

Housing Stability Council

MEETING MATERIALS PACKET



Blue Springs Crossing
La Grande Oregon

October 7, 2016
9:00 a.m. – 1:00 p.m.
Blue Springs Crossing
Community Center Room
10801 Walton Road, Island City OR 97850



Oregon

Governor Kate Brown

Housing Stability Council

Oregon Housing and Community Services
725 Summer St. NE, Suite B
Salem OR 97301-1266
PHONE: 503-986-2000
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Council Members:

Aubre L. Dickson, Chair
Tammy Baney
Michael C. Fieldman
Anna Geller
Zee D. Koza
Marissa Madrigal
Adolph "Val" Valfre, Jr.

AGENDA

October 7, 2016
9:00 a.m.-1:00 p.m.
Blue Springs Crossing
10801 Walton Road, Island City OR 97850
Call-In: 1-877-273-4202; Participant Code: 4978330

	CLOCK	TOPIC	ACTION
1.	9:00	Meeting Called to Order Roll Call	Call Roll
2.	9:05	Public Comment	Comment
3.	9:15	Draft Meeting Minutes September 9, 2016	Approval
4.	9:20	Residential Loan Consent Calendar <i>Kim Freeman, Single Family Section Manager</i>	Approval
5.	9:30	Emergency Housing Assistance (EHA) & State Homeless Assistance Program (SHAP) for Real Estate Acquisition <i>Marilyn Miller, Homeless Services Section Manager</i>	Briefing / Approval
6.	10:00	Integrator Update <i>Kim Travis, Housing Integrator</i>	Briefing
7.	10:30	Partner Presentations <i>Dale Inslee, Executive Director, NE Housing Authority</i> <i>Margaret Davidson, Executive Director, Community Connections of NE Oregon</i> <i>Marcus Luke, Housing Director, Confederated Tribes of the Umatilla Indian Reservation</i>	Briefing
8.	12:00	Report of the Interim Director	Report
9.	12:30	Report of the Chair	Report
10.	1:00	Meeting Adjourned	





September 9, 2016

Oregon Housing Stability Council Meeting Minutes

Chair Dickson called the meeting to order at 9:03 a.m.

Chair Dickson then asked for the roll call.

Council member	Present	Excused	By Phone
Tammy Baney	X*		
Mike Fieldman	X		
Anna Geller	X**		
Zee Koza	X		
Marissa Madrigal		X	
Adolph "Val" Valfre	X		
Chair, Aubre Dickson	X		

* *Joined the meeting by phone at approximately 9:55 a.m.*

***Joined the meeting in person at approximately 9:20 a.m.*

Public Comment

Chair Dickson invited those in attendance and on the phone to provide general public input. No input was noted for the record.

Draft Meeting Minutes for Approval

The Council had to defer a vote on the meeting minutes until a full quorum of those in attendance at the August meeting was reached.

The Council came back to this agenda topic at approximately 9:17 a.m. when a quorum was reached with the arrival of Councilmember Geller at 9:15 a.m.

The meeting minutes from the August 5, 2016 meeting were distributed to Council members prior to the September 9, 2016 meeting and edits received were incorporated into the document presented. Chair Dickson provided one correction and asked Council members if they had any additional questions or edits. Receiving none, Chair Dickson called for a motion to approve the meeting minutes as corrected. Councilmember Valfre moved to approve and Councilmember Koza seconded the motion. Chair Dickson called for a vote:

August 5, 2016 Meeting Minutes:

Council member	Motion	Yes	No	Abstain	Excused
Tammy Baney					X
Mike Fieldman		X			
Anna Geller		X			
Zee Koza	2 nd				
Marissa Madrigal		X			X
Adolph “Val” Valfre	✓	X			
Chair, Aubre Dickson				X	

Vote: 4:0:1:2 | PASS

Consent Calendar – *for Approval*

Residential Loans – **Kim Freeman**, *Single Family Section Manager*

Ms. Freeman provided the Council with an overview of the request for approval which can be found on pages 13-14 in the [meeting materials packet](#).

Councilmember Valfre asked if Ms. Freeman could provide a refresher about how the income limits are determined for the loans. Ms. Freeman told the Council that the income limits were determined by recommendations given by the Bond Council and the limits are typically updated on an annual basis.

