure its costs were well developed, understood, and projected. The new standard asks applicants to share how they derived their construction costs, provide a risk assessment, and provide a plan for covering costs in excess of contingency funds.

- *Diversity, Equity, and Inclusion Agreement*
  Since its adoption at OHCS, the DEI Agreement has been a point-in-time document asking that sponsors commit to a list of actions about organizational DEI efforts. This point-in-time document was intended, from the beginning, to signal to partners that OHCS would create a more robust process in the future. This update provides that opportunity, expands the list of options available for an organization to focus on, and asks partners to select actions their organization can commit to or is already working towards. Additionally, partners will submit an initial registration and renew it annually to update OHCS on their progress, rather than needing to submit a new agreement for each project application. The goal of the DEI Agreement has always been for OHCS to better track and support partners in their DEI work, and this update helps us do that, resulting in a more effective and efficient process.

- *Early Financial Proforma*
  OHCS asks for a information about project financial needs and budget at an earlier point than has been required in the past, so we have adjusted the type of information that is expected at this point in the development timeline. The sources and uses in particular are “back of the napkin” estimates, with uses summarized into higher-level categories and totals, and sources collected as projected total requests. In addition, we want to understand from where their sources are planned to come. In the past, our first proforma asked for committed resources, which is no longer necessary at this early stage but will be added later as the project moves forward in the process. This will allow staff to do an early check for financial feasibility and, if the project meets all other standards reviewed at this stage, conditionally hold resources for projects through a Comfort Letter.

- *Location Preferences*
  With no competitive scoring, OHCS needed to find another way to include critical priorities for how housing is sited and what amenities are included or accessible. This will help incentivize housing in areas of access and opportunity and ensure sites are not particularly isolated or impractical.

  With one exception, the criteria have been used in prior NOFAs, but OHCS has simplified them while still maintaining critical considerations. The one new opportunity criterion relates to colocation of Early Care and Education centers or options, or access to them. This aligns with agency commitments made in the Raise Up Oregon Plan to incentivize colocation where possible through our funding offerings.

  Previous location-based criteria often prioritized projects in locations with the greatest need. However, with need present in every community statewide, we focused more on opportunities than need. Still, recognizing that some areas may not meet opportunity criteria but may still have very high need, we retained one need criterion: the anti-displacement metric based on research conducted by Dr. Lisa Bates at Portland State University. OHCS has used this metric several times in funding rounds the last couple of years.

- *Minority-owned, Women-owned, and Emerging Small Business (MWESB) Strategy*
  This standard has, until now, been a scored category. OHCS staff view this as a critical strategy, so we have adjusted the standard into a threshold category.

  Previously, applicants had to commit to a region-based minimum percentage of their subcontracts to MWESB entities and describe their strategy for doing so. This update instead evaluates partners on their success in achieving targets they have committed to in previous projects. If they have met their targets, they will meet the standard. If they have not consistently met their targets, they will be required to work with an MWESB consultant and respond to the same strategy questions that we have asked before in order to move on.

- *Resident Services*
  We have drawn upon resident services questions from previous NOFAs and added a new element that ask applicants to clearly identify their resident services budget and if that funding lives within the project's operating budget or if the funds are an externally budgeted item. This will allow OHCS to determine if an appropriate amount of funding has been allocated for the type of services described in the applicant's responses. We also added a new question to ensure partners build out tenant-centered resident services programs based on perspectives of people with lived experience.

- *Risk of Loss (for preservation projects only)*
  This revised standard, based on OHCS' Preservation Strategy, creates a "managed queue" that builds a list of projects at risk of loss and collects better data on the full range of preservation needs. It also creates a higher priority for urgent rehabilitation needs and properties owned by culturally specific organizations. Finally, it focuses on impact to vulnerable tenants and availability of housing in the area as tiebreakers when needed.

