

Section One:  
Introduction and  
Overview

FY 2013-2014 Action Plan



In compliance with HUD regulations, the Portland Consortium presents these Action Plans for FY 2013-14. The members of the Portland Consortium are the City of Portland, the City of Gresham and Multnomah County (representing the unincorporated portions and smaller cities within its boundaries). These plans represent the second set of Action Plans in the 2011-2016 multi-year cycle of coordinated planning by the Portland Consortium. HUD requires that the Consortium establish priorities for the allocation of federal resources.

## **DRAFT PRIORITIES FOR THE THIRD ONE-YEAR ACTION PLAN OF THE 2011-2016 CONSOLIDATED PLAN FOR MULTNOMAH COUNTY, GRESHAM AND PORTLAND**

Over the next three years, the Consortium will make investments of federal housing and community development resources according to the following priorities. These priorities should be construed broadly, to include all activities that might reasonably advance the policy objective, and are *not* presented in Priority Order.

### **Consortium Priority 1: Increase the production and preservation of rental housing, with an emphasis on rental homes for households who face the greatest challenges finding housing in the private market.**

- We will preserve the affordability of existing, privately-owned, federally-subsidized rental housing projects covered by affordability contracts that would otherwise expire.
- We will invest in programs that improve the quality of rental housing.
- We will invest in housing units that are affordable and accessible to people transitioning out of homelessness.
- We will promote fair and non-discriminatory access to quality affordable rental housing for all households in all neighborhoods throughout Multnomah County.
- We will work to align non-capital resources like Section 8, Continuum of Care and homeless service funding to the production of new housing units to support both the financial stability of the housing and the people calling the units home over the long haul.

#### **Gresham-specific rental housing sub-priorities:**

- Focus on rental homes affordable to households with incomes at or below 50 percent of the area's Median Family Income (MFI).
- Focus on housing senior citizens and special needs populations.

#### **Portland-specific rental housing sub-priorities:**

- Emphasize the production of deeply affordable units.
- Establish appropriate production targets for a range of housing affordable and desirable to Portland's diverse population whose housing needs are not met by the private market, including our low-wage workforce.
- Develop geographic priorities for capital investment in housing to promote complementary goals of economic revitalization, prevention of residential displacement and sustainable communities.
- Manage existing housing assets to meet the community's housing needs while conserving public resources.
- Work with community partners to leverage family-wage construction jobs and other opportunities for economic participation created by housing production to advance the Portland Housing Bureau's equity goals.

**Multnomah County-specific rental housing sub-priority:**

- Invest in housing programs that focus on providing decent, stable housing for those with greatest need.

**Consortium Priority 2: Invest in programs with a proven ability to transition people quickly and permanently from homelessness to housing and in programs that efficiently and sustainably prevent homelessness.**

- While we will maintain a basic safety net that includes shelter and services that provide a level of safety off the street, we will give a higher priority to investments that truly prevent or end homelessness. Over time, we believe investing in programs under this priority will reduce the need for shelters.
- We will work to prevent homelessness through limited interventions like rent assistance, foreclosure and eviction prevention, and low-cost repairs that make housing safe and accessible for low-income owners and renters is cost-effective and makes sense.
- We will shift resources from less-focused, more costly programs to strategies with a proven track record for efficiency and success.
- We will ensure that investments under this priority equitably benefit all communities experiencing homelessness or the threat of homelessness.
- We will work to reduce time spent in shelter beds waiting for housing placement by better aligning programs like rental assistance that help move people into permanent housing.

**Multnomah County-specific homelessness prevention sub-priority:**

- Invest in housing programs that focus on providing decent, stable housing for those with greatest need.

**Consortium Priority 3: Invest in programs and strategies proven to assist low- and moderate-income families to sustainably purchase a home or retain a home they already own.**

- We will promote fair and non-discriminatory access to quality affordable homeownership for all households in all neighborhoods throughout Multnomah County.
- We will maximize the impact of investments in homeownership by focusing on strategies like limited down payment assistance and the community land trust model that fairly balance the level of public investment against the goals of assisting a greater number of households and ensuring that assisted families can sustain their ownership over time.
- We will focus investments on cost-effective programs that are effective in helping existing low-income minority homeowners maintain the health and safety of their homes.