Chair Dickson asked for a motion from the Council. Councilmember Fieldman moved to accept the consent calendar as presented and Councilmember Valfre seconded the motion. Chair Dickson called for the vote:

Consent Calendar for Acceptance:

Council member	Motion	Yes	No	Abstain	Excused
Tammy Baney					X
Mike Fieldman	✓	X			
Anna Geller					X
Zee Koza		X			
Marissa Madrigal					X
Adolph “Val” Valfre	2 nd	X			
Chair, Aubre Dickson		X			

Vote: 4:0:0:3 | PASS

Multifamily Funding Request – *Heather Pate, Multifamily Section Manager, & Joyce Robertson, Loan Officer*

Ms. Robertson provided an overview of the funding request for the Council. You will be able to find the details of the request on pages 15-16 in the [meeting materials packet](#).

Ms. Robertson introduced Tony Chrisman, Vice-President and Tim Cox, CFO from Chrisman Development. Mr. Chrisman briefed the Council on the rationale behind the request from his

company. He told the Council that his company had worked very hard to carve out costs and reduce expenses, but even with that work the project is still in need of some additional funding. Councilmember Fieldman asked what the driver was for the 37% increase in costs. Mr. Chrisman told the Council that there seems to be a gigantic change happening within the sub-contractor segment of the construction industry. Sub-contractors are raising their prices because they can in large part due to the increased construction activity in Western Oregon.

Councilmember Valfre asked why there was an increase in the RD reserve requirement. Mr. Chrisman told the Council that the reason for the increase was due to a change in rural development requirements from the time of application to the time when the project began.

Councilmember Valfre then asked what caused the decrease in rental subsidy. Mr. Cox told the Council that the decrease was driven by the underwriting of the investors.

Councilmember Valfre asked what the number was for the project based vouchers. Ms. Robertson told the Council that project based vouchers will be in effect for 80 of the units.

Councilmember Geller arrived at 9:15am, just prior to the motion for this item.

Chair Dickson asked Councilmember Geller if she had any questions. She did not have any questions. Chair Dickson called for the motion.

BOND RECOMMENDED MOTION: Move to approve a CIF grant in an amount up to and not to exceed \$300,000 to Chrisman Development for the acquisition and rehabilitation of Big Valley Apartments.

Councilmember Valfre made the motion and Councilmember Koza seconded. Chair Dickson then called for the vote.

Big Valley:

Council member	Motion	Yes	No	Abstain	Excused
Tammy Baney					X
Mike Fieldman		X			
Anna Geller		X			
Zee Koza	2 ND	X			
Marissa Madrigal					X
Adolph "Val" Valfre	✓	X			
Chair, Aubre Dickson		X			

Vote: 5:0:0:2 | PASS

At this time Chair Dickson moved the meeting back to the approval of the draft meeting minutes from August 5, 2016.

Manufactured Home Park Preservation NOFA – *Julie Cody, Assistant Director, Housing Finance*

Ms. Cody reviewed the memo which can be found on pages 17-18 of the meeting materials packet. You may access the meeting materials packet by clicking [here](#).

Chair Dickson asked what the budget was for Oregon Affordable Housing Tax Credits (OAHTC). Ms. Cody told the Council that the budgeted amount for this project is \$5,000,000 in OAHTC. Ms. Pate also told the council that OHCS gets a rolling allocation from the legislature that is currently at \$17.5 million in credits.

Chair Dickson asked if the agency plans to revisit the ways in which the OAHTC is used each year. Ms. Pate told the Council that the agency would definitely review each project to maximize the use of OAHTC and to adjust as needed. Ms. Cody also told the Council that in the future this process would be a competitive process for this particular use.

Councilmember Valfre asked what the demand for this type of funding. Ms. Cody said that the demand currently exceeds the funding that is available. Councilmember Valfre asked how much of the demand is large parks v. small parks. Chair Dickson asked that this question be asked after the testimony from the partners in the room.

Councilmember Geller asked if the agency had information on the number of parks which have been preserved in the past. Ms. Cody told the Council that she would get the information about the number or preserved parks to them after the meeting.

