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## **Oregon Housing and Community Services Administrative Overview August 2003**

### **Introduction**

The Oregon Housing and Community Services Department 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 income, operating under ORS 317, 446, and 456. The Department also administers federal and state anti-poverty, homeless, energy assistance, and community service programs. The Department provides financing for its housing programs primarily by issuing bonds. It has revenue-bonding authority of \$1.03 billion and general obligation bonding authority of approximately \$854.7 million. Bond proceeds enable the agency to provide mortgage financing at below-market interest rates and operate programs focusing primarily on first-time home buyers, federally subsidized rental units for lower-income households, and housing to meet the special needs of elderly and disabled persons. Federal funds are used for homeless shelters, weatherization, and programs which promote self-reliance.

### **History**

The Housing Division was created by the Legislative Assembly in 1971 within the Oregon Department of Commerce to set overall housing policy for the state (O.L. 1971, Ch. 505). Among its specific duties were serving as the state's central source of housing, training, and technical information; administering a fund which provides interest-free loans to non-profit housing sponsors; and coordinating federal housing programs. A seven member State Housing Council was established the same year to advise the Housing Division and the state on housing policy (O.L. 1971, Ch. 505). Members were appointed by the Governor to staggered four-year terms, and were subject to Senate confirmation. The Council's legislative mandate included developing policies to aid in stimulating the supply of housing for persons and families of lower income and advising the Governor, Legislative Assembly, state agencies, and local governments on actions that may affect the cost or supply of housing.

Housing programs were expanded in 1973 to include the financing of housing for low-income people through the issuance of tax-exempt bonds. This was expanded in 1977 to include low cost housing for the elderly. The first general obligation bond program began in 1977 (O.L. 1977, Ch. 485, Article XI-I Oregon Constitution) and the Single-Family Mortgage and Loans to Lending Institutions Programs were established (O.L. 1977, Ch. 485). In 1979, the Housing Council was given the authority to approve all rules adopted by the division and all loans over \$100,000. Two new programs were established: Multi-Unit/Section 8 Housing Finance and Elderly Housing Finance (O.L. 1979, Ch. 327).

During the 1980s, the Division's responsibilities grew as more financing programs were established: Interim Construction Loan and Disabled Housing Programs (O.L. 1981, Ch. 695), and the Mortgage Credit Certificate Program (O.L. 1985, Ch. 501). The federal Section 8 program was discontinued after the 1981 bond sale. By 1983, thirty bond programs were operating, and foreclosures produced 120 acquired properties requiring management by the Division. The bond programs increased to thirty-seven by 1986.

In 1987, the Department of Commerce was abolished by the Legislative Assembly and the Housing Division became Oregon's independent Housing Agency (O.L. 1987, Ch. 414). The Housing Development Account Program was established to expand opportunities for low-income housing development assistance (O.L. 1987, Ch. 567). By 1988, the federally funded Low Income Housing Tax Credit Program was established. The Manufactured Dwelling Park Ombudsman Program was created by the Legislative Assembly in 1989 to encourage landlords and tenants to resolve concerns associated with their parks and living situations through informal dispute resolution and avoid the expense and delay of legal action (O.L. 1989, Ch. 918). The year 1989 saw the Loans to Lending Institutions and Interim Construction Loan Programs discontinued.

More programs were established in 1990s: Mobile Home Park Purchase Assistance Program (O.L. 1989, Ch. 919), Community Development Corporations (O.L. 1989, Ch. 1030), and the Oregon Lender's Tax Credit (OLTC) Program. Through the OLTC program, now called the Oregon Affordable Housing Tax Credit Program, the Legislative Assembly gave the Department authority to certify tax credits for low-income housing projects (O.L. 1989, Ch. 1045). The agency also began participating in the HOME Investment Partnership Program, created by U.S. Congress in 1990. The program encourages partnerships among local governments, non-profit and for-profit organizations, individuals, and the state to further development of housing needs for low and very low-income people.

The Legislative Assembly merged the Housing Agency with the Community Services Division (from the Department of Human Resources) in 1991, doubling the agency in size. It was renamed the Oregon Housing and Community Services Department (OHCSA) (O.L. 1991, Ch. 739). Critical responsibilities were joined together to provide the services and skills needed for lower income Oregonians to move toward self-reliance and obtain quality housing that was safe and affordable. Community Services programs included services for the homeless and low-income food assistance.

That same year, the Housing Development Guarantee Grant Program was created (O.L. 1991, Ch. 740). It provided grants for predevelopment costs, construction of new low-income housing, or the acquisition and /or rehabilitation of existing structures. Also in 1991, the Department began receiving federal funding for the HELP Program, which provided funds for the development of decent, safe and sanitary housing affordable to very low-income families or individuals. The Emergency Housing Account was established in 1991 to assist homeless persons and those persons who are at risk of becoming homeless (O.L. 1991, Ch. 740).

