

JOIN US

Oregon Housing and Community Services



May 12, 2025

Re: Rules Advisory Committee – Permanent Supportive Housing (PSH)

Dear Partners,

OHCS is hosting a Rules Advisory Committee on Monday, May 19th at 9 am to support the rule filing for the PSH program. During this meeting, the committee will be reviewing the drafted rules and providing feedback on the drafted fiscal and economic impact statements. While this meeting does not include a comment period for the public, we hope you can join!

Monday, May 19, 2025 at 9 a.m.
[Registration](#) is Required

RAC Agenda:

- Welcome and Introductions
- PSH program overview
- Review drafted rules and impact statements
- Impact Assessment and Feedback
- Next Steps & Closing

You can stay up to date with all of OHCS's rulemaking and future engagement opportunities on our website: [OHCS Administrative Rules](#) or reach out to Jaci Davis, Lead Administrative Rules Coordinator at jaci.davis@hcs.oregon.gov



PERMANENT ADMINISTRATIVE ORDER

CHAPTER 813

OREGON HOUSING AND COMMUNITY SERVICES DEPARTMENT

FILING CAPTION: Establishing parameters for the Permanent Supportive Housing (PSH) Program

EFFECTIVE DATE: 03/20/2023

AGENCY APPROVED DATE: 03/08/2023

CONTACT:

Jaci Davis
503-986-6796
Jaci.Davis@hcs.oregon.gov
725 Summer St NE Suite B
Salem, OR 97301

RULES:

813-138-0000, 813-138-0005, 813-138-0015, 813-138-0020, 813-138-0025, 813-138-0030, 813-138-0035, 813-138-0040, 813-138-0045

ADOPT: 813-138-0000

RULE TITLE: Purpose and Objective

RULE SUMMARY: Establishing Permanent Supportive Housing purpose.

RULE TEXT:

The rules of OAR chapter 813, division 138, are established to support implementation of Senate Bill (SB) 5505 (2021) (Or Laws 2021, chapter 658, section 1) and SB 5506 (2021) (Or Laws 2021, chapter 659, section 1) relating to funds provided for the creation of a Permanent Supportive Housing Program in the State of Oregon. The objective of the PSH Program is to expand the state's supply of affordable housing designed to serve households experiencing chronic homelessness. Permanent Supportive Housing is a best practice and proven strategy to successfully house people experiencing chronic homelessness. Members of these households often have complex needs including mental illness, substance use, and chronic physical difficulties alongside of their experience of long-term homelessness. The OHCS PSH Program combines three funding elements: development funding for acquisition, construction and rehabilitation of affordable housing, funding for comprehensive tenancy support services, and project-based rental assistance. PSH is a key resource for people who, without support in their tenancy, may not be successful in maintaining stable housing and who, without housing, may not be as successful in utilizing services to achieve and maintain recovery, health, and wellness.

STATUTORY/OTHER AUTHORITY: ORS 456.612, ORS 456.620, ORS 456.625

STATUTES/OTHER IMPLEMENTED: SB 5505 (2021), SB 5506 (2021)

ADOPT: 813-138-0005

RULE TITLE: Definitions

RULE SUMMARY: Establishing definitions for PSH program.

RULE TEXT:

Terms used in OAR chapter 813, division 138 are defined in Oregon Revised Statute (ORS) or in OAR 813-005-0005 and herein. As used in these rules:

(1) “Applicant” means a person or entity that applies for an allocation of PSH resources from the Department by completing an application provided by the Department.

(2) “Comprehensive Tenancy Support Services” means on-site services provided to Project residents that facilitate housing access, housing retention, and increased wellness and stability. Residents to service staff ratios must meet PSH Program requirements. Baseline services should include:

(a) Assistance with removing housing barriers;

(b) Developing individualized housing support plans with residents that are reviewed and updated annually;

(c) Early identification and intervention for behaviors that may jeopardize housing;

(d) Educating residents on the role, rights, and responsibilities of the resident and landlord, along with support in landlord communication and lease navigation;

(e) Services navigation and linkages to community resources;

(f) Access to culturally responsive and specific services.

(3) “Continuum of Care” means a regional or local planning body that coordinates housing and services funding for families and individuals experiencing homelessness. The group organized to carry out the responsibilities required under 24 CFR part 578 and is composed of representatives of organizations, including nonprofit homeless service providers, victim service providers, faith-based organizations, governments, businesses, advocates, public housing agencies, school districts, social service providers, mental health agencies, hospitals, universities, affordable housing developers, law enforcement, organizations that serve homeless and formerly homeless veterans, and homeless and formally homeless individuals to the extent these groups are represented within the geographic area and are available to participate.

(4) “Coordinated Entry” means a centralized or coordinated process developed to ensure that all people experiencing a housing crisis have fair and equal access and are quickly identified, assessed for, referred to, and connected to housing and assistance based on the person’s strengths and needs, operated by a region’s Continuum of Care.

(5) “Chronically Homeless Households” means households identified as chronically homeless by a Project’s local Continuum of Care. If no definition exists, “chronically homeless households” means:

(a) an individual who:

(A) is homeless and lives in a place not meant for human habitation, a safe haven, or in an emergency shelter;

(B) has been homeless and living or residing in a place not meant for human habitation, a safe haven, or in an emergency shelter continuously for at least one year or on at least four separate occasions in the last three years; and

(C) can be diagnosed with one or more of the following conditions: substance use disorder, serious mental illness, developmental disability (as defined in section 102 of the Developmental Disabilities Assistance Bill of Rights Act of 2000 (42 USC § 15002)), post-traumatic stress disorder, cognitive impairments resulting from brain injury, or chronic physical illness or disability;

(b) an individual who has been residing in an institutional care facility, including a jail, substance abuse or mental health treatment facility, hospital, or other similar facility, for fewer than 90 days and met all of the criteria in paragraph (a) of this definition, before entering that facility; or

(c) a family with an adult head of household, or if there is no adult in the family, a minor head of household, who meets all of the criteria in paragraph (a) of this definition, including a family whose composition has fluctuated while the head of household has been homeless.

(6) “Operated” means to have sufficient direct or indirect control of the Qualified Property that reasonably enables the Department, in its determination, to ensure the Qualified Property’s use for the purpose of providing affordable housing under the PSH Program.

(7) “Owned” means to possess one or more interests in a Qualified Property that reasonably enables the Department, in its determination, to ensure the Qualified Property’s use for the purpose of providing affordable housing under the PSH Program.

(8) “Permanent Supportive Housing” or “PSH” project means a housing or program type that combines a leased unit with Rental Assistance and Comprehensive Tenancy Support Services for persons experiencing chronic homelessness so that they may live independently.

(9) ~~“PSH Standards, Best Practices, and Program Manual”~~ ~~“Permanent Supportive Housing Frameworks”~~ or ~~“PSH Manual”~~ ~~“PSH Frameworks”~~ or ~~“Frameworks”~~ means the ~~most recent~~ PSH ~~services~~ program guidelines, dated May 2025, for the Permanent Supportive Housing Program as described in OAR chapter 813. ~~The frameworks~~ The PSH Manual may be accessed online at the Department’s website.

(10) “Project” means a qualified permanent supportive housing development with rental units specifically set aside for the occupancy of a chronically homeless family or individual as approved by the Department. A Project may include one or more buildings and any associated common area and may be located on scattered sites.

(11) “Qualified Property” means real or personal property, including infrastructure and indebtedness related to the real or personal property.

(12) “Rental Assistance” means a rental subsidy that provides the difference between the monthly rental rate and the tenant’s contribution, with contribution rates defined in the Rental Assistance resource.

(13) "Residents" means an approved occupant within a PSH Program.

STATUTORY/OTHER AUTHORITY: ORS 456.612, ORS 456.620, ORS 456.625

STATUTES/OTHER IMPLEMENTED: SB 5505 (2021), SB 5506 (2021)

ADOPT: 813-138-0015

RULE TITLE: Eligibility

RULE SUMMARY: Adopting new rules to clarify program eligibility.

RULE TEXT:

Eligibility for funding will vary by resource offering but in all cases the Project or unit must include all three PSH program elements which include physical units (a minimum of five), project-based rental assistance, and comprehensive tenancy support services. (not required to be funded by the Department). Additional requirements may include but are not limited to:

(1) ~~Training or technical assistance standards~~ Standards as outlined by the Oregon Centralized Application or ~~PSH Frameworks~~ PSH Standards, Best Practices, and Program Manual.

Formatted: Not Highlight

Formatted: Not Highlight

(2) Low barrier policies for access to accessing the PSH units.

(3) A tenant selection policy-plan that prioritizes chronically homeless households via local Coordinated Entry, and

(4) Affirmatively Furthering Fair Housing marketing plan.

STATUTORY/OTHER AUTHORITY: ORS 456.612, ORS 456.620, ORS 456.625

STATUTES/OTHER IMPLEMENTED: SB 5505 (2021), SB 5506 (2021)

ADOPT: 813-138-0020

RULE TITLE: Permanent Supportive Housing Notice of Funding Availability and PSH Frameworks

RULE SUMMARY: Outlining the PSH program solicitation process.

RULE TEXT:

(1) the Department has established the PSH Standards, Best Practices, and Program Manual ~~PSH Frameworks~~ to share the expectations and requirements for the PSH Program. In addition to funding for Rental Assistance and Comprehensive Tenancy Support Services, the Department may also offer development resources for new unit creation or rehabilitation when available. For all Department resources, the Department retains the right to establish minimum standards associated with eligibility.

(2) Funding decisions may be made using the Oregon Housing and Community Services (OHCS) Affordable Rental Housing Division (ARH) Centralized Application Process as described in OAR 813-002-0005 through OAR 813-002-0055. The Centralized Application process may include additional priorities and requirements as determined appropriate by the Department.

(3) Policies and program expectations are outlined in the PSH Standards, Best Practices, and Program Manual, dated May 2025, ~~the Rental Assistance Program Framework and the PSH Services Program Frameworks~~, incorporated into and adopted as part of these administrative rules by reference.

(4) PSH policy and program information is available online at the Department's website.

STATUTORY/OTHER AUTHORITY: ORS 456.612, ORS 456.620, ORS 456.625

STATUTES/OTHER IMPLEMENTED: SB 5505 (2021), SB 5506 (2021)

Formatted: Not Highlight

ADOPT: 813-138-0025

RULE TITLE: Project Development - Eligibility for Bond Proceeds for PSH

RULE SUMMARY: Detailing eligibility that ensure compliance for bond resources requirements.

RULE TEXT:

(1) The Department may use funds available or designated for PSH development including those pursuant to Article XI-Q, of the Oregon Constitution, for the PSH Program to acquire, construct, remodel, repair, equip, or furnish Qualified Property that is or will be Owned or Operated by the State of Oregon for the purpose of providing permanent supportive housing in this state for Chronically Homeless Households.

(2) For properties developed utilizing Article XI-Q bonds, ownership interests in real property acquired by the Department are limited to:

(a) A fee simple interest in land or improvements;

(b) A leased fee interest, meaning an ownership interest with the rights of use and occupancy conveyed by lease to others;

(c) A tenancy in common for which the Department's interest in the property is proportionate to the contribution of the Department in the property's purchase price;

(d) A fee simple interest in a condominium; (e) An easement, right of way, license or similar interest functionally related to and necessary for the use of Qualified Property acquired by the Department.

(3) If the Department holds an operational interest in the Project, the parties must execute an operating agreement to govern the project.

STATUTORY/OTHER AUTHORITY: ORS 456.612, ORS 456.620, ORS 456.625

STATUTES/OTHER IMPLEMENTED: SB 5505 (2021), SB 5506 (2021)

ADOPT: 813-138-0030

RULE TITLE: Project Development - Allocation of Bond Proceeds

RULE SUMMARY: Establishing guidelines for PSH loan compliance.

RULE TEXT:

(1) The Department may, to the extent of its authority, allocate bond proceeds to Projects approved for funding by the Housing Stability Council.

(2) When funded with Article XI-Q bonds, the Department shall allocate the funds in compliance with the requirements of the Article XI-Q, of the Oregon Constitution, ORS 456.559(1)(f) and the rules of this division.

(3) The Department may choose whether to allocate all available funds.

(4) The obligation to repay the loan principal shall be satisfied upon repayment in full at maturity. In the alternative, and at the election of the borrower at any time after the initial affordability period, such obligation may be:

(a) Satisfied upon the borrower executing agreements:

(A) Subjecting the Qualified Property to an additional affordability period equivalent to the initial level of affordability; and

(B) Ensuring that the equity of the PSH loan continues to benefit the Project;

(b) Extended beyond the initial maturity date on the condition that:

(A) Substantially equivalent, as determined by the Department, affordability is maintained through the extended affordability date; and

(B) The equity of the PSH loan continues to benefit the Project. At the request of the borrower, the Department also may consider a combination of PSH loan repayment, affordability preservation, and loan extension in proportion to the previously identified options.

(5) PSH loans may be prepaid as long as affordability is ensured in a manner satisfactory to the Department. Repayment examples include:

(a) Loan fully repaid at maturity.

(b) Loan satisfied by a 30-year affordability extension where the PSH equity is used to rehabilitate the qualified project.

(c) Loan terms extended for an additional 30-year affordability term.

(d) Loan prepaid at year 15 with continued affordability ensured for the entirety of the initial affordability term.

STATUTORY/OTHER AUTHORITY: ORS 456.612, ORS 456.620, ORS 456.625, ORS 456.559(1)(f)

STATUTES/OTHER IMPLEMENTED: SB 5506 (2021), SB 5505 (2021)

ADOPT: 813-138-0035

RULE TITLE: Allocation of Rental Assistance and Comprehensive Tenancy Support Services Funding

RULE SUMMARY: Describing PSH funding allocations and authority.

RULE TEXT:

(1) The Department may, to the extent of its authority, allocate resources for Rental Assistance and Comprehensive Tenancy Support Services to Projects awarded funding by the Housing Stability Council.

(2) The Department shall allocate the funds in compliance with the Oregon Housing and Community Services (OHCS) Affordable Rental Housing Division (ARH) Centralized Application Process, as described in OAR 813-002-0005 through OAR 813-002-0055, the PSH Manual and Frameworks, and the rules of this division.

Formatted: Not Highlight

(3) The Department may choose whether to allocate all available funds.

(4) The Department retains flexibility regarding how Rental Assistance and Comprehensive Tenancy Support Services funding are assigned.

(5) If Rental Assistance or Comprehensive Tenancy Support Services funding for a Project are no longer available and replacement funding for these resources is not found within a reasonable time, in order to keep the Project viable and avoid foreclosure, the Department may elect to waive the requirement that the Project house Chronically Homeless Households. If the project goes into default or foreclosure or for any reason cannot meet its debt obligation, OHCS should be notified immediately by the project owner and a cure period should be established to enable the sponsor to work in good faith toward implementing a remedy or cure for the default. If the default cannot be cured or a remedy cannot be put in place within the agreed upon cure period and needed rent assistance and supportive services funding is no longer available, then OHCS may waive the requirement for the project to house chronically homeless residents.

STATUTORY/OTHER AUTHORITY: ORS 456.612, ORS 456.620, ORS 456.625

STATUTES/OTHER IMPLEMENTED: SB 5505 (2021), SB 5506 (2021)

ADOPT: 813-138-0040

RULE TITLE: Application Requests and Charges for Development Funds

RULE SUMMARY: Detailing the PSH application process for development funds.

RULE TEXT:

(1) The Department may solicit applications for an allocation of Program funds from interested parties when such resources are available.

