Government-to-
Government Report

December 2021
Summary

In accordance with Senate Bill 770 (SB) and Oregon Revised Statutes (ORS) 182.162 to 182.168, Oregon Housing and Community Services submits 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 2022 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 2022, and welcome your thoughts throughout the year.

Sincerely,

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, creating, and preserving 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 programs primarily through grants, contracts and loan agreements with local partners and community-based providers and has limited direct contact with low-income families and individuals that benefit from our programs. OHCS has committed to a long-term community engagement strategy, including tribal engagement. OHCS administers resources for the development and reservation 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 which have complex regulatory compliance requirements, which, historically, have been barriers to many communities. Therefore stewardship, compliance monitoring, and asset management are all critical functions played by OHCS staff, in addition to capacity building for those wanting access to said resources.

OHCS is governed by the Oregon Housing Stability Council. Established in 1971 by the Oregon Legislature, the Housing 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 ORS 456.561 and ORS 456.571.

Housing Stability Councilors:

- Chair Claire Hall, Lincoln County Commissioner
- Javier Mena, Affordable Housing Manager at the City of Beaverton
- Sami Jo Difunctorum, Siletz Tribal Housing Executive Director
- Barb Higinbothum, Community in Action Executive Director
- Mary Ferrell, Maslow Project Executive Director
- Candace Jamison, Marion Co. Housing Authority Executive Director
Statewide Housing Plan Implementation

In February 2019, 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.

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.

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

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

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

2021 Statewide Housing Plan Updates:

OHCS is continuing to implement priorities to advance Equity & Racial Justice with intention and recognizes Black, Indigenous, Latino/a/x, Asian American and Pacific Islander, and Tribal communities have been historically excluded from decision-making and policy and program development. OHCS is examining how the agency is serving these communities and developing an agency structure to support ongoing learning and evaluation.

In 2021, the Equity Committee continued to look at and review the agency’s direction and approach in Equity and Racial Justice work. The new Equity Committee structure helps ensure we are centering Equity & Racial Justice across the agency, support agency transformation and help focus on both internal capacity and skill building and implementing this work within community. The Equity Committee Structure includes Equity Council, Equity Lab, Data Equity Workgroup (DEW), Diversity and Inclusion Best Practices, and Professional Equity, Growth and Empowerment (PEGE). Each group has a very specific scope of work and charter to help guide important decision-making.

Specifically, the Equity Lab will focus on being a thought leader of equity strategy and practice development that impact program’s ability to effectively, consistently, and in coordination center equity and racial justice across the agency. This includes the development of a
customized REAT—the racial equity analysis tool. This REAT can be applied to various programs within OHCS to better understand where inequity issues may live, what data, both qualitative and quantitative, we need to inform decision-making and understanding the context of disparity. The Diversity & Inclusion Best Practices Committee will ensure the creation and support of an organizational culture promotes diversity and fosters inclusion and belonging. The Professional Equity, Growth and Empowerment Committee will focus on both internal capacity building and skill building around Equity and Racial Justice work. The Data Equity Workgroup will support advancing Equity and Racial Justice by exploring the implicit biases in existing internal and external data collection methods, evaluate and explain the impact of implicit bias on the work of agency, and to take steps for the agency to address and remediate identified issues. The Equity Council, which is made up of the Executive Team and the co-chairs of each committee, will lead, guide, support or direct the equity, racial justice, diversity, and inclusion work of OHCS and will have full sight on the work of each committee.

The 2021 Legislative Session provided additional funding to implement the Permanent Supportive Housing priority, with the program receiving part of a $410 million budget increase. Tenancy support services were also earmarked for these developments through resource allocations provided by Oregon Health Authority. The third Permanent Supportive Housing Institute (SHI) is expected to open in early 2022. OHCS is also adding all the Federal Housing Trust Fund allocation to this second round of PSH funding to bolster capital resources and produce more PSH units. Additionally, OHCS has made Permanent Supportive Housing a
preference in the Low-Income Housing Tax Credit (LIHTC) Qualified Allocation Plan and will make Permanent Supportive Housing services and project-based rental assistance available through other fund offerings throughout the year. OHCS has had the opportunity to present the SHI to Tribal governments and leaders, and OHCS will provide preference for any tribal applicant once they complete the institute.