**Portland-specific homeownership sub-priority:**

- Focus investments on families from Portland's communities of color to address the low rates of minority homeownership that have resulted from historic legal barriers and current institutional patterns and practices.
- Invest in programs that effectively prepare and position low- and moderate-income families of color to purchase and retain their homes in an effort to

overcome historic gaps in homeownership rates while fully complying with the laws and regulations that further fair housing.

**Consortium Priority 4: Maintain a community safety net that provides short-term shelter, information and referral services to County residents facing homelessness or housing crisis.**

- We will maximize the availability of shelter to those most vulnerable to the debilitating effects of street homelessness.
- We will work to reduce time spent in shelter beds waiting for housing placement by better aligning programs like rental assistance that help move people into permanent housing.
- We will maintain a set of basic community services that provide low-cost, time-sensitive information and referral so households facing homelessness, eviction or foreclosure can help themselves or find the help they need in the community.
- We will work to ensure that investments under this priority equitably benefit all communities experiencing homelessness or the threat of homelessness.

**Consortium Priority 5: Invest in comprehensive, evidence-based programs that assist adults and youth to improve their economic condition by increasing their incomes and assets.**

**Multnomah County-specific economic opportunity sub-priority:**

- Support social service operations for organizations assisting homeless families, low-income citizens and special needs populations to expand economic opportunities.

**City of Gresham Priority 6: Invest in community infrastructure development and redevelopment in low- and moderate-income neighborhoods to safeguard public health, improve livability and promote economic development.**

**City of Gresham Priority 7: Increase economic opportunities through redevelopment and job-creation activities.**

**Multnomah County Priority 8: Invest in infrastructure and public facilities development to stabilize and revitalize low- and moderate-income communities.**

The following federal resources are subject to the Plan:

Community Development Block Grant (CDBG) Program. The cities of Portland and Gresham and urban Multnomah County (the area of the County outside the city limits of Portland and Gresham) each receive CDBG funds which can be used for activities such as housing, public services, community facilities, public improvements, economic development and community revitalization.

HOME Investment Partnership. The HOME program is authorized under Title II of the National Affordable Housing Act for the purposes of:

1. Expanding the supply of affordable housing for low- and very low-income families with an emphasis on rental housing;

2. Building state and local non-profit capacity to carry out affordable housing programs; and
3. Providing coordinated assistance to participants in the development of affordable low-income housing.

The cities of Portland and Gresham and Multnomah County are partners in the HOME Consortium, with Portland designated as the lead jurisdiction. The jurisdictions work together to implement the Consolidated Plan.

Emergency Solutions Grant (ESG). ESG funds can be used for the rehabilitation or conversion of buildings into homeless shelters. This program also may fund certain related social services, operating expenses, homeless prevention and rapid re-housing activities and administrative costs. HUD allocates ESG funds annually based on the formula used for the CDBG. The City of Portland is the only jurisdiction in the County that receives a direct award of ESG funds.

Housing Opportunities for Persons with AIDS (HOPWA). HOPWA is an entitlement program administered by the City of Portland for a seven-county area including Multnomah, Washington, Clackamas, Yamhill and Columbia Counties in Oregon and Clark and Skamania Counties in Washington. Portland works closely with the other jurisdictions in planning and allocation of HOPWA resources. HOPWA funds are targeted to low-income individuals with HIV/AIDS or related diseases and their families. HOPWA funds may be used to support a wide range of services and housing activities. Supportive services must be provided as part of any housing funded by HOPWA.

The Plan also describes how other sources of federal, state, local and private funds contribute to the overall strategies adopted in the Plan.

The City of Portland is the lead agency in the HOME Consortium. The Portland Housing Bureau (PHB) administers the HOME funds and as such is designated as the lead agency for the Plan. PHB has delegated much of the coordination of the Plan process and county-wide plan development to the Federal Funding Oversight Committee (FFOC).

