



MARCH 2024 MEETING
BOARD OF DIRECTORS
THURSDAY, MARCH 28, 2024

Addendum A

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COMMUNITY ACTION PROMISE

Community Action changes people’s lives, embodies the spirit of hope, improves communities, and makes America a better place to live. We care about the entire community, and we are dedicated to helping people help themselves and each other.

Helping People Changing Lives

Executive Director's Report
to Executive Finance Committee
MID-WILLAMETTE VALLEY
COMMUNITY ACTION AGENCY
 April 2024

Just a few brief updates from this week:

Head Start: We have been seeking a full payoff of the [Middle Grove Head Start](#) property since 2022. Nothing in the [Office of Head Start](#) universe moves quickly. I did receive an update this morning that the [Region X](#) office expects an answer shortly. Hopefully, by the summer, we will have a full payoff of the facility. That would relieve some budget obligations on space costs and give the program more flexibility.

More Rental Assistance News: At the request of a local legislator, we generated the following information this week. I thought I would share it with the Board as well.

From the Governor's Order (23-02) fund (timeframe of April 2023-Jan 10, 2024). This was a specific request, so we did not run all the table fields below, but I still think it is a helpful snapshot for the Board. The rural-urban distinction is City of Salem versus households that accessed assistance either through our Polk County, Mill City or Woodburn Resource Centers.

EO 23-02 Eviction Prevention	Marion County	Polk County	Totals
Households	580	212	792
Individuals	1,560	584	2,144
Average Rent Month	\$2,506.78	\$1,913.19	
Total Spent	\$1,456,730	\$387,357	\$1,844,087
Urban Households			57 Percent
Rural Households			43 percent
Children			964
Average Months Paid Arrears			2 Months
Average Months Paid Forward			1 Month
Total Average Assistance Months			3 Months
Homeless Prevention Households Moved off Assistance			100 Percent
Rapid Rehousing (Homeless) Households Remaining on Assistance			100 Percent

Oregon Housing and Community Services: Attached to the addendum you will find the annual fiscal report from OHCS. Deeper in the past we would receive 10-15 required actions a year. This review is by [Moss Adams](#) (which has been doing the work for OHCS for the past two years because OHCS does not have the internal capacity to monitor the CAA network). There were three required actions in the draft report, two of which we cured with additional information. The one item to correct going forward is simply the requirement for sub-recipient monitoring. Most of the CAA's have had this required action because (like OHCS) we have been too busy with our main work and not been able to monitor sub-recipients in the field. Of note, there is a back-end sub-recipient monitoring "in the moment," because we require a lot of paperwork and documentation on draw requests for these state funds. This is two years in a row that there have been minimal required actions, so we are very pleased with the performance. Finance is doing an outstanding job.