OHCS is steadily working to achieve the 5-year goal of 25,000 new homes under development. Currently, OHCS has 17,699 units that have completed construction or are in the development process. Other key implementation actions in support of increasing housing supply include updating the Oregon Affordable Housing Tax Credit (OAHTC) program to expand eligibility, restructuring the requirements for utilizing Private Activity Bonds, launching a new strategy to increase utilization of MWESB certified contractors including Native American and Tribal builders, updating statute and rules to better utilize the Loan Guarantee program, implementing a new data system, and working to improve capacity in rural communities.

OHCS utilized a portion of the Affordable Rental Housing capacity funds toward creating organizational capacity to respond to COVID-19, in the form of funding technological upgrades to sustain work and operations considering social distancing needs.
2021 Legislative Highlights

2021 was an unprecedented time in Oregon and OHCSs’ history and the Oregon legislature stepped up to ensure that much needed resources were provided to the agency and Oregon communities. Nearly $900 million dollars were allocated to the OHCS budget, with historic investments into affordable housing, homelessness, housing stabilization, wildfire recovery and homeownership. Combined with federal funds for rental assistance, water assistance and other critical programs, OHCS has been at the forefront of pushing out funds to the most vulnerable of Oregon’s population.

LEGISLATIVE RESPONSE TO COVID-19 AND WILDFIRES

Oregon’s elected leaders continued to spearhead efforts to address the COVID-19 crisis. While COVID-19 has continued to cause issues across government and private enterprise, OHCS was able to leverage its historic investments into expanding much needed program service. This includes programs such as:

$30 million to acquire land and property for affordable homes. As property valuations have sky-rocketed during COVID-19, these funds will help ensure OHCS can administer programs in this market.

$10 million to co-locate early learning facilities into affordable housing developments. When looking at services that Oregon families need, this
program will help the quality-of-life issues that our Oregon families face.

$10 million increase to the Oregon Energy Assistance Program.

Due to the wildfires of 2020, OHCS received more than $10 million to build new manufactured home parks in Springfield and expand the program to preserve current parks as well as decommission and replace existing homes. HB3218 increased the programs flexibility, with regards to wildfire recovery.

Besides state funds, OHCS was able to receive and administer record amounts of federal funding. With more than $500 million federal funds, OHCS was able to expand prior programs as well as roll our critical programs such as the Oregon Emergency Rental Assistance Program.

OHCS received $360 million alone in the OERAP program, to help families that suffered from job or income losses due to COVID-19. As of December 1, 2021, all these funds have been allocated.

We also saw record investments into utility assistance – in the form of a $13.4 million for water assistance programs, and $64 million in the form of energy assistance programs. These funds are being administered by local Community Action Agencies.
$7 million for Individual Development Accounts (IDAs) in HB3218. The IDA Initiative has struggled with federal tax code changes that have made the tax credit more difficult to market and sell. This investment helps to fill the hole created by lower sales.

OHCS received $27 million for shelter infrastructure, capacity, and technical assistance to improve services for Oregonians experiencing homelessness.

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, Continuums of Care, 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 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. The QAP was adopted by Housing Stability Council in October 2020. In 2021 the QAP was updated to allow for a funding preference for those areas of the state impacted by the Federally Declared Disaster.

Under the QAP, tribes have access to a 10% Tribal Lands Set-Aside. This means 10% of the total federal 9% LIHTC allocation for Oregon is prioritized for projects sponsored by tribal governments, tribally designated housing entities or tribal corporate entities on tribal trust land.

**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. Between October 2020-July 2021, the following number of American Indian/Alaska Native clients were assisted through Homeownership Centers: 128 clients received home buyer education and counseling; 8 clients purchased homes; and 4 new homeowners purchased homes utilizing the Oregon
Bond Residential Loan program. Additionally, 3 clients received HOAP down payment assistance funds.

OHCS met with each tribe on three separate occasions to discuss the HAF funds that they received and to discussed how to maximize their funds for tribal members. We engaged the tribes in more homeownership center engagement, HOAP funds, MH dollars and DPA. A lack of trust in state agencies was a barrier that was frequently brought up by the tribes.

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 many years. 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. It was OHCS intent to work with each of the six identified Tribes during calendar year 2021 to develop a collective understanding of the data that informs allocation amounts and to work towards finalizing a new agreement consistent with federal regulations. OHCS did not make measurable progress in this area during 2021 for a variety of reasons including the onset of the COVID-19 pandemic and capacity issues for several tribes. OHCS will recommit to this effort in calendar 2022 and work towards an agreeable path forward with each of the six Tribes receiving LIHEAP funding directly from HHS.