## **INTER-AGENCY AND JURISDICTIONAL CONSULTATION**

The Plan development process for Fiscal Years 2011-2016 continues the inter-jurisdictional, cooperative venture begun during the initial stages of the CHAS planning process. The Consortium established during the CHAS and first Five Year Plan began this Plan with oversight from the county-wide Housing and Community Development Commission (HCDC). However, in 2010, the Consortium shifted to a new public involvement and oversight structure. This change was prompted by the City of Portland's decision to form its own jurisdiction-specific Portland Housing Advisory Commission and to dissolve HCDC. The Consortium moved to a confederated structure designed to provide its member jurisdictions with greater policy independence and greater flexibility about when and where to hold hearings to maximize local participation. The new structure preserves efficiencies regarding County-wide strategy development, public notifications, public hearings and document production.

### **Federal Funding Oversight Committee**

The Consortium's Citizen Participation Plan was amended to create a new multi-jurisdictional committee, the Federal Funding Oversight Committee. Each jurisdiction appoints two members to the FFOC. The FFOC is charged with overseeing the public involvement process on the development of confederated and joint elements of the Plan, including the priorities, the anti-poverty strategy and the other strategies and the analysis of impediments to fair housing. The FFOC also recommends allocation of Continuum of Care (CoC) funds and acts as the primary decision-making group for the CoC. This maximizes coordination of Consolidated Plan resources, including the Emergency Solutions Grant, with the Continuum of Care. Independent plan elements, such as each jurisdiction's annual action plan, will be overseen by the jurisdiction-specific advisory committees.

### **Consortium Staff**

The Portland Housing Bureau provides lead staff for the Consortium. Also supporting the Consortium is an inter-agency team representing the Portland Bureau of Planning & Sustainability, Home Forward, Multnomah County and Gresham's Department of Urban & Design Planning. In addition, in the course of Plan Development,

Portland staff undertook extensive consultation with the Oregon Department of Housing and Community Services, Metro regional government, the surrounding counties (Clark, Clackamas and Washington), social service agencies providing services in Multnomah County, non-profit developers, for-profit developers and service organizations.

#### **REQUIRED CONSULTATION FOR THE CONSOLIDATED PLAN**

In preparing the Consolidated Plan, the Consortium has consulted with other public and private agencies that provide assisted housing, health services and social services (including those focusing on services to children, elderly persons, persons with disabilities, persons with HIV/AIDS and their families and homeless persons). These consultations occurred in the course of regularly-occurring meetings of the Federal Funding Oversight Committee, the Portland Housing Advisory Commission, and in special meetings and hearings sponsored by the City of Portland in conjunction with the creation of the new Housing Bureau, the development of a new Strategic Plan, and in specially noticed Consolidated Plan hearings. Consultation occurred with both housing and service providers; the Housing Authority; homeless persons, people with disabilities; and organizations that provide services to homeless families, people with alcohol or drug addictions, people with developmental disabilities, HIV affected families, the elderly, homeless adults, children and families, and people with mental illness. Many provided additional testimony at the public hearings. (Please see Appendix B.)

The Consortium consulted with state and local health agencies regarding lead paint issues. Child welfare agencies do not have a role in lead hazard identification or abatement in Multnomah County.

The Consortium consulted with Home Forward and Metro, the regional planning agency, during the development of this plan.

The Consortium has also consulted with neighboring counties about its plans in a variety of forums, including the Regional Housing Managers Work Group and the planning around the Sustainable Communities Initiative.

The Portland City Council is the policy-making entity for the Portland Housing Bureau. Because all members of Portland City Council are democratically elected officials, PHB is unable to meet the homeless participation requirement under § 576.405(a). In order to meet the requirements under § 576.405(b), PHB consults with homeless and formerly homeless individuals in considering and making policies and decisions regarding any facilities, services, or other assistance that receive funding under the Emergency Solutions Grant through periodic consultation with the regional Coordinating Committee to End Homelessness (CCEH). CCEH meets monthly to oversee the ongoing implementation of the regional Ten-Year Plan to End Homelessness and includes representation by homeless and formerly homeless individuals.