(2) The Department may require a non-refundable application charge from any Applicant requesting an allocation of Program bond proceeds.

(3) The Department may charge the Project owner reasonable charges for the Department's costs of monitoring the Project owner's compliance with restrictions established by the Department.

(4) The Department shall evaluate completed applications based on a ranking system established by the Department and set forth in the Department's application process.

STATUTORY/OTHER AUTHORITY: ORS 456.612, ORS 456.620, ORS 456.625

STATUTES/OTHER IMPLEMENTED: SB 5505 (2021), SB 5506 (2021)

ADOPT: 813-138-0045

RULE TITLE: Applications for Rental Assistance and Comprehensive Tenancy Supportive Services Funding

RULE SUMMARY: Application requirements for the Rental Assistance or Comprehensive Tenancy Supportive Services funding.

RULE TEXT:

To request Rental Assistance or Comprehensive Tenancy Supportive Services funding, Applicants must submit an application along with any applicable charges as required by the development resource funding request, if applicable. The Rental Assistance or Comprehensive Tenancy Supportive Services funding application required by the Department may request, among other information, the following:

- (1) The type(s) of funding requested;
- (2) The amount of funds requested from each funding category;
- (3) The building location: state, county, town, street address and legal description
- (4) An initial statement based on local homelessness data indicating whether or not there is a need for the proposed Project;
- (5) The complete financial information about the proposed Project showing all sources and uses of funds;
- (6) An operating pro forma statement on a cash flow basis showing net operating income before debt service;
- (7) Evidence of a commitment for financing, federal loan insurance, or other major source of funds;
- (8) Other financial information regarding grants, subsidies, or tax-exempt financing for the proposed Project;
- (9) Implementation plans for Comprehensive Tenancy Support Services.

STATUTORY/OTHER AUTHORITY: ORS 456.612, ORS 456.620, ORS 456.625

STATUTES/OTHER IMPLEMENTED: SB 5505 (2021), SB 5506 (2021)

Highlighted yellow= fill out project specific information

Highlighted blue= information for person completing the TSP, delete and add organization and/or project-specific language

Project Name

Tenant Selection Plan Template for 100% PSH

SECTION I – RESIDENT SELECTION

1.1 PROJECT DESCRIPTION:

Project Name is a 100% permanent supportive housing property consisting of **(# of units)** of **(# of bedrooms)** apartments. **(#units)** are set aside for chronically homeless households as defined below. Applicants for **Project Name** PSH units will be selected from the local Coordinated Entry System or OHCS-approved referral process described below. Leases will be for no less than 12 months.

The Development Team

Owner: **OWNER**

Service Provider: **SERVICE PROVIDER**

Property Management: **PROPERTY MANAGEMENT**

The Development Team, **OWNER, SERVICE PROVIDER,** and **PROPERTY MANAGEMENT** are committed to applying the Housing First approach in the development, which includes the following elements, unless otherwise approved by OHCS:

- Tenants have full rights, responsibilities, and legal protections under federal, state, and local housing laws, tenants are educated about their lease terms,, and encouraged to exercise their full legal rights and responsibilities, and landlords and providers abide by their legally defined roles and obligations; and
- Admission/tenant screening and selection practices affirm acceptance of applicants regardless of their sobriety, use of substances, completion of treatment, and participation in services; and
- Applications are not rejected for poor credit or financial history, poor or lack of rental history, history of eviction, most criminal convictions, or behaviors that indicate a lack of “housing readiness”; and
- Use of drugs or alcohol in and of itself is not considered a reason for eviction, unless a requirement under a federal program; and
- The Tenant Selection Plan includes a prioritization of eligible tenants based on



We encourage and support the nation's affirmative housing program in which there are no barriers to obtaining housing because of race, color, religion, sex, national origin, handicap, or familial status.



- vulnerability as determined by the Coordinated Entry System or OHCS-approved referral system that is clearly described in this plan; and
- Permanent supportive housing tenants are given reasonable flexibility in paying their tenant share of rent on time and offered special payment arrangements for rent arrears and/or assistance with financial management; and
- A harm reduction philosophy, where tenants are offered education regarding how to avoid risky behaviors and engage in safer practices, is in place; and
- Units may include special physical features that accommodate disabilities, reduce harm, and promote health among tenants; and
- Every effort is made to avoid eviction.

1.2 TARGET POPULATION:

Chronic Homelessness

All households will contain at least one member who is experiencing chronic homelessness as defined and/or approved by their regional Continuum of Care (CoC) or local homeless services system (if project is very rural or on Tribal land).

Chronically Homeless definition being used for **Project Name**:

Describe any other sub-population being focused on:

1.3 ELIGIBILITY AND SCREENING CRITERIA

Identify all Affordable Program(s) involved and eligibility requirements, to include set-asides/AMI %

Income Limits

[Oregon Housing and Community Services : Income and Rent Limits : Housing Compliance & Monitoring : State of Oregon](#)

Project Name will house individuals based on the following unit sizes and income levels:

AMI Level	0 BR	1 BR	2 BR	3 BR	4+ BR
20%	# of units				
30 %					
40%					
50%					
60%					



We encourage and support the nation's affirmative housing program in which there are no barriers to obtaining housing because of race, color, religion, sex, national origin, handicap, or familial status.



Property Manager will conduct a limited criminal history screening for the applicant and household members who are 18 years of age or older. The screening will consider the following items: *List all programmatic and property specific criteria here what is being screened for in a background check. Be specific as possible and use appropriate terminology. This area must describe the PSH units' homelessness criteria.*

The screening will not consider expunged convictions, convictions reversed on appeal, vacated convictions, offenses where adjudication was withheld or deferred, pardoned convictions, sealed juvenile records, or convictions for offenses not outlined above. Additionally, the screening will not consider an applicant's probation or parole status.

All criminal records will be reviewed on a case-by-case basis for approval, except for convictions that violate the programmatic criteria, which will be automatically denied. Potential denials will be reviewed by members of housing management and supportive services staff *[you may further define membership here or describe varying approaches].*

Individualized Assessment

If an applicant has a conviction that could exclude them from renting, the reviewers will conduct an individualized assessment of their criminal history to determine whether the applicant would be able to fulfill their obligations of tenancy at the property. The individualized assessment will consider the following:

- 1) The circumstances surrounding the crime.
- 2) Whether the nature of the criminal offense was violent against a person or property or adversely affected the health, safety, and welfare of other people.
- 3) Whether a re-offense would impact the safety of other residents or the property
- 4) The amount of time that has passed since the criminal offense.
- 5) The age of the individual at the time the crime was committed.
- 6) The amount of time that has lapsed since exit from incarceration.
- 7) The additional number and nature of convictions, if any, since the criminal record in question.
- 8) Evidence of satisfactory tenant history or references since the commission of the crime.
- 9) Evidence of rehabilitation efforts (including during incarceration) and/or agency support to maintain stability.
- 10) Whether the criminal conduct arose from the applicant's status as a survivor of domestic violence, sexual assault, stalking, or dating violence, or from the applicant's disability, including mental illness, with consideration of the protections provided under the Violence Against Women Act (VAWA) and the Oregon Domestic Violence Act.



We encourage and support the nation's affirmative housing program in which there are no barriers to obtaining housing because of race, color, religion, sex, national origin, handicap, or familial status.



Applicants will be given an opportunity to provide information to allow the reviewers to consider any circumstances that would serve to mitigate the criminal convictions within the applicant's criminal history. Applicants will be notified in writing the specific items of concern from the criminal history screening and given 14 business days to provide mitigating information.

If the evidence indicates that the applicant does not present a threat to the current residents, employees, or the property, the applicant will be approved for tenancy.

In the event the reviewers determine the applicant poses a significant risk to other residents, employees, or the property, the manager will add a note to the file indicating the factors that were considered to make the denial and notify the applicant, and applicant's advocate, if applicable, within 14 business days, in writing, that the application is denied. Denial notification must be clear as to why a denial was issued, citing the issue and what prohibits approval, along with clear appeal process information.

Occupancy Standards

Please include occupancy standard (number of people per unit) information in this section subject to any local ordinances.

Citizenship Requirements

If your project will have citizenship status requirements due to the utilization of federal funding, please include the information in this section.

1.4 REFERRAL PROCESS

Project Name will coordinate with the **Coordinated Entry System (DELETE WHICHEVER IS NOT APPLICABLE)** of [which CoC][or insert different referral system previously approved by the OHCS PSH team] to receive appropriate referrals based on the applicable Coordinated Entry Policies and Procedures and project-specific criteria. *Describe how the referral system identifies PSH households and refers them to the property. If a waitlist is required due to federal funding, please clearly state how the referral process and waitlist will coexist. Include closing/opening procedures of the waitlist per program requirements. Include purging procedures and instances of how people can/will get removed from the waitlist.*

Applications: The **Coordinated Entry System** will refer potential candidates to **Project Name** based on their place on the prioritization list. Those candidates will complete applications. . Marketing of PSH units will be the responsibility of the Coordinated Entry System (or other identified homeless services system). *Include a description of application fees and assistance available for application fees, if applicable.*



We encourage and support the nation's affirmative housing program in which there are no barriers to obtaining housing because of race, color, religion, sex, national origin, handicap, or familial status.



Ongoing Lease Up for PSH Units

****Describe the process for filling a newly available PSH unit***

Management Agent will try to be as accommodating as possible in scheduling interviews. Caseworkers, family members, and support staff may accompany a prospective tenant to any interview for additional support. It is recognized that this may take several attempts for an application and an interview.

1.5 THE APPLICATION PROCESS

Application Requirements

A complete application includes the following information:

- A written application submitted by the applicant household;
- Verification of identification;
- Verification of income and assets, as applicable for each applicant household;
- Verification of disability if not receiving SSI or SSDI.
- ****Other requirements imposed by a rental assistance source (e.g. Social Security Number) or by the property****

Completion of Application Process

All applications will be processed within fifteen days of the date received or within five business days of receipt of all required documentation, whichever is later (excluding weekends and designated Federal holidays).

Describe Security Deposit and Fee requirements, if applicable. Owners may require security deposits, but they may not exceed one month's rent at the maximum rate (60% LIHTC Rent based on Actual Income Limit for the area). Applicants may be charged fees associated with screening, but fees cannot exceed actual costs.

1.6 REJECTING APPLICANTS

Applicants may be rejected if:

- They do not meet the eligibility and screening requirements outlined in Section 1.3.
- Household characteristics are not appropriate for the type of apartment available. For example, available accessible units must be first offered to households who necessarily require, but currently do not have the accessibility features, ahead of households with earlier application dates in accordance with Section 1.4.
- Household size is not within occupancy standards for an available unit. If the



We encourage and support the nation's affirmative housing program in which there are no barriers to obtaining housing because of race, color, religion, sex, national origin, handicap, or familial status.



property offers apartments that would be appropriate for the household size, the applicant is placed on a waiting list as defined in Section 1.4.

Management Agent will promptly notify the applicant of the rejection of the application for residency in writing, within 14 business days, and provide the applicant with an explanation including:

1. The steps to be taken to inquire as to the nature of the rejection; and
2. The applicant has at least 10 business days to respond in writing to request a meeting to appeal the rejection.
3. Details of the rejection, including what specific criteria has not been met

Any meeting with the applicant to review the applicant's written response will be conducted by **Service Provider** and a member of **Management Agent** staff who did not make the decision to reject the applicant. In the event **Management Agent** recommends rejection and **Service Provider** does not agree, **Owner** would make the final decision and document the decision in writing. Persons with disabilities have the right to request reasonable accommodations to participate in the review process. The **Management Agent** may continue to try and fill the vacant unit during the appeal process. If an offer has not been made on the available unit when a successful appeal has been determined, the applicant shall be offered the available PSH unit. If the unit has been filled, the successful applicant shall be offered the next available unit designated for a PSH client that is of an appropriate size for the household.

Disposal of Applicant or Resident Files

Applicant and resident files will be disposed of in a manner that will prevent any unauthorized access to personal information (e.g., burn, pulverize, or shred). Files must be maintained for the duration and in the format required by the applicable funding programs.

SECTION II – FAIR HOUSING AND EQUAL OPPORTUNITY

Project Name must comply with all federal, state, and local Fair Housing and civil rights laws and with all Equal Opportunity requirements regarding rental of housing. These requirements apply to:

1. Accepting and processing applications;
2. Selecting Residents from among eligible applicants on the waiting list;
3. Assigning apartments; and
4. Certifying and recertifying eligibility for assistance.

Reasonable Accommodation Procedures: *briefly describe. Property owners are required to provide for Reasonable Accommodations when requested and determined appropriate under Fair Housing Laws*

Live-in Caregiver Procedures: *briefly describe, if applicable*

Unit Transfer policy: *briefly describe. PSH units may “float”, but bedroom sizes must remain*



We encourage and support the nation's affirmative housing program in which there are no barriers to obtaining housing because of race, color, religion, sex, national origin, handicap, or familial status.



constant unless due to a reasonable accommodation.

Pets and Service Animals: *briefly describe, if applicable. Pet deposits must not exceed \$300. Pet rents are not allowed. Service and companion animals are not pets and cannot be charged a pet deposit.*

Lease requirements: *briefly describe. A 12-month lease is required at move-in for PSH units.*

For PSH properties with LIHTC, Recertification requirements and the Next Available Unit Rule (140% AMI rule) for Tax Credit (NAUR does not apply to properties that are 100% LIHTC): *briefly describe, if applicable*

2.1 FEDERAL AND STATE LAWS

Discrimination is prohibited based on race, color, religion, sex, national origin, handicap, familial status, gender identity, sexual orientation, marital status, and ancestry.

VIOLENCE AGAINST WOMEN AND JUSTICE DEPARTMENT REAUTHORIZATION ACT (VAWA)

The Violence Against Women and Justice Department Reauthorization Act offers the following protections against eviction or denial of housing based on domestic violence, dating violence, sexual assault, or stalking:

1. An applicant's status as a victim of domestic violence, dating violence, sexual assault, or stalking is not a basis for denial of rental assistance or for denial of admission if the applicant otherwise qualifies for assistance or admission.
2. An incident or incidents of actual or threatened domestic violence, dating violence, sexual assault, or stalking will not be construed as serious or repeated violations of the lease or other "good cause" for terminating the assistance, tenancy, or occupancy rights of a victim of abuse.
3. Criminal activity directly related to domestic violence, dating violence, sexual assault, or stalking, engaged in by a member of a tenant's household or any guest or other person under the tenant's control, shall not be cause for termination of assistance, tenancy, or occupancy rights of the victim of the criminal acts.

AFFIRMATIVE FAIR HOUSING MARKETING PLAN (AFHMP)

Project Name will comply with its approved Affirmative Fair Housing Marketing Plan (AFHMP). This plan outlines the marketing strategies the property must utilize to further Fair Housing. Management must update the AFHMP at least once every five years.



We encourage and support the nation's affirmative housing program in which there are no barriers to obtaining housing because of race, color, religion, sex, national origin, handicap, or familial status.



