

Meeting Notes - September 22, 2016

Mission:	Federal, state, local, and non-governmental leadership working together to improve housing and economic opportunities for the agriculture workforce.
Meeting Location:	Oregon Housing and Community Services 725 Summer St., NE STE. B, Salem, OR 10:00-12:00 PM, Meeting Room 124b PHONE: 1-877-273-4202 / ROOM#: 531-141-227
Facilitator:	Theresa Wingard, OHCS
Attendees:	PRESENT: Daniel Quinones/OED, Karen Shawcross/Farmworker Advocate, Claudia Cantu/CASA, Maria Guerra FHDC, Anne Blaker/Bienestar, Katherine Walker/ODA, Kathleen Kincade/OROSHA, Allen Martinez/OED, Fernando Gutierrez/OED, Edward Brown/OHCS, Teresa Pumala/OHCS, Ramon Ramirez/PCUN PHONE: Laurie Hoefer/LSO GUEST: Julie Cody, OHCS
Agenda:	<p>Guest: Julie Cody, OHCS Assistant Director of Housing Finance</p> <p>Priorities: With regard to the Qualified Allocation Plan (QAP), and different set-asides, we are embarking on the State Housing Plan. That is work that OHCS staff is doing in conjunction with the Housing Stability Council; getting an understanding about legislative and Governor initiatives in order to have a better dialog around trade-offs, what funding is available, and what the needs are. We're just completing a Needs Assessment and a Market Analysis state wide. We understand the funding that we have does not touch all of the needs across the entire state; so what are those priorities? How do we make difficult trade-offs, and how do we do it in a way that gives some certainty to the development groups that we're not going to make quick changes to the QAP, because the development process takes time. The work for the State Housing Plan will get more activated, when the new Director is announced. Prioritization is really important to us, we want to be able to focus our funding, understand what funding we have, and where we can best make impacts. The AWHTC is something that we are able to continue to utilize to build farmworker housing. There are some other initiatives that folks are looking at as well. There will be more on prioritization. The Qualified Allocation Plan (QAP) is something that is necessary, it's a federal plan that we have to have in place in order to allocate our 9% low income housing tax credit, and it also has some oversight of the 4% tax credit, but mainly for the 9%, which we do have a preservation set-aside for. That's not something that we open annually, but we do take comments and recommendations from folks so that when we do open that up again we can definitely have those dialogs with stakeholders, the Council, and staff to make sure that concerns are being addressed. We won't be opening up the QAP for large changes until we know what the State plan is having us focus on, and then we would be updating the QAP based on that.</p> <p>Q & A: Claudia: It seems like the Oregon Rural Rehabilitation Loan (ORR) money doesn't get used that often, and I'm wondering if there is any way that OHCS might consider converting that to</p>

a grant or making some changes to the terms so that developers can access that for Gap financing. It's only \$100,000 you can go after. Do you know the balance?

Karen: Or would you consider a recommendation from this group?

*Julie: Yes. It's currently a one percent revolving loan fund for 20 years. The availability of funding depends on the repayment of those funds. We will check on the balance and provide that to this group. **Update:** There are approximately \$800,000 in ORR funds as of 9/22/16*

Karen: Historically there was a set-aside for farmworker projects (inside the 9%) and it ended in 2006. It's a topic that this group bandies about every other meeting. Is this something the group should continue to talk about, be hopeful for?

Julie: We will have stakeholder engagement for the State Housing Plan, that is definitely where we would like to have all of these choices be brought to the table. If this is the number one priority then this is where we need to show the use of funds. Historically, with the 9%, we were able to fund 10 transactions a year. That was because we put in a relatively low cap on what any one project could receive. Projects weren't really economically feasible if they were over 50 units. When looking at economies of scale, and being able to create as many units for the money as we can, we increased that cap so that in any given year no more than 20 percent (used to be 10) of the allocation can be given to a sponsor. If everybody goes to that bigger number, we will be doing five transactions a year with the allocations that we get. We're hopeful that, on the federal level, the Patch bill

(S.2962 https://www.novoco.com/sites/default/files/atoms/files/s_2962_051916.pdf) can go forward and we can get 50 percent more credits annually. When you start putting set-asides on that kind of money, when there are only a few deals done, it really creates some interesting challenges. We're going to have dialogs about all of the set-asides that we're doing. But, definitely bring this up during the dialog.