Councilmember Fieldman asked if the agency received \$17.5 million every year. Ms. Pate told the Council that no, the agency has only one rolling account with a total of \$17.5 million. He also asked how many units or parks had been preserved. Ms. Cody told the Council that since 2006 there have been 14 parks preserved with a total of 727 units.

Councilmember Fieldman asked what the cost per unit was for those 727 units in 14 parks. Ms. Cody told the Council that the cost per unit average was \$20,000. Councilmember Fieldman also wondered how the agency could help people avoid losing their homes. He also said that the focus should be on preventing the loss of homes for the most vulnerable in Oregon communities.

Chair Dickson then said he believed that the \$1.5 million is probably the right number today, but in the future this is something the Council should discuss and address. Councilmember Fieldman wants to make sure the real goal/metric lines up with what is being used to allocate funds. The number of projects may not line up with the agency goal of preserving the largest number of units. Councilmember Geller said that she thinks the cap per unit is a good thing and that a “first come, first served” allocation is a good thing. She wants this NOFA to address the lowest income, most fragile Oregonians.

Councilmember Valfre said it would be useful for the Council to look at the allocation for future NOFAs with an eye toward helping the neediest Oregonians.

Public Comment on the Manufactured Home Park Preservation NOFA:

Heather Buck, with Saint Vincent de Paul, specializing in extremely distressed manufactured home parks, stepped up to testify to the Council. Ms. Buck gave the Council an overview of the need she has seen in her role at Saint Vincent de Paul. She told the Council that increasing the cap per unit would be helpful for some of the parks her organization is currently considering for rehabilitation. Councilmember Fieldman asked why the request for an increase in the per unit cap. Ms. Buck told the Council that there were several factors (better infrastructure, turning the units from old to new, cultural change within the park to name a few of the factors). Councilmember Valfre asked what Ms. Buck's cap recommendation would be. Ms. Buck told the Council her recommendation would be to increase the per unit cap and encourage joint application among rehabilitation organizations.

Chair Dickson asked what the best scenario would be if CASA and Saint Vincent de Paul were to submit a joint application.

Ms. Chelsea Catto, with Community And Shelter Assistance Corp (CASA) of Oregon, introduced herself to the Council. She told the Council that CASA has been working in the preservation of Manufactured Home Parks for some time. Ms. Catto told the Council that CASA is competing against for-profit groups and to be competitive they have to finalize within 4-6 months. CASA may not be able to preserve any parks given the cap structure of this particular NOFA. Without a change in the cap structure, CASA will not be able to address some of the neediest parks.

Councilmember Koza asked what would work for CASA and/or Saint Vincent de Paul. Ms. Catto outlined the three scenarios she ran prior to the meeting. The needs change with each park, but it may be possible to find the sweet spot. They are working currently with NOAH to secure "bridge loans" to help make this funding model work. With the current structure of the NOFA neither organization will be able to put together a deal to meet the deadlines and requirements.

Councilmember Fieldman said he believes that the recommendations presented by staff may not be the right ones. Ms. Cody told the Council that OHCS could delay the NOFA, but she does not want to do that. Councilmember Baney joined in from the phone and thanked the other Council members for asking the questions she had about this NOFA and the funding structure.

Councilmember Fieldman expressed a desire to work on a process for developing a criteria for Manufactured Park NOFAs in the future; working with partners to develop a robust model.

Councilmember Valfre expressed his appreciation for the process and discussion of this topic today.

Peter Hainley with CASA of Oregon offered comments via the phone line. He expressed his desire for OHCS to collaborate with partners when writing future Manufactured Park NOFAs.

Ms. Cody then offered the following modified NOFA recommendation to the Council.

Motion: Housing Stability Council approves the recommended Manufactured Home Park Preservation NOFA per space subsidy cap of \$25,000 for parks of 51 spaces or more and \$35,000 for parks of 50 spaces or less; and an overall project subsidy cap of Oregon Affordable Housing Tax Credits of \$3,000,000 for parks of 51 spaces or more and \$1,000,000 for parks of 50 spaces or less.

Councilmember Koza moved for the approval of the above motion and Councilmember Fieldman seconded the motion. Chair Dickson then called for the vote.