Permanent Supportive Housing (PSH)



Standards, Best Practices and Program Manual

Contact

Meghan Von Tersch
Senior Program Manager
meghan.vontersch@hcs.oregon.gov

Dana Schultz
Policy Analyst
dana.schultz@hcs.oregon.gov

May 2025

Table of Contents



Table of Contents	2
What is Permanent Supportive Housing (PSH)?	3
Section 1: PSH Standards and Best Practices	3
A. PSH Standards	3
B. Housing First	5
C. PSH Best Practices	6
Section 2: The PSH Program	7
A. Eligibility	8
B. PSH Program Requirements	8
C. PSH Program Development Capital	12
D. PSH Program Project-Based Rental Assistance	15
E. PSH Program Services Funding	21
Section 3: PSH Program Operations	24
A. Applying for Funding: Oregon Centralized Application (ORCA)	24
B. PSH Contracts	24
C. PSH Rental Assistance and Services Invoicing	24
D. PSH Reporting and Monitoring	25
E. PSH Portfolio Compliance	28
Definitions	29

What is Permanent Supportive Housing (PSH)?

Permanent Supportive Housing (PSH) is a best practice and proven strategy to successfully house people experiencing chronic homelessness. Members of these households often live with disabling conditions including mental illness and substance use, alongside their experience of long-term homelessness. PSH, often called the “three-legged stool”, provides a permanent housing unit, long term rent subsidy, and wraparound, intensive services. The Oregon Housing and Community Services (OHCS) PSH Program, in the Affordable Rental Housing (ARH) Division, offers three resources to for this “stool”, allowing PSH partners to create project-based PSH and best serve households experiencing chronic homelessness. These resources include development capital for the construction of PSH units, flexible PSH services funding, and project-based rental assistance. PSH is for people who have a long-term need for a high level of services and ongoing rent assistance. PSH must be affordable to households with extremely low incomes and must provide pre-tenancy services, housing retention support and other wraparound services that fit tenants’ individual needs. PSH services are designed to effectively support communities’ most vulnerable populations in reaching long-term housing stability.

The PSH Program in OHCS’ ARH Division is dedicated to the creation and operation of project-based PSH. Tenant-based PSH is not funded through ARH or the OHCS PSH Program.

Guiding Principles

OHCS identified the following primary considerations when developing the PSH Program:

- Program Effectiveness (funding levels that allow for utilization of best practices);
- Equity & Racial Justice, and Inclusion of Rural and Tribal communities;
- Ability to serve the entire state;
- Administrative costs and burdens (ease of administration);
- Alignment with current state and local legislation and policies;
- Alignment with state and national PSH best practices
- Program Integrity;
- Flexibility to community-specific needs; and
- Data-driven outcomes

Section 1: PSH Standards and Best Practices

A. PSH Standards

OHCS requires any property seeking and/or utilizing funding for the development and/or operation of project-based permanent supportive housing to meet the agency’s PSH standards. The required OHCS standards for project-based PSH are listed below. Standards are reviewed during the Oregon Centralized Application (ORCA) funding process and in Portfolio Compliance and Program Monitoring.

1. *Underwriting Standards* (underwriting requirements that vary from or are in addition to OHCS’ affordable housing underwriting guidelines)
 - PSH projects must show a minimum of \$8,000 per unit per year for PSH unit operating expenses in the project application operating proforma. This amount cannot include

the cost of PSH services funding but can include the cost of general resident services. If less than \$8,000, a clear explanation must be provided and approved.

- Proformas for 100% PSH projects must reflect a 7% to 10% vacancy rate for PSH units in their application's operating proforma. Integrated PSH projects must reflect a 7% vacancy rate to align with OHCS standards and accommodate PSH requirements. If less or more, a clear explanation must be provided and approved.
- Proformas for PSH projects must include a minimum \$500 per unit per year replacement reserve for PSH units.
- PSH projects funded with OHCS resources must utilize project-based rental assistance from a sustainable source.
- Utilities for PSH units must be owner-paid (no utility allowances), unless an external resource requires an alternative.
- PSH Projects must serve households with incomes at or below 60% Area Median Income (AMI).

2. Construction and Design

- PSH properties must be in reasonable proximity to food/grocery and healthcare resources and services.
- PSH properties must have shared community spaces that are accessible to all tenants for events, education, tenant social gatherings, etc., sufficiently sized to the number of tenants residing in the property.
- PSH properties must have services staff offices on site that are accessible by tenants.
- PSH properties must utilize design features that promote structural resiliency through design and use of materials that limit damages . See Best Practices (Section C.2) for examples.
- PSH properties must utilize tenant-centered and trauma-informed design elements, informed by people with lived experience. See Best Practices (Section C.2) and [Trauma Informed Housing Toolkit](#) for examples.
- No less than 5% of the PSH units in a project must be wheelchair accessible and follow Title II ADA guidelines.
- No less than 5 PSH units and no more than 75 PSH units per project.

3. Rental Assistance

- PSH projects must have committed, long-term, project-based rent assistance for all PSH units. Any form of tenant-based rent assistance is not accepted for PSH projects funded with resources from OHCS' ARH division.
- PSH project rental assistance funding must ensure PSH tenants pay no more than 30% of their income towards rent. Please note, OHCS PSH rental assistance is limited to 27% of tenant income.

4. Supportive Services

- PSH projects must have a PSH services budget that reflects providing at least 1 FTE services staff for every 15 households. If less than 15 PSH units are in the project, the minimum services staffing is 1 FTE.

- PSH services funding, if using a resource external to OHCS, must be committed for at least 5 years with eligibility for renewal, or otherwise approved by OHCS depending on the resource being utilized.
- PSH services must be delivered with Housing First principles (see the next section for more information). Services must be voluntary and not a condition of the lease.
- PSH services must be tenant-centered, comprehensive, and adaptable to meet tenants' changing and complex needs.
- At minimum PSH services must include:
 - Assistance with housing barrier removal e.g. obtaining IDs or other required documents for housing, connecting with previous service providers to get supporting documents for reasonable accommodations
 - Case management level services
 - Assistance with housing retention
 - Conducting needs assessments and/or developing individualized housing support plans
 - Early identification and intervention for behaviors or issues that may jeopardize housing
 - Education on the role, rights and responsibilities of the tenant and property manager, along with support in property manager communication and lease navigation
 - Services navigation and linkages to community resources and services, especially for behavioral health needs
 - Support in obtaining materials to maintain tenancy and wellness e.g. food, cleaning supplies, materials for basic needs
 - Assistance with transportation access
 - Community engagement opportunities
 - Access to culturally specific services

5. *Property Management*

- PSH units must be managed with Housing First principles
- PSH property managers must have a written agreement or MOU with the PSH services provider focusing on eviction prevention and defined roles and responsibilities to best support housing retention
- PSH property management must be trauma informed
- PSH properties must utilize a very low-barrier tenant selection plan
- PSH projects must identify a security and crisis prevention plan to ensure around-the-clock support and safety of staff and tenants

B. Housing First

PSH as a model is inextricably connected to the housing first approach. According to Corporation for Supportive Housing (CSH)(2023):

Housing First is the basic idea that everyone is ready for housing regardless of the complexity or the severity of their needs... Housing First stands opposed to the “Housing

Ready” approach where patients must achieve certain benchmarks, such as consistent sobriety or engagement with a healthcare provider, before receiving housing placement.

Research has shown that approaching PSH with housing first principles is effective in promoting housing stabilization and wellness, particularly among chronically homeless households and those who live with psychiatric disabilities, substance use disorders and/or other disabilities. Housing First is rooted in choice and in the concept that housing and its accompanying services cannot be one-size fit all.

See this resource for the elements of a supportive housing program that meets Housing First principles: [USICH’s Housing First Checklist](#)

C. PSH Best Practices

1. Underwriting PSH

Being mindful of realities in serving populations residing in PSH is critical in the underwriting of PSH projects. OHCS has set standards for some underwriting elements (see above), such as minimums for how to structure vacancy rates, operating costs and reserves in the project’s proforma. These are minimums, and if possible, PSH projects should strive to create as much operating cushion as possible. PSH households often take time to move through the application and move-in process, and often it takes multiple referrals from coordinated entry before a household has successfully moved in. Planning for higher vacancy rates accommodates this challenge. PSH households are often navigating complex traumas and behavioral health challenges, which sometimes can lead to higher rates of property damage in PSH units. Building staff, including security support, is often required to maintain 24/7 tenant support and safety. Therefore, operating budgets for PSH projects (for the property, not services) need to be carefully considered and increased where possible.

2. Construction and Design

The most successful PSH properties have considered tenant needs early in the design process of the project. PSH projects should utilize tenant-centered and trauma-informed design ([Trauma-Informed Design Toolkit](#)) to effectively serve PSH households and ensure resiliency for the asset. People with lived experience should always be included in these discussions to ensure design choices reflect tenant preferences.

Elements to consider around trauma and tenant need:

- Universal design elements
- Reduce triggering stimulus and environmental stressors
- Connectedness to nature and the outdoors
- Sound proofing and privacy, while also fostering community
- Promoting a sense of safety by providing trauma-informed security measures e.g. a well-lit and open entrance, locked property entrances
- Allow for decorative choice and offer pleasing aesthetics (e.g. soothing colors, natural light)

Elements to consider for asset resiliency:

- Fire prevention design choices e.g. stovetop motion sensors
- Flood prevention e.g. floor drains

- Durable construction materials including flooring

3. *Supportive Services and Property Management*

Supportive services and property management will need to be planned to best support the households residing in a PSH project, and staffing structures vary project to project depending on the funding available, organizations involved, available community resources, and the population being served. However, there are best practices available that are proven to be highly effective in providing quality PSH for households experiencing chronic homelessness.

Best practices in PSH services include:

- Utilizing Peer Support Specialists or Peer Mentors
- Providing 24/7 staffing
- Integrating healthcare navigators, healthcare professionals, or effective healthcare partnerships on-site
- Partnering with mental health resources such as regional Assertive Community Treatment (ACT) programs, regional Intensive Case Management (ICM) programs, and behavioral health outpatient clinics
- Partnering closely with Property Managers around tenant concerns
- Visiting tenants in their unit multiple times a year to ensure unit safety and lease compliance, prior to a formal inspection
- Community events and entertainment offerings
- Utilizing Motivational Interviewing and Assertive Engagement techniques

Best practices in PSH property management include:

- 24/7 staffing
- Trauma-informed, mission driven property management
- Trauma informed security services or front desk staffing
- Integrated pest control such as “bed bug ovens” on-site
- On-site property manager to coordinate with service provider

4. *Following CSH’s Quality Standards of Supportive Housing*

[Link to CSH’s Quality Standards](#)

Section 2: The PSH Program

The OHCS PSH program is part of the resources managed by the Affordable Rental Housing division at OHCS. In 2019, the Oregon Legislature authorized and committed funding from the sale of Article XI-Q bonds and State General Funds to fund PSH projects across the state. The Article XI-Q bond funds provide resources for the development of PSH units (capital financing) and the General Funds provide resources for on-going PSH operations (project-based rental assistance and PSH services). This funding allows OHCS and its partners to add to the supply of affordable and supportive housing for households living with disabling conditions and experiencing long-term homelessness. The Oregon Legislature has continued to support the provision of these critical resources for PSH. The PSH Program at OHCS has 3 funding components, all accessed through the State’s Affordable Rental Housing [Oregon Centralized Application \(ORCA\)](#) process:

- PSH Capital for the development of PSH units
- PSH Project-Based Rental Assistance which provides long-term, deep affordability for households experiencing chronic homelessness
- PSH Services Funding to operate a long-term PSH Services program on site for all PSH units.

Projects can, but are not required, to utilize all three PSH Resources. Each resource can be utilized individually, or all resources can be used together, as long as all components are present in each PSH project. For example, a project can use OHCS PSH Capital and PSH Services funding without using OHCS PSH rental assistance, if an external project-based rental assistance resource is being utilized (e.g. a Housing Authority is providing a project-based rental assistance contract to the project).

A. Eligibility

For a project to be eligible for any PSH Program resource, the following eligibility criteria must be met:

1. The developer or sponsor organization of the project (if not yet developed) or the owning organization of the property (if already in operation) must have completed an Oregon Supportive Housing Institute (SHI) within the last four years prior to the ORCA Impact Assessment application date. The SHI is a 5-month cohort-based training where teams work to align their project with PSH best practices in design, development, operations, and service delivery.
 - If an organization completed a SHI longer than four years prior to the Impact Assessment application date, it must have a current PSH monitoring score of 150 or higher. If a sponsor has more than one monitoring score within the previous two years from two different PSH projects, the lowest score will be used.
2. There are at least 5 PSH units in the project.
3. The project's PSH units serve chronically homeless households.
4. The project pulls tenant referrals from the regional coordinated entry system or other OHCS-approved referral process (see further information below).
5. The project meets or will meet all PSH Standards in Section 1A.

B. PSH Program Requirements

1. *Serving Chronically Homeless households*

PSH Program projects must serve households identified as chronically homeless by their community. "Chronically Homeless" is defined by a project's local Continuum of Care (CoC) and OHCS will defer to that definition. OHCS allows for CoC expansion of chronically homeless definitions to ensure PSH is serving homeless households in their community with the greatest needs. Most CoCs define "Chronically Homeless" as:

(a) an individual who: (i) is homeless and lives in a place not meant for human habitation, a safe haven, or in an emergency shelter; (ii) has been homeless and living or residing in a place not meant for human habitation, a safe haven, or in an emergency shelter continuously for at least one year or on at least four separate occasions in the

last 3 years; and (iii) can be diagnosed with one or more of the following conditions: substance use disorder, serious mental illness, developmental disability (as defined in section 102 of the Developmental Disabilities Assistance Bill of Rights Act of 2000 (42 U.S.C. 15002)), post-traumatic stress disorder, cognitive impairments resulting from brain injury, or chronic physical illness or disability;

(b) an individual who has been residing in an institutional care facility, including a jail, substance abuse or mental health treatment facility, hospital, or other similar facility, for fewer than 90 days and met all of the criteria in paragraph (1) of this definition, before entering that facility; or

(c) a family with an adult head of household (or if there is no adult in the family, a minor head of household) who meets all of the criteria in paragraph (1) of this definition, including a family whose composition has fluctuated while the head of household has been homeless.

2. *Coordinated Entry, working with Continuums of Care, and Commitment to Racial and Social Justice*

The households occupying a project's PSH units must be referred through a project's regional Coordinated Entry system. OHCS will work with sponsors and project partners to determine and approve a referral process if a local Coordinated Entry system does not exist in a project's region or if a project wants to utilize a different referral process that furthers racial equity. Any referral process outside of a region's Coordinated Entry system must be approved by OHCS.

It is a priority of OHCS' PSH Program to support PSH projects that are building capacity within the State's Continuums of Care (CoC). Projects receiving PSH Program resources must be connected to local homelessness systems and placing households in PSH units via the system's coordinated processes. OHCS understands that every region and community is different in how developed their CoC is and how they utilize a Coordinated Entry system, therefore OHCS is willing to work with projects to approve referral processes that provide equitable access to PSH for the community's most vulnerable households experiencing long-term homelessness.

OHCS and its PSH partners must be proactive in outreach and engagement in addressing the inequities that exist in homeless services and supportive housing. PSH should recognize the structural inequities that contribute to poverty and homelessness and PSH programs must be a part of communities' lasting solutions that address the systems that maintain disparities. Racial disparities are well documented in research over the last several decades and confirmed in the research completed for the Oregon Statewide Housing Plan. Across each of OHCS's service categories, Black/African Americans, Native Americans/Alaska Natives, Asian Americans, Pacific Islanders, Hispanic/Latinx and persons of two or more races disproportionately face challenges and experience disparate outcomes. Disparities exist within PSH access and outcomes as well. A 2019 Coordinated Entry Racial Equity Analysis, conducted by C4 Innovations and SPARC, identified that White individuals

are prioritized for Permanent Supportive Housing (PSH) intervention at a higher rate than individuals of color.¹

It is imperative OHCS-funded PSH projects work with their CoCs, Coordinated Entry teams, and referral partners to ensure equitable access to PSH units, along with investing in comprehensive training for staff and appropriate services that facilitate equitable and inclusive PSH programs for communities of color, LGBTQ+ community members, and other historically marginalized and underserved populations. OHCS-funded PSH projects will be required to report on population-based PSH outcomes and provide an equity work narrative as a part of OHCS' annual monitoring.

