



2017 GOVERNMENT TO GOVERNMENT REPORT

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Summary

In accordance with Senate Bill 770 (SB) and Oregon Revised Statutes (ORS) 182.162 to 182.168, Oregon Housing and Community Services is submitting the following report to the Governor and the Legislative Commission on Indian Services.

This report includes an overview of the department, an update since the last Government to Government Report was prepared, a description of key agency services, and 2018 priorities for improved engagement of Tribal communities and partnership with Tribal governments.

I look forward to engaging with the Legislative Commission on Indian Services, and Tribal Leadership in 2018, and welcome your thoughts throughout the year.

Sincerely,



Margaret S. Salazar, Director

Agency Overview

The mission of Oregon Housing and Community Services (OHCS) is to provide stable and affordable housing and engage leaders to develop integrated statewide policy that addresses poverty and provides opportunities for Oregonians.

OHCS is Oregon's housing finance agency, providing financial and program support to create and preserve opportunities for quality, affordable housing for Oregonians of lower and moderate incomes. OHCS administers federal and state antipoverty, homeless energy assistance, and community service programs. OHCS also assists in the financing of single-family homes, the new construction or rehabilitation of multifamily affordable housing developments, as well as grants and tax credits to promote affordable housing.

OHCS delivers these programs primarily through grants, contracts and loan agreements with local partners and community-based providers, and has limited direct contact with the families and individuals with low-income that benefit from our programs. OHCS administers resources for the development and preservation of multifamily housing through an annual Notice of Funding Availability (NOFA). Oregon Administrative Rules Chapter 813, Division 230 and Oregon Revised Statutes 458.505 stipulates that anti-poverty funds, administered by OHCS, shall be distributed to established Community Action Agencies across the state. These funds include rental assistance, homeless, low-income energy assistance, weatherization, Community Services Block Grant and other funding as it becomes available to OHCS.

OHCS's sources of funds are varied and include federal and state resources that have complex regulatory compliance requirements, making stewardship, compliance monitoring, and asset management all critical roles for OHCS staff.

OHCS is governed by the Oregon Housing Stability Council. Established in 1971 by the Oregon Legislature, the Housing Council was charged with meeting the tremendous need for the provision of affordable housing for lower income Oregonians. The Council consists of nine members appointed by the Governor, subject to confirmation by the Senate.

Pursuant to ORS 456.555 (5)(a)(b)(c), the Oregon State Housing Council, with the advice of the Director, sets policy and approves or disapproves rules and standards for programs, and approves or disapproves loans and grants, and carries out the provisions of ORS 456.561 and ORS 456.571.

During 2017, three new Housing Stability Council members were appointed by Governor Brown:

- Dr. Gerardo Sandoval, Department of Planning, Public Policy and Management at the University of Oregon
- Charles Wilhoite, managing director with Willamette Management Associates
- Tricia Tillman, public health professional focused on improving the health and well-being of culturally diverse communities

2017 Legislative Update

The 2017 Oregon Legislature adjourned on July 7, 2017. Historic investments were made in the Emergency Housing Account (EHA), State Homeless Assistance Program (SHAP), the Local Innovation and Fast Track (LIFT) housing program and affordable housing preservation. A number of critical policy bills that create opportunity for Oregonians also made their way into law.

Legislative Investments:

\$40M – Emergency Housing Account (EHA) and State Homeless Assistance Program (SHAP)

\$80M – Local Innovation and Fast Track Housing Program (LIFT)

\$25M – Affordable housing preservation funding

Program Bills:

Affordable Housing Preservation (HB 2002)

Supports the agency's work to prioritize preservation and better monitor the state's inventory of publicly supported housing.

Land Acquisition Program (HB 2912)

The Land Acquisition Program creates a revolving loan program to allow affordable housing developers to purchase and hold land for future development.

Mental Health Housing (HB 3063)

Formalizes the partnership between OHCS and the Oregon Health Authority and establishes a program for the development of mental health housing and residential services.

Rent Guarantee Program (HB 2724)

The Rental Assurance Fund for Tenants restores a mitigation fund at OHCS that covers a portion of landlords' expenses for damages caused by a tenant who has completed a tenant education program.

