

Partner Engagement: New Oregon
Centralized Application
Oregon Housing and Community Services
Special Achievement

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Responding to an important state need

In January 2023, on her first day in office, Oregon Governor Tina Kotek signed three executive orders, declaring a homeless state of emergency and directing state agencies to prioritize reducing homelessness and setting housing production goals. Governor Kotek's [Executive Order on Affordable Housing](#) (EO 23-04) established an annual production target of 18,000 affordable homes. During the 2023 legislative session, Oregon Housing and Community Services (OHCS) received unprecedented support for affordable housing, resulting in \$721 million to address housing supply solutions.

To meet these new statewide expectations, the OHCS determined that the method for allocating resources and awarding funding needed to be streamlined and improved. Previously, sponsors needed to submit individual applications for each funding program through Notices of Funding Availability (NOFA). Through this new process, sponsors would only need to submit one application and then get matched with resources that made sense for their projects. OHCS recognized the importance of collecting input from partners to inform a new centralized funding process and launched robust engagement to focus on key elements of system change, including awarding final funding closer to shovel ready with streamlined policy objectives and aligned set asides for funding sources.

Governor Kotek requested a draft framework by the end of December 2023 with a goal to begin implementing a new process in 2024, now known as the Oregon Centralized Application (ORCA) process. To facilitate this significant funding process change, OHCS sought the expertise of stakeholders through an engagement series from August 2023 through November 2023. Its purpose was to gather and integrate stakeholder feedback to inform the process by which funds are requested and allocated with a focus on transparency, inclusive decision making, and relationship building.

Provide benefits that outweigh costs across traditional program lines

Changing a new funding application process creates short-term burdens on staff and business partners. However, there is the long-term benefit of increased production and more equitable outcomes in funding decisions for affordable rental housing development. Meaningful engagement is a significant investment of time for all parties, but important to create a new streamlined funding process that makes sense for the agency, developers, and ultimately, tenants of affordable housing developments. The vision for a new system to achieve state policy objectives consolidates all resources into a centralized fund offering with one rolling application process and standard evaluation criteria instead of a competitive program-by-program solicitation. One application process will reduce time and uncertainty for developers and allows for projects to move forward to shovel ready without waiting for the next competitive NOFA. The ultimate goal is to get housing built more quickly in communities by moving away from a competitive practice to a standards-based practice.

Significant impact on communities and partners

[OHCS Statewide Housing Plan](#) articulates Equity and Racial Justice (ERJ) and Rural priorities, guiding the work of the agency. OHCS has focused on achieving associated goals and is continually seeking opportunities to address historic racism and disinvestment. As part of this system change, OHCS aspires to distribute affordable housing development funds in a way that builds wealth and capacity in Black, Indigenous, and People of Color (BIPOC) owned/led and culturally specific organizations. To ensure the development of a new application process will achieve these priorities, the OHCS Racial Equity Analysis

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Tool (REAT) was used to specifically identify: benefits, burdens, unintended consequences and outcomes.

OHCS consulted with impacted organizations to ground truth strategies, including set-asides and capacity-building support for culturally specific, Tribal Nations, and rural housing organizations.

Communication and engagement strategies were developed to:

- Foster an inclusive environment to help elevate voices of marginalized stakeholders that have experienced historic inequities when accessing funding opportunities
- Focus on outreach with Culturally Specific Organizations, Tribal housing and rural developers to mitigate impacts of system change for their organizations and projects
- Acknowledge and build on input received through recent engagement

Primary audiences and existing forums were identified within Oregon's affordable housing ecosystem:

- Culturally Specific Developers
- Tribal Housing Workgroup
- Agricultural Workforce Housing Facilitation Team
- Housing Oregon/Rural Policy Council (membership organization for the affordable housing industry)
- Housing Authorities of Oregon
- HOME Investment Partnerships Program (HOME) Participating Jurisdictions
- Metro-Portland Bond Jurisdictions
- Community Development Block Grant (CDBG) Entitlement Communities
- Lenders/Community Development Financial Institutions

During the first phase of engagement between August 2023 and November 2023, OHCS hosted six virtual engagement sessions and virtual focus groups to maximize participation across the state and minimize the burden of traveling. One engagement session was held in person at the annual Housing Oregon Industry Support Conference. The engagement plans outlined multiple avenues to receive input about proposed changes, including:

- Online public white board to capture responses to the discussion questions during the meetings
- Post-meeting survey to foster input from stakeholders who were not able to attend the virtual session
- Direct email addresses for OHCS staff

Each session was recorded and posted on the engagement website. After each survey concluded, staff created a synthesis of input received through the survey and online white board. OHCS staff prepared for the first phase of engagement by investing several months outlining 14 key topics to inform decision making about a new funding process. The team developed discussion documents for each topic. The discussion documents provided context, including relevant legislative and policy details and specific engagement questions for each topic. Many of the topics are complex and technical in nature and there was attention toward using plain language and infographics to be accessible for diverse levels of expertise. The discussion documents empowered participants to contribute meaningful input during the meeting or in the post-meeting survey. Discussion documents, presentation slides and meeting recordings were posted on the [ARH Resource and Funding webpage](#) and continue to be helpful reference materials after concluding the project.

