



NOTICE OF PROPOSED RULEMAKING
INCLUDING STATEMENT OF NEED & FISCAL IMPACT

CHAPTER 813
OREGON HOUSING AND COMMUNITY SERVICES DEPARTMENT

FILED

10/27/2025 1:21 PM
ARCHIVES DIVISION
SECRETARY OF STATE

FILING CAPTION: To update definitions of Rural and Culturally Specific Organizations for the Permanent Loan Guarantee Program.

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 12/01/2025 5:00 PM

The Agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing negative economic impact of the rule on business.

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Filed By:
Glenn Muna
Rules Coordinator

HEARING(S)

Auxiliary aids for persons with disabilities are available upon advance request. Notify the contact listed above.

DATE: 11/20/2025

TIME: 11:00 AM

OFFICER: Monica Avila

REMOTE HEARING DETAILS

MEETING URL: Click here to join the meeting

PHONE NUMBER: 503-986-6796

SPECIAL INSTRUCTIONS:

Dial in by phone

1-503-446-4951

Conference ID: 821395234#

NEED FOR THE RULE(S)

To amend Division 043 rules to reflected updated definitions in alignment with other Affordable Rental Housing Division programs.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE

OHCS Designation Map:

<https://experience.arcgis.com/experience/8bfb23d2e24044188dfe74cda32350db/page/Page>

STATEMENT IDENTIFYING HOW ADOPTION OF RULE(S) WILL AFFECT RACIAL EQUITY IN THIS STATE

Awardee is required to consider ways to target the program towards under-resourced communities that have historically been excluded from access to capital through de jure and de facto racist lending practices.

FISCAL AND ECONOMIC IMPACT:

The program is structured to leverage limited state resources as a means of encouraging increased private investment in projects or regions that might otherwise be overlooked due to perceived risks. By offering insurance to lenders through this guarantee, the program creates new opportunities for development that may not have been feasible under typical market conditions.

COST OF COMPLIANCE:

(1) Identify any state agencies, units of local government, and members of the public likely to be economically affected by the rule(s). (2) Effect on Small Businesses: (a) Estimate the number and type of small businesses subject to the rule(s); (b) Describe the expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s); (c) Estimate the cost of professional services, equipment supplies, labor and increased administration required to comply with the rule(s).

The CDFI overseeing the program will be responsible for ensuring that awardees comply with the program guidelines. There is no expected cost to comply with this program for small businesses. No small businesses will be adversely affected by this change.

DESCRIBE HOW SMALL BUSINESSES WERE INVOLVED IN THE DEVELOPMENT OF THESE RULE(S):

This program is intended for the lending community and so small businesses were only involved by proxy through the lending institutions that will work them regularly.

WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? NO IF NOT, WHY NOT?

Oregon Housing and Community Services (OHCS) made efforts to convene a Rules Advisory Committee (RAC) by inviting potentially impacted community members prior to filing the proposed rule change. However, OHCS was unable to confirm participation from individuals with relevant interest or expertise in the subject matter. Given the limited public interest and the narrow scope of the proposed amendments, as well as the absence of substantive feedback on the drafted impact statements, OHCS determined that convening a RAC for this rulemaking was not warranted.

HOUSING IMPACT STATEMENT:

These rules do not affect the cost of development of a 6000 square foot parcel and the construction of a 1200 square foot detached single-family dwelling on that parcel.

RULES PROPOSED:

813-043-0000, 813-043-0010, 813-043-0040

AMEND: 813-043-0000

RULE SUMMARY: add summary here

CHANGES TO RULE:

813-043-0000

Purpose and Objectives ¶¶

The rules of OAR 813, dDivision 43, are established to accomplish the general purpose of 1991 Legislative Session law; Chapter 740, the Oregon Housing Fund and the Housing Development and Guarantee Account therein, which authorizes the Department to establish a program to expand the state's supply of housing for low and very low income families and individuals including, but not limited to, persons more than 65 years of age, disabled persons, farm workers, and Native Americans. These rules describe the Housing Development and Loan Guarantee Program and its objective to provide ~~grants and~~ loan guarantees to construct new housing or to acquire and/or rehabilitate existing structures for housing for persons of Moderate, Low, and/or Very Low

Income.

Statutory/Other Authority: ORS 458.600 - 458.650

Statutes/Other Implemented: ~~ORS 458.600 - 458.650 & L 1991, Ch. 740, OL 1991~~ RS 458.740

AMEND: 813-043-0010

RULE SUMMARY: add summary here

CHANGES TO RULE:

813-043-0010

Definitions ¶¶

Terms used throughout this division (OAR 813-043) are defined in Oregon Revised Statute (ORS) or in the OHCS General Definitions (OAR 813-005-0005). Terms used in this division observe those definitions except as defined below:¶¶

(1) "Culturally Specific Organization" ~~means (CSO):~~ an entity that provides services to a cultural community and the entity has the following characteristics:¶¶

(a) Majority of members and/or clients ~~are~~ must be from a particular ~~community of color;~~ cultural community that has faced housing discrimination;¶¶