New standards

- *Engagement and Community Needs*
  The objective of this standard is to ensure applicants have either done their own engagement or reviewed other entities' engagement with the tenant communities they intend to serve, including communities of color, and that they have incorporated what these communities told them into the project design. Engaging with the community that will be served is a best practice and a critical piece of project development. It also informs how building design, tenant services, and amenities will successfully serve tenants. In prior years this was an expectation for some resources, notably Article XI-Q bond LIFT, which represent the majority of our development resources. This will be the first time it is a requirement for all resources.

- *Equity and Racial Justice Strategy*
  The objective of this standard is to provide a flexible, customizable channel for different types of projects across the state to work towards equity and racial justice. The four required items in this standard relate to baseline data collection about tenant demographics (which had already been required for many properties), translation of materials, language competency in resident services, and racial equity-related actions efforts previously undertaken by partners. The remaining six items – of which projects must select two – are flexible and achievable in various contexts. They encourage projects to support BIPOC tenants and development partners through ownership structure, business utilization, and/or tenant outcomes.

- *Infrastructure Readiness*
  The objective of this standard is to proactively understand what the projects will be expected to contribute to the city regarding infrastructure. Multiple projects have been stalled or prevented entirely due to unforeseen costs and timelines associated with infrastructure requirements from both city and State agencies. This standard will help flag these issues early and allow for the sponsor, jurisdiction, OHCS, and other State bodies such as the Housing Accountability and Production Office to work together to figure out a path forward.

- *Permit Strategy*
  The objective of this standard is to ensure permit timelines align with readiness criteria. Applicants will create a plan and timeline for acquiring permits when it makes sense for them, while confirming they will be able to acquire permits by the time OHCS awards final funding. This involves early communication between the developer and the permitting jurisdiction. Developers described many challenges with permitting timelines, and we believe this standard will improve communication with the goal of ensuring the project can move forward in a timely manner. This could also provide critical information to the Housing Accountability and Production Office in its efforts to address disputes.

- *Prequalification*
  The objective of this standard is to allow OHCS to screen for organizations that are not in good legal standing or have significant portfolio issues to be addressed before receiving future funding. Organizations will provide this information prior to applying which helps organizations move faster into the OHCS pipeline or resolve issues sooner if needed.

Financial Eligibility

Pre-existing standards

- *Architectural Plans*
- *Financial Proforma*
- *Lender and Investor Letters of Interest (LOI)*
- *Permit Submission*
- *Underwriting Guidelines*

Enhanced standards

- *Construction Costs*
  Through research, survey, and discussion, OHCS determined the most impactful way to ensure cost reasonability is to utilize data from the significant OHCS portfolio and development pipeline to identify projects with outlier cost estimates. This additional scrutiny will allow OHCS to request a third-party cost justification report if needed to substantiate project costs. Additionally, applicants will continue to provide detailed cost estimates and track project costs by line item in the financial proforma.

New standards

- *Policy Changes from Impact Assessment*
  A core component of the ORCA is providing conditional funding commitments earlier in the development timeline. At the Financial Eligibility step, OHCS will check whether the commitments made in the Impact Assessment are being met. If there has been a material change to the project, the applicant risks losing their conditional hold of resources and having to restart the process, where they will return to the Impact Assessment and submit updated information that reflects the changes that have occurred. Material changes are defined as a change relating to the business, operations, or use of capital provided by OHCS that, taken as a whole, would reasonably be expected to have a significant effect on the project budget, housing type, and population served. This could include but is not limited to expanding or shrinking the scope of the project by adding or subtracting, buildings, units, or design elements that impact the budget and livability of tenants, changing the project type, switching to a different intended tenant population, replacing sponsor and/or project ownership, or showing a significant funding gap from initial estimates that cannot be reconciled.

Commitment

Pre-existing standards

- *Architectural Plans*
- *HUD HOME/HTF Subsidy Layering*
- *Financial Proforma*

Enhanced standards

None

New standards

- *Financial Closing Date Commitment*
  This is a new form that requires the developer and co-developer to make a formal commitment to their closing date. Since they will only enter the Commitment step when the project is six months from closing, this new form is a critical piece of the process.

Applicants will risk losing their funding commitment and having to restart the ORCA if they do not meet the date they committed to in this document.