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The first engagement session provided an opportunity for stakeholders to provide feedback about the engagement plan. In addition to feedback about the scope and timeline for this engagement effort, an online white board captured concerns including disappointment with previous engagement efforts. To the extent possible, OHCS adjusted strategies to address concerns, dependent on time and available resources. OHCS received valuable input to consider in future engagement projects. Overall, there was great support for the scope of the engagement project, with partners eager to attend the meeting series and provide feedback. Throughout each engagement session, there were intentional discussions about equity and racial justice strategies and a common understanding of the desire to prioritize needs of BIPOC developers.

An innovative partner engagement approach

Using the Racial Equity Analysis Tool (REAT) is an innovative approach to intentionally center equity and racial justice in decision-making. Using this tool informed both engagement and policy strategies. In addition to the six large format virtual engagement sessions, OHCS convened frequently with a Culturally Specific Developers Group, the Agricultural Workforce Housing Facilitation Team, and the Tribal Housing Workgroup, providing a dedicated space for receiving input about each of the fourteen topics. These spaces are intended for long-term relationship building and offer an opportunity to discuss ongoing issues faced by these organizations. OHCS uses qualitative feedback from these groups to understand if there is agreement with the direction of equity and racial justice strategies, and that these organizations feel their input has been heard and reflected in program design. Key themes about the proposed centralized application process that emerged from these meetings include:

- Need for sustainable staffing and capacity building to produce more homes
- Concerns about access to capital
- Defining terms for equitable partnerships with private developers

Specific to Tribal housing organizations, OHCS focused on working individually with the nine Federally Recognized Tribes in Oregon to accommodate timelines for tribal government planning and decision-making.

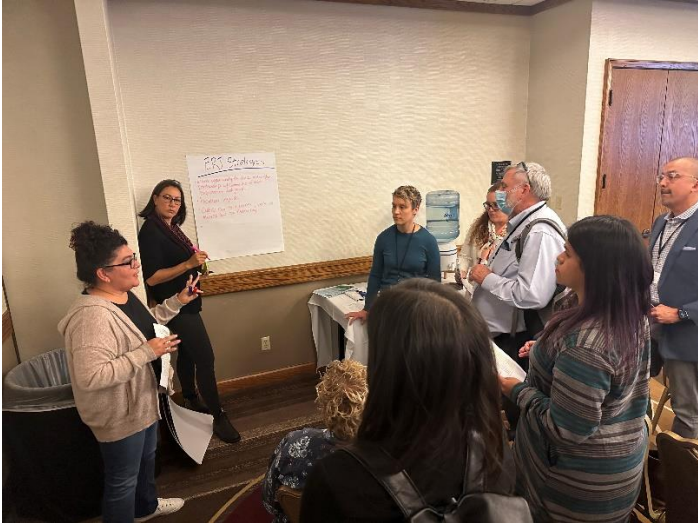
Achieve intended results

After the engagement series concluded, OHCS incorporated input into the draft framework for review by the Governor and began building the new application process called the Oregon Centralized Application (ORCA). The ARH Resource and Funding Engagement process resulted in significant input to inform the ORCA and improved relationships with stakeholders and business partners. Stakeholders have a transparent view of how input was incorporated or why input was not incorporated in the ORCA. Thorough communication along with multiple avenues to participate made it a successful engagement effort. The next phase of engagement is focused on testing and implementing the ORCA. OHCS will continue to build on this engagement series when Qualified Allocation Plan engagement begins in August 2024.

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Visual Aids Appendix

Figure 1: Final Affordable Rental Housing Resource and Engagement Summary (please see attached PDF)

Figure 2: Engaging with partners at Housing Oregon Conference



ARH 2023 Resource and Funding Engagement Draft Engagement Summary

With Governor Kotek's [Executive Order on Affordable Housing](#) (EO 23-04) and overwhelming support for affordable housing during the 2023 legislative session, including \$721 million to address housing supply solutions, the OHCS Affordable Rental Housing (ARH) division determined that the current Notice of Funding Availability (NOFA) process needed to be streamlined. Accordingly, OHCS ARH sought the input and expertise of stakeholders, through an engagement process from August 2023 through November 2023. The purpose of this engagement was to gather and integrate stakeholder feedback to inform the process by which funds are requested and allocated. The scale of resources allocated for the biennium mandates that OHCS consider improvements to business practices to align the NOFA process with Governor Kotek's housing goals.