3. *Housing First*

PSH must operate as housing that is low barrier and rooted in the Housing First philosophy. See Section 1B for more details on Housing First requirements. Tenant acceptance or use of the provided services must be completely voluntary, and tenants' utilization of services cannot be required by project owners, property management or service providers. Services can be required as a part of remedying lease violations but must return to voluntary once tenant returns to good standing. Participation in services cannot be a condition of the lease. Projects must maintain low-barrier criteria with no requirements of treatment participation, sobriety, or a clean criminal or credit history.

4. *Low-barrier access and tenant selection plans*

PSH projects are designed to serve households with complex needs and long-term experiences of homelessness. Therefore, their Tenant Selection Plans (TSPs) should reflect very low-barrier practices to ensure that eligible households needing PSH do not get screened out. PSH projects must conduct tenant screening in a manner that ensures tenants are not screened out for having:

- Too little or no income
- Active substance use or a history of substance use
- Limited or poor rental history, including previous evictions
- A criminal record (with exceptions for mandated restrictions if using other resources)
- A history of victimization (e.g., domestic violence, sexual assault or abuse)

All criminal records must be equitably reviewed on a case-by-case basis for approval, except for convictions violating programmatic criteria (e.g., if a project uses federal project-based vouchers and cannot allow drug manufacturing charges) can be grounds for automatic denial of applicants. Owners or property managers who want to screen for additional felonies not included in funding criteria (e.g. arson, violent crimes) will need approval from OHCS via the TSP review in the Management Agent Packet approval process. However, these felony charges cannot be used as a basis for denial if older than three years.

¹ https://c4innovates.com/wp-content/uploads/2019/10/CES_Racial_Equity-Analysis_Oct112019.pdf

Potential denials of PSH unit applicants should be reviewed by housing management and supportive services staff to ensure that denials are considered reasonably and equitably. The criminal background screening cannot consider expunged convictions, convictions reversed on appeal, vacated convictions, offenses where adjudication was withheld or deferred, pardoned convictions, sealed juvenile records, or convictions for offenses not outlined above. Additionally, the screening will not consider an applicant's probation or parole status. All denials must be documented as to why a denial was made and be available to OHCS during program and compliance monitoring. If further restrictions are required to serve the population living at the property, e.g., families with children, they must be communicated to and approved by OHCS PSH Program staff.

All PSH Program projects are required to utilize the TSP template for their tenant selection plan for PSH units. This is a part of the project's Management Agent Packet and must be approved by OHCS staff before the project can receive PSH rent assistance or services funding.

5. *Data and Reporting*

PSH Projects using PSH Program resources must report household outcomes annually or as requested by OHCS. The owner and/or service provider must use the current Homeless Management Information System (HMIS) used by their local Continuum of Care. If none is utilized in the Project's region, the owner and/or service provider must utilize WellSky Community Services. OHCS can assist connecting projects to the CoC and HMIS if needed.

6. *Tenant Voice and Participation*

PSH project owners and operators must include tenant voice in their ongoing operations and evolving services design.

- **Grievance Policy and Procedure**

PSH projects must have a written policy providing tenants with an opportunity for submitting a formal grievance. The policy must include the procedure for responding to tenants' grievances and documenting them in the appropriate files.

- **Tenant Feedback and Community Participation**

Projects receiving PSH Services funding must have a mechanism in place that allows for tenant participation in the evolution of services and property operations. Examples include but are not limited to:

- o Annual Tenant Surveys
- o Tenant Advisory Council or Tenant Board
- o Community Meetings that hold space for tenant input/feedback

7. *Meeting PSH Standards and following CSH's Quality Standards of Supportive Housing*

All PSH Projects must meet the PSH Standards described in Section 1A. Projects are not required to use all of the OHCS PSH resources when developing a PSH project, but all components (services funding and rental assistance) must be obtained from other available resources, both internal and external, and be approved by OHCS. PSH

Projects are monitored as to how they meet both OHCS' PSH Standards and CSH's Quality Standards of Supportive Housing. See section 3D for more information.

8. Converting non—PSH Units to PSH Units

Projects, from eligible sponsors, that have completed construction and/or are in operation are eligible to request PSH Services and/or Rental Assistance funding to convert non-PSH units to PSH units. These units must apply via the ORCA and meet all PSH Standards along with additional questions regarding the conversion. If projects are awarded PSH funds to convert units to PSH, PSH funding for both rental assistance and services funding will not be paid until the unit is occupied by an eligible PSH household via the approved referral process. OHCS will consider this on a case-by-case basis if the owner and/or operator can provide evidence that the household currently occupying the unit is PSH eligible.

C. PSH Program Development Capital

PSH Capital is provided to OHCS in the form of Article XI-Q Bond authority. This funding source requires the State of Oregon to loan the funds and hold an appropriate operational interest in the Project. The operational interest in the Project is satisfied by an Operating Agreement, a Declaration of Restrictive Covenants, a Project Management Agreement, and first lien position. First lien position can be shared.

PSH Capital funds are for the creation of permanent supportive housing rental units via new construction, rehabilitation, acquisition, or acquisition/rehabilitation. Rehabilitation units will only be considered PSH and eligible for PSH rental assistance and/or services funding once they are occupied by eligible households (households identified as chronically homeless). Current households of rehab units can return to the units, but the unit will not receive rental assistance or services funding until it has turned over and is occupied by a household previously experiencing chronic homelessness.

1. Affordability Period

The affordability period will be established with a minimum of 30 years from the end of the year that the Project is placed in service or the length of the bonds outstanding, whichever is greater. The loan may be repaid in full at the end of the affordability period, or if, at the end of the 30-year affordability period, the owner chooses to extend the affordability period for a term equal to the original affordability period, the loan is considered satisfied, and no repayment is required.

2. Rents and Incomes

Incomes: All units funded with PSH Capital funds must be affordable to chronically homeless households. PSH Units must be restricted to tenants with incomes at or below 60% AMI with an exception for the one permissible manager's unit per Project. PSH households cannot be charged more than 30% (27% if using OHCS PSH Rental Assistance) of their income toward rent. Requiring a minimum income for PSH units is not allowed and an income of \$0 is allowed.

Rents: Maximum rents allowable on any PSH Capital unit will be based on and may not exceed the 60% HUD Area Median Income (AMI) standard but may be further restricted to accomplish PSH program goals or other funding purposes. If utilizing OHCS PSH project-based rental assistance, rents need to be structured so that households pay no more than 27% of their income toward rent. PSH Rental Assistance can pay up to 60% AMI rent.

For all PSH Projects, households must be able to stay in the Project regardless of future income.

3. Eligible Activities

Eligible PSH housing projects include new construction, rehabilitation, acquisition, or acquisition/rehabilitation that will serve chronically homeless households. When applying for PSH funds, a project must meet the criteria for the eligible PSH activity that it is applying for.

New Construction: All new construction units funded through the PSH rental program must be structured to have rents restricted at or below 60% HUD Area Median Income (AMI) at the time of initial lease, with an exception for the one manager's unit per project location. The project should be placed in service within 36 months after Housing Stability Council awards a Letter of Intent (LOI) to the project, unless otherwise approved by OHCS. PSH new construction projects utilize the new construction subsidy limits as defined in the ORCA. The developer fee requirements for PSH new construction are the developer fee amounts listed in the ORCA manual.

Acquisition and Rehabilitation: Acquisition and rehabilitation is an eligible use of PSH funds. These units must be structured to have rents restricted at or below 60% HUD Area Median Income (AMI) at the time of initial lease, with an exception for one manager's unit per project location. The project should be placed in service 36 months after Housing Stability Council awards an LOI to the project, unless otherwise approved by OHCS. Acquisition and rehabilitation utilize the subsidy limits as defined in the ORCA. The developer fee for acquisition/rehab is the developer fee amounts listed in the ORCA manual.

Like-new Acquisition Only: PSH can be used to acquire "like-new" properties. To be eligible for PSH funds, the property must be constructed, have no existing affordability restrictions, and meet the following criteria:

- Placed in service recently: Properties cannot be under construction. The submission of a complete Impact Assessment application must be within 7 years of the project's receipt of the certificates of occupancy.
- Require no funding for renovations, this includes and is not limited to:
 - Major systems (electrical, plumbing, HVAC)
 - Envelope (siding, doors, windows)
 - Roofs
 - Replacement of finishes for durability
 - Elevators

- Meet income and population requirements within 36 months from purchase: All units in like new market rate properties acquired with a PSH program loan must transition all units (except for one manager's unit, if applicable) and lease to chronically homeless households earning at or below 60% AMI within 36 months of purchase. The amount of the PSH award available at financial closing will be proportional to the percentage of units in the property occupied by tenants who earn at or below 60% AMI and are chronically homeless households. Prior to any PSH funds being disbursed, proof of Certificates of Occupancy issued within the last 7 years prior to a complete Impact Assessment application must be provided to OHCS. As units turn over and are subsequently occupied by eligible households, additional funds can be requested by the owner and if all requirements are met, paid by OHCS. All like-new PSH acquisition projects utilize the rehabilitation/ acquisition subsidy limits as defined in the ORCA. For like-new PSH acquisition projects, the developer fee is limited to 5% of overall costs to purchase the property and complete conversion of community space, if applicable. In like-new market acquisition projects, the only rehabilitation use of PSH resources allowable is to convert community or outdoor space to support tenants. PSH funds cannot be used for relocation of tenants.
- Meet all PSH Standards described in Section 1A.
- Building Characteristics include:
 - Space for supportive services delivery (if not being rehabilitated to include)
 - Communal spaces
 - Elevator
 - ADA accessible units
 - Food preparation amenities (in-unit or communal)
 - Location is appropriate for PSH populations
 - Accessible by public transportation
 - Food and healthcare resources in the vicinity

4. *PSH Subsidy Limits*

ORCA Subsidy Limits apply to PSH funding. PSH projects use the 30% AMI subsidy limits for PSH units, regardless of how high the units are underwritten/restricted. Please note that when applying for PSH funding through the ORCA, where PSH is the only source of OHCS funding, the maximum Subsidy Limits are higher than maximum Subsidy Limits for a project where PSH is paired with 4% or 9% Low Income Housing Tax Credits (LIHTC). ORCA subsidy limits can be found in the ORCA manual.

5. *Eligible and Non-Eligible Costs for Article XI-Q funding*

The ORCA lists examples of eligible and non-eligible costs, however some costs listed in the ORCA do not align with Article XI-Q Bond requirements. For PSH Development Capital, the following is a list of Eligible and non-Eligible Costs. PSH funded projects are eligible to submit draw requests with invoices for reimbursement of project expenses upon the recording of the applicable program loan documents. Upon receiving a request for reimbursement, the assigned Production Analyst reviews all invoices to determine eligibility of payment out of the Article XI-Q bond proceeds.

Examples of allowed hard and soft costs:

- Direct Project Costs

- Land Costs (including paying acquisition loans)
- Construction Costs, which can include:
 - Minor demolition costs
 - Construction equipment for the project
 - For Modular Projects: Costs necessary to place the asset into its intended location and condition for use. (i.e. Freight/Transportation costs)
- Engineering Costs
- Architectural Costs
- Development Contractor Costs
- Accounting and legal costs relating to project development
- OHCS, DOJ, BOLI, DEQ fees and charges (Only allowable at construction closing)

Examples of unallowed bond costs:

- Moving Costs (relocation costs)
- Pollution Remediation Costs
- Rent Costs (i.e. temporary office space for employees to work)
- Operating Costs (i.e. office supplies, training, meals, etc.)
- Indirect or Administrative Costs (operating reserves, replacement reserves, staff payroll, etc.)
- Professional Membership Dues
- Expenses incurred prior to site identification or incurred to determine best location of project.
- Article XI-Q Bond proceeds cannot fund a project reserve account for replacement, a project reserve account for unanticipated increases in operating costs, or operating subsidies.

Please see the [OHCS ORCA Manual](#) for all other development standards and underwriting requirements. Underwriting guidelines will be applied by OHCS in its due diligence and project review process to ensure ongoing project viability and risk mitigation associated with the PSH Program. Such guidelines will be consistent with the industry standard minimum requirements of mortgage lenders, investors, and other potential public sources. More details can be found in the [General Policy and Guideline Manual \(GPGM\)](#).

D. PSH Program Project-Based Rental Assistance

The funding source for this resource is State Current Service Level General Funds and is anticipated to be renewed each biennium. State PSH rental assistance contracts are awarded through the ORCA Process. The contract will specify the number of units and bedroom sizes awarded. Actual units may “float”, but bedroom sizes must remain constant. Rental assistance contract maximum payment levels will be set at the County LIHTC 60% Actual Income Limits for Rents based on the most recent published year. Payment levels will correspond with unit size. Single Room Occupancy (SRO) units with neither food preparation nor bathroom facilities, or only one of these facilities, will be paid at 75% of the County LIHTC 60% Actual Income Limit for Rents of a zero-bedroom unit. Annual increases or decreases

will be processed automatically no later than 60 days after the increase or decrease is published on the OHCS website.

1. *Administrative Fees*

Properties with signed Rental Assistance Contracts will be eligible to receive Administrative Fees for each PSH unit with an active lease. Administrative Fees are paid at an initial rate of \$60.00 per unit under lease, per month. Fees are paid with rental assistance payments and are based upon leased units as of the first day of the month. Fees are subject to be modified at the sole discretion of OHCS. Changes will be announced through a Technical Advisory process.

2. *Tenant Identification and Eligibility*

To be eligible for a PSH unit, applicants must be referred through the Continuum of Care's Coordinated Entry system, or other OHCS-approved referral process (other referral processes will be reviewed for approval by OHCS if a CoC is not operating Coordinated Entry or if a process is needed to address disparities in PSH access). Only applicants identified by the Coordinated Entry system, or OHCS-approved process, as chronically homeless are eligible. Chronically Homeless is defined by the local Continuum of Care or local homeless services system.

Income eligibility is set at 60% of the area median income. Eligibility and lease up procedures for PSH units must be clearly identified in a property's Tenant Selection Plans. A 12-month lease is required at move-in.

3. *Income Eligibility Determination*

Annual income shall be determined pursuant to the HUD Occupancy Handbook 4350.3 Rev.1, Chapter 5, Part 5-4 through 5-6. OHCS does not require an asset determination and does not adjust income or utilize HUD's standard deductions at eligibility or annually during recertification. Income exclusions do apply (Part 5-6(R)).

4. *Screening*

Rental assistance applicants may be charged fees associated with screening, but fees cannot exceed actual costs. Please see Section 2b for low-barrier screening requirements for PSH.

5. *Application Denials*

Applicants denied for occupancy must be notified in writing with a clear explanation of the factors leading to the denial decision. This must be documented in the applicant file and available for OHCS review. OHCS reserves the right to approve screening criteria should it be determined that onerous screening criteria is resulting in excessive application denials for any statistically identifiable group or overall, as compared with similar projects or community dynamics.