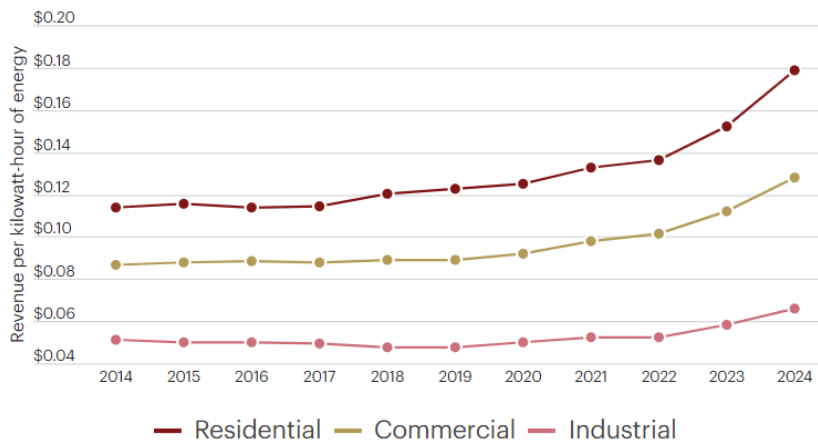
Jimmy Jones
26 March 2024
Salem, Oregon

Regional Poverty and Legislative Report

MID-WILLAMETTE VALLEY COMMUNITY ACTION AGENCY

March 2024

Our Community Action network intends to oppose the requested rate increases by **Pacific Power** and **PGE**. As I wrote last month, Pacific Power is asking for a 17.9 percent increase in the coming year. The average residential bill for Pacific Power would increase by \$29.47 per month, and it is specific to Oregon rate-payers. Their primary argument is that the increase is needed to support infrastructure updates and to fund new investments in green energy and wildfire prevention. Most believe the increase is an offset to the \$299 million settlement for wildfire-related lawsuits last year as a product of the 2020 Labor Day wildfires. Pacific Power is owned by **Berkshire Hathaway** (a Warren Buffett company). The rate increase would fund a “Catastrophic Fire Fund,” at \$77 million a year, toward an eventual fund goal of \$3 billion (spread across Oregon, Washington, and California). This would be the third rate hike since 2019, the last a 4 percent increase in 2022.¹ Last week, Portland General Electric asked the **Oregon Public Utility Commission** for another increase, which if approved would be a 40 percent increase in PGE’s rates since January of 2022. The rates for both are much higher than Oregon’s “consumer-owned” utilities (though there are complexities, like the ability of consumer power companies to gain priority access to hydroelectric power, and their ability to work with public debt over private capital). Both charts below are from the *Portland Business Journal*:²



¹ [Consumer advocacy worries about proposed Pacific Power rate increase - OPB](#)

² [Why PGE rates have surged 31% since 2022 - Portland Business Journal \(bizjournals.com\)](#)

Change from 2014 to 2024 in PGE's annual revenue per kilowatt-hour

57%

10-year increase for residential customers

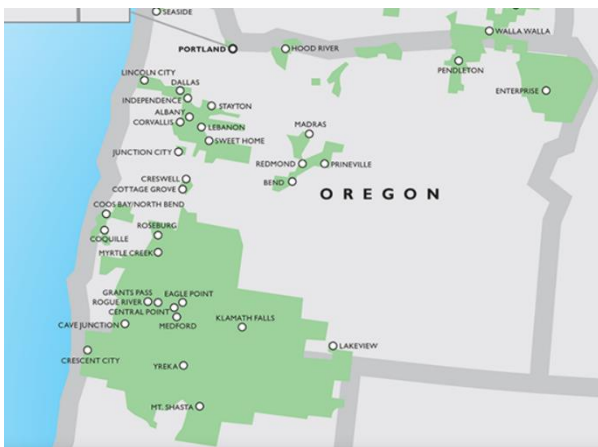
47%

10-year increase for commercial customers

28%

10-year increase for industrial customers

Source: Portland General Electric annual reports, 2014-23; 2024 estimate based on average increases that went into effect in January.



Oregon households, especially low-income households, have been hammered by a series of destabilizing events now for four years, threatening the economic viability of low-income residents. Rents and housing costs were high in 2019, but the pandemic shutdowns and then the generalized pandemic-related inflation distressed renter households. Massive increase in rental costs over 2019 have, especially, placed low-income households in a precarious position. Oregon has one of the highest percentage cost-burdened renting populations in the United States, with somewhere between 50-57 percent

of renters identified as cost-burdened (i.e., not having enough income to support basic needs, depending on methodology). In 2023, the [Oregon Office of Economic Analysis](#) found that 54 percent of Oregon renters did not have income left over after rent to cover basic living expenses. That trend is especially pronounced in rural areas of Oregon.³ And in 2024 state law allows a maximum 10 percent one-time increase, which is happening across the board and driving more households onto the eviction prevention waitlists, at a time when the resource is thinning.⁴ Simply put, a rate increase of such magnitude in Oregon, a large chunk of which is going to offset insurance costs for wildfires, is not going to improve the economic situation of low-income households in Oregon.⁵