#### **INSTITUTIONAL STRUCTURE**

The responsibility for implementing the Plan will rest with the Portland Housing Bureau, Gresham's Department of Urban and Design Planning, Multnomah County Department of Human Services and Home Forward. However, implementation cannot proceed without the involvement and support of several public and private agencies. The following list describes the various institutions, businesses and agencies responsible for the delivery of housing and economic opportunity services in the region. Each description of a product and market segment is not intended to be a complete account of activities for each entity.

## PARTNER ORGANIZATIONS AND AGENCIES

Organization / Agency	Product	Market Segment
U.S. Dept of Housing & Urban Development	Program funds, loan guarantees	Low- and moderate-income housing and community development activities
Coalition for a Livable Future	Equity advocate, equity atlas	All
Conventional Lenders	Private and public/private partnership housing, single family mortgage loans	All
Corporation for Supportive Housing	Policy recommendations & best practices	Chronically homeless persons
Ecumenical Ministries of Oregon	Shared housing, advocacy on poverty and homelessness issues	Low-income households, families and individuals experiencing homelessness
Enterprise Community Partners	Technical assistance for neighborhood and nonprofit developers, limited predevelopment loans	80% MFI or below
Equity Investors	Equity participation as owner or joint venture partner for housing developments, tax credit investments	Development for households at 50-60% MFI
Federal Consumer Financial Protection Bureau of the Department of the Treasury	Created in 2010, the CFPB is charged with empowering consumers with the information about the costs and features of financial services that they need to make sound financial decisions.	Mortgages, credit cards, other consumer financial products and services.
Federal Funding Oversight Committee	Preside at public hearings on shared elements of Consolidated Plan, make recommendations to the jurisdictions based on findings that Citizen Participation Plan was followed and Action Plans are reasonable	Con Plan Process
Fair Housing Council of Oregon	Education on fair housing, audit testing, enforcement of federal housing law	Rental, homeownership and financial services
Federal Interagency Council on Homelessness	Program funds for efforts to end chronic homelessness	Chronically homeless persons
Federal Home Loan Bank	Wholesale source of long-term credit for housing	All
Federal Home Loan Mortgage Corporation (FHLMC) / Government National Mortgage Association (GNMA)	Conduit for single family and multi-family loans	Low- and moderate-income households
Federal National Mortgage Association (FNMA)	Conduit for single family and multi-family loans	Low- and moderate-income households

Organization / Agency	Product	Market Segment
For-Profit Developers	Most single- and multi-family housing developments	All, but primarily households at or above 80% MFI
Gresham Urban Design and Planning	Federal funds administrator for loans and grants	Very low- to moderate-income neighborhoods and individuals
Gresham Community Development and Housing Subcommittee (CDHS)	Policy recommendations	Very low-, low- and moderate-income households
Government National Mortgage Association	Conduit for single family and multi-family loans	Low- and moderate-income households
Oregon Housing Alliance	State-wide advocacy for Opportunity Agenda, including new resources to increase housing affordability for renters & first-time homebuyers	0-80% MFI, with an emphasis on 0-30% MFI
Housing and Community Development Commission (HCDC) (1991-2010)	Until it was dissolved in December 2010, HCDC provided policy advice, plans and reports required by HUD	Advocate for system change to benefit very low-, low- and moderate-income households; advocate for increasing number of minority homeowners
Home Forward	Developer and funder of affordable housing in Multnomah County, Public Housing, HOPE VI, Section 8 programs, Shelter + Care, bonding capacity	Very low- and low-income rental housing, limited low-income homeownership
Housing Development Center (HDC)	Technical assistance with affordable housing development	Low- and moderate-income housing
Human Solutions, Inc.	Transitional housing, job training and rent assistance, advocacy	Low-income and homeless families
Metropolitan Service District (Metro)	Technical assistance for housing and transportation policy and planning, including planning for sustainable development	All incomes, with a special focus on affordable housing to households with income of 80% MFI and below, and housing located in town centers along mass transit