Karen: The state has real property dispositions of surplus land that it can't use. What department manages that?

Julie: Department of Lands Conversation and Development (DLCD).

Karen: Could this group analyze where those properties are, and identify any that are potential development sites; near agriculture, near services, all the criteria that we utilize? And, with the help of your department get that land donated.

Julie: There is a position that will be shared between OHCS and DLCD that will have a liaison role around this sort of topic. I don't have a timeline on this position or where they will be located but will research and get back to team. The understand stakeholders want the law to allow the land be made available for affordable housing. But, it has to be sold at fair market value; there is nothing that allows for donation of the land. The subject has come up with other affordable housing groups as well. That's the question we need to research. Because it was an asset that was purchased, there's something in the constitution about benefiting a third party. But, we can do some staff work to look into that.

Claudia: For the LIFT applications where the state is a part owner in these deals, could that be a donation from the State because they're part owners?

Julie: The way the LIFT program works is the State could purchase the land and do a ground lease back. In the primary consideration category, it can't be more than \$38,000 a unit, but you can ask for more. The amount we could pay for the land cannot exceed the fair market

value of the land. In a lot of cases, the land itself is not \$38,000 a unit. It makes it very complicated if, for example, you are going to do \$10,000 per unit in the land lease model and then still have to get involved in the operating side, we would not be an owner of the actual building. It's easier to do the whole thing on the operating side.

Ramon Ramirez/President of PCUN: It's pretty bad if you're going to cut from 10 to five applications. It's already competitive. And, at a time when there is a shortage of farmworker housing. We should convene a committee to evaluate this change, to come up with ideas. Thinking of ways to increase the amount of tax credits available. What is it that we can do to change or make policy?

Julie: Earlier, we talked about the work we are doing for a State Housing Plan, and a Needs Assessment and Market analysis. We are continuing to do work on that, but are waiting for the new Director to be announced, and to be involved in that process. But that's where a lot of policy discussion is going to be had. We'll be doing a lot of stakeholder outreach and engaging in all of the different kinds of housing that are needed, and determining what are the best ways to use the resource.

Claudia: You're talking about 2017

Julie: I would think the plan would be complete sometime in 2017.

Ramon: It would be really important to have the farmworker component. There is a great need for increasing the housing stock for farmworkers.

Julie: Theresa, when we looked at the data was farmworker housing a priority?

Theresa: Farmworker housing was not called out as a priority. We discussed this in an earlier AWHFT meeting when Shoshanah Oppenheim was a guest. We hired a contractor to provide outreach to the Hispanic and agricultural communities. As we go forward with the State Housing Plan it's important that this group provide us with resources for the outreach.

Daniel: Is there a way that some of this money could be used for permanent housing for farm workers; apartment complexes, or sweat equity programs where they build their own houses? Isn't that what the Agricultural Workforce money is for?

Julie: The State does not have that type of program. Habitat for Humanity does a lot of that work. The Housing Alliance is working on a single family advocacy ask for the 2017 legislature. The Agricultural Workforce Housing Tax Credit is a tax credit for multifamily housing.

Teresa: There has been some outreach by CASA to find a way to utilize this tax credit and then convert it into a home ownership program. But, we run into statute and rules that really don't allow that except at the end of ten years when you can do what you want with the property.

Karen: The group will be putting together a subcommittee to work on innovative approaches to economical solutions for migrant on-farm and off-farm housing; engaging architects and some of our construction partners. If we developed a good solution/recommendation would we be able to come back to the Department with a request for a pilot project outside of the 9% and 4%?

Julie: We have some Gap funds that are available, but historically those monies have gone to provide gap funds for HOME projects because HOME funds cannot be used to pay for certain costs. We use it to provide additional funding for 9% deals where people want the rents to be

lower. It's not a lot of money when you look at the annual allocations of it. If there's a program you would like to pilot, I would bring that recommendation back. You might use ORR funding. We would definitely engage in the conversation.

Claudia: What is left in farmworker tax credits right now, and can you disclose who received the tax credits?

Edward: The allocation for 2016 has been spent.

Teresa: We will post the recipients on the website at the end of the year. We received an influx of applications in the last 30 days or so. By statute, \$7.5 million in eligible costs. The credits themselves are \$3.625 million every year. We received many on-farm requests ranging from \$100,000 to \$500,000, and some much larger community development requests.

