

Government to Government Report

December 2019



Summary

In accordance with Senate Bill 770 (2001) and Oregon Revised Statutes 182.162 to 182.168, Oregon Housing and Community Services (OHCS) is submitting the following report to the Governor and the Legislative Commission on Indian Services.

This report includes an overview of OHCS, an update since the last Government to Government Report was prepared, a description of key agency services, and 2020 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 2020, and welcome your thoughts throughout the year.

Sincerely,

A handwritten signature in black ink, appearing to read 'MS Salazar', with a long horizontal line extending to the right.

Margaret S. Salazar, Executive Director

Oregon Housing and Community Services

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, create and preserve opportunities for quality, affordable housing for Oregonians of lower and moderate income. OHCS administers federal and state antipoverty, homelessness, 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 program primarily through grants, contracts and loan agreements with local partners and community-based providers, and has limited direct contact with families and individuals with low-income that benefit from our programs. OHCS administers resources for the development and reservation of multifamily housing through Notices of Funding Availability (NOFAs).

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, homelessness service dollars, low-income energy assistance, weatherization, Community Services Block Grant and other funding as it becomes available to OHCS.

OREGON HOUSING AND COMMUNITY SERVICES

OHCS's sources of funds are varied and include federal and state resources which have complex regulatory compliance requirements, and thus stewardship, compliance monitoring, and asset management are all critical functions played by OHCS staff.

OHCS is governed by the Oregon Housing Stability Council. Established in 1971 by the Oregon Legislature, the Housing Stability Council is 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 Housing Stability 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 ORS456.561 and ORS 456.571.

In 2019, two new Housing Stability Council members were appointed by Governor Brown and confirmed by the Senate:

- Sami Jo Difuntorum is the National American Indian Housing Council representative for Oregon, Washington and Idaho, and Housing Executive Director for the Confederated Tribes of Siletz Indians.
- Barbara Higinbotham, Executive Director of Community in Action in Ontario, Oregon.

Statewide Housing Plan Implementation

In February, the Housing Stability Council adopted the Statewide Housing Plan. The Statewide Housing Plan is a 5 year strategic plan for the agency, with 6 key priorities:

Equity and Racial Justice Priority - *Advance equity and racial justice by identifying and addressing institutional and systemic barriers that have created and perpetuated patterns of disparity in housing and economic prosperity.*

A key part of implementing this priority in 2019 was becoming an active member of the Government Alliance on Race and Equity (GARE). OHCS is participating in the 9-month GARE Northwest program, with 13 staff from across the agency training to become a leader and resource for agency efforts.

OHCS must understand the specific and unique needs of underrepresented communities, and must examine how the agency is currently serving those communities. OHCS has established a Data Equity Workgroup (DEW) with a charge to assess and standardize equity measures in our data systems. Knowing that data collection and analysis is critical to this process, but data often can come with their own sets of biases and tend to reflect dominant culture norms.

Homelessness Priority – *Build a coordinated and concerted statewide effort to prevent and end homelessness, with a focus on ending unsheltered homelessness of Oregon's children and veterans.*

The 2019 – 2021 biennium is a foundation-setting period to improve the homeless response system with Community Action Agencies. This work will focus on equity, data capacity, aligning Emergency Housing Assistance

OREGON HOUSING AND COMMUNITY SERVICES

(EHA) and State Homeless Assistance Program (SHAP) to improve outcomes, and building new infrastructure to deliver services. Key implementation successes include housing 587 Veterans through Operation Welcome Home, and providing funding for winter shelters to 16 organizations throughout the state this year.

Permanent Supportive Housing Priority - *Invest in permanent supportive housing, a proven strategy to reduce chronic homelessness and reduce barriers to housing stability.*

The 2019 Legislative Session provided funding to implement this priority, with \$50 million for capital construction and \$4.5 million to develop a rental assistance program with the Oregon Health Authority. The intent of these resources is to provide development capital and/or rent assistance and supportive services funding to 500 households. To launch the effort, OHCS established the Permanent Supportive Housing Institute and selected 10 project teams to participate in this training cohort. Warm Springs Housing Authority is a participant in Permanent Supportive Housing Institute.

Affordable Rental Housing Priority – *Work to close the affordable rental housing gap and reduce housing cost burden for low-income Oregonians.*

OHCS is steadily working to achieve the 5 year goal of 25,000 new homes under development. Currently, we have 10,016 affordable homes that have completed construction or are in the development process. Other key implementation actions in support of increasing housing supply include updating the Qualified Allocation Plan, adopting a new data system, and working to assess capacity needs in rural communities.

