Setting the Standard

OREGON HOUSING
& COMMUNITY SERVICES

2003–2005
STRATEGIC PLAN

OHCS Stra

About 2001-03 Plan Results

In the 2001-03 biennium, OHCS focused its external efforts in five areas it believed could have a significant, positive impact for Oregon. The results of those efforts are outlined on the last few pages of this brochure.

When Governor Kulongoski presented his *Moving Oregon Forward* speech on May 27, 2003, he stated "I came into office with a determination to make Oregon a better place to do business, a better place to invest, a better place to create jobs, and ultimately, therefore, a better place to raise a family." In keeping with the Governor's vision for Oregon, Oregon Housing and Community Services (OHCS) has developed a strategic plan for 2003-05 to focus our external efforts in five areas which we believe will assist in the Governor's vision of *Moving Oregon Forward*.

- Hunger Relief and Food Security
- Housing as an Economic Stimulus
- Increase Energy Savings through Weatherization
- Targeted Housing for Special Needs and At-Risk Populations
- Realizing the 'American Dream' of Homeownership in Oregon

Our efforts to address these issues are outlined on the following pages. We will also be focusing our efforts in other areas, including regulatory streamlining and program innovations, strengthening capacity of community-based partners, preservation of affordable housing, manufactured dwelling park mediation services, and our other programs.

If you have questions or comments about our activities, please contact us and we will gladly offer our assistance. OHCS continually strives to *set the standard* for excellence in government services.

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For more information regarding our 2003-05 Strategic Plan, contact the team leaders listed with each goal on the following pages. For OHCS programs and initiatives, contact the Regional Advisor to the Director in your area or visit our website at www.hcs.state.or.us.

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Oregon Housing & Community Services

Our Mission

To reach out for opportunities to create partnerships that improve Oregonians' lives and the quality of our communities.

"Setting the Standard"

Our Vision

To be acknowledged as the agency that maximizes opportunities through the creative and efficient use of resources.

Hunger Relief &

Objective

Improve food security for Oregonians through the expansion of the existing Commodity Supplemental Food Program.

- **Increase food distribution by over 14,000 boxes.**
- **Increase partnerships with regional coordinating agencies in 10 selected sites.**

It should never be a question of hunger.

Current Condition

The Oregon hunger rate of 6.2 percent is nearly double the national rate of 3.3 percent.

In his inaugural address, Governor Kulongoski pledged to remove Oregon from its position as the "hungriest state in the nation." The Governor called on all Oregonians to join the fight against hunger. "For many Oregonians, tough times make it difficult to meet basic needs. Six hundred thousand of our fellow Oregonians are hungry and they need our help. It's going to take all of us—business, government, nonprofit and concerned citizens—to win the fight against hunger."

OHCS Responds

The Department's Commodity Supplemental Food Program (CSFP) currently distributes approximately 1,050 boxes of food per month to Oregon families. OHCS is developing a plan with other partners to increase capacity to 8,000 boxes of food per month by 2004, and to 16,000 boxes of food per month by 2005. CSFP food packages consist of canned fruits and vegetables, fruit juice, dried egg mix, meat/poultry/fish, nonfat dry milk, pasta products, peanut butter, rice and cereal. Although the food boxes do not provide a complete diet, they do provide a good source of the nutrients typically lacking in the diets of the target population and generally

Food Security

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last a month or more, particularly with seniors. If there are two qualifying individuals in a household, then two boxes are given to that family. The contents of the food packages vary depending on the target population served, such as the elderly, lactating or pregnant women, and young children up to the age of six.

OHCS is also working to increase partner capacity for storing and distributing food in ten selected sites, and is partnering with businesses to donate equipment to assist in the storing and distribution of food boxes. This equipment will allow our partners to greatly expand their ability to warehouse and deliver food packages.

OHCS has also met with the USDA to talk about expanding CSFP through Community Action agencies, food banks and other community based organizations. These expansions would be done at no additional cost to the state.

Through partnerships with other agencies, such as the Oregon Food Bank and the US Department of Agriculture, OHCS is committed to helping Oregon win the fight against hunger.

Housing as an Ec

Objective

Provide housing that supports the Governor's Economic Development Initiative.