Manufactured Home Park Preservation NOFA:

Council member	Motion	Yes	No	Abstain	Excused
Tammy Baney		X			
Mike Fieldman	2 ND	X			
Anna Geller		X			
Zee Koza	✓	X			
Marissa Madrigal					X
Adolph "Val" Valfre		X			
Chair, Aubre Dickson		X			

Vote: 6:0:0:1 | PASS

Statewide Housing Plan Update – Megan Bolton, Research Analyst & Shoshanah Oppenheim, Federal Planning and Policy Manager

Ms. Oppenheim provided the Council with an outline of the presentation. Please reference the presentation by clicking [here](#). The presentation today focused on the needs assessment and market analysis for the Statewide Housing plan. In subsequent updates the Council will be given updates on tools, priorities, investment strategies and the implementation plan.

Ms. Bolton provided an overview of demographics, household composition, homeownership rates, housing production, homeownership vacancy rates, home sales prices, and gross rents. She then provided an overview of the housing needs assessment and an in depth view of regional data.

Chair Dickson asked if there is any data that breaks down rent by unit. Ms. Bolton said that the data she has does not break down the rent by bedrooms. Councilmember Geller asked if OHCS is given access to the rental research market studies. Ms. Bolton invited Natasha Detweiler to the presentation table to answer the question. Ms. Detweiler said that yes, OHCS does have access to some of the data some of the time. This may be a good opportunity to gain access to the data which OHCS requires of NOFA applicants. Councilmember Valfre told Ms. Detweiler that the seven counties in the metro area have done a study and it is available to OHCS for free.

Ms. Oppenheim then outlined the next steps in the development of the Statewide Housing Plan.

Councilmember Koza thanked the presenters for the high level of excellence they used to prepare and present the needs assessment and housing data. The rest of the Council also expressed their appreciation for providing the fact based analysis. Councilmember Valfre encouraged Ms. Bolton and Ms. Oppenheim to reach out to other housing agencies in Oregon while they formulate the Statewide Housing Plan. The plan of the workgroup is to make the data available to the Councilmembers.

Chair Dickson adjourned the meeting for a short break.

Chair Dickson reconvened the meeting at approximately 11:15am.

Oregon Homeownership Stabilization Initiative (OHSI) Update – *Betty Merrill, OHSI Administrator*

Ms. Merrill provided the Council with an update on the current status of the OHSI program. You can visit the website for additional details by clicking [here](#). She provided an overview of the three programs that will be a part of OHSI. The program will give the rural areas in Oregon which run their computers on “dial-up” a first run at making application to the program. Some counties have not yet rolled out the program, but most are in process of getting approval.

Councilmember Valfre asked if the “reverse mortgage” segment of the program was seeing much activity. Ms. Merrill told the Council that the loan servicers have to agree to pay, and right now the OHSI program is in a wait and see mode.

Housing and Urban Development (HUD) Briefing – *Margaret Salazar, Director, Oregon HUD Field Office*

Ms. Salazar provided a briefing of HUD’s work in Oregon. Please reference her presentation by clicking [here](#). She provided an overview of HUD basics, national budget, funding in Oregon, key program features and trends, updates and areas of emphasis.

Affirmatively Furthering Fair Housing (AFFH) – *Allan Lazo, Executive Director, Fair Housing Council of Oregon*

Mr. Lazo provided a briefing on the work at AFFH in Oregon. Please reference his presentation by clicking [here](#).

Councilmember Valfre thanked Mr. Lazo for his presentation and congratulated him on his recent appointment as Director.

Chair Dickson told Mr. Lazo that he recognizes and appreciates the very important work being done by the Fair Housing Council of Oregon. He offered the assistance of the Housing Stability Council to Mr. Lazo. Chair Dickson also thought it would be a good idea for the Council to participate in a bus tour with the Fair Housing Council. Mr. Lazo told the Council that the tours are completely booked through 2017.

Report of the Interim Director –

Interim Director Claire Seguin had updates on several topics for the Council.