OREGON HOUSING AND COMMUNITY SERVICES

Rural Priority – Change the way OHCS does business in small towns and rural communities to be responsive to the unique housing and service needs and unlock opportunities for housing development.

This priority includes strategies to build relationships with developers, local governments and tribal governments to improve access to resources. While developing the Statewide Housing Plan, OHCS heard from rural stakeholders about difficulty in accessing resources for constructing housing due to market conditions and in many cases, the lack of capacity to navigate complicated funding sources. Tribally Designated Housing Entities provided feedback about difficulty in competing for resources and lack of information about program funding. OHCS is in the process of launching a capacity strategy to address many of these issues. Agency staff has also been incorporating feedback from stakeholders while developing new or updating existing program guidelines. One key new funding source is the Greater Oregon Housing Accelerator to assist with housing for moderate incomes, in partnership with employers. The legislature allocated \$5 million for this new program, to be developed in 2020. Many rural communities have a large portion of their housing stock as manufactured housing. OHCS received a \$12 million investment from the legislature to preserve parks and replace old and unhealthy manufactured homes.

Homeownership Priority – Provide more low and moderate income Oregonians with the tools to successfully achieve and maintain homeownership, particularly in communities of color.

Affordable homeownership is a critical component of any forward-thinking strategy that seeks to address both housing and prosperity. In markets with rising home prices, fixed home payments insulate homeowners from displacement pressures. Homeownership provides an

avenue to build wealth and home equity that can support college education, business startup, or other financial needs. Across the income spectrum, communities of color have lower homeownership rates than whites due to historical and ongoing discriminatory lending and disparate access to home financing. OHCS will expand the reach of existing homeownership programs for low- and moderate-income households and explore innovative new programs to address unmet needs in the marketplace and to increase the number of homebuyers of color in homeownership programs through engagement with culturally responsive organizations and intentional program design. The Oregon Legislature convened the Joint Task Force on Addressing Racial Disparities in Home Ownership, and OHCS provided testimony, data and support to the task force priorities. As referenced in the Rural Priority, there is significant leadership in place to tackle manufactured housing issues which is being led by the OHCS Homeownership team.

2019 Legislative Highlights

Under the leadership of Governor Kate Brown, OHCS entered the 2019 Legislative Session with a bold agenda to advance the Statewide Housing Plan and address needs across the housing spectrum from homelessness to stable rental housing to homeownership. The Legislature answered the call with a historic investment of over \$336.5 million that will advance a coordinated response to address the housing crisis. OHCS will bring together cross-sector partners to build a lasting housing infrastructure that serves all Oregonians in communities large and small.

- \$45M for funding the Emergency Housing Account (EHA) and the State Homeless Assistance Program (SHAP) to provide assistance to Oregonians who are homeless or unstably housed and at risk of

OREGON HOUSING AND COMMUNITY SERVICES

- becoming homeless and \$5M dedicated to strengthening shelter capacity.
- \$14.5M of federal Temporary Assistance for Needy Families (TANF) funds to help families avoid or escape homelessness through partnership with the Department of Human Services.
 - \$5M for the Greater Oregon Housing Accelerator to help develop new housing for employees so they can live in the communities where they work.
 - House Bill 2056 modifies the Housing Development Guarantee to lessen the risk for housing developers in rural communities. The account has an existing coffer of \$15 million.
 - \$6M for rental market resources so housing insecure families and individuals can access housing.
 - \$150M in Article Q Bonds for the Local Innovation and Fast Track (LIFT) Housing Program to construct housing for underserved populations, namely communities of color and rural communities. The LIFT program also includes homeownership development to build intergenerational wealth and stability.
 - \$25M to preserve existing affordable housing. Affordable rental homes are part of our community's infrastructure and these investments will ensure access for generations to come.
 - \$15M for acquisition of attainable rental market housing to help ensure communities are not displaced by speculative market practices and will allow OHCS to quickly increase the supply of affordable housing.
 - \$15M to provide additional protections and opportunities for residents of manufactured housing, which includes the

- aforementioned investment to preserve parks and replace old and unhealthy manufactured homes.
- \$1.5M to support the Oregon Foreclosure Avoidance program and homeownership counseling.
 - \$50M for permanent supportive housing development and \$4.5M for operations and supportive services in partnership with the Oregon Health Authority.