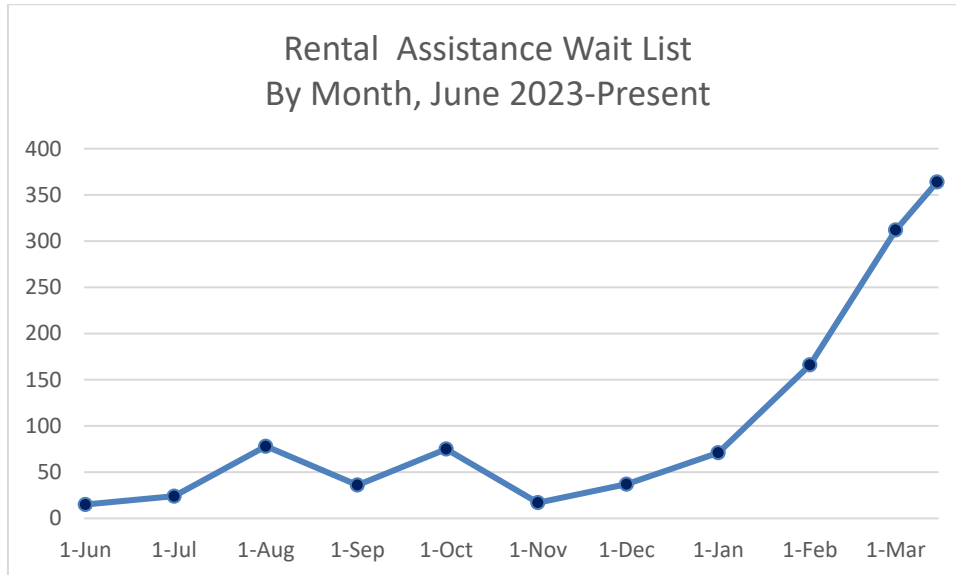
Rent Assistance: Rental assistance demand is a good bellwether of the overall poverty landscape in the community. I discussed the growth of the rental assistance demand curve in my board report, but the chart below takes a longer look at the waitlist since last June. Consumer behavior changes considerably ahead of the holidays, and parents feel the pressure of providing good holiday experiences to their families, and bill priority diminishes in the face of other needs. What you see

³ <https://www.koin.com/local/oregon-among-states-with-most-cost-burdened-renters-study/>

⁴ <https://www.oregon.gov/das/oea/Pages/Rent-stabilization.aspx>

⁵ PGE's situation is different from Pacific Power. Pacific Power is distressed from the wildfire settlements, suffering from higher insurance costs. PGE is raking in record profits; but claim to have expensive infrastructure and development needs for the future.

below is disturbing, because it is much more than a temporary holiday-related blip. We will need to track this carefully in the coming months. We will need to exhaust every effort to inform state policymakers of the urgency of the rental assistance needed in our community so that we can secure adequate resources to meet the gathering need. I often caution folks when they look at graphic representations of data, which can make trends appear to be more profound than they are. But in this case, there is good reason for concern.



Health and Homelessness: A new study from the [University of Oregon](#) traces the health consequences of unsheltered homelessness in Eugene, where the homeless count is 2,824 people and 74 percent are unsheltered. The results are not yet published. One of the interesting aspects of this study design concerns the impact of high stress on chronic health conditions. Researchers in the field will use “minimally invasive biomarkers to learn where and how stress might affect overall health and disease risks and to look for symptoms of potential chronic health conditions. Lab analyses of hair samples will assess levels of the stress hormone cortisol, and blood samples via simple finger pricks will allow researchers to provide screening information pertinent to diabetes, high cholesterol, iron-deficiency anemia and more. The blood tests are immediately available, so research participants can be informed of their health data and share it with a medical provider.”⁶

Charts below from the National Low-Income Housing Coalition, specific to Oregon:⁷