Organization / Agency	Product	Market Segment
Multnomah County Commission on Children, Families & Community	Anti-Poverty Framework, School-Age Policy Framework and the Early Childhood Framework	Very low-income (30% MFI and below) families
Multnomah County Department of County Human Services (DCHS)	Administration of federal, state and local service funds; direct social service delivery; contact for social service delivery, policy recommendations, coordination of County housing programs, housing development grants (Strategic Investment Program), sale/lease of surplus county properties for special needs and supportive special needs housing in Multnomah County; administration of community development funds, donation of tax-foreclosed properties, social service delivery grants	Services and/or supportive housing for low-income elderly, physically disabled, mentally ill, alcohol or drug addicted, and developmentally disabled <sup>2</sup> and /or homeless family shelters and transitional housing
Neighborhood Partnership Fund	Technical assistance to local nonprofit CDCs, administration of Bridges to Housing program	80% MFI and below; Bridges to Housing limited to high need homeless families who are high resource users
Network for Oregon Affordable Housing (NOAH)	Line of credit for working capital, bridge and construction loans; maintain preservation database and provides technical assistance on preservation of expiring use properties	Primarily below 80% MFI
Nonprofit Developers (CDCs)	Single- and multi-family housing, both homeownership and rental	Primarily below 80% MFI
Operation HOME	Strategies, support and technical assistance	Minority homeownership
Oregon Corporation for Affordable Housing (OCAH)	Housing production support and technical assistance, capital general for tax-credit purchase	Low-income
Oregon Opportunity Network (OregonON)	Affordable housing policy, technical assistance, advocacy for new resources	Low- and moderate-income housing and community development activities and training, statewide scope

Organization / Agency	Product	Market Segment
Portland Bureau of Development Services (BDS)	Regulatory oversight of building, housing and zoning codes	All
Portland Housing Advisory Commission	Portland-specific policy advice	All, with an emphasis on housing for households not served by the private marketplace
Portland Housing Bureau (PHB)	Contract administrator for federal loan and grant programs and tax increment financing, operating support to community nonprofit developers, leading policy initiatives, such as Operation HOME	Rental and homeownership, community development, homeless persons; serve households below 80% MFI; uses TIF affordable housing set-aside to fund 0-60% rental development and 0-100% homeownership programs
Portland Bureau of Planning and Sustainability (BPS)	Long range policy and Comprehensive Plan, Portland Plan, neighborhood and community planning, administration of tax abatement programs	All
Portland Development Commission (PDC)	Urban renewal agency, focusing on economic development activities	All
Portland Housing Center (PHC)	Information, education and counseling for prospective homeowners and renters, financial services products	Low- and moderate-income people
Portland Proposal Review and Project Advisory Committee	Economic Opportunity Initiative project selection and policy recommendations	Low-income people
State of Oregon Department of Housing and Community Services (OHCS)	Permanent financing via bonds, gap funding via the Housing Trust Fund, Oregon Affordable Housing Tax Credits and Federal Low-Income Tax Credits; short-term financing for acquisition of preservation properties through the Oregon Housing Preservation Fund; administer federal stimulus programs including Neighborhood Stabilization and "Hardest Hit" program	Very low- and low-income rental and homeownership
Unlimited Choices	Rehab and repair of homes, tenant advocacy	People with a physical disability, people who qualify as low- and moderately low-income by HUD guidelines

There are many players dedicated to improving the conditions of low- and moderate-income residents in Multnomah County. Our impressive toolbox and our record of involving both the public and private sectors are our greatest strengths. However, silo thinking and lack of communication can result in duplication of efforts, dilution of resources and other discord. To address this potential for chaos, the major players have pursued strategies of communication and coordination.