Engagement Objectives

Given the size and scope of this change, engagement was structured to support detailed input over 14 critical topic areas identified as core to funding strategies (see engagement topic list on page 3). The goal of the input using was to gather foundational information to inform future recommendations. The engagement effort was designed to build upon existing relationships with business partners and stakeholder groups and will inform future ARH engagement strategies. In addition to supporting future recommendations and decisions regarding ARH funding processes, objectives for the division engagement include:

- Promoting transparent and inclusive decision-making process to encourage relationship-building among participants.
- Fostering relationships with culturally specific (development) organizations to incorporate meaningful input.



Engagement Strategies

OHCS hosted six two-hour Zoom meetings between August 17 and November 9 and hosted a session in person at the Housing Oregon conference on September 28th 2023. The initial meeting on August 17 provided an overview of the engagement plan and sought feedback about how to improve the engagement process. OHCS was able to incorporate some of the input received at the initial meeting and will continue to revisit the [Engagement Input Synthesis](#) as we plan for future engagement.

OHCS staff mapped out the key topics and specific questions for stakeholders to provide guidance during the funding redesign process. It's worth noting that OHCS staff conducted this engagement with in-house capacity to achieve all aspects of meeting preparation and facilitation with significant effort from the ARH Planning and Policy Team, Development Resources and Production Teams.

For each topic, OHCS posted a "Discussion Document" on the [OHCS Resource and Funding Engagement website](#), in advance of each engagement. The discussion documents contain a summary of the topic and specific questions for stakeholders to consider during the engagement breakout sessions, where they would provide input through a web-based Easy Retro Board during the meeting or after the meeting through a follow up survey.

Recordings for each meeting and breakout room topic discussion were posted to the website after the engagement for stakeholders to access, along with a link to a survey. Surveys for each topic were open for a minimum of one week after each meeting to accommodate stakeholders who were not able to attend each meeting or breakout topic discussion.

Following the input session and follow up surveys, staff worked to compile input received and internal work transitioned to developing strategies for recommendations that are informed and consider all input received (see Synthesis and Themes beginning on page 5).

The meeting series was designed to get input on 14 key topics to inform decisions about policies and processes:

Engagement Topics

Readiness to proceed	Preservation
Pre-development programming	Resource Set-Asides
Pre-qualification process	Equity and Racial Justice Strategies
DEI Agreement	Subsidy Limits
*¹Permanent Loan Guarantee	Resident Services and Operating Costs
*¹Construction Loan Guarantee	Construction Costs
Funding Source Programming	Policies/Thresholds/Scoring

Email communication was sent to partners through ARH Technical Advisories (TA). There are over 1,500 subscribers to ARH TA's with an average "open rate" of about 30%. In general, TA's are a primary tool to communicate with partners about program updates, and funding, training, and engagement opportunities. The list primarily consists of developers, property owners, property managers, consultants, and lenders. For this engagement, email communication through TAs and [the ARH Resource and Funding Engagement web page](#) were the primary sources for communicating to partners. On average, there were about 114 attendees at every engagement session with a follow up email sent out to registrants after each meeting. Partners were encouraged to visit the web page as the central location for all relevant information and documents around this engagement series.

In addition to the general engagement sessions, OHCS conducted stakeholder interviews and convened focused discussions with culturally specific developers; public funders and participating jurisdictions; small cities and entitlement jurisdictions; and Housing Oregon Rural Policy Council. OHCS also attended several meetings convened by other groups to provide updates about the engagement process including an in-person session at the Housing Oregon conference on September 28. (Links are provided to meeting summaries where available.) The following is a list of specific interest groups we met with to have focused discussions:

- Legislative Commission on Indian Services (LCIS) & Monthly Tribal Housing Workgroup

¹ *Breakout rooms were not available for the Loan Guarantee programs.



- Racial Justice Council/Housing and Homelessness Committee
- Oregon Housing Authorities Quarterly Meeting
- [Culturally Specific Developers Group](#)
- Agricultural Workers Housing Facilitation Team
- Housing Oregon Conference and [Rural Policy Council](#)
- [Community Development Financial Institutions \(CDFIs\)](#)
- [Participating Jurisdictions/Metro public funders](#)
- [Small cities public funders/Entitlement Jurisdictions](#)
- [Tax Credit Lender/Investors Group](#)

OHCS received input after the engagement process concluded. Housing Oregon emailed a detailed letter with recommendations to the Housing Stability Council on 11/29/23. The letter submitted to Housing Stability Council can be found [here](#).