Conclusion

The full ORCA document will include more details about application expectations, but this memo showcases the key standards by which projects will be evaluated and approved in the new funding process. The standards create a higher baseline of expectations for projects than OHCS has had in years past, which is necessary due to the non-competitive nature of the ORCA. These standards are designed to result in high quality projects and provide enough flexibility to allow statewide access to resources.

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Date: May 3, 2024

To: Housing Stability Council
Andrea Bell, Executive Director

From: Mitch Hannoosh, Senior Operations & Policy Analyst
Rick Ruzicka, Assistant Director of Planning & Policy
Natasha Detweiler-Daby, Director of Affordable Rental Housing

RE: Construction Loan Guarantee Program - Recommendation

Motion: Approve the framework for the Request for Applications to solicit an administrator for the Construction Loan Guarantee Program.

BACKGROUND

At the upcoming meeting, we will be presenting the Construction Loan Guarantee Program framework for approval. This framework was previously introduced to Housing Stability Council in the January 2024 meeting.

Passed during the 2023 Legislative Session, House Bill 3395 instructed OHCS to award funding to one or more non-profit Community Development Financial Institutions (CDFI) to establish a Construction Loan Guarantee (CLG) product. The parameters required in the statute included that the loans that are being guaranteed must be construction loans. Additionally, the project using the CLG must be restricted to low or moderate-income households (up to 120% AMI).

This legislative investment is a deliberate strategy to support development in the current financial market. As interest rates and risk increase, the ability to deploy a guarantee should serve to provide additional up-front security. For lenders this is able to be factored into risk assessments which should both serve to encourage lender investment in financing affordable rental housing construction, and also allow for more favorable loan terms.

In order to implement the program in alignment with statutory requirements, OHCS will release a Request for Applications (RFA) to select a CDFI to operate this program. The CDFI will be expected to develop and propose a financial product that will align closely with statute and legislative intent. OHCS will prioritize proposals that best meet that legislative intent in addition to agency priorities, as determined through the applicants' experience implementing and managing similar types of programs and their responses to questions posed in the RFA.

GUIDING PRINCIPLES

OHCS is required by statute to grant these funds to a CDFI who will then implement and administer this program. OHCS intends to work closely with the selected CDFI to help align resources and support projects that would benefit from leveraging other agency resources. For example, OHCS has a Permanent Loan Guarantee Program (PLG) that, depending on the proposed program design, may benefit a lender or sponsor to connect their CLG to at the time where the construction loan converts to a permanent loan. The guarantee is expected to be provided before construction financing and last through the life of the construction process, or until activated.

In order to support alignment with CDFI-specific programs and leverage, the goal is for the RFA to be left relatively open ended to allow applicants to propose specific program deliverables and implementation plans. At the same time to ensure alignment with the state objectives, including equity and racial justice, OHCS will have minimum expectations for all applicants of the RFA. RFA parameters will ensure that applicants that are able to propose more equitable, innovative, and impactful plans than other applicants will have a competitive advantage. Some of the minimum expectations and prioritization factors in the RFA will include but may not be limited to the following:

- The successful Applicant(s) must prioritize and/or differentiate guarantees for loans to small, rural, and culturally specific organizations; and
- The successful Applicant(s) will provide options for the guarantee to be utilized in a manner that could allow the project to continue moving forward.
- The successful Applicant(s) must identify and work to address historic disparities in lending practices through their proposed financial product.
- Loans supported with the guarantee must be construction loans and must be restricted to low- or moderate-income households (up to 120% AMI);
    - The successful Applicant(s) will prioritize guarantees for loans to projects with lower AMI targets.
- Loans being guaranteed may not exceed five-year terms;
- Loans being guaranteed must emphasize feasibility, longevity, and productivity;
    - Feasibility meaning likelihood the project will complete construction;
    - Longevity meaning loans for projects with shorter required guarantee timelines;
    - Productivity meaning the maximization of units produced for every dollar guaranteed.

NEXT STEPS

OHCS will finalize and release the RFA as soon as possible upon approval from Housing Stability Council. We anticipate that the RFA will be awarded in Summer 2024.