(b) Organizational environment is culturally focused, and the cultural community being served recognizes it as a culturally-specific entity that provides culturally and linguistically responsive services;¶¶

(c) Majority of staff ~~are~~ must be from the cultural community being served, and the majority of the leadership (defined to collectively include board members and management positions) ~~are~~ must be from the cultural community being served;¶¶

(d) The entity has a track record of successful community engagement and involvement with the ~~community being served;~~ and¶¶

~~(e) The cultural community being served, recognizes the entity as advancing the best interests of the community and engaging in policy advocacy on behalf of the community being served~~ ooted on a foundation of respect and trust; and¶¶

~~(e) The organization engages in advocacy for housing and/or economic justice for the cultural community with their guidance.~~¶¶

(2) "Fund" means the Guarantee Fund used for the Loan Guarantee Program;¶¶

(3) "Low Income" as defined in ORS 458.610;¶¶

(4) "Moderate Income" as defined in ORS 458.610;¶¶

(5) "Very Low Income" as defined in ORS 458.610.¶¶

(6) "Project Use Agreement" is a legal agreement between the grantee or borrower receiving a loan guarantee and OHCS.

Statutory/Other Authority: ORS 458.600 - 458.650

Statutes/Other Implemented: ~~ORS 458.600 - 458.650 & L 1991, Ch. 740, OL 1991~~ RS 458.740

AMEND: 813-043-0040

RULE SUMMARY: Add summary here

CHANGES TO RULE:

813-043-0040

Application Procedure and Requirements ¶¶

(1) OHCS may provide guarantees, subject to the availability of program funds, through a process which may include a first come, first reviewed application or a competitive review process. OHCS shall detail eligible uses of the Loan Guarantee Program and its parameters annually in program materials and application, as developed in consultation with Housing Stability Council. ¶¶

(2) The applicant(s) shall submit an application form that may include, but are not limited to the following: ¶¶

(a) A written description of the project including, but not limited to, the number of units, unit mix, proposed rents, site location, the proposed program of services to occupants and the availability of these services in the future, project amenities, and any other information pertinent to the project; ¶¶

(b) A statement of project purpose indicating the housing type and tenants to be housed, and the length of time the units will be committed to be available for Moderate, Low, or Very Low income households; ¶¶

(c) A proforma of project expenses and income. Projects including commercial space may be required to provide additional information; ¶¶

(d) The loan guarantee amount requested and total project development costs, including a description of all additional project funding and funding sources; ¶¶

(e) A description of the sponsor/developer/owner/manager experience in developing and operating housing projects; ¶¶

(f) A non-refundable application fee; and ¶¶

(g) Such other documentation as OHCS may require. ¶¶

(3) The application will be evaluated through a process prescribed by OHCS in the Loan Guarantee Program Manual. The application will be subject to evaluation by OHCS according to criteria that may include, but are not limited to the following: ¶¶

(a) Completeness, level of detail and accuracy of the information included in the application; ¶¶

(b) The eligibility of the applicant and of the proposed project for the Loan Guarantee Program; ¶¶

(c) The viability of the project, including as reflected in the estimated eligible costs and other support funding as appropriately documented; ¶¶

(d) Such other criteria established by OHCS, including but not limited to those described in the applicable solicitation. ¶¶

(4) In the event that OHCS adopts a competitive application process, a loan guarantee may be given preference based on: ¶¶

(a) Providing the greatest number of Moderate, Low and Very Low Income housing units for the least amount of account funds; ¶¶

(b) Ensuring the longest possible use as Moderate, Low or Very Low Income housing units; ¶¶

(c) If the housing proposed is multi-family rental housing, including a program of services for occupants of proposed housing including, but not limited to, programs that address home health care, mental health services, alcohol and drug treatment and post-treatment care, child care or case management; ¶¶

(d) Other criteria as determined by OHCS including, but not limited to: ¶¶

(A) Providing housing for a workforce, where a critical need for housing such a workforce exists in the community; ¶¶

(B) Providing housing for specific populations which have historically faced barriers in finding housing. ¶¶

(5) Any application that fails to meet the standards established by OHCS in the Loan Guarantee Program requirements or the Loan Guarantee Program NOFA, may, at OHCS' discretion, be denied a loan guarantee. Any project denied a loan guarantee may not apply for a loan guarantee again for 365 days from their denial notice. Reasons for application denial may include, but are not limited to: ¶¶

(a) The structure contains a commercial component that is excessive in scope or that is of a type incompatible with residential housing; ¶¶

(b) The project's budget sources and uses do not balance with the income affordability levels necessary to meet the Loan Guarantee Program requirements; or ¶¶

(c) The project's sponsor/developer/owner/manager is unable to demonstrate an ability to develop, own, operate, maintain, and/or manage the proposed project.

Statutory/Other Authority: ORS 458.600 - 458.650

Statutes/Other Implemented: ~~ORS 458.600 - 458.650 & L 1991, Ch. 740, OL 1991~~ RS 458.740