1. No new news on the selection of the permanent Director for the agency. The Governor's office is working through the process and Ms. Seguin's sense is that an announcement will be coming soon. The Governor is also working to find a new Housing advisor. In the interim period, OHCS is working with Kristen Leonard to stay in the loop with the Governor.
2. The planning/training retreat for the Council is currently on hold. A survey coming soon to find out what specific training the Council members would like to have or feel they need. Councilmember Geller asked if the Council members could meet off-cycle to discuss the work of the Council. Interim Director Seguin told the Councilmember Geller that she would get back to her with the guidelines for meeting off-line. Councilmember Koza offered that she would be willing to do homework prior to the meetings. Councilmember Valfre suggested that adding the topic of public meetings to a future Council meeting, so the members can be fully informed of the rules.
3. Statewide Housing Plan Champion role parameters were handed out to the Council members. Chair Dickson said that this would be an opportunity for Council members to participate in the broader discussion and be more ingrained in the process. He would like at least a couple of the Councilmembers to participate on the Statewide Housing Plan workgroup.
4. The next Council meeting will be held in La Grande on October 7th. Dinner will be at 5:30 on 10/6 followed by a gathering at Zee's home at 7pm.
5. Manufactured Housing update will be presented at the October 7th meeting.
6. The LIFT NOFA has gone out, training has happened and the application submissions and scoring process will be the next steps. All training materials are online for those that could not attend the training in person.

Report of the Chair –

Chair Dickson said it was great to be in Salem for the meeting and he thanked everyone for their kind thoughts and well wishes. He also informed everyone that Councilmember Mayra Arreola has decided to step down from the Council, effective immediately. He asked that OHCS send some type of appreciation to Ms. Arreola for her four years of service on the Council. With two vacancies on the Council he suggested that the members of the Council send any suggestions for new Council members to OHCS staff.

Chair Dickson Adjourned the meeting at 12:49pm.



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Date: 9/27/2016

To: Housing Stability Council

From: Kim Freeman, Single Family
Section Manager

Re: Residential Loan Program

Recommended Motion: Housing Stability Council approves the Consent Calendar

Background: State statutes require the Housing Stability Council to establish a single family loan threshold for loans to be review and approved prior to purchase. The current threshold for single family loans includes all loans equal to or greater than 75% of the applicable area program purchase price limit, or \$190,000, whichever is greater.

Considerations:

1. The loan(s) under consideration is greater than or equal to 75% of the applicable area program purchase or \$190,000, whichever is greater.
2. Staff has reviewed all of the following loan files and concluded that the borrowers and properties meet all relevant program guidelines for the Residential Loan Program. All required documents have been properly executed, received, and the loans have been approved for purchase. In addition to being approved by staff, the loan files have been underwritten by the applicable lenders and are insured by either FHA (FB), Rural Development (RG), or Uninsured (U) with a loan-to-value of 80% or less.

	Loan Amount	Purchase Price Limit	75% of Purchase Price Limit or Max	Monthly Mortgage Payment
Loan #1	\$335,706.00	\$346,987.00 Non-Targeted Washington County	\$260,240.00	\$1,895.03
Loan #2	\$270,019.00	\$346,987.00 Non-Targeted Multnomah County	\$260,240.00	\$1,598.58
Loan #3	\$192,307.00	\$255,573.00 Non-Targeted Marion County	\$191,679.00	\$1,197.33



1			<u>Lender</u>	HOMESTREET BANK		
			<u>Purchase Price</u>	341,900.00	<u>Note Amount</u>	335,706.00
			<u>Cost Limit</u>	346,987.00	<u>Principal Balance</u>	\$ 335,706
<u>Property City</u>	BEAVERTON	OR 97005	<u>Appr. Value</u>	\$ 350,000		
			<u>Year Built</u>	1967		
<u>Hshld. Income</u>	\$ 50,000		<u>Living Area (Sq. Ft.)</u>	1,375	<u>Loan-to-Value</u>	97%
<u>Income Limit</u>	\$ 84,308		<u>Lot Size (Sq. Ft.)</u>	14,933	<u>Insurance Type</u>	FB
<u>% of Income Limit</u>	59.31%		<u>Cost per Sq. Ft.</u>	\$ 248.65	<u>Rate</u>	2.875%
<u>Prior Ownership Yes (Y) or No (N)</u>	N		<u>New (N) or Existing (E)</u>	E		
			<u>Construction Style</u>	One Story		