6. *No Citizenship Requirement*

State rental assistance resources have no citizenship requirements and should be utilized entirely based upon referral recommendations from the local Coordinated Entry system (or OHCS-approved process) and owner screening criteria. Citizenship

requirements cannot be a part of owner screening criteria unless required by a federal program associated with the development.

7. *Denial Appeals*

Referred applicants that are denied by property owners are eligible to appeal the denial decision. Properties must deny the applicant in writing and should identify any support person or service provider involved with applicant's housing efforts. Properties must provide the denied applicant an opportunity to appeal the decision providing the applicant a reasonable time to request the appeal (no less than 10 business days). Applicants must have the right to appeal the decision in writing or in person (their choice) and have the right to bring representation and/or advocates to any requested meeting. Properties may continue to try and fill the vacant unit during the appeal process. If an offer has not been made on the available unit when a successful appeal has been determined, the applicant shall be offered the available PSH unit. If the unit has been filled, the successful applicant shall be offered the next available unit designated for a PSH client that is of appropriate size for the household.

8. *Reasonable Accommodations*

Property owners are required to provide Reasonable Accommodations when requested and determined appropriate under Fair Housing Laws. The requirement to provide reasonable accommodations is intended to provide equal opportunity for persons with disabilities to participate in housing programs. This requirement is not intended to provide greater program benefits to persons with disabilities than to non-disabled participants or applicants. It may mean, however, that persons with disabilities will sometimes be treated differently in order to ensure equal access to programs and services. Reasonable accommodations for PSH units of a different bedroom size are at the sole discretion of the property owner and/or manager and OHCS has no say in whether reasonable accommodations are approved or denied, however, if a reasonable accommodation is approved, the owner or property manager must notify OHCS so that rental assistance can be appropriately adjusted to accommodate for the different unit size.

9. *Security Deposit & Pet Deposits*

Owners may require security deposits, but they may not exceed one month's rent at the maximum rate (Rent based on County LIHTC 60% Actual Income Limits). Pet deposits must not exceed \$300. Pet rents are not allowed. Service and companion animals are not pets and cannot be charged a pet deposit.

10. *Rent Calculations*

Property owners should utilize 24 CFR 5.609 (b) and (c) as guidance when determining income inclusions and exclusions. OHCS excludes assets from income calculation and does not utilize standard deductions. Anticipated household income should be combined, annualized and averaged at a monthly rate (use HUD Handbook 4350.3 Rev-1, 5-5 (A)(1-2); 4350.3 Rev-1, 5-5 (B)&(C). Tenants would be responsible for rental costs calculated at 27% of this monthly total. Utilities are the responsibility of the property unless otherwise agreed to in the Rental Assistance Contract.

11. *Rental Assistance & Changes in Income*

Properties are responsible for calculating and collecting tenant rent based upon 27% of the tenant's income at initial 12-month lease up and annually thereafter. Tenant income must be reported to OHCS on a client-by-client basis at least annually. OHCS will reimburse properties by paying the difference between the tenant rent and the LIHTC 60% Actual Annual Rent Limit on a monthly basis. Tenants may report downward income changes at any time. Rental reductions are to be re-calculated as quickly as verified (first of the month following verification) and no later than 45-days from the date the change is reported. Rent increases due to increased income identified at recertification require a 90-day notice to the household. Rent can only be increased once in any 12-month period.

Household income increases may result in no subsidy payment. If 27% of a household's income becomes higher than the full rent amount, that household will pay the full rent amount instead of 27% of their income. Households that are paying full rent are eligible to continue to occupy the unit and are eligible for rental assistance should their income change to require subsidy. Supportive services will continue to be provided if the tenant meets eligibility criteria.

12. *Utilities*

OHCS will require that PSH Program units be supplied with owner paid utilities, unless an alternative is required by an external resource.

13. *Income Verifications*

Income information must be verified by the property manager. Managers should collect third party verifications whenever possible including the original or authentic document generated by a third-party source (see HUD Handbook 4350.3 Rev-1, 5-13 (B)(b)* for further guidance). Homeless and disability eligibility determinations are satisfied by proof of the referral from the local Coordinated Entry system. If a project is utilizing a different OHCS-approved referral process, homelessness verification may be required. Income verifications are valid for 120 days prior to the 90-day rent increase notice. Documents that are issued annually such as Social Security letters are valid for a one-year period but an affidavit from the tenant attesting to the accuracy of the information is required to accompany these documents if more than 120 days old prior to the 90-day notice. Verification documentation must be retained in the tenant file to support all rental charges and modifications. Owners must comply with State of Oregon privacy laws concerning the information received from third party sources about applicants and tenants.

OHCS does not require a notarized tenant signature as described in HUD Handbook 4350.3 Rev- 1, 5-13 (B)(b)(2)(d). A tenant certification indicating that false statements are punishable by perjury under Oregon State Law is sufficient.

14. *Occupancy Standards*

Each property is responsible to determine its own occupancy standards. Properties must follow local code.

15. *Prorated Rents and Vacancies*

If a PSH household moves out of the unit, the property may keep the rental assistance payment for the calendar month in which the household moved out. Any payments made in error or due to non-reporting must be returned or reimbursed to OHCS.

OHCS will make one vacancy payment for the month immediately following the initial move-out month. Payments will be made at the same rate as if the unit was continuously occupied by the vacated tenant. OHCS will only prorate subsidy rental payments for mid-month move-ins at the initial lease up of a unit (first tenant only) or when a unit has not received a vacancy payment for the month. In the event vacancy payments overlap with any mid-month move-in's, the project may keep the vacancy payment, and the subsidy for the new tenant will begin during the new tenant's first full month. Tenants receiving rental assistance may continue to receive rental assistance if temporarily absent from their home for medical or reasonable non-voluntary related purposes for up to 120 days. This may be extended for up to 180 days if it can be documented that there is reason to believe the tenant will be able to return home. Tenants may not be absent from their home for more than 30 consecutive days without notifying the property manager. Tenants must utilize the PSH unit as their primary residence. Properties may set reasonable vacancy standards to ensure that this requirement is met.

16. *Required or Necessary Tenant Moves*

OHCS recognizes that there are a number of potential events that could result in the need for a tenant to change units or move. Some of these events may include but are not limited to:

- Violence Against Women Act covered requests
- Changes in family composition resulting in being overhoused or underhoused
- Changes in health or medical needs
- Conflicts with neighbors or management
- Lack of necessary community supports

PSH Rental Assistance is a project-based program and not operationalized to work under tenant based or portability rules such as those allowed in the HUD Housing Choice Voucher program. Therefore, in these instances OHCS will attempt to work with the property owner to determine if alternative placement meeting the tenant's needs is feasible. If not, and only upon request, OHCS will explore the possibility of temporary rental assistance for a unit located outside of the property with consideration given to tenure, need, supportive service participation and other factors. Any such temporary assistance would be in collaboration with supportive service staff and would be dependent on the availability of OHCS resources.

17. *Termination of Tenancy*

During the initial term of the lease, the Owner may not terminate the tenancy except on the following grounds:

- Material noncompliance with the lease
- Material failure to carry out obligations under any State landlord and tenant act
- Other good cause (does not include a business or economic reason or desire to use the unit for an individual, family, or non-residential rental purpose). PSH operators are expected to avoid eviction for PSH households whenever possible.

A household is not responsible for payment of the portion of the rent to owner covered by the OHCS rent assistance payment. Failure by OHCS to pay the rental assistance payment to the Owner is not a violation of the lease between the tenant and the Owner and is not a cause for termination of tenancy. Rental assistance payments are paid to the Owner in accordance with the terms of the rental assistance payment contract.

The household may terminate the lease without cause at any time after the first year of the lease in accordance with Landlord-Tenant Law. Voluntary termination of tenancy by the family will remove the family from the rental assistance program (see Section 2D-16 "Required or Necessary Tenant Moves" section for possible exceptions).

18. *Lease Standards*

OHCS requires that property owners use the OHCS PSH Rental Assistance Lease Addendum which shall become a part of the lease agreement.

Owners must have a written appeals policy providing PSH applicants and tenants with an opportunity for review of application denial or negative tenancy action including termination. The written review policy shall include the following elements:

- Written notice to the applicant regarding any application denial or to the tenant regarding any negative tenancy action, stating the facts on which the action is based and informing the applicant or tenant of their right to a review the decision and any deadline for requesting a review;
- Review of the decision by a person other than the person that made the original decision, or a person supervised by the original decision maker;
- Opportunity for the applicant or tenant to see the documents or other evidence on which the decision is based at least five (5) full business days before the review, unless waived;
- Opportunity for the applicant or tenant to provide documents or other evidence in support of their application or tenancy, or to counter or explain any evidence against them; and
- A written, unbiased decision issued within ten (10) business days after review. The decision must be based solely on the information provided during the review.

19. *Rental Assistance Restrictions*

State PSH rental assistance is not available to any of the following:

- Public Housing (PH) dwelling units that continue to receive PH Operating subsidy from the Department of Housing & Urban Development (HUD);
- A dwelling unit subsidized with any form of Housing Choice Voucher (Section 8) assistance;
- Tenants that are currently receiving HUD tenant-based voucher assistance; and/or
- A dwelling unit subsidized with any other form of rental assistance that reduces tenant rent to affordable levels, including but not limited to HOME, federal Housing Trust Fund (HTF) & HUD Section 236, 521, 202, 162, 811, 202 & 101 programs.

20. *Affirmatively Further Fair Housing*

Recipients of OHCS Rental Assistance funds are expected to Affirmatively Further Fair Housing (AFFH) in their respective communities to the extent possible. AFFH is defined as, taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws.

E. PSH Program Services Funding

The funding source for this resource is State Current Service Level General Funds and is anticipated to be renewed each biennium.

1. Services Requirements

Individualized tenancy support services must be available on-site to tenants in OHCS-funded PSH projects. Tenancy support services are focused on housing access and retention, with connection to community-based health and other supports as needed. Baseline services must include services listed in the PSH Standards section 1A.

2. Funding Restrictions

Restrictions are in place to prevent the duplication of services and misuse of funds. OHCS understands some PSH projects may need to leverage various resources to offer appropriate services. PSH Services Budgets will need to be reviewed by OHCS to approve any pairing with non-OHCS PSH services funds. Unless approved by OHCS, State PSH Services funding cannot be used to:

- Provide services that are paid for with other City, State, or Federal funding

(this prohibition is not meant to apply to any City, State, or Federal rent subsidies or services obtained directly by tenants)

- Provide services in an emergency shelter or transitional housing
- Provide scattered-site services unless approved by OHCS
- Provide funds directly to tenants
- Provide services that will be reimbursed by Medicaid

1. *Eligible Costs*

PSH Services funding is intended for the provision of tenancy support services and the costs associated with delivering an effective PSH program. While medical and health services can be important components of PSH service delivery, expenses that will be reimbursed by Medicaid cannot be covered by OHCS PSH Services dollars. The following activities are considered eligible costs for PSH Services:

- Personnel costs (wages and fringe benefits) for:
 - Direct PSH Service staff including peer-based positions
 - PSH Supervisory/Managerial positions
 - PSH Administrative positions
 - Front Desk staff
 - Staff Training relevant to PSH
 - Executive staff, but only if they are working on the PSH Program directly and if the costs are approved by OHCS on a case-by-case basis. If PSH funding needs to be utilized for executive salaries, they should be paid with the administrative funding allocation.

Note: PSH program staff must be based on-site at the property and the majority of services must be delivered on-site.

- Housing navigation and stabilization support
- Wraparound/Comprehensive supportive services including but not limited to:
 - Healthcare navigation and assessment
 - Nutrition assistance
 - Physical and behavioral health services (when services are not being reimbursed by Medicaid)
 - Mental health support services
 - AA/NA or other Support Groups
- Culturally specific services and programming
- Independent living and community engagement services (when services are not being reimbursed by Medicaid or other systems funding such as Aging and Disabled services) including but not limited to:
 - Assistance with unit cleaning
 - Transportation resources
 - Supplies (i.e. shower chairs, food, hygiene products, cooking materials)
 - Costs for community meals, events, and education programming

- Barrier removal and pre-tenancy services (can be utilized prior to lease signing to allow for program access)
 - Past arrearages
 - Security deposits
 - Support in obtaining necessary IDs or documentation for move-in
- Flexible Tenant Support
 - Flexible funds for unique tenant and/or community needs (i.e., coffee outing to connect with a tenant needing intensive support; laundry funds if there is a bed bug outbreak)
- Administrative/Indirect Costs (included in the \$10,000/unit maximum)*
 - For agency costs to support the PSH program such as contract management, finance and HR services, insurance costs, etc.
- Operations Costs for Services including but not limited to:**
 - Office Supplies
 - Printing
 - Computers
 - Telephones
 - Staff Transportation

*Administrative Costs are limited to a maximum of 15% of the total OHCS PSH Services funding request.

**Operations costs are for PSH program operations, not for building operations or asset management.

2. *Services Plans and Budget*

All projects that are awarded PSH Services Funding will need to provide a Final PSH Services Plan to OHCS prior to executing the PSH Services Funding contract. The Final PSH Services Plan will include a Final Services Budget, Job Descriptions, and a plan that describes the project's staffing model, offered services, community partners, and the resident referral/occupancy process. The PSH Services plan must reflect services ratios of no less than 1 FTE to every 15 households. The 1:15 ratio is a maximum number of staff to households, but projects are able to operate with higher staff/ household ratios (e.g. 2:15). Also, the ratio does not mean that residents cannot be served by more than one staff. Team-based staffing models are allowed. The services plan, including staffing and/or project partners, should reflect the population being housed to ensure the provision of appropriate services and support. Input from people with lived experience must be included in the design of the PSH Services plan.

Services budget sources and expenses must balance and must show all other leveraged resources being utilized to operate the project's PSH program. Changes to budgeted line items must be reviewed with and approved by the PSH Program manager.

Section 3: PSH Program Operations

A. Applying for Funding: Oregon Centralized Application (ORCA)

All PSH funding is requested and accessed via the ORCA. The ORCA manual outlines the process, steps, and timelines to close on funding awarded through the application process. Applicants are required to meet all evaluation standards to indicate to OHCS that they are ready to close out the application process. In addition, applicants must submit all other required supplemental documents. Please refer to the evaluation standards listed in the ORCA manual for further information: [Oregon Centralized Application \(ORCA\)](#).

B. PSH Contracts

The PSH Program Manager will typically reach out to sponsors four to five months before a project opens or is placed in service to begin collecting the required documents for contract execution. Required documents for PSH Rental Assistance and/or Service contracts include:

- i. Final Services Plan
- ii. Final PSH Budget
- iii. MOU or Contract between Services Provider, Property Management, and Owner
- iv. Agreement between Services Provider and Owner showing how Services Provider will be paid
- v. Service Provider's Cost Allocation Plan if requesting administrative dollars with services funding (15% of total request is the cap for administrative/indirect cost funding)
- vi. CSH Services Menu
- vii. Job Descriptions of direct service staff
- viii. Tenant Selection Plan
- ix. Community Partnership Documents (if applicable)

Once completed documents are received and approved by the PSH Program Manager, contracts will be sent to DOJ for approval. The entire process can take two to four months depending on the time it takes sponsors to complete the required program documents. Services contracts can go into effect up to six months before opening and Rental Assistance contracts should be executed to begin in the month which the project begins occupancy.

C. PSH Rental Assistance and Services Invoicing

The PSH Rental Assistance and Services funding will be paid to the Owner or Ownership entity. Disbursement of PSH services funding will be on a reimbursement basis pursuant to the submission of a payment request via the invoicing process in Procorem. PSH Rental Assistance funding can be paid ahead of the first of the month, pursuant to the submission of a payment request via the invoicing process in Procorem.