Theresa: I remember hearing from this group that very few on-farm applications are received. Is that different this year? Is there a reason? Do people know more about it now?

Claudia: That's what I meant to ask. Was it on-farm or off-farm? Because there hasn't been a lot of on-farm in the past.

Teresa: Numbers wise, there were more asks for on-farm than there were for off-farm for the community development.

Karen: For the next meeting, could you provide a final report on the amounts and type and the number of units, and the general location.

Teresa: Sure. We could consider counties, zip code, or legislative district. Just whatever would be most useful. I get hesitant when it comes to information of the farmers.

Fernando: As a state monitor, we have a lot of staff out there. We've been promoting the tax credit because the housing that we run into out there has been horrible. And a lot of them don't know about the tax credit available to them.

Teresa: We've also been getting a lot more questions from CPAs that are trying to assist a lot of farmers.

Laurie: In terms of priorities, what kind of information would be the most helpful to gather and present?

Julie: I haven't seen all of the data that we have pulled yet to date on this Needs Assessment and how broken out it is, but definitely if you have access to understanding the needs of on-farm and off-farm, how many units are a) just plain needed b) understanding the housing stock that farmworkers are currently living in, to understand age, condition, that type of thing would be really helpful. That would show, not only that you need new units because you have folks that are un-housed, but you have other folks who are in substandard housing.

Understanding the size of the families that live there is helpful to understand the needs and the types of units that are necessary to house folks. Those are the types of things that we are going to be looking at to understand the housing sources and the different needs. Theresa and her team are probably the best folks to come back to augment that Needs Assessment, specifically for agricultural workers, and compare that against what we already have so that we have a clear picture at the time we are doing the State Housing Plan.

Theresa: When we did the assessment for the ConPlan we were not hearing a priority need for farmworker housing in the non-entitlement areas. When you talk to groups where this

housing isn't their focus, they're not going to show this as a need. We really need to have information on those we should be engaging for the State Housing Planning efforts. I would like recommendations from this group.

Katherine: Because the farmworker housing tax credit has been used fully for the last five years, is it fair to say that the demand is greater than what you are able to provide, but the statutory limit is seven million?

Teresa: It's seven and a half million of eligible costs, which only gives us three million in credits.

Katherine: Maybe this group would like to look at increasing that statutory limit because I imagine housing costs have increased substantially over the last few years.

Karen: How many farmworker projects have been submitted for the LIFT and the NOFA?

Julie: We haven't received any applications yet for the LIFT. They don't come in until October 31st. Applications just came in for the NOFA. We'll be posting information about that in the near future.

Theresa: You can get those notices by signing up for multifamily e-mail on the OHCS website.

Open Discussion:

Kathleen: When is the best time to provide input to the agency?

Theresa: There is your input for the State Housing Plan, and then there is additional input for the ORR funds or any pilot project. I'd like to check back with Julie on how to provide input to her group, but for the State Housing Plan you can provide that during our outreach efforts.

Teresa: The QAP sets out our priorities and scoring in regards to how we allocate funds for the tax credit programs. The Qualified Allocation Plan (QAP) is the driving force between the majority of our funds, and the priorities set, and this is going to be based heavily on the State Housing Plan. On top of that, we bring together stakeholder groups whenever we are looking at changing the QAP. It will be important to have representatives from this population in those stakeholder meetings. We won't be changing the QAP for 2016, but will start discussions in 2017 for the 2018 QAP. We stay on a two year cycle to allow developers to better plan their projects.

Karen: This group only has 2017 to influence the State Housing Plan and the QAP.

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2017 Goals and Objectives: Team Discussion

Tentative Subcommittees:

- Needs and Research (crop mapping, supply and demand/migrant housing, barriers to provide housing)
- Innovative Solutions (farmworker housing/ORR pilot project/donated land) *Kathleen Kincade asked to be on this committee.
- Systems Alignment (look at timing issues for OHCS and RD, barriers to provide housing)

*Funding resources would be attached to all subcommittees.