Stakeholder Participation

Using Zoom and Qualtrics, we were able to view trends in stakeholder participation. We conducted Zoom polls at the beginning of each meeting to get a sense of the group of attendees. Poll usage varied by meeting to collect stakeholder type and geographic representation as well as gauging interest in the meeting topics to inform breakout rooms. Breakout rooms provided a smaller group format to discuss each topic in more depth. Participants contributed to Easy Retro Boards to provide input during the breakout room discussions.

	Registrants	Attendees	Poll Response	Easy Retro Responses	Survey Responses	Survey Responses	Survey Response	Survey Responses
Meeting 1/Engagement	170	135	40% statewide	21 cards	N/A			
Meeting 2/Readiness	150	115	45% developer	92 cards		7		
Meeting 3/Predev/Prequal/DEI Agreement/LG's	190	107	*data not availa	98 cards		18	13	15
Meeting 4/Fund programming/Preservation/Set Asides/ERJ Strategies	161	101	*data not availa	73 cards		4	4	7
Meeting 5/Subsidies/Resident Services/Construction costs/Project evaluation	200	112	47% developer	58 cards		6	10	6
Meeting 6/Recap	186	115	59% developer	26 cards		22		

Additional metrics to consider include the number of views on the OHCS YouTube channel. As of 12/1/2023 the average view rate for the recorded engagement session presentations and breakout rooms is 24 views.



Synthesis and Themes

Staff synthesized the Easy Retro boards and surveys to create summaries of input received by each topic and added OHCS responses to each topic as appropriate to reflect back to stakeholders how the information will be used to inform decisions.

Key themes emerged across the topics:

- Projects need early clarity from OHCS about whether their projects will be able to secure funding to support their development. This means that any revised process must build in that early clarity, even if the final funding is committed later in the process.
- Project timelines are impacted by many factors, which will be difficult to standardize across communities, project types, and types of resources. This means that any revised process must allow project-specific performance benchmarks to be established, holding projects to timelines that they create based on their individual circumstance. Fundamental partners in these projects are other public funders and jurisdictions across the state. Making deliberate connections will be important as we work through project review processes.
- Shifts to funding processes and a broader focus on readiness could have the unintended impact of limiting small, culturally specific, and non-profit partners who have lesser internal resources to incur the substantial costs of project due diligence. This means that any revised process should both build in intentional set-asides for accessing and holding resources, and we should maintain deliberate relationship with these organizations to provide technical navigation assistance. In addition, OHCS should specifically target predevelopment resources to this subgroup of developers.

Next Steps for Engagement

OHCS is currently working to post Response Documents for each of the engagement topics, as information received is incorporated into early draft recommendations. We will be sharing an “implementation” engagement plan with stakeholders and there will be an opportunity to test the new process with stakeholders prior to launching in spring 2024. Given the complexity of this change and the impact of these changes on achieving housing supply goals, ARH is committed to consulting and involving stakeholders in continuous improvement strategies. A timeline of anticipated engagement next steps:



Update at Housing Stability Council	January 5, 2023
Reconvene with public funders	TBD – January
Convene with the Oregon Bankers Association	TBD – January
Update at Housing Stability Council	February 2, 2024
Preview of new process	Mid February 2024
Application Process Testing	March 2024
Launch new process	Spring 2024

Closing

OHCS appreciates the opportunity to engage with stakeholders and seeks to continuously improve engagement practices. The scale of change being navigated and supported through this process was significant, as was our need to gather input on all fourteen topic areas before bringing recommendations together. We appreciate that this distinction, and not immediately seeing input turned into recommendations, is a stress for both staff and external stakeholders. Our next steps, including response documents and forthcoming recommendations and opportunities for feedback, will serve to close that loop.

Throughout this engagement, stakeholders provided feedback about the engagement process through a closing survey, with 26 survey responses. The majority of respondents identified as developers or development consultants. Respondents overwhelmingly agree that having these engagement sessions every two weeks is the right cadence, and 75% of respondents had enough time to review materials prior to the engagement session. There were mixed opinions about whether the presentations during the engagement sessions provided enough details to participate in small group discussions, but the majority of respondents agree that staff facilitators were able to encourage productive dialogue in the breakout rooms. The majority of respondents agreed or were neutral about using Easy Retro Boards as a tool to capture input.

OHCS is in the process of developing an engagement plan for 2024, building on the engagement conducted and input received in 2023. For any questions about this engagement process, or suggestions about future engagement please email Kim Travis, kim.travis@hcs.oregon.gov