Local Innovation and Fast Track Housing Program (HB 3175)

This bill makes statutory changes to allow LIFT general obligation bonds to support affordable homeownership.

State Home Owner Weatherization Program (SB 100)

Transfers the State Home Owner Weatherization (SHOW) program from the Oregon Department of Energy to OHCS. The SHOW program brings a new funding source to the agency to support low-income weatherization for oil-heated homes.

2017 Agency Key Strategic Goals and Initiatives

Statewide Housing Plan:

The Oregon Legislature tasked OHCS with leading the state in housing policy and serving as the central source of affordable housing data, training and technical information, and requires the agency to complete a Statewide Housing Plan.

Over the past several years, OHCS has been restructuring, refocusing and reimagining the department. This work has led to an increased focus on data, research, and customer service. In 2017, OHCS launched extensive outreach toward the development of a new Statewide Housing Plan.

The Statewide Housing Plan will clearly articulate the extent of Oregon's housing problem and what can be done to address it. OHCS has committed to the Housing Stability Council and stakeholders that the plan will be responsive to the needs of the State and include elements to advance an equity agenda, as well as "Promising Practices" to consider what is working well to meet the housing need and reduce poverty. The Plan will provide examples to highlight what is currently working in Oregon communities, and successful approaches in other states.

The planning process and engagement will continue throughout 2018, resulting in a Statewide Housing Plan and 5 year Implementation Plan to begin in 2019.

Statewide Supportive Housing Strategy Workgroup:

The Oregon Health Authority (OHA) and Oregon Housing and Community Services (OHCS) are collaborating to sponsor a Statewide Supportive Housing Strategy Workgroup. The workgroup will advise OHA and OHCS on key program and policy considerations and develop an implementation framework to support the housing services and health service needs of homeless individuals or individuals at risk of homelessness. The workgroup will leverage legislative, local, and state agency (OHA and OHCS) investments to develop strategies for increased supported and supportive housing capacity across the state. Brandon Tupper from Klamath Tribal Health & Wellness Center is a member of this Workgroup to help bring the perspective of a tribal health provider. For policy and facilitation support, OHCS and OHA have contracted with Technical Assistance Collaborative (TAC), a nationally recognized leader in developing supportive housing.

Ending Veterans Homelessness:

Governor Brown launched the initiative to end veterans homelessness, and tasked OHCS with leading a partnership with Oregon Department of Veterans Affairs along with service providers throughout the state to focus resources on the veterans population. Significant attention and resources, particularly from local governments, have been focused towards housing Oregon's homeless veterans and these numbers indicate progress is being made. OHCS and partners are addressing veteran homelessness through outreach, intervention, rental assistance, producing new housing units and homeownership.

OHCS Equity Council:

In 2015, OHCS formed an Equity Council. Throughout 2017, OHCS has prioritized developing a common understanding of equity and an equity framework.

The charter for the Equity Council states that the council exists to advance social equity and promote inclusivity in the agency's internal operations, organizational culture, and service delivery. The purpose is to strengthen the cultural awareness of all staff and provide tools to help recognize unintentional bias in the workplace. It is acknowledged that greater staff capacity in these areas will aid the department in our efforts to advance equitable outcomes for low income Oregonians, and in particular, to consider strategies that can help overcome historic disparities.

Key Program Highlights

Oregon Housing and Community Services works closely with a large and diverse network of partners to provide critical program services throughout Oregon and tribal nations. This

includes tribal, federal, regional and local governments, housing authorities, community development corporations, Community Action Agencies, and many more.

Low Income Housing Tax Credit Program

The Low Income Housing Tax Credit (LIHTC) Program provides federal income tax credits to developers who construct, rehabilitate, or acquire and rehabilitate qualified low-income rental housing. These development projects encompass multifamily rental housing units. Eligible applicants include both for-profit and nonprofit sponsors. These credits are issued through a competitive Notice of Funds Availability (NOFA) application process.

Early in 2017, federal corporate tax reform negatively impacted the Low Income Housing Tax Credit equity market creating consequences for the 33 multifamily affordable housing projects in the OHCS “pipeline”. These projects received funding reservations based on tax credit pricing that is no longer available. In order to move forward with viable development projects, the 2016 awardees received additional 9% credits to maximize eligible basis.