- **Assist communities where lack of affordable housing is an impediment.**
- **Evaluate and implement an economic modeling tool to provide reliable projections on the impact of investments in affordable housing measured in terms of job creation, new taxes generated and impact on local economy.**
- **Provide internet access in new construction.**

Rosemont Commons, Townhomes

Current Condition

There is a tremendous need to rehabilitate and develop decent housing inventory in Oregon. This necessary work has a significant stimulus effect on our economy. New jobs are created and local vendors produce materials.

OHCS Responds

Governor Kulongoski stated: "My first priority as governor is economic development for Oregon. We can't solve our state's budget crisis if we can't get the economy moving again."

Development and rehabilitation of workforce housing is critical to the economic development in Oregon. It helps ensure that the State's initiatives to create new jobs and attract new businesses to Oregon will provide direct benefits to Oregonians. Where a jobs/housing imbalance exists, workers sometimes commute from outside Oregon or from long distances. In some high development areas a housing price imbalance exists and service workers and even entry level workers cannot afford to live near work. A lack of housing affordable to its work force is a detriment in attracting business to Oregon.

Government can provide an important economic stimulus. Government investment can defray costs, remove impediments or provide infrastructure to make community revitalization projects feasible. OHCS has participated in community revitalization efforts statewide. In Portland, we provided funding to refurbish as elderly housing the historic Rosemont Commons, and to develop affordable condominiums as part of a comprehensive neighborhood revitalization. In Pendleton, a long-abandoned, burned out

onomic Stimulus

structure was renovated as Goodwin Court, providing much needed affordable housing above commercial space. The Commodore Hotel was restored to its turn-of-the-century splendor and now serves as a model of mixed-use development in The Dalles. In Lakeview, as plans for constructing a new corrections facility were made, OHCS worked with private sector developers to ensure adequate workforce housing would be available.

OHCS will review economic models and actual data from recent projects to better identify the economic impacts of investments in housing. The models will be used to project the economic impacts of investments in affordable housing from job creation and generation of additional jobs and tax revenues to impacts on industry segments. This will provide better information to decision makers responsible for resource allocation.

With the assistance of other state agency partners, OHCS is performing an analysis to identify the Oregon communities with the greatest jobs/housing imbalance where the lack of affordable housing is a recognized impediment to economic growth. OHCS will assemble a team of top government and private sector economists to assist in evaluating nationally-recognized economic modeling tools, then create a proposed development solution for two targeted communities based on the need for worker housing and market conditions. Providing affordable housing in rural areas will stimulate the economy by creating jobs and supporting local businesses, thus putting money back into the economy.

Team Leader
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Goodwin Court, Mixed-Use

Rosemont Commons, Senior Living

Increase Energy
Low Income W

Objective

Increase the energy efficiency of 8,530 dwellings occupied by low income Oregonians, thereby reducing their energy costs by $1.62 million while safeguarding their health and safety.

Objective

Encourage our housing partners and weatherization service providers to coordinate resources for more effective conservation and energy efficiency. OHCS will provide increased training and technical assistance to community-based partners.

Current Condition

Many low- and fixed-income Oregonians are forced to choose between heating their homes or buying food or prescriptions.

Governor Kulongoski issued Executive Order 03-03, *A Sustainable Oregon for the 21st Century*, and stated "sustainability is really about quality of life—a combination of elements that together produce the richness of place and experience that we associate with Oregon. In order to achieve sustainability, actions need to occur at the community level in addition to the policy level."

OHCS Responds

Utilizing Low-Income Energy Assistance Program weatherization funds, OHCS provides energy assistance payments to vendors (e.g., utilities and heating oil companies), to assure low-income households have the help they need to pay their winter energy bills and to prevent utility shut-off.

The funds also provide energy education and conservation activities, and enable OHCS to conduct outreach activities designed to assure that eligible households are made aware of the assistance available.

Utilizing both state and federal funds, OHCS also provides weatherization services, which include insulation for attics, ducts, floors, walls; energy-saving modifications of heating systems; water heater wraps; and/or storm windows to eligible low-income owners *and* renters who could not

Savings through eatherization

otherwise afford them. Through weatherization, fuel consumption is reduced, resulting in lower heating bills.