PSH services funding disbursements may be requested up to 12 times per calendar year and no more than once per month. PSH Rental Assistance funding should be requested once every month.

The final invoice of the grant year must be received by OHCS by the last day of the month that follows the final month of the grant year. Any unspent funding does not rollover to the next grant year and is no longer available to the project.

For questions on invoicing or step-by-step instructions, please contact the PSH Program Manager listed on this manual's title page.

D. PSH Reporting and Monitoring

1. Annual Reporting

PSH Projects using any PSH Program funding must report household outcomes annually or as requested by OHCS. The project must use the current HMIS used by their local Continuum of Care. If none is utilized in the project's region, the project must utilize WellSky Community Services, or an approved OHCS reporting system. An HMIS Annual Performance Report (APR) and the PSH Annual Outcomes report will be due January 31st of each year. The PSH Annual Outcomes report template will be available to PSH projects through their Procorem WorkCenter.

The PSH Annual Outcomes report includes qualitative/quantitative information that includes:

- Housing Retention
- Exit and Move-On Reporting Data
- Eviction Reporting
- Services Narrative
- Equitable Access Narrative
- Project-specific outcomes from the PSH Services Plan

Additional information may be requested, such as a list of application denials for PSH units and follow up requests for additional information.

The Annual Performance Report (APR) must be completed for the correct reporting year and correct start and end dates (01/01/20XX – 12/31/20XX) and must be submitted in a PDF format. OHCS can provide PSH providers with additional instructions if needed.

PSH Projects will be required to upload the correct documentation to their PSH Procorem WorkCenter no later than January 31st following the reporting year.

2. PSH Program Monitoring

Overview

All PSH Projects are required to participate in on-site program monitoring. PSH Program monitoring will include a review for programmatic standards including alignment with CSH's Commitment to Quality checklist, tenant file reviews and project financial reviews. Categories will be scored to determine the frequency of ongoing monitoring and PSH ORCA eligibility.

PSH staff will alert the PSH project team no more than one month before the scheduled on-site monitoring will occur.

PSH staff team will conduct an onsite review that consists of a sit-down discussion regarding the program. Representatives from Ownership, Service Provider and Property Management should be present to discuss the program.

PSH staff will also request a walkthrough for any unit or community room that is available. If tenants would like to speak to OHCS, PSH staff will listen to any tenants seeking to meet with OHCS at the time of monitoring. Tenants will also have the opportunity to submit anonymous feedback in the form of a survey.

Section 1: PSH Commitment to Quality Standards

During Monitoring, the PSH team will ask the project partners questions to best understand how their program meets programmatic standards. The review categories include:

- a. Tenant Centeredness
- b. Accessibility
- c. Coordination
- d. Integration
- e. Sustainability

PSH staff will ask questions to all project partners: Owners, Service Providers and Property Management. Scores will be formulated from narrative responses and back up documentation.

Section 2: PSH Household File Reviews

During onsite review, PSH staff will review 10% of PSH unit/tenant files or at a minimum of 5 files. File reviews consist of both Property Management and Service Provider files. Files will be scored and remarked upon if there are any substantial changes needed. PSH Projects will be notified of the randomly selected files, at most, one week before the scheduled date of the on-site monitoring.

Section 3: Financial Review

PSH Projects will be asked to submit an annual financial statement for the project. The financial statement should be a breakdown of service dollars spent through the

year under review. This should include other streams of revenue that are being utilized for the project such as CoC funds, local government funds, etc. PSH Projects will also be asked to submit back-up documentation for 5 randomly selected purchases with service dollars from the year under review. The 5 selected receipts will be revealed to the project team, at most, one week before the scheduled date of the on-site monitoring. Financial Review will be a scored category and will be factored into the overall score of monitoring.

Scoring

Categories will be scored on a scale of 5-1.

Maximum Points	Criteria
5	Fully answered with backup documentation to confirm
4	Answered/ missing documentation but working on implementing
3	Answered/ missing multiple elements of documentation
2	Answered, no supplemental documentation
1	No answer/ working on creating documentation
0	No answer/ no documentation to confirm

Scores will be reflected in three categories, Commitment to Quality, File Review, and Financial Overview.

Commitment to Quality: Total score will determine the amount of Program Monitoring and interventions needed.

195	On Track, no follow up needed. Follow ups in the form of email.
150-194	Multiple follow ups needed
100-149	Additional on-site monitoring needed for the year
50-99	Additional monitoring needed for the year, OHCS Program Staff intervention and improvement planning
0-49	Critical agency Intervention needed

A score of **149 or below** will automatically trigger a second monitoring within a month of the score being released. Second monitoring will include a more in depth look at all OHCS-funded PSH files on the property and include an improvement plan to increase scoring.

To be eligible for future PSH funding offered through the Oregon Centralized Application (ORCA) the project must have a score greater than 150 if they have not completed the Institute within the past four years.

PSH Household File Reviews: The maximum total amount of points the PSH Files can score is **100**. Files that “Need Correction” will be notated in the final report with deadlines.

Financial Review: The maximum total amount of points the Financial Review section can score is **35**. Corrections or explanations needed will be documented in the final report with deadlines.

Scores from all three categories will be used in a Risk Analysis to determine the level of PSH Monitoring needed. The final report will be available to the property within one month of completion of monitoring. The Monitoring Report will be available in the properties’ PSH Procorem WorkCenters.

E. PSH Portfolio Compliance

PSH has adopted the development capital portfolio compliance standards specified in the LIHTC Compliance Manual: [LIHTC-Compliance-Manual2016](#).

This is the standard for the ongoing monitoring of operating PSH projects with PSH development capital. Information will be transferred to the OHCS Portfolio Management Section for on-going compliance until the end of the project’s affordability period. An annual Certificate of Continuing Compliance will be required as well as periodic onsite inspections and monitoring, according to Portfolio Administration’s guidelines and the LIHTC Compliance Manual. A compliance monitoring fee sufficient to cover OHCS’ due diligence costs will be required annually. This fee may be adjusted over time by OHCS. In addition, for PSH only projects, OHCS will not require annual independent 3rd party audited financial statements unless they are required by a lender as OHCS is more interested in how the property is performing. If the property is meeting all its other annual certification, asset management, and operating requirements, then internal financial statements in addition to the Prolink Standard Template submitted through the Procorem WorkCenter for the property within 90-days of the close of the fiscal period will suffice. If any time in the future, OHCS determines, at its sole discretion, that it needs more information, specifically as it relates to a property’s financial performance, then OHCS will ask for independent 3rd party audited financial statements at the owner’s expense and may continue to do so until the performance issue is resolved.

Definitions

The terms defined in this PSH Manual (including those provided in this subsection), as well as terms defined in other existing Program documents, will have the following meanings unless the context clearly indicates otherwise:

Area Median Income (AMI): The median income for the county in which the Project is located, adjusted for family size, as determined by the Housing and Community Services Department using U.S. Department of Housing and Urban Development information.

Affirmatively Furthering Fair Housing (AFFH): A provision of the 1968 federal Fair Housing Act that legally requires that all federal departments and agencies, as well as grantees of federal funding, must administer their programs and activities relating to housing and urban development in a manner that affirmatively furthers the purposes of the Fair Housing Act. Since 1 For further information, see Title VIII of the Civil Rights Act of 1968, 42 U.S.C. 3608, and Executive Order 12892 the Fair Housing Act has two primary purposes – to prevent discrimination in the sale, rental, and financing of housing based on race, color, national origin, religion, sex, familial status, and disability and to reverse housing segregation – affirmatively furthering fair housing is fulfilling the dual purpose of the law. Specifically, as enforced by the U.S. Department of Housing and Urban Development (HUD), affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity based on protected characteristics, by replacing segregated living patterns with truly integrated and balanced living patterns by transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and by fostering and maintaining compliance with civil rights and fair housing laws

Chronically Homeless: means households identified as chronically homeless by a project's local Continuum of Care (CoC).

Construction: For PSH funding, construction is defined as planning, design, and the actual building, or rehabilitation of structures intended for the purpose of creating affordable housing. Constructed housing follows an approval process of meeting codes and standards until occupied. To be able to utilize PSH funding, a project cannot be under construction while applying for or planning to apply for OHCS funding.

Continuum of Care (CoC): means a regional or local planning body that coordinates housing and services funding for families and individuals experiencing homelessness. CoCs are organized to carry out the responsibilities required under 24 CFR part 578 and are composed of representatives of organizations, including nonprofit homeless service providers, victim service providers, faith-based organizations, governments, businesses, advocates, public housing agencies, school districts, social service providers, mental health agencies, hospitals, universities, affordable housing developers, law enforcement, organizations that serve homeless

and formerly homeless veterans, and homeless and formally homeless individuals to the extent these groups are represented within the CoC's geographic area and are available to participate.

Coordinated Entry: means a centralized or coordinated process developed to ensure that all people experiencing a housing crisis have fair and equal access and are quickly identified, assessed for, referred, and connected to housing and assistance based on their strengths and needs. Coordinated Entry is facilitated by a region's Continuum of Care.

Homeless Management Information System (HMIS): means the locally designated information system used to collect client-level data and data on the provision of housing and services to homeless individuals and families and persons at risk of homelessness.

Housing First: An approach to connect individuals and families experiencing homelessness to permanent housing without preconditions and barriers to entry, such as sobriety, treatment completion, or service participation requirement

Low Income Housing Tax Credits (LIHTC): provides tax credits for developers to construct, rehabilitate, or acquire and rehabilitate qualified low-income rental housing. These development projects include multifamily and single-family rental housing units. Eligible applicants include for-profit, nonprofit, and housing authority developers. OHCS reserves and allocates credits to eligible properties through the Oregon Centralized Application process.

Oregon Centralized Application (ORCA): The Oregon Centralized Application is a noncompetitive funding process that offers loan, grant, and tax credit funds. The ORCA allocates funds on a first-come, first-reviewed basis with the goal of ensuring project readiness before a final commitment of funds is awarded. OHCS does not prescribe any pace for getting through the application steps. However, inactivity or failure to make progress on meeting evaluation standards for a period of between 6 and 12 months, depending on the step, will potentially remove a project from the application process and require it to restart at Intake.

Permanent Supportive Housing (PSH): means a housing or program type that combines a leased unit with Rental Assistance and Comprehensive Tenancy Support Services for persons experiencing chronic homelessness so that they may live independently.

Procorem WorkCenter: a secure portal technology solution by ProLink Solutions™ and used by OHCS to help facilitate collaboration and communication models for all applicants and future housing partners. The Procorem WorkCenter includes a repository for electronic document submission, a task management and tracking tool, an events calendar, and communication features.

Reasonable Accommodation: is a change, exception, or adjustment to a rule, policy, practice, or service that may be necessary for a person with disabilities to have an equal opportunity to use and enjoy a dwelling, including public and common use spaces, or to fulfill their program obligations. Please note that the ADA often refers to these types of accommodations as "modifications." Definition found at HUD.gov, [FHCO/Reasonable Accommodations & Modification](#)

OREGON HOUSING AND COMMUNITY SERVICES

Permanent Supportive Housing (PSH) Rules Advisory Committee (RAC)



May 19, 2025

Dana Schultz, Supportive Housing Analyst
Meghan Von Tersch, PSH Program Manager

Welcome and Introductions



1. Name
2. Organization
3. What connections do you have to the PSH?

Process Agreement

- **Stay Engaged**
- **Speak your truth responsibly**
- **Listen to Understand**
- **Be willing to do things differently and experience discomfort**
- **Expect and Accept non-closure**
- **Confidentiality**

Active Virtual Participation and Logistics

Audio

- Please keep yourself muted when not talking
- Unmute yourself when called on or during open discussion

Chat

- Use chat and Q&A functions to ask questions in real time

Raise hands

- During discussion, use the raise hand feature to signal that you have something to say



Talking head icon

- This prompt will show when we most want your feedback

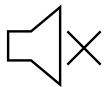
What We'll Be Covering Today



PSH Program Changes



What is rulemaking and why does it matter?



Draft impact statements discussion



What is Rulemaking?

Rules Put Laws Into Action

- Legislature
- Laws vs. Rules
- Scope of the law
- Force of law
- Rules can be changed more easily than laws

Feedback on Proposed Changes

- PSH standards updates and new program manual
 - 7% to 10% vacancy rate for PSH units minimum
 - \$500 per unit per year replacement reserve for PSH units
 - Utilities for PSH units must be owner-paid
 - No less than 5% of the PSH units in a project must be wheelchair accessible and follow Title II Americans with Disabilities Act guidelines
 - No less than five PSH units and no more than 75 PSH units per project



Feedback on Proposed Changes

- PSH low barrier and tenant selection plan policy
 - PSH projects must conduct tenant screening in a manner that ensures tenants are not screened out for having:
 - Too little or no income
 - Active substance use or a history of substance use
 - Limited or poor rental history, including previous evictions
 - A criminal record (with exceptions for mandated restrictions if using other resources)
 - A history of victimization (e.g., domestic violence, sexual assault or abuse)





Drafted Fiscal Impact Statements

Draft Fiscal Impact Statement

Question: Identify whether the rules will have a fiscal impact, either negative or positive, on state agencies, local government, or the public, and if so, the extent of the impact.

Response: The updated rules will not have a fiscal impact on state agencies, local government, or the public.

Question: Identify equipment or supplies, labor and increased administration required to comply with rules.

Response: None



Does this drafted statement align with your perspectives and views as an impacted community member?



Draft Racial Equity Impact Statement

Question: Describe how you represent the community impacted by these rule changes. What are the racial equity impacts with these rule changes?

Response: OHCS is only the funder of the PSH program, but it partners with organizations who work with and represent the communities they serve. OHCS believes enforcing stricter low barrier policy, described in the rules, will allow for increased racial equity in access to units that use PSH program funding.



Does this drafted statement align with your perspectives and views as an impacted community member?



Draft Cost of Compliance Impact Statement

Question: Describe the projected reporting and other administrative activities required for compliance, including costs of professional services.

Response: PSH projects using any PSH program funding must report household outcomes annually or as requested by OHCS. The project must use the current Homeless Management Information System (HMIS) used by their local Continuum of Care. If none is utilized in the project's region, the project must utilize WellSky Community Services, or an approved OHCS reporting system. An HMIS Annual Performance Report (APR) and the PSH Annual Outcomes report will be due January 31 of each year. The PSH Annual Outcomes report template will be available to PSH projects through their Procorem WorkCenter. Additional information may be requested, such as a list of application denials for PSH units and follow up requests for additional information.



Do these drafted statements align with your perspectives and views as an impacted community member?



Draft Small Business Impact Statement

Question: Identify whether the rules will have a significant adverse impact on small businesses. What can be done to mitigate the impact on small businesses?

Response: The updated rules will not have an adverse impact on small businesses.

Question: Estimate the number of small businesses subject to these rules, identify types of businesses and industries with small businesses subject to these rules.

Response: Some small non-profits will be subject to these rules. These are small social services organization, some being culturally specific and/or Black, Indigenous, People of Color (BIPOC) led. OHCS estimates 30 small non-profits will be subject to these rules.

Question: Describe how OHCS involved small businesses in the development of these rules.