Home Forward, an independent chartered public housing agency created by the Portland City Council, and the preeminent agency involved in housing very low-income residents, has been a leader in local efforts to increase communication. Several years ago, Home Forward extended its geographic base to include the entire County. Portland, Gresham and Multnomah County each have the right to appoint representatives to Home Forward's Board of Directors. In addition to increasing its partnerships with other housing authorities and non-profit entities, Home Forward has partnered with for-profit entities to explore new means of housing production and service delivery.

## **CITIZEN PARTICIPATION**

As required by federal regulations, a Citizen Participation Plan (CPP) describing the overall framework for public involvement was adopted by the participating jurisdictions in May 2005. The CPP was amended in May 2011. Further amendments have been proposed as part of this Consolidated Plan cycle. The revised Citizen Participation Plan is appended to this Plan in Appendix B, Citizen Participation Plan.

This Section describes the scope of public participation activities conducted for this Plan.

In order to broaden public participation in the five year plan, the Consortium sponsored nine hearings at locations across the County. Most of the hearings were co-sponsored with community-based organizations, and leadership from the organizations participated in leading the hearings. Six of the hearings were organized around a particular theme, and staff made extra efforts to invite those interested in the theme to attend the hearing. For example, a hearing on the housing and service needs of our aging population was held at the Mittleman Jewish Community Center and co-sponsored with Elders in Action. Invitations were extended to a list of organizations that provide housing and/or services to seniors, as well as to faculty and students affiliated with the Portland State University Institute on Aging. This year the hearings are being held in conjunction with regularly scheduled meetings with strong attendance and a broad base of interest in housing. Comments were accepted at all public hearings, as well as by mail, phone, web and e-mail. Translation services were provided when requested. All hearings locations were accessible to persons with disabilities.

## **THE ROLE OF ADVISORY BOARDS**

The HCDC, a volunteer citizens' commission appointed by the elected officials of the participating jurisdictions served as the primary advisory body during the development of the Needs Assessment. In December 2010, Portland dissolved HCDC and created the Portland Housing Advisory Commission, a volunteer advisory Commission appointed by Portland City Council. Gresham has a Community Development and Housing Sub-committee of its Planning Commission, appointed by the Gresham City Council, and Multnomah County has a Policy Advisory Board, consisting of representatives of the unincorporated County and its small cities. These jurisdiction-specific advisory bodies oversee the development of the annual Action Plans. Each jurisdiction also appoints two citizens to the Federal Funding Oversight Committee, a new advisory body that assumed oversight duties from HCDC with respect to the Priorities and the Strategic Plan. The Federal Funding Oversight Committee preside over the hearings to listen to the community and they review the projects submitted to the Con

Jurisdiction staff engages in an ongoing process of coordination and consultation so they can provide these advisory bodies with historical information, policy options, and well-thought-out recommendations. Both Multnomah County and the City of Portland participate in the Coordinating Committee to End Homelessness, the group charged with overseeing Home Again, the Ten Year Plan to End Homelessness in Portland and Multnomah County, and making funding recommendations in the Continuum of Care process.

**THE PUBLIC PROCESS FOR THIS PLANNING CYCLE**

Date	Event
<b>November 14, 2012</b>	<b>Joint Public hearings on community needs for the 2012-2013 Action Plan</b>
April 15, 2013	First draft of the 2012-2013 Action Plan Priorities and Strategies posted online to the public for 30-Day Comment Period. FY2012-2013 Action Plans for the City of Portland, Multnomah County and the City of Gresham also released.
April 2, 2013	Public hearing for the FY2011-2012 Action Plan for the City of Portland.
April 11, 2013	Public hearing for the FY2011-2012 Action Plan for Multnomah County.
<b>April 17, 2013</b>	<b>County-wide public hearing on the Principles and Priorities to guide the Plan, Federal Funding Oversight Committee presided.</b>
April 18, 2013	City of Gresham Hearing on One Year Action Plan 2012-2013
<b>May-June 2013</b>	<b>The City Councils of Portland and Gresham and the Multnomah County Board of Commissioners adopted the 2012-2013 Action Plan, the Fair Housing Plan, and the FY2012-2013 Action Plans.</b>
May 7, 2013	City of Gresham Hearing approval date for One Year Action Plan 2012-2013
June 13, 2013	Multnomah County approval date for One Year Action Plan 2012-2013
June 26 <sup>th</sup> , 2013	City of Portland approval date for One Year Action Plan 2012-2013
<b>July 15, 2013</b>	<b>Approved extension date to submit the One Year Action Plan to HUD</b>