The following work was identified as work that would involve the entire team:

- Identify outreach groups for the State Housing Plan
- Advocacy work (changes to QAP and ORR and AWHTC)
- Repopulate team with members who can do advocacy work in 2017 (re-engage past members/recruit new members). Generate some urgency around the January meeting; 2017 is the year to really make an impact.
- Bring HUD, RD and OHCS together to talk about a way to close projects more quickly. Map out a timeline for projects.

Theresa asked the group to identify the 2017 work for each committee (specific tasks). The group will finalize committees and members at the November meeting.

Laurie noted it would be good to have a list of the top three or four barriers for the Needs and Research Sub-Committee.

Sub-Committee Reports:

- **AWHFT Tax Credit Legislation:** Ramon Ramirez
The first hearing was held on the legislative concept, and was positive. Senator Thompson and Peter Hainley did a good job. Thought the Committee was impressed that PCUN and the Senator were on the same panel, and that there was something good happening. There was only one question raised; what is the penalty for those that don't comply? Senator Thompson responded that there would be a penalty imposed. This is one of the pending issues that the workgroup needs to address. (Ideas generated by the workgroup included disqualification from future credits, recapture of the tax credits, plus penalties and interest - difficulty is the one year timeframe) The Committee said they would also be looking at the construction tax credit which doesn't sunset until 2020. The work group will come together again to talk about the unresolved issues.
Theresa: I sent you all a link to the hearing, so you should be able to listen to it. I will send the last draft of the LC to the group.
- **Needs and Research:** Karen reported that this group has been working with OHCS through the summer to make the agriculture workforce housing website more useful and relevant. The committee provided recommendations to OHCS and they've been accepted. Now on the final section, Farmworker Resources. It hasn't been user friendly to farmworkers or people who support and work with farmworkers. If team members have agency resources that might be helpful (services a farmworker would need even beyond housing) just send them to Theresa and she can forward them to me and Laurie. We've updated the pages to have PDFs rather than hotlinks. We hope to have it completed by the next meeting, or January.
Theresa: The only piece that might be holding us up is the state-wide map of agriculture workforce housing. This will include the migrant housing list from OROSHA, CASA's list, and the OHCS list of properties. (CASA has a map that shows detailed information about their housing projects)
- **Alignment and Streamlining of Environmental/Marketing Requirements on how**

	<p>can we align OHCS and RD so they can accept each other’s products: Claudia has been unable to connect with Doug Carlson/HUD. She will be taking a three month sabbatical beginning October 8th and returning January 5th. When she returns she will focus on this project, and she will try to connect with Doug before she leaves. Theresa and Claudia will reach out to Doug to attend the November meeting. Claudia noted that the work this committee did on the market study with Mike McHam and Jeff, had been completed.</p> <p>Information Sharing: Anne: Anne will be retiring as Director of Bienestar. Bienestar is In the process recruitment and has some good candidates. They are also having their Homegrown 35th anniversary on October 14th. This is an annual happy hour event and anniversary celebration. It will be held at The Walters Cultural Center in Hillsboro. Tickets are \$35.</p> <p>Daniel/OED: The Latino Report was just released by the Oregon Community Foundation. The report is their website. He will forward the document/link to Theresa</p> <p>Claudia/CASA: One of our sponsors in The Dalles had a grand opening; Heritage Heights which was funded by OHCS and Rural Development. A tour of this property was held during the Farmworker Housing Conference earlier this year.</p> <p>Action Items: September 22nd meeting Julie will provide funding information on the ORR program</p> <ul style="list-style-type: none"> • Laurie/Karen: Send draft presentation to team • Julie/Teresa: Research use of state land (donation) • Teresa/Edward: Final report for 2016 AWHTC • Team: Recommendations for the State Housing Plan outreach • Team: Recruit/re-engage new/old members • Theresa/Claudia: Contact Doug Carlson about November meeting • Identify the 2017 work for each committee <p>September 1st meeting:</p> <ul style="list-style-type: none"> • Brett: Prepare a list of off-farm housing and send to Theresa • Laurie: Put together a summary of the laws that apply to Ag housing • Peter: Provide additional legislative history for the team
<p>Next Meeting:</p>	<p>Tuesday, November 8, 2016 Oregon Housing and Community Services 10:00a-12:00p, Room 124B</p>
<p>Contact:</p>	<p>Theresa Wingard, Public Affairs Planning and Policy Analyst, OHCS (503) 986-0999 theresa.wingard@oregon.gov</p>