While these weatherization programs are not new, OHCS is setting goals to do more in these areas. The new annual targets for number of multifamily units weatherized are 55 percent higher (653 units) than 2003 levels. Single family targets are 30 percent higher (2000 units). Manufactured dwelling targets are 31 percent higher (1600 units). OHCS plans to increase the ability or capacity of Community Action Agencies (CAA) to provide weatherization services by providing the training and technical assistance necessary to certify CAA coordinators and work crews in quality weatherization; adding local crews, contractors and auditors; adding flexibility to the funding process to assure each CAA has adequate funds to expand their number of units weatherized; and providing training to CAAs to better leverage of funds with other federal and private sector funds.

As these efforts promote self-reliance, affected Oregonians will make fewer demands on social programs. Also, there will be increased employment and economic benefits. A typical home could see savings of approximately $217 annually in energy costs. Every dollar in energy costs saved is a dollar that stays in the community.

No one should ever have to choose between heat and food.

Team Leader
Richard Mathews
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OHCS partners provide weatherization services throughout Oregon, reducing energy costs for low-income individuals and families, which in turn reduces dependence on payment assistance.

Targeted Housing & At-Risk

Objective

To increase the availability of housing and service programs to identified special need populations through new construction, acquisition or rehabilitation.

- **Develop for farmworkers**
  a) 200 units of community-based housing; and
  b) 140 units of on-farm housing.
- **Develop housing for 130 persons with severe and persistent mental illness.**
- **Develop housing for 30 persons with developmental disabilities.**

Current Condition

Some of Oregon's most vulnerable citizens cannot find decent housing. Developmentally disabled adults who have been cared for by their parents face an uncertain future as those parents age and may themselves require care. The chronically mentally ill are increasingly among the ranks of the homeless and are often housed in our prisons. A stable farmworker population is critical to the success of our agricultural economy.

These vulnerable populations do not always have access to sophisticated financial professionals or real estate developers typically involved in the creation of affordable housing. Parents of the handicapped, farmers or adult care groups need help to work through the complexities of housing development.

OHCS Responds

OHCS is reaching out proactively to communities, advocacy groups and service providers to identify greatest needs and potential solutions.

We have coordinated our efforts with the Department of Human Services to develop housing as a partial replacement to homes lost with the closing of Dammasch, which left a large population of chronically mentally ill in need of permanent housing.

We are providing technical assistance to parent groups and other community-based organizations providing care for developmentally disabled adults. We are facilitating creation of partnerships between these groups and groups with housing expertise.

for Special Needs Populations

OHCS has met with bankers, farmers and nonprofit developers to educate them and promote relevant legislative changes in the farmworker housing tax credit program. We are working with partners to explore innovative housing options.

Through new construction, acquisition, or rehabilitation, OHCS is committed to improving special needs and at-risk Oregonians' quality of life by developing approximately 200 units of community-based housing for farmworkers, 140 units of on-farm housing for farmworkers, housing for approximately 130 persons with severe and persistent mental illness, and for approximately 30 persons with developmental disabilities.

OHCS is dedicated to ensuring that all Oregonians have a safe and decent place to live.

Team Leader
Betty Markey
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Yaquina Breeze Apartments are designed for individuals with mental disabilities capable of living on their own when provided with supportive services.

The complex has onsite managers and a mental health case worker. Residents can access on- and offsite support programs, including case management, transportation, and a tenants' association, as well as education and skill development opportunities. Tenants are carefully screened to ensure they are capable of independent living.

Realizing the 'A

Objective

Help Oregon low-income and minority households buy an affordable home of their own.

- **Implement changes to the Residential Loan Program to provide one-half the annual borrowers served the option of a loan that includes a down payment/closing cost assistance grant of 1.75% of their loan amount, without increasing the demand on tax payers.**
- **Increase the low-income households served by the Residential Loan Program to 75% or more, and the borrowers who complete a homebuyer education program to 20% or more.**
- **Increase the percentage of minority and ethnically diverse households served by the Residential Loan Program to 20% or more.**

Current Condition

A major obstacle to purchasing their first home for low- and moderate-income Oregonians is a lack of adequate funds for down payment and closing costs. Historically, the OHCS first-time homebuyer loan program provided below-market rate loans, but little help was available for down payment assistance.