## **MINORITY BUSINESS OUTREACH**

Property owners/borrowers carry out the bulk of contracting opportunities rather than the City. Borrowers of amounts under \$100,000 receive information about opportunities and are encouraged to solicit quotes from minority and women business enterprises.

## **MONITORING**

Some projects are funded by more than one jurisdiction. To reduce administration and monitoring, interagency agreements state that only one jurisdiction will manage a project and management responsibilities will alternate between jurisdictions.

## **CITY OF PORTLAND: CDBG, ESG, HOME AND HOPWA**

PHB provides monitoring for CDBG, ESG, HOME and HOWPA-funded projects. Monitoring activities may include program performance, fiscal accountability and regulatory compliance and may involve internal file review and/or on-site reviews. An objective of all internal file reviews and on-site reviews is to ensure that the City will meet the goals and objectives set forth in the Consolidated Plan. Program Managers select the projects to be site-monitored for program performance and regulatory compliance based on completion of internal file reviews. Program Managers work with fiscal staff to determine which projects will also receive a fiscal review, which generally fall into the following categories” projects which receive large amounts of City funding, projects which are administered by unsophisticated or inexperienced organizations, projects which appear to be having difficulties in meeting contract or program requirements, and projects which require more intensive technical assistance receive priority in establishing a monitoring schedule.

Internal file review consists of completion of Risk Assessment and Desk Monitoring checklists, as well as reviews of invoices and progress reports submitted, external audits, and other materials submitted by the contracting agency to determine that the project is on schedule, fiscally accountable and compliant with contractual requirements and regulations. On-site reviews can include any or all of the following: program file and systems review at the contractor facility (e.g., income verification forms and process for collecting information), visiting sites where the activity is being carried out (e.g., a house under construction or the operation of a public service activity) or has been completed (in the case of property improvements), interviewing participants and clients as well as agency staff and fiscal file and systems review.

## **HOME**

All HOME projects are monitored by the City’s sub-recipient contractors for compliance with all HOME requirements, e.g., long-term compliance with housing codes and affordability requirements. Monitoring is performed on a regular schedule at the intervals required by HOME regulations.

## **ESG PERFORMANCE STANDARDS**

In establishing the coordinated Short Term Rent Assistance (STRA) program, the Coordinating Committee to End Homelessness (CCEH) developed two primary performance standards for short-term rent assistance activities under the Ten-Year Plan to End Homelessness (and subsequently within the Continuum of Care (CoC)):

1. Number of households placed or retained in permanent housing
2. Percentage of assisted households retaining permanent housing at 3, 6, and 12 months post-subsidy

Performance data are recorded by STRA providers in the regional HMIS and reported via the standardized Shared Housing Assessment Report. Cumulative STRA program performance standards for housing retention are 90% of assisted households at 3 month post-subsidy, 80% at 6 months, and 70% at 12 months.

ESG activities will be evaluated using these existing performance standards. As HUD provides a detailed regulatory framework for implementation of the HEARTH Act via the Continuum of Care Interim Rule, PHB and the local CoC will collaborate to develop shared CoC and ESG program performance standards that align with community-level

performance standards established through that regulatory framework.

## **MULTNOMAH COUNTY**

Multnomah County provides monitoring for CDBG-funded projects and may involve internal file review and on-site reviews to ensure that sub-recipients comply with regulations governing their administrative, financial and programmatic operation and to ensure that the County achieves the goals and objectives of the Consolidated Plan.

The County strives to provide up-front assistance and information about requirements through the application process, contract preparation, ongoing communication and technical assistance.