In light of the federal uncertainty and after deliberation with Housing Stability Council and development partners to consider scenarios, OHCS decided to forgo issuing a 2017 LIHTC and HOME NOFA. Instead, Housing Stability Council approved 9% LIHTC awards to additional 2016 applications, reserving some credits for gaps in the 9% LIHTC projects that received awards in November 2016.

Staff initiated the funding process by reaching out to all 18 potential projects to ensure continued interest in being considered for funding, as well as to review scoring elements to ensure any issues raised with quantitative measures were addressed before moving forward with funding recommendations. Based on the review of information submitted by applicants, there were not significant alterations to project rankings. Staff made funding recommendations to the Director based on the updated application scores and ranking by geographic region based on resource availability.

Individual Development Accounts (IDAs)

Individual Development Accounts, or IDAs, are matched savings accounts that build the financial management skills of qualifying Oregonians with lower incomes while they save towards a defined goal. IDAs build pathways of opportunity and create models of economic success in Oregon communities. The Oregon IDA Initiative has helped thousands of Oregonians build critical foundations of economic stability for themselves, their families, and their communities. Participants work with a local nonprofit organization to make a plan to save their hard-earned dollars, build financial skills and savings habits. Once their savings goal is complete,

each dollar they save is matched with an average of \$3 dollars. The matching funds come from contributions raised yearly through a 70 percent Oregon State Tax Credit.

During 2017, Oregon Housing and Community Services announced funding awards of \$10,028,250 to give Oregonians with low incomes hope for the future and a pathway out of poverty through asset building. These funds have been distributed through a network of nonprofit organizations, which comprise the Oregon Individual Development Account (IDA) Initiative, in communities across Oregon.

Warm Springs Community Action Team (WSCAT) received \$317,000 to administer the program for Warm Springs Tribal Members in Deschutes, Jefferson and Wasco Counties. Warm Springs Community Action Team (WSCAT) is a community-based, 501(c)(3) organization located in Warm Springs, Oregon. WSCAT's mission is to alleviate poverty on the Warm Springs Indian Reservation.

Homeownership Centers & Down Payment Assistance

Using OHCS homeownership programs for dwellings on sovereign land presents challenges and regulatory restrictions. The agency continues to work with tribes, financial partners, and service providers to overcome barriers to homeownership lending on tribal lands as well as other locations. Homeownership Centers throughout Oregon provide services to American Indians both on and off tribal lands. During 2017, 254 Native American clients were assisted through Homeownership Centers, 6 Native American clients utilized the Oregon Bond/Residential Loan program, and 2 Native American client received down payment assistance.

OHCS staff conducted an informal survey of Homeownership Centers to learn more about Tribal Partnerships. Some Homeownership Centers have established relations with tribes: NW Umpqua works with Klamath Tribes, Housing Authority of Yamhill County works with the Confederated Tribes of Grand Ronde, NEDCO has an ongoing partnership with The Siletz Tribe, and Community Lending Works has worked with the Coquille Tribe to set up a tribal loan fund that provides both business and consumer loan products as well as business development services.

In addition, OHCS Single Family Homeownership Manager attended a HUD Training in November to learn about topics related to mortgages on tribal trust land.

Energy Assistance and Weatherization Programs

Energy Assistance and Weatherization Programs mitigate high energy costs, address health and safety risks, and improve energy efficiency in the homes of low-income Oregonians. Services include utility bill payment assistance, health and safety improvements, heating system repair

and replacement, energy conservation services, base load measures (including replacement of inefficient appliances and lighting), and energy conservation education.

OHCS does not currently contract with any of Oregon's nine federally recognized tribes to provide weatherization services on tribal lands. All Native Americans residing in Oregon, regardless of tribal enrollment are eligible to receive weatherization services through OHCS programs. The Confederated Tribes of Grand Ronde, The Confederated Tribes of Siletz, The Confederated Tribes of Warm Springs, The Klamath Tribes, Burns Paiute Tribe, and The Confederated Tribes of Umatilla Indian Reservation conduct weatherization activities in conjunction with their local Community Action Agency partners.