According to US Census figures, between 1990 and 2000 Oregon's median household income increased by 50.2 percent, while the median value of owner-occupied homes increased by 126.7 percent. Though homeowners have enjoyed enormous real estate gains during this time, renters have been left behind. The growing gap between wages and housing costs increasingly are making it more difficult for low- and moderate-income families to buy their first home. Oregon's homeownership rate of 64.3 percent is below the national average of 66.2 percent. Of further concern is the homeownership rate for minority households. Oregon's homeownership rates are also well below the national averages for African Americans, Hispanics and Native Americans.

OHCS Responds

OHCS is implementing significant changes, including issuing "premium bonds" to provide greater flexibility to Oregonians who would otherwise be unable to buy a home due to lack of down payment or closing costs.

OHCS helps first-time homebuyers purchase a home by providing access to homebuyer education, providing down payment and closing cost assistance, and below-market rate financing through its Residential Loan Program.

merican Dream'

OHCS provides low income households with closing cost assistance through the Home Purchase Assistance Program (HPAP) in partnership with the lending industry. HPAP is designed to help low-income, first-time homebuyers access the cash they need to close their first home loan. OHCS is implementing changes to its current program to provide one-half of the annual borrowers served the option to choose a loan which includes a cash assistance grant of 1.75 percent of their loan amount.

The OHCS Residential Loan Program helps low- and moderate-income families access below-market rate financing through a statewide network of participating lenders. Low, fixed rates increase borrowers' purchasing power so they can afford to purchase their first home. OHCS is dedicated to increasing the number of low-income households served by the Program to 75 percent or more of the total by June 2005, and to increase the annual percentage of minority and ethnically diverse households served to 20 percent or more.

OHCS is a key sponsor of the *ABC's of Homebuying*, administered by the Homeowner Education Collaborative of Oregon. These homebuying education courses are offered by local, nonprofit organizations throughout the state. Professionals such as lenders, real estate agents and others volunteer their time to teach the classes. The classes are designed to help first-time homebuyers learn the basics and to successfully complete the homebuying process.

OHCS is committed to assisting low- and moderate-income Oregonians attain the 'American Dream' of homeownership.

Team Leader
Jon Gail
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The Scotts (below) enjoy their new home. In 2003, the OHCS Residential Loan Program helped 1,018 low- and moderate-income families purchase a home of their own.
Photo courtesy of HOST Development, Inc., a Portland-based, nonprofit organization.

2001-03 Strateg

Four Oaks (below) is an affordable housing development in Salem.

The first of its kind in Oregon, the modular housing in Odell is designed to meet a growing need for affordable housing alternatives for farmworkers.

Preservation of Federal Rent-Subsidized Affordable Housing

OHCS far exceeded its goal in what is arguably the most critical issue in affordable housing today. As project-based, rent subsidy contracts expire, Oregon could lose millions of dollars in federal assistance to our lowest income communities. In cooperation with partners, including Rural Development, HUD, local governments and the private sector, OHCS anticipated being able to preserve 5 developments as affordable housing. By the end of the 2001-03 biennium, OHCS had preserved 15 developments as affordable housing, resulting in a total of 800 affordable housing units, of which 706 were rent-assisted, resulting in an estimated $2.5 million annually in federal assistance to Oregon households.

Transitional Housing Assistance & Services for Ex-Offenders

Where appropriate services are combined with housing, it is anticipated that recidivism is reduced. This in turn will reduce potential expenses for institutionalization as well as other costs to society. Our goal was to provide 50 units of transitional housing for ex-offenders. Through the Consolidated Funding Cycle and target requests for proposals, OHCS funded 9 projects that had a total of 130 units. Sixty-eight of the units are designated for ex-offenders and 51 of the 68 units provide transitional housing.

Farmworker Services & Housing

Our goal was to fund the production of 200 units of farmworker housing statewide, and to provide 50 farmworker households with rental assistance subsidies, both with appropriate supportive services. By June 30, 2003, OHCS had exceeded its goal by

ic Plan Results

funding 19 farmworker housing developments, providing 223 newly constructed or acquired units for farmworkers. Additionally, OHCS funded the rehabilitation of 146 existing farmworker housing units for an overall total of 369 units.

Community Capacity Building

Working with community-based partners, OHCS helped establish five regional housing centers serving ten rural counties. These centers create a "one stop shop" for Oregonians to access programs and products related to housing rehabilitation, weatherization, credit counseling and homebuyer education. Housing centers are designed to eliminate duplication and streamline housing service delivery.