The mid-1990s saw expansion with more programs, including the Home Ownership Assistance Program, established by the Legislative Assembly to expand home ownership opportunities for low-income families (O.L. 1995, Ch. 174). Other programs included the Oregon Rural Rehabilitation Program, initiated in 1993, which provided loans used exclusively for farmworker housing, and the Risk Sharing Program, a cooperative program for sharing the financial risk of certain housing projects with the U.S. Department of Housing and Urban Development, started in 1995.

In late 1997, the Department hired a State Housing Planner/Analyst to expand the studying, researching, and analyzing of information, and provide qualitative and quantitative information on current and anticipated housing market dynamics and affordable housing issues in Oregon and nationally. In addition, the planner took a lead role in the development and maintenance of the affordable housing comprehensive plan, which had been initiated by the Legislative Assembly in 1991 (O.L. 1991, Ch. 600).

Most of the Department's financing programs are financed through revenue bonds or general obligation bonds. Funding for the majority of the Department's other activities and programs comes from federal and other funding sources, and from interest income generated through the Department's role as the state housing finance agency. In 1997, only 13% of the money received by the Department came from the Oregon General Fund, and these dollars were passed on directly to develop housing and provide services and assistance to lower-income families throughout the state. As of June 1997, OHCS had 65 series of bonds outstanding, representing an aggregate total of \$920 million.

As stated in the *Generations: Programs in Review* (1998) publication: "OHCS expects public resources for housing to continue to decline and anticipates new struggles in the wake of welfare reform. Staff will work to address a changing financial and political climate through flexibility and innovation, and will apply the Department's values, basic principles and expertise to ensure that quality of life is reflected in healthy communities with linkages between affordable housing and necessary services."

In 1999 the Legislative Assembly created the Community Development Incentive Project Fund to provide a flexible funding source to serve as incentive to quality development within downtown and rural areas in an effort to revitalize these areas thereby creating a balanced living environment in Oregon which does not tax the infrastructure or resources of a few areas. The Community Development Incentive Advisory Board identifies projects requiring incentive funding and approves them for funding (O.L. ch. 950).

Established in 2001, the Farmworker Housing Development Account is responsible for the expansion of affordable, safe, and sanitary housing for very-low income farmworkers (O.L. 2001 ch. 310). The Oregon Commission on Voluntary Action and Service was established with the responsibility to promote the ethic and spirit of volunteerism and community service within Oregon (O.L. 2001 ch. 848).

In January 2001 the Community Development Block Grant program, responsible for providing grants to cities and counties not receiving direct HUD funding, was transferred to OHCS from the Oregon Economic and Community Development Department. The Residential Loan program assisted 1362 families to purchase homes in 2001.

On November 25, 2002 OHCS announced a fixed rate of 4.95% on residential loans, at this point an all time low.

June of 2003 OHCS announced a rate of 4.50% on residential loans, a new all time low.

## **Current Organization**

The Oregon Housing and Community Services Department currently consists of the Office of the Director, the Office of the Deputy Director, and five divisions; Financial Management, Asset and Property Management, Information Services, Community Resources, and Housing.

The Administrative Section of the Department provides overall administrative and program direction for Housing and Community Development Staff and programs.

The Office of the Director implements the policies of the Oregon State Housing Council, provides leadership, direction, and oversight for the Department's programs, tracks and monitors legislation, serves as agency liaison to the Governor and Legislative Assembly, and participates on numerous panels and committees addressing housing issues.

The Office of Regional Advisors to the Director, formerly known as Regional Field Representatives, provide outreach to Oregon communities in identifying and addressing critical community development activities.

The Human Resource Management Section provides human resource services to department personnel.

### **Financial Management Division:**

The Financial Operations Section prepares and executes the Department's budget, ensures compliance with state and federal fiscal requirements, and evaluates and improves internal fiscal control structures. The section coordinates the disbursement of administrative and special payments, budget preparation and tracking, federal cash management, and cost allocation.

The Grant Unit conducts monitoring and reporting on federal grants, and performs allocations of federal and state grant awards between the Department and subgrantees.

The Business Services Section provides facility and records management, mail services, manages the reception desk, oversees internal communications and conference planning, and has a shared responsibility for risk, health, and safety management.

The Debt Management Section manages the administrative functions relating to the issuance and managed use of bonded debt including assuring compliance with legal and indenture requirements, payment processing, accounting, and coordination of the debt issuance process. In addition the section manages loan servicing and investor reporting relating to acquire single-family properties.

The Financial Services Section supports the OHCS mission by providing financial services to the Department and its business partners. The section maintains OHCS accounting records and is responsible for financial reporting

### **Asset and Property Management Division:**

The Housing Programs Management Section oversees rental properties financed through department programs once the loans are closed and the properties are in operation.

The HUD Contract Administration Section provides contract administration services to the US Department of Housing and Urban Developments on project-based Section 8 apartment communities located throughout the Oregon.

### **Information Services Division:**

The System Administration Team manages the Agency's local area network and systems.

