

Meeting community housing needs a better way

Oregon Housing and Community Services has implemented an improved process for identifying unmet local housing needs. OHCS analyzed community needs in preparation for the fall 2008 Consolidated Funding Cycle. CFC is the open, competitive process for efficiently distributing the state's limited affordable multi-family housing funds.

OHCS believes its new process—employing a careful analysis of local unmet needs—is a better way to distribute scarce resources to reach the department's goals. It will encourage development of housing for groups facing the greatest need, allowing the department to be a better partner with the private- and public-sector businesses and organizations that provide vital affordable housing for Oregonians.

The process will help guide each Oregon community's decision-making for new housing developments. Changes in the new process will also help applicants better gauge a project's chance of receiving funds before they invest the time and money to file a formal CFC application.

These changes support the department's mission of providing "leadership that enables Oregonians to gain housing, become self-sufficient, and achieve prosperity."

Evaluation by the numbers

CFC funds come from several sources including federal tax credits, federal Housing and Urban Development funds and various state grant and tax credit programs. They are distributed twice yearly—during the spring and fall CFC funding cycles—for construction or preservation of multi-family rental units serving low-income working people and those who fall into the department's special needs categories.

A ranking of the unmet need for specific types of housing within a community will aid the department in evaluating CFC applications. In each geographic location and for each type of project, the level of need is expressed by a priority level of 1, 2 or 3. Priority 1

indicates the greatest need. During the fall 2008 CFC evaluation process, a proposed project will receive points based on the priority level for its type and location.

Determining priority levels

OHCS derived the priority levels for workforce and special needs populations through an objective, statistical process. The department analyzed how well existing housing met the needs of each group. OHCS has determined priority levels for all Oregon counties. People experiencing homelessness always receive priority 1.

In setting the levels, OHCS reviewed 13 specific types of housing that fall into two major groups:

Group 1: Low-income renter workforce housing. OHCS looked at the number of renter households earning between 30 and 60 percent of a county's median income to determine the priority levels in this group. It then identified the percentage of these low-income households that spent more than 30 percent of their income on rent and utilities which is the threshold for being "rent-burdened." A priority of 1, 2 or 3 was then assigned, based on the burden in a county and city.

The complete listing of workforce housing priorities is at www.ohcs.oregon.gov/OHCS/RA_Needs_Analysis.shtml then click "Workforce Detail."

Group 2: Housing for special-needs populations. This group includes the following populations:

- elderly
- farm workers
- frail elderly
- people experiencing chronic or temporary homelessness
- people in alcohol and drug recovery

- people with HIV or AIDS
- people with physical or developmental disabilities or a chronic mental illness
- recently released offenders
- victims of domestic violence

OHCS used data from the Census, the Oregon Department of Human Services, and other reliable sources to determine the number of people in each special-needs population. The department compared the number of people in each category to the number of affordable housing units funded in the past by various entities, including OHCS, the US Department of Housing and Urban Development, the US Department of Agriculture's Rural Development administration, and local jurisdictions.

The department ranked special-needs populations within each county, based on the percentage of the population that is served by existing housing. OHCS then assigned priority levels to each special needs population in each county. Priority designations reflect the relative need of each group based on population in that group and publicly financed housing units in place for each group.

Review the statewide rankings for special-needs populations at www.ohcs.oregon.gov/OHCS/RA_Needs_Analysis.shtml then click on "Priority Rank by County."

Policy priorities. Under current OHCS policy, housing for the temporarily and chronically homeless is and will continue to be a Priority 1. The department also gives highest priority to preserve or extend expiring HUD and Rural Development rental assistance contracts.

Acquisition and rehabilitation of existing properties receives top priority for communities that are ranked 2 or 3 for workforce housing. Such projects must not displace existing residents.

Improvements for applicants. The improved CFC evaluation helps developers make initial determinations about their proposed projects. Applying for CFC funding is expensive and labor-intensive. The new priority ranking allows the department to communicate clearly its priorities, enables communities to understand better their housing needs and enhances applicants' chances for funding success.

In addition to the needs analysis, the new CFC application process allows applicants to self-score the reliability of cost estimates, government and community support for a proposed project, along with the extent of commitment from non-OHCS resources.

Local jurisdictions and applicants may request that OHCS reevaluate the priority level for a specific project, based on data that supports increased needs.

Even if OHCS has not identified a particular population, it may fund projects that serve undesignated special needs populations. The department has funded unlisted special needs groups, such as autistic adults, with significantly smaller populations than the listed groups.

For unlisted special populations, contact the Regional Advisor to the Department before making an application. To find the regional advisor for your area of the state, go to www.ohcs.oregon.gov and click on "Regional Advisors."

The outlook

Now prospective applicants and community leaders have a tool—the CFC needs analysis—to assess the viability of their housing application before launching the arduous and costly task of applying for OHCS resources to finance a project through the CFC.

Please consider the value to the local community of completing the analysis before applying. It will save time and money. It will streamline processes required of local leaders. It will drive good decision-making by developers. It will enhance the likely success for all concerned.

Workforce Housing Priority Levels

Examples from the 2007 OHCS Study

County	Rate of burden*	Priority
Lane	77.1%	1
Linn	73.6%	1
Oregon statewide	70.4%	--
Josephine	68.3%	2
Benton	63.7%	2

**The percentage of people earning 30 to 60 percent of a county's median income who pay more than 30 percent of their income for rent.*

View the whole thing at www.ohcs.oregon.gov/OHCS/RA_Needs_Analysis.shtml

Special-Needs Housing

Yamhill County	Population	Affordable Units	Percent with Housing Available	Priority
HIV / AIDS	41	0	0.00%	1
People in alcohol and drug recovery	927	5	0.54%	1
Farmworkers	8,935	73	0.82%	1
People with chronic mentally illness	1,692	21	1.26%	1
Released offenders	73	1	1.38%	1
People with developmental disabilities	478	73	15.27%	2
Elderly	3,231	503	15.57%	2
People with physical disabilities	147	57	38.78%	3
Frail Elderly	473	232	49.05%	3
Victims of domestic violence	45	24	53.73%	3