

# Advancing Opportunity for Minority-, Women-owned, and Emerging Small Businesses

**Oregon Housing and Community Services**  
Management Innovation: Internal Operations

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### **About the Minority-, Women-owned, and Emerging Small Business (MWESB) program**

Oregon Housing and Community Services (OHCS) embarked on an agency-wide effort to embed concepts, practices, and policies to help advance equity and racial justice in the field of affordable housing. The Affordable Rental Housing Division (ARH) at OHCS implements state and federal funding programs to build and or preserve affordable housing in the state. The MWESB initiative plays an important role in the agency's commitment for equity and racial justice from the perspective of a funder and affordable housing compliance regulatory agency.

Sponsors who are awarded funding are required to meet [MWESB requirements](#). This means sponsors must intentionally seek out and give opportunity to general contractors and subcontractors who are considered MWESB or Service-Disabled Veteran Businesses Enterprises (SDVBE). For the purposes of readability, MWESB will refer to all MWESB and SDVBE firms.

### **Why prioritize MWESB?**

It's well-recognized that the housing and construction industry encompasses a broad spectrum of trade and business sectors, spanning design and construction to leasing and management. However, the participation of MWESB and SDVBE firms in this industry is and has been historically low. Their share of the financial investments in housing is small compared to the size of the investment. Increasing the participation of MWESB-owned organizations in affordable housing development helps ensure more culturally responsive and diverse types of housing are built to address the needs of historically underserved communities. In addition, it offers opportunities to businesses that face or have faced systemic barriers and racial discrimination that have prevented access to affordable rental housing development dollars. This is why it was important for OHCS to initiate the MWESB initiative.

### **Creating the MWESB initiative**

OHCS initiated the MWESB initiative in November 2019. To begin this work, OHCS contracted with Advanced Technology who prepared a report to provide information to serve as the foundation of a statewide MWESB program. This report helped established the following MWESB region participation requirements (Figure 1):

- Metro Oregon – Region 1 – 30%
- Non-metro Oregon – Region 2,3 – 20%
- Rural Oregon – Region 4,5 – 20%

In October 2021, the MWESB Compliance Manual was implemented addressing marketing and outreach requirements for OHCS financed developments. OHCS also began collecting data, broken down by region, to demonstrate measurable improvements made through the MWESB initiative. Initial type of data collected is shown in Figure 2.

### **Expanding and improving the MWESB data collection**

Data around the MWESB initiative became a critical component to measure success in achieving MWESB objectives. In the past, there was no clear accountability or tracking of whether projects met their

required MWESB participation levels. In addition, the Oregon Housing Stability Council (HSC) had been requesting more data transparency on MWESB participation levels. OHCS needed a better system that could compile data and provide the necessary reports.

In 2022, OHCS began exploring options and decided on purchasing the Diversity Module within Prolink, an internal software system to track the OHCS affordable housing portfolio. The Diversity Module would allow for reports completed by developers to be pushed directly into the project folder within Prolink. Currently, OHCS staff must manually collect, enter, and synthesize the data through individual excel sheets submitted by sponsors.

OHCS is still in the process of building out the Diversity Module. However, OHCS recognized the need to respond to this opportunity and need for more transparent information about the MWESB initiative. To do this, in the past year, OHCS has accomplished the following:

- Updated information on the MWESB webpage with more resources on how sponsors can connect with MWESB contractors, a factsheet, and links to required reports.
- Launched an [MWESB dashboard](#) where partners can see statewide progress around MWESB since OHCS began tracking in 2022.
- Revised the MWESB Reports to better identify COBID vs non-COBID with new submittal dates. In the past, these reports were required quarterly. The new dates to submit reports are as follows:
  - Initial Report – due at finance closing
  - 50% Construction Report – due upon project reaching 50% completion.
  - Final Report – due once construction is completed.
- Update the MWESB Compliance Manual to align with the new funding process and takes into consideration the developer's performance on meeting MWESB. The compliance manual outlines technical assistance for developers who historically have not met MWESB requirements as well as hiring an MWESB consultant to be paid from project funds.
- Provided a list of general contractors and subcontractors, by region, to help partners and stakeholders identify trades in regions where projects are planned to be constructed.
- Provided a list of minority trade and service organizations, by region, to help partners and stakeholders seek organizations who they can partner with to help in meet or exceed MWESB region requirements.
- Posted all projects under construction showing the sponsor, project name, general contractor, and MWESB percentage. This will be updated quarterly.
- Planned webinars or peer learnings are listed on the Affordable Rental Housing events page. (Figure 3)
- Created and distributed [MWESB flyer](#) at conferences, meetings, or other gatherings.

All of these improvements have helped OHCS better connect with sponsors and support them in reaching MWESB requirements as well as collect the information needed to measure progress. Figure 4 shows a snippet of information that OHCS presented to its Housing Council showing a comparison of when it began collecting data in 2022 versus 2023. As one can see, OHCS has made significant improvements in MWESB participation rates and investment. MWESB investment increased by \$48 million from 2022 to 2023. Out of the 35 affordable housing developments completed in 2023, MWESB firms made up 27% of total development costs at \$120 million invested.