2			<u>Lender</u>	GUILD MORTGAGE COMPANY		
			<u>Purchase Price</u>	275,000.00	<u>Note Amount</u>	270,019.00
			<u>Cost Limit</u>	346,987.00	<u>Principal Balance</u>	\$ 270,019
<u>Property City</u>	HILLSBORO	OR 97124	<u>Appr. Value</u>	\$ 295,000		
			<u>Year Built</u>	1938		
<u>Hshld. Income</u>	\$ 65,549		<u>Living Area (Sq. Ft.)</u>	1,430	<u>Loan-to-Value</u>	97%
<u>Income Limit</u>	\$ 84,308		<u>Lot Size (Sq. Ft.)</u>	8,712	<u>Insurance Type</u>	FB
<u>% of Income Limit</u>	77.75%		<u>Cost per Sq. Ft.</u>	\$ 192.31	<u>Rate</u>	3.375%
<u>Prior Ownership Yes (Y) or No (N)</u>	N		<u>New (N) or Existing (E)</u>	E		
			<u>Construction Style</u>	Two Story		

3			<u>Lender</u>	HOMESTREET BANK		
			<u>Purchase Price</u>	205,000.00	<u>Note Amount</u>	192,307.00
			<u>Cost Limit</u>	255,573.00	<u>Principal Balance</u>	\$ 192,307
<u>Property City</u>	SALEM	OR 97302	<u>Appr. Value</u>	\$ 205,000		
			<u>Year Built</u>	1976		
<u>Hshld. Income</u>	\$ 60,136		<u>Living Area (Sq. Ft.)</u>	1,308	<u>Loan-to-Value</u>	93%
<u>Income Limit</u>	\$ 72,038		<u>Lot Size (Sq. Ft.)</u>	7,875	<u>Insurance Type</u>	FB
<u>% of Income Limit</u>	83.48%		<u>Cost per Sq. Ft.</u>	\$ 156.73	<u>Rate</u>	2.875%
<u>Prior Ownership Yes (Y) or No (N)</u>	N		<u>New (N) or Existing (E)</u>	E		
			<u>Construction Style</u>	One Story		



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To: Housing Stability Council Members
From: Marilyn Miller, Homeless Section Manager
Subject: Use of New EHA and SHAP Funding for Acquisition
Date: September 28, 2016
CC: Claire Seguin

Background

Senate Bill 5701 passed by the legislature in the 2016 regular session provided an additional, one-time \$10,000,000 general fund appropriation to OHCS for “homelessness prevention and assistance services”. These funds were directed to be used through the existing Emergency Housing Assistance (EHA) program (\$8 million) and the State Housing Assistance Program (SHAP) (\$2 million).

The purpose of SHAP is to fund emergency shelters and the supportive services directly related to them in order to meet the emergency needs of the homeless. Current allowable program components include: facility maintenance, operations, conversion and rehabilitation; resident support services; administration (10%), and data collection and reporting.

The purpose of EHA is to fund local homeless programs to assist low- and very low-income homeless persons and those persons who are at risk of becoming homeless to attain housing stability. Current allowable program components include: emergency shelter; transitional housing; supportive in-home services, rapid re-housing; homelessness prevention services; veterans housing stabilization services; administration (10%); data collection and reporting; and community capacity building activities.

Policy Discussion and Direction

The allocation of OHCS administered homeless prevention and intervention program funds have historically been invested in client services and facility operations. Within these parameters, state funds have provided the most flexibility to grantees in determining the specific services and activities they will provide to address homelessness in their community. The appropriation of new one time funds challenged OHCS and our grantees to think “outside of the box” in determining how best to address our current homeless crisis. A recommendation from our grantee partners was to expand the flexibility of the funds to include acquisition of homeless shelter facilities and housing units. In order to respond to this request we are seeking Council direction and potential policy decision regarding the following questions:



1. Should EHA and SHAP funding expand its definition of program services to include acquisition of homeless shelter facilities, transitional housing (EHA only) and/or permanent housing units (EHA only)?
2. If acquisition is determined to be a desirable and allowable service component, should it be implemented as a “pilot” effort utilizing the new funds only or as a permanent change to all EHA and SHAP funding?
3. Does the use of EHA funding for acquisition align with the Council’s intent and policies for awarding grants from the Emergency Housing Account?
4. What risks or concerns need to be addressed for the Council to approve the use of EHA and SHAP funds for acquisition?
5. Should there be limitations on the dollar amount or % of funds that can be used for acquisition?