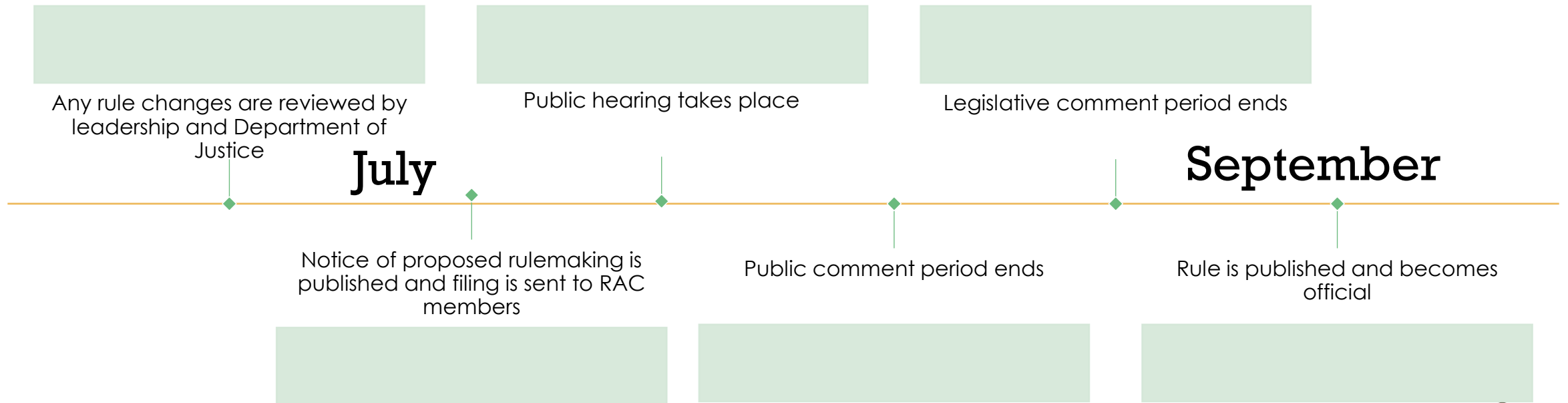
Response: All of OHCS' PSH partners have been engaged with around PSH program materials, and modifications to the program in the last five years are a direct result of this engagement.



Do these drafted statements align with your perspectives and views as an impacted community member?



Next Steps and Estimated Timeline



Note: Dates will be pushed back if drafting, review or public comment period takes longer than anticipated.



Thank You!

Dana Schultz

Supportive Housing Analyst

Dana.schultz@hcs.Oregon.gov

PSH Rules Advisory Committee, May 19, 2025



PERMANENT SUPPORTIVE HOUSING RAC MEETING TRANSCRIPT
MAY 19, 2025
4:01 PM

 **SCHULTZ Dana * HCS** 0:09

All right.

Good morning, everyone.

We're gonna take a couple minutes just to get everyone logged on.

Great. Just looking at the list.

Let's let Cindy Dyer in.

She's on the RAC.

Alright, I am going to get started.

So before I get started, I just want to say thank you to everyone for giving me a little grace right now because this is a new platform, the team's webinar.

This is the first time we're doing this for a rules process, so we're working out the kinks.

PSH is the Guinea pig for this, so I appreciate being patient with us as we get the right folks in.

I've just got my eyes on the list and I noticed Leah Cooper.

Just joined and she is on the RAC, so let's move her into the OK.

So I'm gonna get started.

So this is the Rules Advisory Council for the PSH or the permanent supportive housing program in the Affordable Rental Housing Division here at OHS.

My name is Dana Schulz.

I use she/her pronouns and I am a supportive housing analyst and our affordable rental housing division.

I also have Meghan Von Tersch here and she is the PSH program manager.

And we're here to guide the conversation through the updates to the rules for our permanent supportive housing program.

OK, if you are on the Rules Advisory Council and it looks like you're not being let in to get on camera and to come off mute, that means there's been a little wires of crossing and you're in the viewer section and not the RAC section.

So just put something in the chat that you should be on the RAC if you've joined and you notice you're not able to get into the RAC group like I get.

Like I said, we're trying to work out these kinks.

So appreciate the patience.

Let's go to the next slide.

OK.

So we're going to do a quick round of introductions.

Again, so the Rules Advisory Committee is the selected group who have been involved with our PSH program.

So we've got a lot of folks here watching the Rules Advisory Committee today, but we have a select group who's going to be able to provide feedback in real time at this moment.

So I'm going to go around and call on folks for that group. If you could give us your name, the organization you're connected with, feel free to give us your pronouns and mention what connections you have to permanent supportive housing, whether you are a property manager, an owner, or service provider. Just real briefly, how you're connected to PSH and I'm just gonna call folks out.

So I'm gonna start with.

Let's start with Jill.



Jill Chen 3:22

Hi, Dana. Great to see you and hello to everyone.

I'm Jill Chen Ayushi.

She/Her pronouns. I'm the assistant director of the Department of Housing at Washington County and the Housing Authority of Washington County as well.

We are owner and operator and we have we own one full PSH building as well as work with a number of PSH providers in.

Building.

Things that we have invested in with our partners.

My background was also at Housing Bureau, where I had done a lot of PSH units.

There we do have a PSH project in the pipeline as well.

So coming from a owner operator perspective.



SCHULTZ Dana * HCS 4:12

Hey, thanks Jill. Next is Clayton.



Clayton Crowhurst 4:16

Yeah. Hey ya, Clayton Crowhurst. He/him pronouns with northwest housing alternatives. And we have both urban and rural PSH properties. We also have in House resident services coordinate a lot with outside service providers and

coming from over 4 decades of providing family shelter and.
Homeless intervention services in Clackamas County.

SH **SCHULTZ Dana * HCS** 4:46

Thanks Clayton.
Let's pass it to Cindy.
Let's see.
Looks like her mic isn't working.
Are you able to unmute Cindy?

CD **Cindy Dyer** 5:03

I am now. Thank you. Something changed.

SH **SCHULTZ Dana * HCS** 5:04

There we go. Great.

CD **Cindy Dyer** 5:06

I was like, uh oh, hi. I'm Cindy Dyer.
I'm with Columbia care services.
I'm actually located here in Southern Oregon.
Columbia Care is a behavioral health specialist, and actually we have a PSH
project.
Which we represent all of it, both the owner, operator, the services and the
property management.
So we have programs all over the state.
Our first true PSH project.
Is in Ashland OR.
And what else did you need, Dana?

SH **SCHULTZ Dana * HCS** 5:43

That's great.
That's perfect. Thanks, Cindy.

CD **Cindy Dyer** 5:44

OK. Thanks.

SH **SCHULTZ Dana * HCS** 5:46

Next I see Leah.

Leah is unable to unmute.
Is someone able to help her with that?

MH **MUNA Glenn * HCS** 6:02
She should be good to go.

LC **Leah Cooper** 6:04
Good morning, everyone.
Hi, Leah Cooper.
Here I am the director of housing operations at Dev Northwest.
We have two smallish PSH programs, one in Salem and one in Eugene,
specific to youth and veterans, and we have a couple that we're just about
to submit orca applications on, and I've worked in permanent supportive
housing for many, many years.
Good morning.
She/Her pronouns. Excuse me.

SH **SCHULTZ Dana * HCS** 6:38
Thanks, Leah.
Next is Ray.

RT **Rae Trotta (they/them)** 6:45
Hey, y'all, what's up?
My name is Rae Trotta.
They them pronouns. I'm with CSH Corporation for supportive housing and I'm
located in Portland.
It's good to see some of y'all who have been through our Oregon Supportive
Housing Institute.
That's our main partnership with OHCS. We do all things supportive housing, so
training, consulting, advocacy, whatever you need. We're here. Thanks.

SH **SCHULTZ Dana * HCS** 7:09
Thanks, Rae.
I see Melissa Markos.

MM **Melissa Markos** 7:17
Hi everyone.
I'm Melissa Marcos.

She/Her pronouns. I am the Jackson County continuum of care manager. And so we have our we're working on getting our permanent supportive housing projects going through coordinated entry and then also on developing more permanent supportive housing in Jackson County.

SH **SCHULTZ Dana * HCS** 7:42

I know Julia.

I see Julie on the list.

Julia should be added.

She is on the RAC if we can let her in for.

DH **DAVIS Jaci * HCS** 7:49

Should be good now. Thanks Dana.

SH **SCHULTZ Dana * HCS** 7:50

Great. OK.

Go ahead, Julie. If you're able, please introduce yourself when you can.

JC **Julia Doty, CDP** 7:56

Hey everyone.

Yeah. Thank you for that.

SH **SCHULTZ Dana * HCS** 7:58

8.

JC **Julia Doty, CDP** 7:58

I'm Julia Doherty with community development partners.

I'm currently overseeing 20 HCS PSH contracts in Portland, soon to be adding a third in Portland, as well as a couple of PSH contracts through the SHS measure and the Portland metro area.

And have been working with PSH for a long time before it existed.

Really happy to be a part of this group.

That's it. Thanks.

SH **SCHULTZ Dana * HCS** 8:23

OK.

Thank you.

Sorry, Melissa.

Melissa, I don't.

You're actually part of the RAC.

I think there was a little confusion, so I will.

I think we should move Melissa down to attendees if we can.

But Melissa, what is the RAC?

I see your question is the Rules Advisory Committee for our PSH program update and I really appreciate again dealing with the technical nuances. We're getting our feet wet with this webinar platform.

So appreciate it.

So you are in the RAC if you received a formal invite from myself. If you did not receive that, you are just viewing this and you can ask questions in the chat that we can respond to later.

So next slide, let's move forward.

OK.

So OHS does like to use this process agreement for our external engagements, just some guidelines to to work by with the conversation. We want everyone to stay engaged.

Speak your truth and your experiences responsibly and respectfully.

Try to listen to understand. Be willing to think about things and do things differently and experience a little discomfort.

We need to do that as well.

Definitely not going to solve all the problems of PSA.

Right now. So let's expect and accept a little bit of non closure and then confidentiality where it's appropriate.

Obviously this is a public space, but confidentiality where needed, OK?

Next slide.

Just real quick, I see Lucy. Let's add Lucy Braceno to the RAC because she is a RAC member.

Some logistics for this. I think all of you know how to do this.

Just keep yourself muted when you're not talking and try to unmute yourself when you do want to share something.

We do have a chat and Q&A function. My team at OHS. My backup here will try to engage with you in the chat.

Raise hands if you want to share something.

And we tried to put a little talking head icon on the slides where we're really wanting to hear from you all.

OK.

Next slide.

We're gonna walk through a couple of the PSH program changes and and why we've triggered a rules update for the permanent supportive housing program.

My teammate Greg is going to walk us through what is rule making.

Why does it matter at the state?

And then we are required to respond to some impact statements around rules changes and program updates.

So we'll share with you OHS statements on those and allow for your feedback.

Back on those as well, OK.

Next slide.

All right, Greg, I think you're up.

CH

CURRENT Greg * HCS 11:16

Thank you, Dana, and thank you everyone for joining us.

I am Greg Current. I use he/him pronouns. I am an operations and policy analyst here at Oregon Housing and Community Services, and I'm also one of the rule coordinators for the affordable rental housing program or the division.

Excuse me.

Next slide please.

So we're just going to briefly go into.

Why it's important and how the rules get put into place.

Just real quick.

For those in the background.

I don't see where the notes are at here.

One second.

We're trying to work through some things.

SH

SCHULTZ Dana * HCS 12:15

Thanks Greg.

You want to go forward?

We can also come back to it if that's helpful.

CH

CURRENT Greg * HCS 12:45

That may be the case if you want to, Dana, I apologize.

SH

SCHULTZ Dana * HCS 12:48

Sure, no problem.

Sorry, why don't we go to the next slide?

We're gonna be pros at this for the next time we have the webinar.

Alright, so we're gonna we do wanna do some groundwork around the rules, and I'll bump back to Greg in a minute to do that. But let's move forward.

I know everyone's time is precious and So what is the catalyst for this rules change in our previous rules for the permanent supportive housing program we referenced our programmatic frameworks.

These were the initial documents we put together to get us through.

For the first few years, and then we learned a lot after implementation about what needs to be in writing and what is working and not working for some of the stuff we put together. And so we on the PSH team have finally put together a PSH program manual and we want the new rules to reference that document as what programs have to follow to be in compliance.

This is what triggered a rules update to get those referenced.

In the program manual, there's some changes and we wanted to just call out some of the pieces that have changed and allow you to provide some feedback.

I've received some feedback in writing as well, and I can share that with this group if there's not a lot to offer on these items.

So the first is we've updated some PSH standards in the new program manual. Basically, these standards are if you're going to identify as a permanent supportive housing project. You need to be meeting these requirements to ensure effectiveness and sustainability and to align with how OHCS is defining, quality supportive housing.

So a couple of them are here on the slide. We want to now see about a 7% to 10% vacancy rate for PSH units depending on if you are doing 100% PSH or not.

We saw a slight increase in replacement reserves for PSH units at 500 per unit per year.

We now say that all PSH units have to have utilities that are owner paid before. It was just. If you use our rental assistance, but now we would like to see all PSH units unless you have an external resource that requires something else.

And then we want to see no less than 5% of PSH units in a project to be wheelchair accessible.

And we put some parameters around minimum and maximum of PSH units in the project, so no less than five PSH units. If you're going to be a PSH project. And no more than 75 PSH units per project.

So I'm going to pause for this slide and feel free to respond to any of these on feedback or anything you saw on the program manual.

We are going to talk about the tenant selection plan, low barrier piece next.

So focusing on the standards I think is the best.

Thing to do here.

Go ahead, Joe.

JC **Jill Chen** 16:01

Hey, Dana, I was sort of surprised that the feedback was five or less.

No, no.

5 units for PSH in a building that seemed sort of low and it might.

Not be able to sustain the kind of services and Oregon the kind of cost associated with PSH.

I know it depends on the population a lot of times and you can have success.

But I was surprised to see that as sort of a standard.

Could you speak a little bit about that? And then I also have some comments about 75 or more.

SH **SCHULTZ Dana * HCS** 16:40

Sure. Yeah.

No, that's great. And we'll welcome feedback and we're open to suggestions of doing things otherwise.

And we'll take all of this feedback and chew on it over the next couple weeks. But the five units just felt like a very bare minimum.

We've had projects come in for as low as 3 units and we were like that feels too low. But we recognize that some projects, especially in rural areas are quite small and we didn't want.

To place a minimum that would.

Deter small projects from doing PSH as well.

JC **Jill Chen** 17:16

Great. Thank you for that explanation. The other one I had was about 75 PSH units per project.

It struck me that.

I know there was a project that the Portland Housing Bureau when I was at PHB supported with Central City concern called the Henry and it was 140 units.

And I just wondered, is there any exceptions to the number of units?
Because sometimes it can work.
But I would agree over 75 is a huge amount of concentration of poverty.

SH **SCHULTZ Dana * HCS** 17:59

That's a great point and I welcome all and I see Lucy's question sharing some background.

I think we wanted to propose a maximum that felt a little higher than what we've already funded to, you know, see some increases if that's optional. We've talked to some of our partners around like Metro and at CSH, and while no one was hard on a maximum.

75 kind of felt like the right area where everyone.

Felt like comfortable and it wasn't pushing it to the envelope where the intensity would just be too much or just too much. PSH in one side. But if there are strong feelings from the RAC around it needing to be higher, we are definitely open to hearing that it.

We don't have any hard research or data that it got to that number. It was more of like this is kind of what we're hearing and what we're seeing that works.

Let's not go there. So we don't get into something we're not comfortable with.

JC **Jill Chen** 18:58

No, I think that's a great idea.

Maybe one of the items that you can put in as some of the one of the rules is an exception might be granted, but only an exceptional basis.