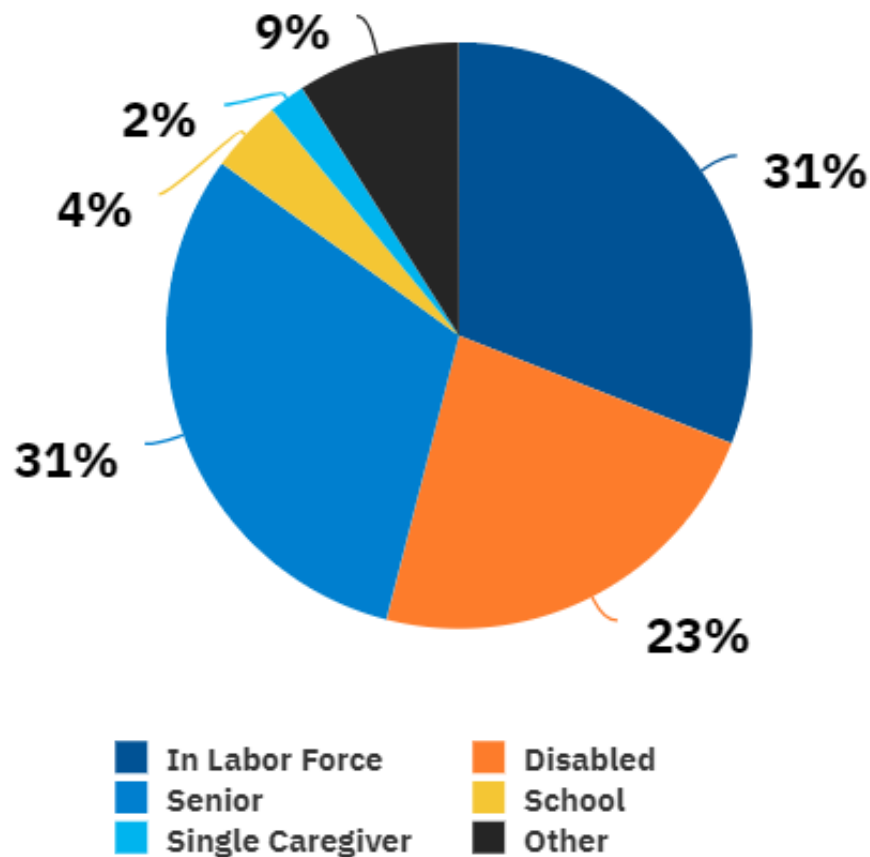


⁶ <https://around.uoregon.edu/content/uo-researchers-study-health-effects-homelessness>

⁷ <https://nlihc.org/housing-needs-by-state/oregon#:~:text=Across%20Oregon%2C%20there%20is%20a,of%20their%20income%20on%20housing.>

Despite common myths, most low-income Oregon households are either working, disabled, or retirees. Those three groups account for 85 percent of all Oregon low-income households.

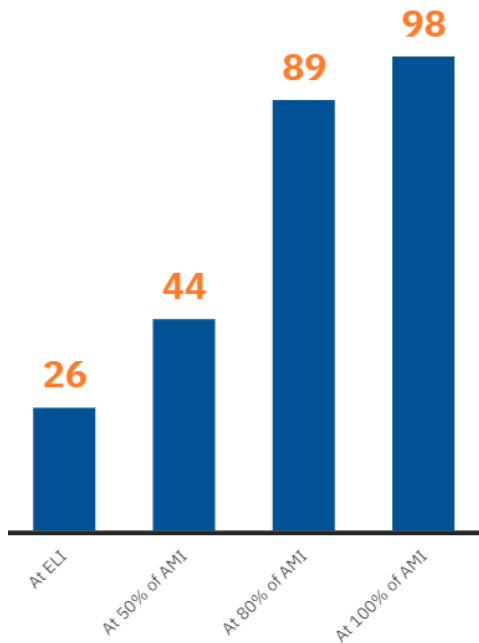
EXTREMELY LOW INCOME RENTER HOUSEHOLDS



Note: Mutually exclusive categories applied in the following order: senior, disabled, in labor force, enrolled in school, single adult caregiver of a child under 7 or a person with a disability, and other. Thirteen percent of extremely low-income renter households include a single adult caregiver, 53% of whom usually work at least 20 hours per week. Eleven percent of extremely low-income renter householders are enrolled in school, 48% of whom usually work at least 20 hours per week. Source: 2022 ACS PUMS