Low-Income Energy Bill Payment Assistance

OHCS administers funds from the U.S. Department of Health and Human Services (HHS) through the Low-Income Home Energy Assistance Program (LIHEAP) provide energy assistance payments to vendors (i.e., utilities and heating oil companies) to help low-income households pay energy bills. These funds also provide energy education, energy conservation activities, and outreach support designed to assure that eligible households are made aware of the assistance available.

The Klamath Tribes, Cow Creek Band of Umpqua Tribe of Indians, Confederated Tribes of Grand Ronde, Confederated Tribes of Warm Springs, Confederated Tribes of Siletz, and the Confederated Tribes of Coos, Lower Umpqua, and Siuslaw Indians have administered LIHEAP programs for several years now. Each tribe applies for direct funding through HHS to administer the LIHEAP funds for tribal members.

During 2017, OHCS staff continued to provide program and data management support as well as technical assistance to tribal staff. Specifically, OHCS provides, at no cost, access to proprietary OPUS software for both the Klamath Tribes and the Cow Creek Band of Umpqua Tribe of Indians. The OPUS software functions to create energy assistance payments for clients, manage the payment process, manage client level data, and to generate various program management reports. OHCS staff traveled to Klamath Falls to provide direct training to Klamath Tribe staff in the use of the OPUS system and program management requirements and also met with Warm Springs staff at the NeighborImpact office in Redmond. OHCS continues to commit staffing resources to provide technical assistance and general OPUS software support to tribal staff throughout the year.

SB 770 Tribal Cluster Participation

During 2017 OHCS Tribal Liaison attended one of two meetings held by the Economic and Community Services Cluster, and three of four meetings held by the Health and Human Services

Cluster. For each Cluster meeting there is substantial planning involved with the interagency teams.

The Clusters are helpful networks for distributing information about OHCS funding opportunities. In particular, during 2017 several emails were distributed about funding opportunities including the Wildfire Damage Relief Program, Mental Health Housing, Veterans Housing, and Workforce Housing.

In addition to presenting information at the Cluster meetings, OHCS engaged with each of the nine tribes during Statewide Housing Plan outreach activities during the summer and fall. The purpose of the initial phase of outreach was to let Tribes know about the planning process and initiate discussion about their interest in participating in the Statewide Housing Plan. The engagement was also helpful to gain a better understanding of each tribe's housing programs, and priorities.

Conferences and Trainings

OHCS's Tribal Liaison participated in a Mixed Income Development Training held by First Nations Development Institute in early May. This training was an opportunity to share technical details about OHCS resources.

OHCS's Tribal Liaison discussed the Statewide Housing Plan with the Affiliated Tribes of the Northwest Indians Housing Committee during the May meeting held in Portland.

OHCS's Single Family Section Manager attended the HUD Mortgaging Tribal Trust Land training in November.

Government to Government Goals for 2018

Working with Oregon's Tribes and ensuring access to resources is a priority for OHCS.

We look forward to continued staff participation with the Legislative Commission on Indian Services, SB 770 Health & Human Services, and Economic Development and Community Services clusters, as well as other opportunities for discussions such as the Oregon Coastal Caucus and the State-Tribal Government to Government Summit, and forums such as the Affiliated Tribes of Northwest Indians, and Northwest Indian Housing Association. OHCS Tribal Liaison will be presenting at the January 2018 meeting of the Northwest Indian Housing Association. We will be seeking ways to leverage the existing networks, or create new networks for improved communication about opportunities. Throughout 2018, as the Statewide Supportive Housing Strategy Workgroup tackles the complexity of serving a population with medical needs and high barriers to housing, information will be brought to the Health and Human Services Cluster meetings.

We hope to continue building relationships, and schedule site visits with all nine Tribes to better understand priorities and develop partnerships. Through the development of the Statewide Housing Plan, OHCS will be exploring promising practices in other states to identify models for improved service delivery. In our inter-agency work and cross sector work, we will seek opportunities to engage with Tribes for innovative, approaches and improved outcomes for tribal communities and their members. We would welcome the opportunity to present the Statewide Housing Plan at a Legislative Commission on Indian Services quarterly meeting in 2018.