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, food banks, 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 non-profit sponsors. These credits are issued through a competitive Notice of Funds Availability (NOFA) application process at the beginning of each calendar year.

The LIHTC program requires each state housing finance agency to have a Qualified Allocation Plan (QAP) to establish the eligibility criteria and scoring process for awarding 4% and 9% federal tax credits to housing properties. In 2019, OHCS initiated outreach to update Oregon's QAP in

support of Statewide Housing Plan Priorities. In March, OHCS distributed a survey to all stakeholders and partners including, Oregon's 9 Tribally Designated Housing Entities (TDHEs), to gather feedback about key considerations for Oregon's QAP. Several states have a "tribal set-aside" of credits, and adopting this approach in Oregon was met with broad support. Additional feedback from TDHEs was gathered during a conference call on May 30th with OHCS Director of Housing Finance. The QAP was adopted by Housing Stability Council in October and has been approved by Governor Kate Brown.

Under the new QAP, tribes will have access to a 10% Tribal Lands Set-Aside. This means 10% of the total federal LIHTC allocation for Oregon is prioritized for projects sponsored by tribal governments, tribally designated housing entities or tribal corporate entities on tribal trust land.

During 2019 OHCS staff continued working closely with partners on the Nesika Illahee (Holman 42) project in NE Portland. This project received funding in 2018 including LIHTC, conduit bonds, and Local Innovation and Fast Track (LIFT) funds. The project is innovative with the Confederated Tribes of Siletz Indians contributing \$1.7 million from Indian Housing Block Grant to allow 20 homes of the total 59 affordable homes to house Siletz Tribal Members and Native American residents. Native American Youth and Family Center (NAYA) and Native American Rehabilitation Association (NARA) will provide services to residents of this property. The grand opening of these new homes will occur in January 2020.

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 90% Oregon State Tax Credit.

In April 2019, Oregon Housing and Community Services announced funding awards of \$9,600,000 to give Oregonians with low incomes hope for the future and a pathway out of poverty through asset building. These funds are 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 \$475,000 to administer the program for Warm Springs Tribal Members in Deschutes, Jefferson and Wasco Counties. 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. OHCS staff have had discussions with WSCAT to understand key issues for increasing homeownership opportunities on the 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 Indian/Alaska Natives both on and off tribal lands. From January 2019 – September 2019, the following number of American Indian/Alaska Native clients were assisted through Homeownership Centers: 792 clients received home buyer education and counseling; 64 clients purchased homes; 10 received down payment assistance, and 2 purchased homes utilizing the Oregon Bond Residential Loan program. OHCS added Section 184 Loans in late 2018, but have not funded any of those loans to date.

In 2018, the Oregon Legislature passed HB 4010, establishing the Task Force on Addressing Racial Disparities in Home Ownership. The Task Force is charged with identifying the barriers to homeownership that people of color face in Oregon; developing recommended solutions, including legislation, to modify practices or procedures for mortgage loan applications and approvals to eliminate any impermissible discrimination or barriers; and developing solutions to improve other conditions that reduce or prevent homeownership among people of color in this state. OHCS staff participated by providing technical information and data to the Task Force. The Task Force meetings from October 2018 to January 2019 focused on identifying the systemic barriers to homeownership for people of color. Task Force meetings on July 29, 2019 and August 14, 2019 focused on discussing each barrier to identify policy solutions for further research and develop recommendations. In September 2019, the Task Force published 13 preliminary recommendations including:

Convene a work group with Oregon's nine federally recognized Tribes to identify homeownership needs and develop recommendations for state programs and investments to increase homeownership rates for tribal members.

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) 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 and bill assistance for tribal members.

This federal program requires each state to have agreements in place with Tribes to support the federal allocation. During 2019, OHCS met with Warm Springs program leadership on two different occasions. This was and continues to be an effort to ensure we have a collective understanding of the data that informs allocation amounts and to work towards finalizing a new agreement consistent with federal regulations. OHCS will also initiate discussions with the other five referenced Tribes during calendar year 2020. This too will be an effort to understand each Tribe's needs regarding energy assistance, to understand available data, and to ensure OHCS has an executed agreement in place for each of the six Tribes receiving LIHEAP funding directly from HHS.