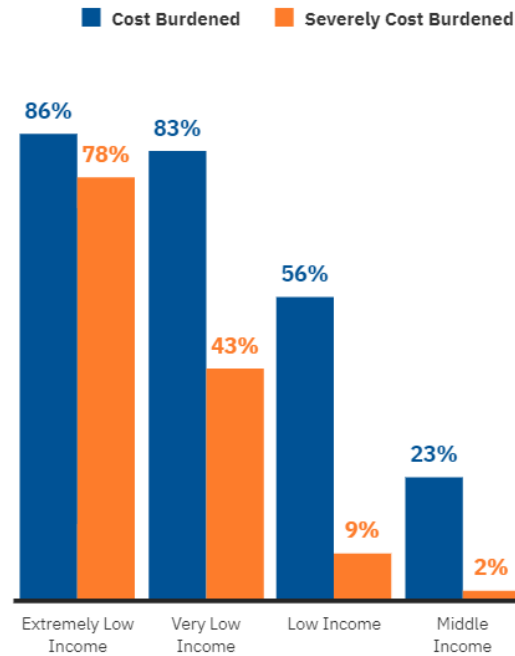
Source: 2022 ACS PUMS

AFFORDABLE AND AVAILABLE HOMES PER 100 RENTER HOUSEHOLDS



Source: 2022 ACS PUMS

HOUSING COST BURDEN BY INCOME GROUP



Note: Renter households spending more than 30% of their income on housing costs and utilities are cost burdened; those spending more than half of their income are severely cost burdened.

Source: 2022 ACS PUMS

Water: From the US Department of Health and Human Services, on the extraordinary impact of the Low Income Home Water Assistance Program during the pandemic:

The U.S. Department of Health and Human Services (HHS), through the Administration of Children and Families (ACF), released the *Understanding Water Affordability Across Contexts, LIHWAP Water Utility Affordability Survey Report*. This [report](#) provides an analysis of the largest survey documenting rates, arrears, disconnections and fees in one dataset in the country. As ACF prepares to celebrate World Water Day 2024 this month, the release of this report intends to fill a gap in current knowledge related to water and wastewater affordability in the United States. Additionally, the Water Utility Affordability Survey Report, as well as the [LIHWAP Implementation and Impact Report](#), released in January, can be used to help inform grant recipients' and stakeholders' efforts to establish permanent water utility assistance programs at the national, state, and local level.

The survey, conducted by ACF's Office of Community Services (OCS) for its [Low Income Household Water Assistance Program \(LIHWAP\)](#), includes information from over 1,800 water and wastewater providers across the country, representing the 49 states and the District of Columbia. LIHWAP, the first-ever federal water assistance program, was funded through the Consolidated Appropriations Act, 2021 and President Biden's American Rescue Plan Act. LIHWAP was authorized as a temporary emergency program to help prevent disconnections, pay arrearages, and reduce rates charged for drinking water and wastewater services for households with low incomes. Many LIHWAP programs across the country have already closed due to exhausting available funding, and any grant recipients with remaining funds will close their programs by March 31, 2024.

“LIHWAP has met a critical need for households since its inception,” said HHS Secretary Xavier Becerra. “The program has served as a lifeline for families to ensure one of the most basic needs – water – is available. The survey we’re releasing today demonstrates just how important water assistance is to individuals, children, families and communities that HHS serves.”

The report released today highlights the differences in water affordability across the country, including differences between urban, rural and tribal utilities. The findings show, on average, 20% of households are in debt to their water utility -- and for tribal communities that increases to 32% of households.

So far, LIHWAP has served more than 1.4 million households. “That’s 1.4 million individuals and families who may have lost access to water and wastewater services without this program,” said Principal Deputy Assistant Secretary for the Administration for Children and Families, performing the delegable duties of the Assistant Secretary for Children and Families, Jeff Hild. “While we take pride in the support LIHWAP provided to so many families, today’s report shows there are many households still in need of water assistance.”

The report indicates the average household debt per utility is \$285, but among tribally owned utilities, the average household debt is \$502. And while nearly 90% of all participating utilities charge late fees and disconnection or reconnection fees to help the utility offset the cost of this debt, the increasing costs of maintaining and providing water and wastewater services has led to financial challenges for many utilities.

“As this program comes to an end on March 31, 2024, we are proud of the work that the LIHWAP network had done to make water and wastewater services more affordable for individuals and families and the support that we’ve provided to utilities to help them maintain water access for those most in need,” explained OCS Director Dr. Lanikque Howard. “As we examine this report, we know that there is a significant need for on-going investments in utility assistance for households across the country and we are committed to doing everything we can to support families and individuals with their unmet utility needs.”