Current Governing Statutory Framework

EHA funds are designated as Other Funds and fall under the guidance of the Emergency Housing Account as embodied in ORS 458.620 and 458.650 and governed by Oregon Administrative Rule 813-046. SHAP is designated as General Funds and therefore governed by Oregon Administrative Rule 813-240 under the authority of ORS 456.625 and ORS 458.505. Both programs currently allow for the provision of homeless emergency shelters and services. EHA has additional service components as previously described, including transitional housing. Permanent housing is currently not identified as an eligible service component in either statute or administrative rule.

The current statute governing community services programs regarding EHA and SHAP does not prohibit or identify facility/housing acquisition as an allowable service component. Administrative Rules for the two programs are also silent on acquisition. The EHA and SHAP Program Operations Manual prohibits use of funds for new shelter construction and acquisition but does allow conversion and rehabilitation.

Department of Justice Review and Opinion

Review by the Department of Justice (DOJ) concluded that the best guidance for determining the allowable use of EHA and SHAP funds for shelter facility and rental housing unit acquisition comes from the governing legislation and administrative rules applicable to the programs. DOJ also observed that the \$10 million appropriation is directed towards providing “services” or “support”. Based on the definition of these terms, DOJ suggests that the funding is intended to finance the purpose of the programs and thus implying a broader interpretation of the type of support and services that can be provided.

DOJ emphasized that the use of EHA funding must conform to the policies developed by the Housing Stability Council for awarding grants regarding the Emergency Housing Account established under ORS 458.620(1)(b). Current identified uses are: emergency shelters; transitional housing; supportive housing to enable persons to remain in their own homes; and emergency payment of home payments, rent or utilities. The EHA OAR is aligned with these uses

but additionally identifies, i.e. rapid re-housing; homelessness prevention, data collection and community capacity building.

The DOJ review supports the recommendation that EHA and SHAP could be used to acquire shelter facilities if the restriction on such acquisition contained in the Operations Manual is removed or waived prior to the grant application process or issuance of grants. The use of EHA funds for acquiring transitional housing units could also be allowable upon amendment of the OAR and Operations Manual to include acquisition as part of the program allowable services definition.

The use of new EHA funding for the acquisition of permanent housing units is less clear. DOJ review of EHA statutory documents provides no indication that the legislative *emergency housing* intent of the EHA program would allow for provision of permanent housing. DOJ has offered to conduct another review specifically targeted towards identifying statutory language that might allow use of EHA funding for permanent housing. However, based on the thoroughness of the first review it is unlikely that such language exists.

Justification for Allowing Use of Funds for Facility/Housing Acquisition

Expanding the use of EHA and SHAP one time only funds to include acquisition of shelter facilities and housing units would allow grantees to address the two key barriers to resolving Oregon's current homeless crisis. The first barrier is the increasing number of unsheltered homeless and lack of shelter capacity in most regions of the state. Engaging the homeless and providing shelter is the first step in ensuring safety and being able to link households to the housing and service options needed to obtain stable housing. The second barrier is the lack of transitional and permanent housing options within a state housing market that is increasingly inaccessible to very low-income households, particularly those who are homeless.

Immediate and one time use of the new funds for acquisition is directly responsive to the current homeless crisis through purchase of existing housing specifically to shelter and house those who are homeless. Targeted facilities and units would include those that are vacant and/or in foreclosure, units whose use could quickly be shifted to shelter and housing, and units at risk of being removed from the very low-income rental market. Allowing acquisition would serve as a temporary bridge to the ultimate solution to homelessness—the construction and development of affordable housing targeted towards those who are homeless and at high-risk of becoming homeless.

Proposed Implementation

Implementation of acquisition projects would first require amendment to the governing documents (OAR, Program Operations Manual and Master Grant Agreement) prior to the application process and issuance of grants to ensure alignment with relevant statutes and Housing Stability Council Policy. Acquisition projects would be requested through a separate funding application requiring:

1. Five to ten year commitment to utilize acquired shelter and housing units for homeless or at-risk of homelessness clients;
2. Commitment of future affordability of units (0-60% of AMI) for an additional 10 years;
3. Limiting allowable expenditures to purchase of buildings (that are and or can be easily converted to shelter and housing of homeless households) and attached land;
4. Acquisition of property and placement of targeted homeless clients into acquired property completed by June 30, 2017.
5. In addition to reporting client data into HMIS, grantees will be required to submit a year end narrative report that identifies the added shelter and housing capacity provided through acquisition including meeting performance goals.
6. Signed and notarized covenant restricting property to homeless shelter and/or housing use.
7. Submission of a business plan (see Business Plan Attachment for proposed required information/documentation).

