



Memo

To: LIFT Subcommittees

From: Margaret S. Van Vliet, Director

Re: Revised deliverables

Thank you so much for participating in the last week's initial meetings of the State Housing Council Subcommittees. We were excited by your conversations and interest in the questions we're asking you to dive into. We wanted to provide you with an update about what we're hoping to deliver to the Legislature in February 2016. We've also revised the subcommittee deliverables to be more focused, and those are reflected below.

Our overall goal is to develop and implement the LIFT program with guidance from the Governor and the Legislature. In the interim, we will be providing a report to the Legislature with a high level outline of the program design, which is informed by recommendations from both the subcommittees and the Housing Stability Council. To that end, the remaining Subcommittee meetings will be structured to drive towards the following key deliverables:

OUTLINE OF LEGISLATIVE REPORT

1. Over-arching themes:
 - a. We're going to house more Oregonians by building (target number) of units
 - b. We're going to innovate
2. We used a great process
 - a. Housing Stability Council and subcommittees
 - b. Outreach to affected communities and the housing development community
 - c. Transparency
3. We plan to target specific communities for this limited investment
 - a. Governor's priorities
 - b. Analysis of needs and opportunities (deficits and assets) leads us to rank these places (or places with these attributes)
 - c. Income mix of the buildings we finance
4. Deal structure options
 - a. Structure of equity investment by State
 - b. Methods of achieving required ownership interest
 - c. Leverage possibilities; local partnerships

- d. Long term asset management and risk mitigation
5. Service partnerships with DHS
6. Solicitation approach
7. Program goals and threshold outcomes
 - a. Unit production
 - b. Other metrics
 - c. What we'll be accountable for
8. Timeline for program implementation

POLICY SUBCOMMITTEE

The revised deliverables for the policy subcommittee are:

1. Identify the highest priority communities for investment, considering the parameters established by the Governor and the Legislature. Use data that clearly shows community characteristics of need and opportunities (deficits and assets) by county or region to establish target communities or neighborhoods, or to define characteristics which will qualify communities for investment. This information will be used to inform solicitation approach.
2. Propose potential allocations between the Governor's priority populations, and geographies which have significant unmet needs.
3. Develop a framework for targeted outreach and engagement of the under-represented communities of color and/or rural communities we hope to serve.
4. Develop an outline of key attributes of service partnerships that between the housing provider/operator, and DHS or its designated service provider.
5. Identify outcome goals, metrics, and targets for the program, including expected production number*, but also more meaningful metrics or indicators that would help lawmakers know that the investment made a significant difference.

FINANCIAL STRUCTURING SUBCOMMITTEE

The revised deliverables for the financial structuring subcommittee are:

1. Menu of acceptable investment transaction approaches deal and ownership structures
 - a. Receive preliminary guidance from Legislative Counsel to confirm conformity to constitutional requirements
 - b. Related deal structures or equity investment methods
 - c. Identify which approaches/structures would work best in both rural and metro areas of the state.
 - d. Identify barriers to financing successful projects in rural Oregon.
2. Solicitation approach (This topic will be informed by work of the policy committee to identify communities for investment.)
3. Risk assessment and mitigation connected to State's required ownership role
4. Provide preliminary guidance on long-term asset management strategies and possible compliance monitoring.

5. Production targets with underlying program assumptions* and consideration of amount of investment per unit, or other relevant measure. Caps or targeting of averages.

*The committees will hope to develop such production targets and program goals together.