Jimmy Jones
Salem, Oregon
26 March 2024

Fiscal Monitoring Report

ORGANIZATION: Mid-Willamette Valley Community Action Agency, Inc.

EXECUTIVE DIRECTOR: Jimmy Jones

CHIEF FINANCIAL OFFICER: Kaolee Hoyle

BOARD CHAIRPERSON: Jade Rutledge

FISCAL YEAR UNDER REVIEW: July 1, 2022 to June 30, 2023

FISCAL MONITOR: Moss Adams

OVERVIEW

Mid-Willamette Valley Community Action Agency, Inc. (MWVCAA) is a long-standing community action agency that serves Marion and Polk Counties. MWVCAA is registered as a 501(c)(3). MWVCAA provides services that include support for the homeless and those at risk of being homeless, energy assistance, weatherization, a day center for homeless youth, nutrition, Head Start, and Child Care Resource and Referral. Along with Oregon Housing and Community Services (OHCS) grant funds, MWVCAA is supported by other funding sources which include the City of Salem, Marion County Children & Families Department, Department of Education, Oregon Department of Human Services, U.S. Department of Housing and Urban Development, U.S. Department of Justice, U.S. Department of Homeland Security, U.S. Department of Veteran's Affairs, Oregon Community Foundation, and community donations.

BASIS FOR REVIEW

The purpose of the review is to fulfill OHCS State and Federal grant monitoring requirements. OHCS shall monitor the activities of sub-recipients, as necessary, to ensure that the subaward is used for authorized purposes, in compliance with State and Federal statutes, regulations, and the terms and conditions of the subaward.

SCOPE OF REVIEW

Moss Adams, on behalf of OHCS, completed a review which included financial records, policies and procedures, and files provided by the organization. This report cites the results of this review in the compliance areas tested which included: General Administration, Procurement and Contracts, Property and Equipment, Subrecipient Agreements and Monitoring, Financial Management, Allowability of Costs, Employee Compensation, Financial Reporting, Program Income, and Internal Controls.

SUMMARY OF PRIOR OHCS MONITORING VISIT(S)

The prior monitoring report was issued to MWVCAA on June 6, 2023, for the July 1, 2021, to June 30, 2022, fiscal year. In the prior monitoring report, there were 2 Required Actions and 1 Recommendation identified; however, given the timing of the FY22 monitoring report and the start of the FY23 monitoring cycle, the Required Actions and Recommendation was not resolved/corrective action implemented for the FY23 monitoring; therefore, were not tested as part of this monitoring cycle and have not been included in the monitoring results below.

SUMMARY OF SINGLE AUDIT REPORT

The most recent Single Audit Report stated that the organization qualified as a low-risk auditee. There were no audit findings or questioned costs for the fiscal year July 1, 2021, to June 30, 2022.

MONITORING RESULTS

The report cites the results of the fiscal monitoring tests of compliance and review of policies and processes. These are defined as follows:

Required Action: A violation of state or federal rules and regulations, terms and conditions of the grant agreement, OHCS Program Manual, or other issuances and that require 'Required Actions'. Required actions are steps necessary to correct the violation and include a written response to OHCS describing the action(s) taken, who will take the action, and the timeline for completion.

Observations and Recommendations: During the course of the review, areas were identified that raised some measure of concern or there are suggestions to improve operations or internal controls. Your response may or may not be required.

REQUIRED ACTIONS AND TIME FRAMES

Management response is required to address all Required Actions in writing within 30 calendar days from the date of the Draft Monitoring Report. The response must indicate how the organization will resolve the matter and must include (1) a detailed explanation as to the action to be taken, (2) the date the action was taken (or will be taken), (3) identification of responsible individuals, and (4) any relevant documentation to support the action.