## **Conclusion**

When the MWESB initiative first started, there was a lack of data transparency, accountability, and support for sponsors to be able to meet the requirements. This became a management challenge and opportunity to improve MWESB participation rates in affordable housing development and ultimately further the equity and racial justice goals of the agency. In the past couple of years, through the leadership of the MWESB Program Analyst, this initiative has made significant strides and has made tangible progress for MWESB firms throughout Oregon. OHCS has and continues to increase its data transparency and accountability through the launch of the MWESB dashboard, simplified reporting, and linking reports to ProLink. Sponsors have felt more supported with better and more transparent information about the initiative and through peer learning workshops. Overall, OHCS has made significant improvements to the MWESB initiative. As part of its equity and racial justice goals, OHCS continues to work to offer more opportunities to MWESB firms across the state in affordable housing development.

### Visual Aids Appendix

Figure 1: MWESB Map

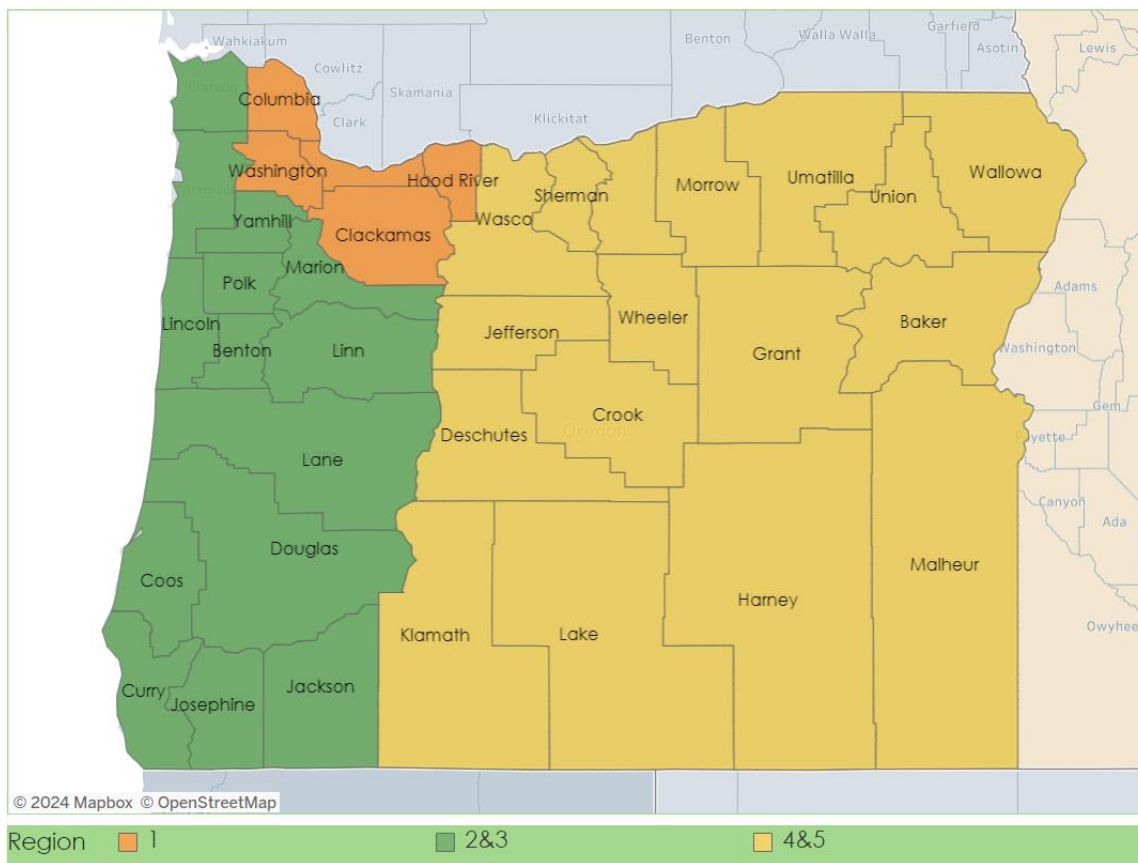


Figure 2: 2021 MWESB Data

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Completed Projects	Minority	Women	Service Disabled Veteran	Emerging Small Business	Total MWESB Awards	Total Construction	% of Construction
25	\$37,773,239	\$23,778,942	\$12,600	\$10,560,160	\$72,124,941	\$314,901,387	23%
<b>Race Breakdown</b>							
American Indian	African American	Hispanic	Asian	Native Hawaiian		White	
3	16	51	5	1		86	
Additional Findings		Region 1	Region 2&3		Region 4&5		
Project Breakdown:		12 (48%)	4 (16%)		9 (36%)		
COBID #'s:		38% COBID/63% non-COBID	14% COBID/86% non-COBID		22% COBID/78% non-COBID		
MWESB Firms Hired**		107 (74%)	17 (13%)		17 (13%)		
MWESB Awards		\$56,093,983	\$4,052,327		\$11,978,631		
MWESB Region % Averages		27.61%	12.40%		17.72%		

Figure 3: Photos from MWESB Peer Learning workshop in Southern Oregon



Figure 5: MWESB Data from 2022 versus 2023

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