The Community Incentive Fund (CIF) grew from a concept to an operational program. CIF grants and loans were awarded to 68 public and private sector entities throughout Oregon, leveraging over $152 million in other funds. Projects ranged from a $10,750 small town streetscape to $750,000 supporting urban renewal initiatives. Due to current budgetary constraints, the program will no longer be funded.

Homeless Assistance

Our ambitious plans to increase case management and reduce "turn aways" at shelters in our homeless programs were not achieved largely due to budget cuts at state and local government partners. OHCS is moving forward with community-based partners in 2003-05 to implement the homeless component of our web-based system to provide outcome-based data to allow decision makers to better evaluate the efficiency of assistance programs.

The first Oregon Regional Housing Center opened its doors for business in Bend on June 12, 2002.

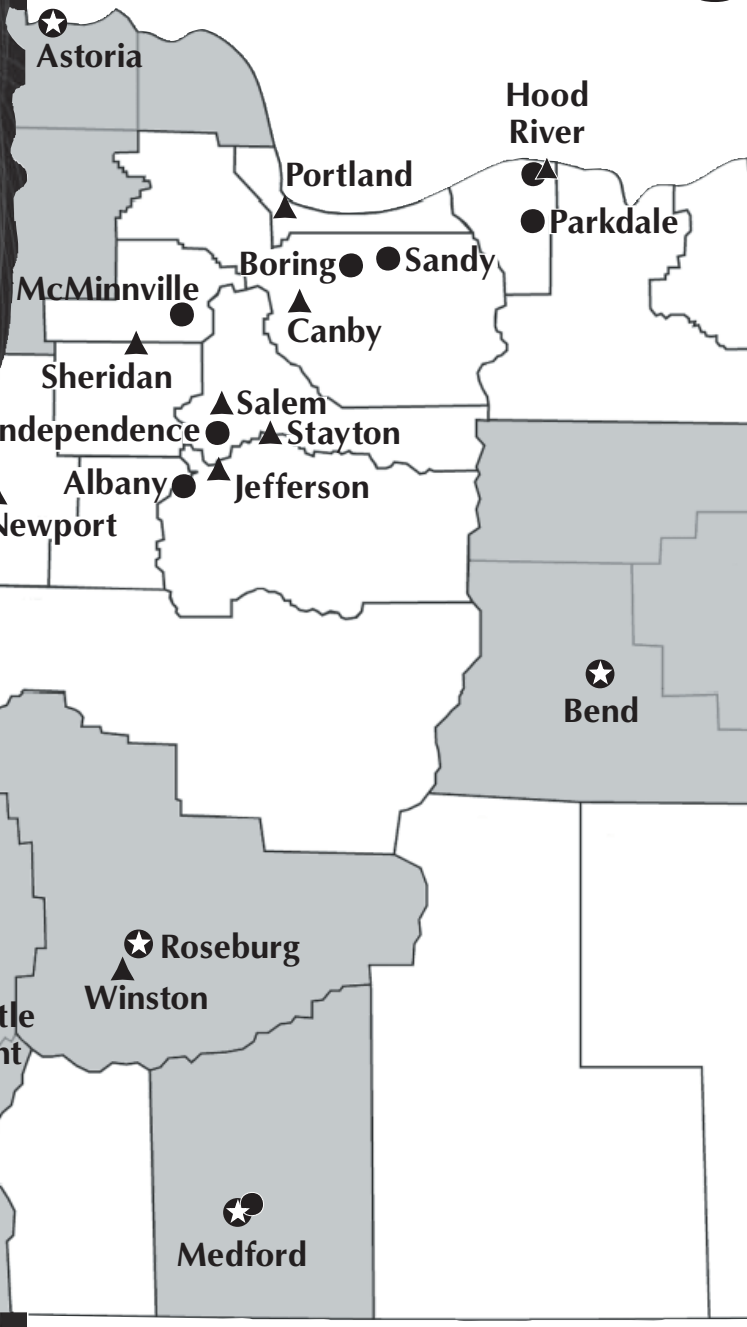
CIF funding allowed the city of Oakland to realize its vision of saving the historic Washington School as a one-stop community resource center promoting youth programs, activities for seniors, and cultural opportunities.