SH **SCHULTZ Dana * HCS** 19:09

OK.

Great.

Thank you.

Oh, I see Brian's hand up and Brian should be moved to the RAC.

Sorry Brian, I missed you there.

So Brian, we're gonna move you to the RAC and then you'll have the ability to share.

MH **MUNA Glenn * HCS** 19:51

Brian should be able to access his mic now.

SH **SCHULTZ Dana * HCS** 19:55

Great. Welcome, Brian. Do you have anything to share about the PSH standards or the manual updates?

BS **Brian Shelton-Kelley** 20:03

And sorry for my inability to use technology this morning.

SH **SCHULTZ Dana * HCS** 20:08

That's all of us. You're great.

BS **Brian Shelton-Kelley** 20:10

Yeah. No, I I just wanted to, I think, echo what Jill was saying.

I I think yeah, having a, you know, a waiver or some path for you know some larger projects is useful.

I could see, you know the need for some additional consideration or you know, or thinking around that, you know, I've a project recently where.

You know, we are looking to buy an 80 unit.

Building and convert it to PSH and given it's here in Portland and given its location, you know we felt that eighty was supportable although you know certainly larger but I think just having some flexibility there would be would be useful yeah.

SH **SCHULTZ Dana * HCS** 20:54

Great.

BS **Brian Shelton-Kelley** 20:55

Also on the and apologies of this has already been discussed. The replacement reserve sizing amount.

A couple weeks ago attended a really interesting webinar with enterprise Community partners and they had done some work in California looking at aging PSH projects.

And their consultant kind of came to the conclusion that the minimum per unit per year replacement reserve amount should be more in the eight to \$1000 range.

SH

SCHULTZ Dana * HCS 21:31

Wow, OK.

BS

Brian Shelton-Kelley 21:31

In order to set the projects up correctly, you know kind of from the get go to then be able to, you know meet the.

Mita needs that they'd have down the road, which was a pretty, you know, significant.

Gaffes from the audience, but also I think reflects a lot of the things we're seeing in current underwriting and market conditions in how we structure these projects.

And, you know 500 might.

I know 500's an increase from what we've been typically doing, but 500 might not even be enough.

So, so potentially some additional thinking around that, that or how we can, how we can actually set these projects up for success from a long term asset management perspective?

Thank you.

SH

SCHULTZ Dana * HCS 22:21

Spraying. That's helpful.

I'm seeing some feedback still on the unit that's helpful.

Any other comments?

On standards updates I did receive something in writing about getting clear about expectations around culturally specific services and security and crisis plans.

So making sure we're being clear that service providers don't have to be culturally specific organizations, but they do need to be.

Culturally responsive.

And provide connections to culturally specific partners when needed.

So we'll get clearer about that language and the standards, and we don't require to be at PSH units. While many of our partners do prefer to use it, we just want to ensure that tenants have support, especially during the crises on, after hours. And so I'll also clean up that language to be clear about what we mean on both those standards.

So there there's no confusion.

Go ahead, Jill.

JC **Jill Chen** 23:41
Sorry, Dana, I just got a bunch of questions.

SH **SCHULTZ Dana * HCS** 23:43
Great.

JC **Jill Chen** 23:46
I think there needs to be some clarity also about.
Property management versus the roles of property management versus the
roles of service providers.
We've seen that sometimes in our buildings.
You know, there are folks who are in PSH who actually do need to be
evicted.
And sometimes that eviction prevention starts taking over from both the
service side as well as the property management side, where it becomes a
detriment to the to the rest of the residents.
So I think there may be some need to define what is the thinking when you
say trauma and not trauma informed, but mission aligned property
management.
As you know, in our business, the whole property management sector.
Is really.
In a difficult position, there aren't that many good property managers
already.
And asking them to be even more, you know, where does that balance lie?
I think would probably be useful, maybe as guidance, not necessarily as
rulemaking.

SH **SCHULTZ Dana * HCS** 25:11
That's helpful.

JC **Jill Chen** 25:11
Thanks.

SH **SCHULTZ Dana * HCS** 25:12
Thank you, Joe.
Did you have more? Did you have other questions?



Jill Chen 25:18

I did have some more.
I don't want to.
I prefer other people to talk.



SCHULTZ Dana * HCS 25:25

Sure, no problem.
I am going to move to the next slide.
We can definitely keep talking about standards.
I just want to make sure we get through all the materials, so if we could go to the next slide, the other piece that we updated that felt significant to call out especially to our property manager partners.
I know we have.
We have some property managers on the RAC.
I don't think they were able to attend today, but we are getting written feedback from them, so that's great.
So we updated our low barrier policy language for PSH in the manual.
And made a clear tenant selection plan item where we require the use of a new tenant selection plan template for PSH units. The template that we shared with you all is for 100% PSH units. We'll make one for integrated as well.
We just wanted to make.
Sure. We're on the right RAC with this.
This was a product of kind of reviewing some current tenant selection plans and some programmatic.
Monitoring that we've done.
That really kind of show that there were some less low barrier practices that we'd like to see.
So we're like, OK, we've been pretty vague in our language here. And so we tried to tighten it up a bit and be clear about what we mean around low barrier. And so this is laid out in the manual. I think section 2B four, but here is. A piece that really kind of calls out what we mean.
So we want to make sure PSH projects are not being.
Are not screening out tenants?
For having too little or no income.
For having active substance use or a history of substance, use limited or poor rental history, including evictions, a criminal record in general. Of course, there are exceptions based on the type of funding you have, which we will

allow, or if you're serving families and you need to put.

Tighter parameters.

We can make exceptions, but a criminal record shouldn't be like you're not coming into PSH and then a history of victimization.

So I'll welcome any feedback on the tenant selection plan template, this policy language or anything remaining from the standards.

Any questions?

Now I'm gonna keep calling.

Alright, Greg, Are you ready to go or do you like, OK?

There you go.

Perfect. Thanks.

CH

CURRENT Greg * HCS 28:29

Thank you.

I appreciate that and I appreciate everyone's patience as we kind of work through this.

So this is a quick little synopsis of why rules are put into action.

First and foremost, rules do allow agencies to take laws that are passed by the legislature and put them into effect.

And they also outline or basically cover the outline of how a program or policy works.

And rules are in many ways the details that make the vision of what we want as in this case, as you see PSH now in its current iteration to make that vision of reality.

Also rules must fit within the scope of the law, and they also carry the force of the law.

So in many ways, rules can be changed more easily than laws can be, and the system allows a law to be in effect for years, but it also wants to keep it in pace with the changing times and currently how things are going.

And this put anything in chat if you have any questions about that particular piece. Thank you.

SH

SCHULTZ Dana * HCS 29:44

Thank you, Greg. OK.

So let's go to one great part of this rules process, which there are some new rules requirements for us.

So thank you for letting us practice our new approach to this.

There are some impact statements that OHS is required to remark on our

updated rules and so we want to share how we've responded to the questions and make sure the RAC agrees.

If you feel like something needs to be added or changed, please share that.

We want to make sure our statements reflect how the Rules Advisory Committee feels that the rules are impacting different communities.

So let's go to the next slide.

OK.

So the first one is about fiscal impact.

Asking if the rules will have a fiscal impact on state agencies, local government or the public, and so our response was the updated rules will.

Not have a fiscal impact on state agencies.

Local government of the public. We didn't feel like there was a huge fiscal impact on agencies as a whole.

And we also said that no equipment, supplies, labor or increase admin is required to comply with the rules because everything's pretty standard around.

Fiscal needs. As for the rules prior, but feel free to chime in if you feel like something doesn't line up or your perspective.

Is different on this.

Yeah.

CC Clayton Crowhurst 31:26

Yeah. Dana, I think maybe I might be reading into the first question a little too much.

But I think when we're talking about rules that are mandating.

SH SCHULTZ Dana * HCS 31:33

Sure.

CC Clayton Crowhurst 31:40

You know, certain vacancy percentage per unit per year replacement reserve deposits?

You know, I guess I'm wondering if housing providers are defined as the public or if we're not included in any of those three groups laid out there, because I think.

If we are part of the public, that's definitely it's rule making.

Definitely has a fiscal impact on us.

SH

SCHULTZ Dana * HCS 32:05

JC.

What is your take on that?

Do you feel like our partners fall into the public?

DH

DAVIS Jaci * HCS 32:13

Hi there.

Good morning.

My name is JC Davis real quick.

I'm the agency's rule coordinator.

I've been kind of in the chat box a little bit with you, Clayton.

I'm happy to answer your question.

This question is actually for all impacted community members, so your insight on how that's going to impact your communities is absolutely we want to be inclusive of that.

So what we are we're seeing it is from our our agencies lens and that's why we've invited all of you in.

To make sure that we're encompassing all of those places.

Of impact. So if you have specifics here that you would like to provide will absolutely take our transcript from today's recording in. But you can also provide any kind of written comments or any other feedback you would like to provide on any of our impact statements today does.

That help?

CC

Clayton Crowhurst 32:59

Yeah, yeah.

So I I think given that, I think I'm understanding that all of us on the RAC here are can include ourselves in that public category. I probably will provide a little bit of a statement just pushing back against kind of that response.

Thank you.

SH

SCHULTZ Dana * HCS 33:15

No, that's really helpful.

Thank you, Clayton. Go ahead, Jill.

JC

Jill Chen 33:20

In that similar vein, we are sort of a local government and I'm wondering with

the changes in the underwriting, that obviously means that the capital stack will change. And I think one of the questions I would have is what is OHCS expectations of the state support? But then?

Also the local support.

For example, in the metro region we have the SHS measure.

Are you saying that for those projects?

Excess going to be using PSH, accessing some of that Metro SHS are you asking for us to put more SHS in or less SHS?

How does that work?

And if there's no SHS measure, meaning our own corpus, are you asking us to put up more of our own funds? Because under.

PSH, you're going?

You will have a cap on how much.

Lift or PSH?

Funds is going to be available.

So, you know, I'm looking at it in a capital stack.

Does that mean where's some money going to come from?

Is that local then or is that? Are you going to ask?

Maybe Clayton to go out and fundraise more or me to also do more fundraising.

So that's the question I think for for some of us.

SH **SCHULTZ Dana * HCS** 34:46

Yep, this is very helpful.

Thank you.

And like JC said, this is stuff we will then put together answers on and update our responses to reflect these concerns.

So definitely provide things in writing if there are specifics you want us to remark on. But obviously sharing now will be captured in the transcript and we can add those.

I'm going to move to the next slide and if something comes up for this, feel free to pop back to that. The next one is about racial equity impact statement.

So describe how our we represent the community impacted by these rule changes and what are the racial equity impacts with these real changes. And so we OHS are just the funder of the PSH program, but we partner with organizations like all of yours.

Who work with and represent the communities you serve.

And we believe that enforcing a stricter low barrier policy described in the rules will allow for increased racial equity in access to units that use PSH program based on data that shows.

Like more folks, communities of color impacted by the justice system than within white Community members.

And we want to make sure that PSH is being accessed by everyone who needs it and is addressing those disparities. And we would love any feedback you have on this and anything that should be added or looked into.

I'm not hearing. I'm gonna keep going.

Next slide, the next one is the cost of compliance impact statement.

So our compliance requirements have not changed from the original rules.

The program remains the same there, but we just we did want to call out what the this compliance requirements were and the reporting requirements.

Obviously there could be some.

Financial implications of this if you need to pay for staffing.

But this hasn't changed from the previous rules, so we do require the use of your local HMIS.

In partnership with your regional continuum of care, if your local COC doesn't have an HMIS that they can share with you, we do ask that you use Wellsky community services.

And we require annual reports at January 31st of each year.

We were we provide those templates and we might request additional information if there's questions and and partners are expected to follow up with us on any additional information requested.

Any thoughts or questions on those?

If you I think also we want to know if you agree with the statements.

So if you do feel strong agreement, feel free to come off mute and share agreement.

Go ahead, Jim.

JC **Jill Chen** 38:22

You mention a PSH annual compliance Outcomes report template.

Is that already a a document that's similar to what the providers or operators are currently providing or consistent with?

Say some of the other requirements that.

We as operators are already well, I'm just going to say as a Housing Authority because we work on the SHS measure.

We're already providing, say, a metro.

So is this going to be consistency in the reporting requirements and how they are counting?

Like the people and the cost, is there going to be consistency in those kinds of documents?

Because I think that could be a little bit difficult if we're using different definitions and capturing.

Different data.

SH **SCHULTZ Dana * HCS** 39:15

Yeah. So we require the annual performance report, which is a standard HMIS report.

So almost all of our providers are already doing this with your other funders for PSH as well, so that should be pretty consistent and the annual outcomes report is a template that we've already been using.

It's already been out there.

It's not new and it really lines up with the with the performance report the APR.

So it's just a matter of.

Putting this numbers you're getting at the APR into the outcomes. Report.

JC **Jill Chen** 39:48

Thanks, that's great.

SH **SCHULTZ Dana * HCS** 39:59

Let's go to the next slide.

Think this might be the last one.

So the small business impact statement, they asked if we have, we expect any significant adverse impact on small businesses.

We do not foresee an adverse impact on small businesses.

The question is how many small businesses are subject to these rules?

Obviously, some small nonprofits will be subject to these rules.

These are small social services organizations, some being culturally specific and/or BIPOC led. We estimate around 30 small nonprofits will be subject to the rules. The rest are larger organizations or government entities.

And so if you agree, we'd love to hear. If you disagree, we'd love some feedback.

And JC.

There's a question in the chat if you can help how we define a small business. She says less than 50, but she's gonna confirm.

Less than 50 employees.

And the last question is how we have involved small businesses in the development of these rules. And so, all of our PSH partners have been engaged with around PSH program materials and modifications to the program over the last five years.

And this and this. This is our new our materials are a direct result of all of that engagement.

So we welcome any agreement or disagreement on those as well.

Alright, let's go to the next slide.

So this has been really great and I really appreciate it. And as you know, the Rules Advisory committee, you have until the end of today to provide any written feedback.

And we're going to take some time over the next couple weeks to go through all the materials you've shared and responded to and make sure we update based on your recommendations and adjust any of our statements to reflect your agreements or disagreements with those.

So here's kind of the timeline.

We're going to let's see, any rule changes are gonna be reviewed by leadership in the next couple of weeks. And our Department of Justice.

And yes, Ray, I see your question.

So by the end of today, we need those comments.

And so our notice of proposed rulemaking will be published a little at the end of July and sent to all the RAC members. And once that happens, we'll have a public hearing and a public comment period.

Period which you are able to provide more feedback after we've updated the materials. We welcome more feedback and then we'll see the rules published and become official in September.

But we'll probably see the tenant selection plan template and the program manual be published earlier than that. So probably in the end of June or early July, we'll see those materials.

Go into circulation.

Any questions on the timeline and?

And what's next?

Alright, let's go to the next slide.

Think that might be it. OK.

So thank you so much to our world's advisory committee.

This has been really helpful. Again, please send anything via e-mail that you want on the record about feedback and we will circulate materials with you as we update and make changes and you'll have another opportunity to provide feedback on those during the public comment period.

So this isn't your last opportunity, but I really appreciate everyone being patient with our technical issues.

And being a part of our PSH conversation because we could not do it without you.

So thank you. Thank you again.

BS

Brian Shelton-Kelley 44:22

Great. Thank you so much. Thanks all.

SH

SCHULTZ Dana * HCS 44:24

OK, bye. Have a great day.

LB

Lucy Briseno 44:26

Thank you.

□ stopped transcription