The OPUS Project Development Team is designing, scoping, creating, and implementing the OPUS system. The OPUS system is a web based data system centralizing the data collection and business processing needs of the Department's Community Resources Division program's and program partners. OPUS is designed to meet the reporting requirements for all Community Resource funded programs providing data access to program partners while reducing administrative burden on agencies

The Application Development Team designs & develops programs and system applications for the Department able to perform specific/targeted functions in support of OHCS's business processes, program, and projects.

The Communications Section coordinates marketing, public relations, and other media efforts to promote the availability of affordable housing and self-sufficing program to Oregonians.

The Policy, Planning, and Research team provides advice and support to Department administration and partners through expertise in planning, policy, development, and research and analysis

### **Community Resources Division:**

The Community Services Section provides direct services, funding and resources, technical assistance, and leadership through public, private, and non-governmental organizations to foster self-reliance by Oregonians while developing healthy, vital communities.

The Services Outreach Section provides assistance to Oregonians in resolving economic and social issues impacting their daily lives. By partnering with community based organizations, stakeholder groups, advisory boards and commissions, and business associations the section seeks to build stronger communities and promote self—sufficiency in Oregon.

The Manufactured Dwelling Park Ombudsman Program provides mediation and dispute resolution services for residents of manufactured dwelling parks in addition to the creation/maintenance of a statewide inventory of manufactured dwelling parks.

The Energy Unit provides assistance and education on energy related issues including weatherization and assistance with energy payments/costs for low to very-low income.

### **Housing Division:**

The Housing Resources Section administers a variety of housing grant fund and tax credit programs to assist with the creation of affordable housing developments with services to enhance the lives and capabilities of lower income Oregonians.

The Architectural Consultation Team provides technical expertise and assistance to new construction, acquisition, and rehabilitation OHCS projects to ensure the Departments' mission of providing affordable and "habitable" housing is met.

The Single Family Finance Section is responsible for implementing the Residential Loan Program and the Home Ownership Assistance Program. Through these programs the section seeks to provide first time homebuyers access to below market interest rates, down payment and closing cost assistance, and homebuyer training in order to provide opportunities for low to moderate income individuals and households home buying opportunities.

The Housing Finance Section optimizes available resources to provide quality, affordable housing primarily for low to moderate-income families by providing feasible financing opportunities to borrowers.

#### **Advisory Committees, Commissions, Councils:**

The Commission for Voluntary Action and Services is responsible for creating an ethic of community service and volunteerism among Oregonians by promoting and supporting community service leadership, developing resources assisting community volunteer efforts, and fostering the development of community service organizations

The Interagency Coordinating Council on Hunger is responsible for implementing the recommendations of the Hunger Relief Task Force (HRTF). The ICCH provides advice to the Governor on policies and issues relating to hunger in order to ensure the reduction/elimination of food insecurity in Oregon.

The State Housing Council is responsible for developing policies to aid in stimulating the supply of housing for individuals and families of lower income, providing advice and direction to the Governor and legislative assembly, and review loans in excess of \$100,000.

#### **Chronology**

- 1963 President Kennedy instructs executive agencies to form a policy statement on poverty. The phrase “War on Poverty” introduced.
- 1964 Public Law 88-452 creates economic Opportunity Act of 1964
- 1965 Governor Hatfield accepts federal grants to administer programs under Economic Opportunity Act and appoints staff to administer the Act within Oregon.
- 1971 The Housing Division created within the Department of Commerce. A seven member State Housing Council is established to advise the Division and the state on housing policy. State Economic Opportunity Office created to help identify the problems of the disadvantaged and develop a poverty plan.
- 1973 Housing programs expanded to included financing for low income individuals through the issuance of tax-exempt bonds.
- 1974 Community Services Agency established.
- 1977 First general obligation bond program started. Single Family Mortgage and Loans to Lending Institutions programs established.

- 1979 State Housing Council authorized to approve all rules adopted by Housing Division and loans over \$100,000. Multi Unit/Section 8 Housing and Elderly Housing Finance programs established.
- 1981 Federal Section 8 program discontinued.
- 1983 Division operating thirty bond programs.
- 1987 Housing Agency created with abolishment of Department of Commerce. Housing Development Account established to expand opportunities for low-income housing development assistance.
- 1988 Low Income Housing Tax Credit program is established.
- 1989 Manufactured Dwelling Park Ombudsman program established. Loans to Lending Institutions and interim Construction Loan programs discontinued. Housing Development Guarantee Grant, Help, and Emergency Housing Account programs established.
- 1991 Housing Agency merged with the Community Services Division (Department of Human Resources) creating the Oregon Housing and Community Services Department.
- 1999 Community Development Incentive Fund established.
- 2001 Oregon Commission for Voluntary Action and Service established. Farmworker Housing Development Account established. OHCS administering approximately 37 programs at a biennial budget of \$928 million.
- 2003 Oregon Housing and Community Services moved into the new North Capitol Mall Office Building.

**Primary Agency Statutes and Administrative Rule Chapters**

ORS 446 Manufactured Dwellings and Structures; Parks; Tourist Facilities

ORS 456 Housing

OAR 813 Oregon Housing and Community Services Department

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