Required Action #1

Procurement (purchasing) Policies and Procedures – 2 CFR §200.318-320, MGA, Exhibit C

Monitoring involves a review of procurement requirements to ensure those requirements are met and that the organization has followed their established procurement policy. For Procurement and Contract testing, MWVCAA did not provide the requested support for one purchase that took place in fiscal year 2023, which is as follows:

- Youth Day Center carpet replacement contract, totaling \$12,000

MWVCAA must provide the requested support regarding purchase approval, and analysis of at least 3 written bids or documentation of a noncompetitive procurement in line with 2 CFR 200.320(c) within 30 days. If an analysis of related items was not done prior to purchase, or documentation of the analysis was not maintained, MWVCAA may prepare a comparative analysis with current market conditions and available pricing information. Within the analysis, we would also expect backup for the allocation decision for the OHCS funding sources. If MWVCAA provides the requested support within the timeframe, the fiscal monitor must complete the standard due diligence on the documents provided to ensure that the procurement and contract support follow applicable standards.

MWVCAA's written response shall (1) describe how the organization will resolve the items noted above, (2) who will be responsible for completing the action, and (3) the date they were (or will be) completed.

MWVCAA FY23 Procurement Policies and Procedures Response: MWVCAA provided backup documentation for the procurement and contract testing selection, including 3 competitive bids, documentation of OHCS prior approval, and contracts and invoices from the selected vendor. The procurement process followed MWVCAA's internal policies and procedures and the Uniform Guidance. The costs appear reasonable, allowable, and allocable to the grant.

Required Action #2

Subrecipient Monitoring - 2 CFR §200.332(d); MGA, Exhibit F.8.a)

Monitoring includes an evaluation of subaward agreements with supporting documentation, monitoring reports, and the risk assessment process. MWVCAA identified that they did not complete any subrecipient monitoring in FY2023. This finding is a carryforward from the FY2022 report, MWVCAA's response at that time was the subrecipient monitoring would be performed by the end of June 2023. MWVCAA should ensure adequate staffing and internal controls are in place to monitor subrecipients in a timely manner to comply with the OHCS Master Grant Agreement and federal subrecipient monitoring requirements.

MWVCAA's written response shall (1) describe how the organization will resolve the items noted above, (2) who will be responsible for completing the action, and (3) the date they were (or will be) completed.

MWVCAA FY23 Monitoring Response: MWVCAA has established subrecipient monitoring processes and a manual to perform the subrecipient monitoring in accordance with the OHCS Master Grant Agreement and federal subrecipient monitoring requirements. The CFO will perform subrecipient monitoring and intends to work alongside the Program in order to coordinate this work. The monitoring will commence in April 2024 and be completed with final reporting by the end of May 2024.

Required Action #3**Allowability of Costs - 2 CFR §200.403-409; MGA, Exhibit B.1.5**

A sample of General Ledger transactions for FY2023 was reviewed for allowability, adequate documentation, and allocability. After requests on November 27, 2023, December 15, 2023, and January 8, 2024, we did not receive sufficient backup for the below selections to determine allowability to the grant.

- A. GL Selection #1, #21, #31 – For these transactions we received documentation for the journal entry evidencing the allocation of the expense amounts into their respective grants. However, after multiple requests, we did not receive documentation for the original expense detail to review those costs for allowability. These expenses collectively totaled \$971.32.

MWVCAA FY23 Allowability of Costs Response: MWVCAA provided additional backup documentation for GL selection #1, #21 and #31. The backup documentation provided the original expense detail, and we were able to review those costs for allowability. The costs appear reasonable, allowable, and allocable to the grant.

MWVCAA's written response shall (1) describe how the organization will resolve the items noted above, (2) who will be responsible for completing the action, and (3) the date they were (or will be) completed.

RESOURCES

2 CFR 200 - Uniform Guidance

http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl

Compliance Supplement

https://www.whitehouse.gov/wp-content/uploads/2022/05/2022-Compliance-Supplement_PDF_Rev_05.11.22.pdf

Suspension and Debarment verification

<https://www.sam.gov/SAM/>

Oregon Housing and Community Services (OHCS)

<http://www.oregon.gov/ohcs/pages/index.aspx>

Oregon Revised Statutes (ORS)

<https://www.oregonlegislature.gov/>

Oregon Administrative Rules (OAR)

<https://secure.sos.state.or.us/oard/displayChapterRules.action?selectedChapter=144>

Community Action Partnership

<http://www.communityactionpartnership.com/>

CAPLAW – Community Action Program Legal Services

<https://www.capl原因.org/>