During 2019, 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 and track energy assistance payments for clients, manage the payment process, manage client level data, and to generate various program management reports. 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

Tribal Liaison Staff Engagement with Tribes

During 2019 OHCS tribal liaison attended two meetings of the Legislative Commission on Indian Services (LCIS). OHCS staff attended one of two meetings held by the Economic and Community Services Cluster, and 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 learning about tribal priorities and initiatives, as well as distributing information and getting feedback about OHCS funding opportunities. In particular, during 2019 information was distributed about legislative and budget priorities, along with key initiatives and funding opportunities to implement the Statewide Housing Plan such as Permanent Supportive Housing.

Tribally Designated Housing Entities (TDHEs) do not attend Cluster meetings, but OHCS staff provides information to tribal housing staff and follows up as needed after Cluster meetings. Permanent Supportive Housing (PSH) was a topic of interest to Warm Springs and Confederated

OREGON HOUSING AND COMMUNITY SERVICES

Tribes of Umatilla Indian Reservation and OHCS staff had individual conversations with both TDHEs about the Permanent Supportive Housing Institute application process. Warm Springs was selected as member of the PSH Cohort and will receive technical assistance from a national organization along with access to resources when they are ready for construction funds.

During 2019, OHCS tribal liaison participated with leadership from LCIS and Governor Brown's Office to implement recommendations from the Task Force on Oregon Tribal Cultural Items. The training and monthly brown bag lunches were very helpful to understand the requirements for each agency to document potential cultural items of interest to the tribes. OHCS completed the cultural items report and awaits feedback from LCIS and the tribes.

OHCS is a supporter of the Northwest Indian Housing Association (NWIHA) and attends regular meetings to understand tribal housing issues and opportunities. The spring meeting was hosted by the Coquille Tribe and included a tour and special ceremony.

During 2019, there were two meetings in Warm Springs with multiple state and federal agencies to discuss infrastructure needs in response to the water crisis on the reservation and other community development opportunities. OHCS staff attending both meetings to understand how the agency can be supportive, resulting in Warm Springs application to the Permanent Supportive Housing cohort.

Other activities include OHCS tribal liaison attending the Portland State University Institute for Tribal Government Certificate program, and in November, OHCS hosted a Native American Heritage Month training by Julie Johnson, Director of Tribal Affairs at the Oregon Health Authority.

Tribal Engagement Goals for 2020

OHCS is setting ambitious goals for tribal engagement in 2020. Specifically with OHCS Tribal Liaison bringing expertise from the PSU Institute for Tribal Government Certificate Program back to OHCS leadership to increase awareness and formalize processes for tribal engagement. In addition, with new leadership on the Housing Stability Council, Sami Jo Difuntorum can elevate the needs of tribes at that level as well.

There are a number of opportunities through the LCIS Cluster meetings to address priorities of mutual interest with the 9 Tribes including homeless foster youth, supportive housing for people with mental and behavioral health issues, housing for tribal members as they leave the prison system, veterans housing, and workforce housing. OHCS Tribal Liaison will be working closely with the LCIS Director, and leadership with Health and Human Services Cluster and Economic and Community Services Cluster to plan for a Tribal Housing Summit during 2020.

OHCS will also be developing an education and outreach strategy specifically related to the Low Income Housing Tax Credit (LIHTC) program. This will include engaging with OHCS LIHTC staff to discuss potential housing projects of interest with each tribe to understand what technical assistance or capacity would be helpful for tribal housing entities. In addition, there is an opportunity for outreach on HB 2003 related to Regional Housing Needs Analysis and how to best incorporate tribal housing needs into this planning process.

OHCS Tribal Liaison will provide support toward engaging with the 6 tribes receiving LIHEAP funding. This federal program requires each state to have agreements in place with tribes to support the federal allocation.

OREGON HOUSING AND COMMUNITY SERVICES

During 2020, OHCS will seek to develop agreements as required by federal policy.

Finally, it is imperative to develop a Tribal Consultation Policy for the agency. OHCS Tribal Liaison will initiate this critical document to set a lasting foundation for successful Government to Government relations going forward.

CONTACT:

Kim Travis

Housing Integrator | Tribal Liaison

[Oregon Housing & Community Services](#)

725 Summer St NE, Suite B | Salem, OR 97301

C: 503-428-3843

Kim.travis@oregon.gov

Pronouns: she | her | hers