The County performs on-site monitoring of active CDBG-funded projects annually. Monitoring activities may include program performance, fiscal accountability and regulatory compliance. Effort is made to perform on-site reviews in conjunction with other funding agencies to avoid duplication and reduce burden on project sponsors. A letter is sent to project managers summarizing the results of the review and any follow-up action necessary.

Public contracts for CDBG funds require that sub-recipients submit monthly activity reports and semi-annual reports on progress toward achieving contractual compliance.

## **GRESHAM MONITORING**

Monitoring is an on-going part of project management for the City of Gresham. The elements of Gresham's project management system include the following:

- In an effort to assist applicants with addressing all applicable federal regulations, the City of Gresham provides information about relevant regulations in the funding application materials. While this information may not be sufficient for an applicant unfamiliar with the regulations, it does serve as a reminder to those who have some familiarity with CDBG and HOME of the requirements they will have to meet if funded.
- Gresham also conducts a workshop for all prospective applicants at the beginning of the application period to familiarize the applicant, with the regulations and requirements associated with the CDBG and HOME programs.
- Applicants are encouraged to meet with City staff to review the federal regulations and to answer any questions the applicants may have concerning the application process. This is an opportunity to assist applicants in shaping their projects in a manner that conforms to HUD guidelines.
- City staff reviews written applications to ensure general compliance with federal regulations at the initial stage in the application process.
- After extensive review by staff, the Community Development and Housing Subcommittee (CDHS) and a Technical Advisory Group, staff informally assesses the applicant's background and experience and the complexity of the project to determine how best to proceed with formalizing a contractual agreement. If the applicant is receiving funds for a service or project that they have completed successfully in a previous year, staff may simply send out a renewal contact. If it is a new project of some complexity with a new partner, then staff may prepare checklists and hold multiple meetings to ensure that the project is developed appropriately. Staff will provide considerable guidance upfront on Davis Bacon, Uniform Relocation Act, Lead Based Paint and other related compliance issues.
- All contracts include provisions for providing written reports to the City on a regular basis. Delays in reporting may result in the City delaying payment of invoices until the required reports are provided.
- Periodically, the City sponsors an informal meeting for all public service and housing service providers to better coordinate service among agencies and to provide a forum for discussing mutual interests or concerns. Typically, a good portion of the meeting is spent discussing contractual requirements such as

revisions to reporting forms or other HUD changes.

- For all housing projects for which the City provides funding for construction, the City assigns a building inspector to monitor the progress of the project in the field and to review all invoices for payment. Community Revitalization staff continue to monitor overall progress.
- The City of Gresham will complete an annual risk assessment of its CDBG sub-recipients. The purpose of this risk assessment is to identify which sub-recipients will require comprehensive monitoring during the program year. The risk assessment uses the following criteria to identify high-risk sub-recipients which will require comprehensive monitoring:
  - those who are new to CDBG programs and have never received CDBG funding previously;
  - those who have experienced turnover in key staff positions;
  - those with previous compliance or performance problems;
  - those carrying out high-risk activities; and
  - those undertaking multiple CDBG activities for the first time.

Comprehensive monitoring of high-risk sub-recipients will include a minimum of three on-site project monitoring visits during each program year. If a sub-recipient is determined to be high-risk, they may also be required to submit monthly financial and program outcome reports (vs. quarterly). The schedule of each on-site monitoring visit will be determined by the sub-recipient project schedule and a standardized monitoring checklist will be used when evaluating each sub-recipient CDBG-funded project. There are four parts to the monitoring review:

1. Program compliance
2. Project achievements
3. Financial and grant management systems (performed by the City's financial staff)
4. Regulatory Compliance

#### **(FOOTNOTES)**

<sup>1</sup> In 2013, the Median Family Income (MFI) for a four-person household in the Portland Metropolitan Statistical Area is \$68,300. The income of a four-person household at 80% MFI is \$55,500. The income of a four-person household at 50% MFI is \$34,700.

<sup>2</sup> Developmental disabilities is used in a broad sense to include a wide range of cognitive disabilities.