2001-03 Strateg

Legend

Regional Housing Centers & Service Areas

- NW Oregon Regional Housing Center Serving Clatsop, Columbia and Tillamook Counties
- Central Oregon Community Action Agency Network's Homeownership Center Serving Crook, Deschutes and Jefferson Counties
- Southern Oregon Housing Resource Center Serving Jackson County
- Umpqua Regional Housing Center Serving Douglas County
- Southern Oregon Coast Housing Opportunities Provider Serving Coos and Curry Counties



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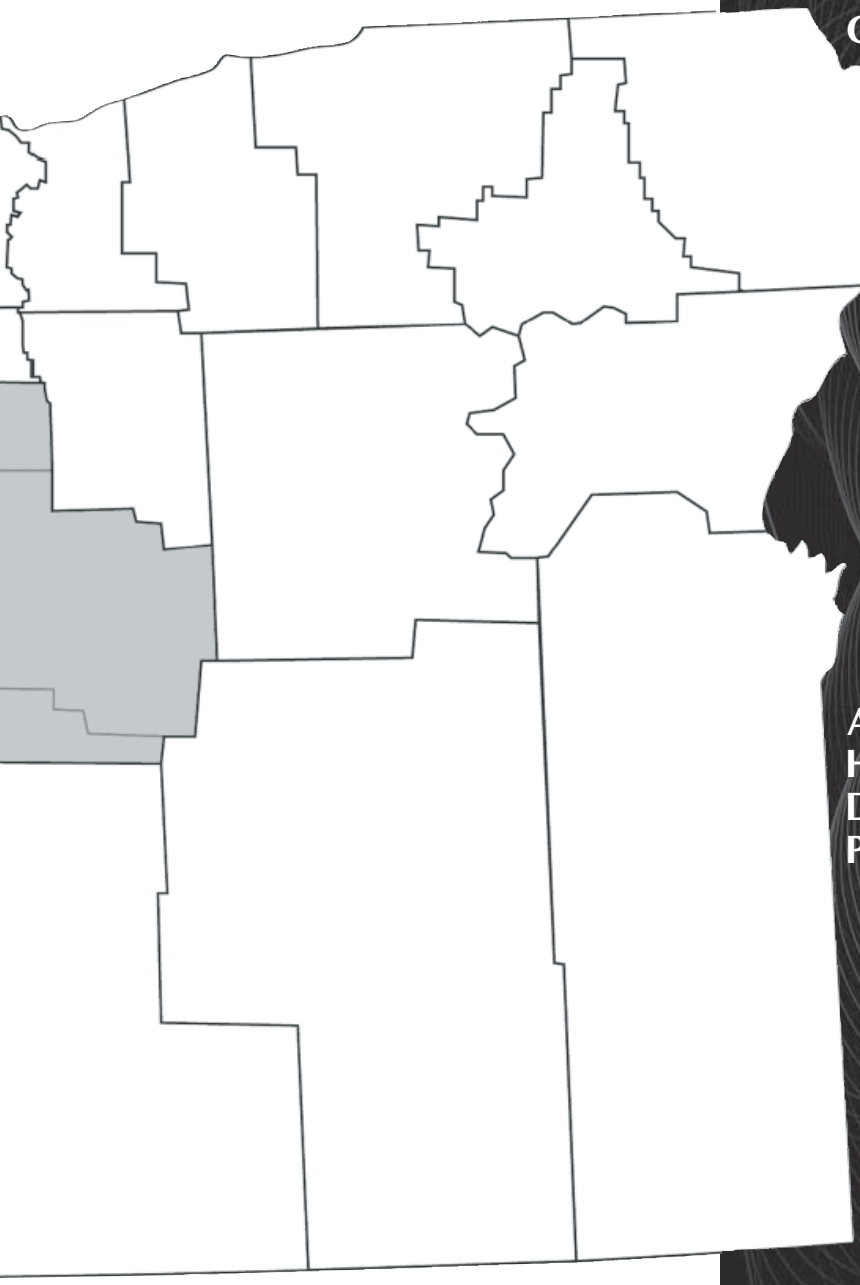

Legend

OHCS Funded Farmworker Housing Developments

- Albany
- Boring
- Cove
- Hermiston
- Hood River (5)
- Independence
- McMinnville
- Medford (3)
- Milton-Freewater
- Parkdale (2)
- Sandy (2)

Affordable Housing Developments Preserved

- Canby
- Enterprise
- Hood River
- Jefferson
- Lakeview
- Newport
- Portland (4)
- Salem (2)
- Sheridan
- Stayton
- Winston

2001-03 Strateg

Legend

○ Community Incentive Fund

Both CIF and SCIF are funds allocated in compliance with the Governor's Quality Development Objectives, as expressed in Executive Order 00-23, which are a set of principles designed to guide the investment of state resources in a manner that will result in better use of state funds and lead to quality communities.