During 2021, OHCS staff continued to provide program and data management support as well as technical assistance to tribal staff. Specifically, OHCS committed staffing resources to provide technical assistance and general information from tribal information requests.

**SB 770 TRIBAL CLUSTER PARTICIPATION**

**Tribal Liaison Staff Engagement with Tribes**

As COVID-19 continued to impact tribal engagement, OHCS hired a tribal liaison to engage with the 9 federally recognized tribes of Oregon to help increase program utilization, craft a tribal consultation policy, and address
historic barriers between tribes and various programs and funding streams at OHCS. During 2021 the OHCS tribal liaison attended meetings of the Legislative Commission on Indian Services (LCIS). OHCS staff attended meetings held by the Economic and Community Services Cluster, and 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 2021 information was distributed about legislative allocations related to COVID-19, along with key initiatives and funding opportunities to implement the Statewide Housing Plan such as Permanent Supportive Housing, new energy assistance programs, and capacity building opportunities.

Tribally Designated Housing Entities (TDHE’s) do not attend Cluster meetings, but OHCS staff provides regular communication to TDHE’s, and other tribal staff. In addition, OHCS is a supporter of the Northwest Indian Housing Association (NWIHA) and attends regular meetings to understand tribal housing issues and opportunities.

In the fall of 2021, OHCS, in conjunction with LCIS, formed a tribal housing work group. This group’s sole purpose is to identify the housing needs of the tribes, how to lower barriers to housing, on and off reservation, and
potentially recommend equitable legislation to LCIS. The working group is made up of tribal leaders, housing directors, OHCS staff, and includes Housing Stability Council Member Sami Jo Difuntorum.

In addition to the input of the tribal leaders, the housing work group provides an opportunity for OHCS program staff to regularly engage with tribal leaders about new OHCS programs or changes to funding. This includes presentations about QAP, changes to the OAHTC and the Supportive Housing Institute.

TRIBAL ENGAGEMENT GOALS FOR 2022

As OHCS moves into 2022, it will continue to grow its partnership and engagement with the tribes. The highest priority for 2022 is to develop a Tribal Consultation Policy for the agency. OHCS Tribal Liaison has already begun the process of dialogue around consultation policy – as input and feedback from the tribes is critical and not a rapid process.

Another major goal is to host a Tribal Housing Summit. While the agency was not in a position to hold one in 2021, we will work to engage LCIS so that a summit can take place, or it can be part of the yearly LCIS summit. There are a number of opportunities through the LCIS housing work group to elevate issues and 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. Another key goal of 2022 is to, through rule changes or legislation, make sure that Tribally Designated Housing Entities (TDHE) are eligible for GHAP capacity building funds. Due to turnover and varying resources of the tribes, many programs and funding streams are realistically unavailable to the tribes. By allowing tribes to either apply for capacity funds or by creating a set aside, the agency hopes to lower historic barrier for tribes. There is a need for outreach and education specifically related to the Low-Income Housing Tax Credit (LIHTC) program and the tribal set-aside. Capacity building funds can help address this need. This will include engaging with each tribe to understand what technical assistance or capacity would be helpful to achieve tribal housing goals.

One major obstacle that has existed for tribes is that many of the program funds it seeks out for members experiencing homelessness or at risk of homelessness, is the need to go to CAAs to secure funding. HB2100’s task force will be looking at how homeless services dollars are allocated in the future, but the tribes would most benefit from either a set-aside or a preference when applying for competitive funds.

To improve Government to Government relationships, OHCS must increase awareness of the federal trust responsibility, and Oregon’s role in advancing this responsibility. Particularly with Federal programs such as LIHEAP, and Emergency Solutions Grant (ESG). OHCS will work towards an agreeable path forward with each of the six Tribes with the intention
of identifying direct funding linkages within LIHEAP, which is funded through US Health and Human Services. In addition, OHCS will work with US Housing and Urban Development to understand limitations and recommend opportunities where Tribes are direct recipients of Emergency Solutions Grants (ESG) to support tribal needs during a crisis. This endeavor could result in increasing tribal services to those experiencing or at risk of homelessness. OHCS Tribal Liaison will assist program staff as needed to understand barriers with allocating resources to tribes.