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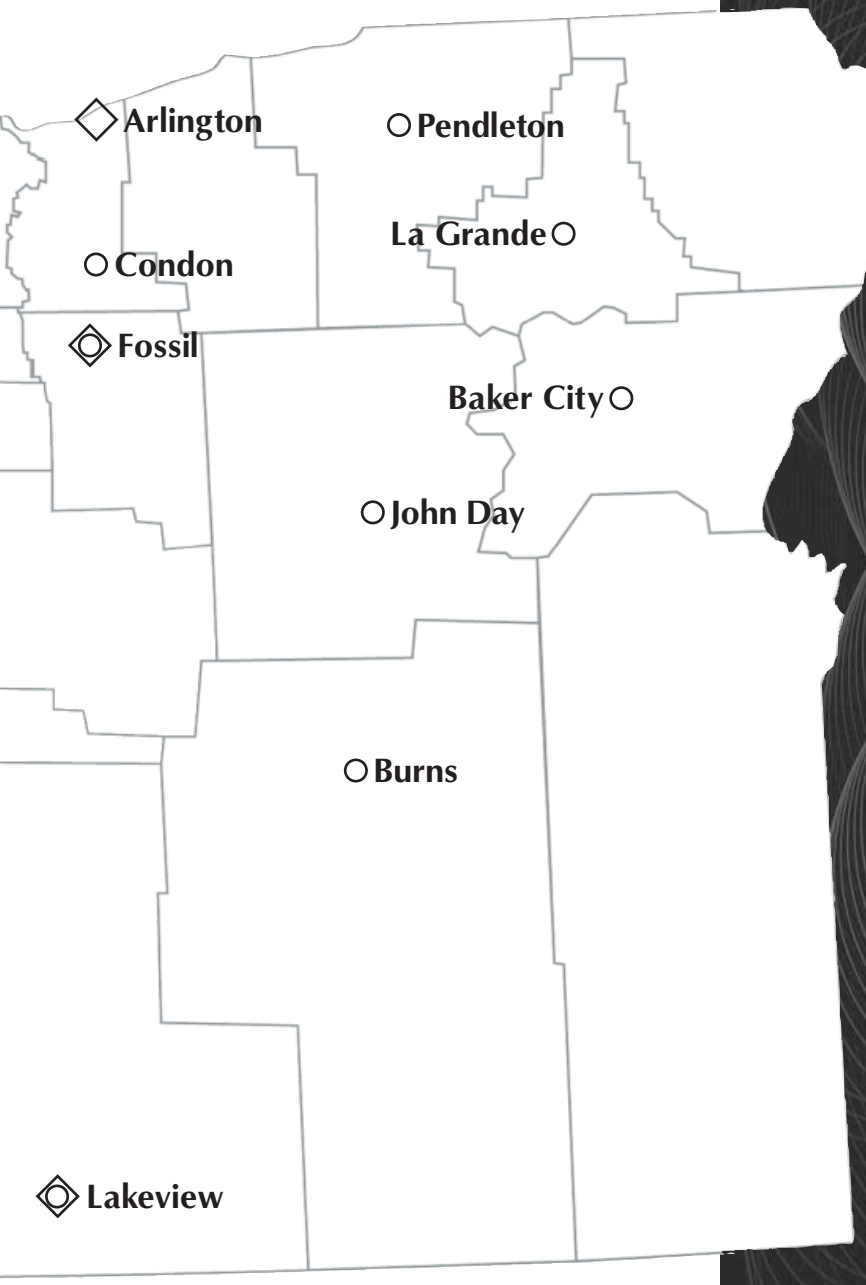

Legend

Small Community Incentive Fund

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These principles are:

- **less sprawl;**
- **the right mix of development;**
- **energy efficient development with greater choice in modes of transport;**
- **adequate public service;**
- **protection of the environment;**
- **balance between jobs and housing in proximity to one another; and**
- **promote sustainability.**

"Setting the Standard"

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