Accountability/Monitoring

Program monitoring of clients served with the acquired properties would be incorporated into the Homeless Services Section regular monitoring of EHA and SHAP programs and activities. The property acquisition requirements could be monitored by asset management staff through a simple annual certification process currently utilized for other housing projects.

Requested Council Action

We are requesting Council action to direct staff to proceed with making the necessary amendments/waivers to current EHA and SHAP administrative rules and Operations Manual that would enable grantees to use the new funds for acquisition of homeless shelter facilities and transitional housing.

Due to the legal uncertainty and thus level of risk in allowing acquisition of permanent housing, I believe it would be prudent to ask for further DOJ statutory review and guidance (assuming the Council supports this direction) before determining whether or not it should be an allowable use of EHA funding.

EHA & SHAP ACQUISITION APPLICATION DRAFT

The use of new one-time Emergency Housing Assistance (EHA) and State Homeless Assistance Program (SHAP) funds for acquisition of homeless shelter facilities, transitional housing units and/or permanent housing units requires OHCS approval of this application. No expenditures for acquisition can be incurred prior to the submission and approval of your acquisition request.

Agency: _____

Project Contact Person: _____ **Title:** _____

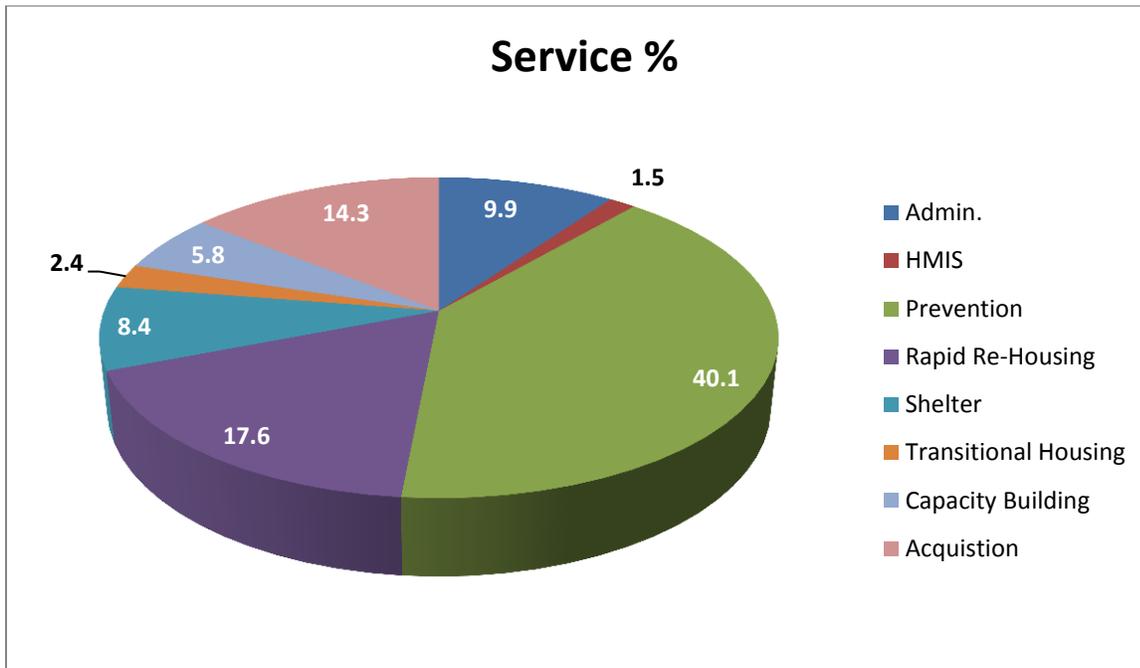
Total Project Cost: _____ **OHCS Request:** _____ (provide \$ amount & source)

Brief Project Description: (include type of project, location, proposed use of property & targeted homeless population)

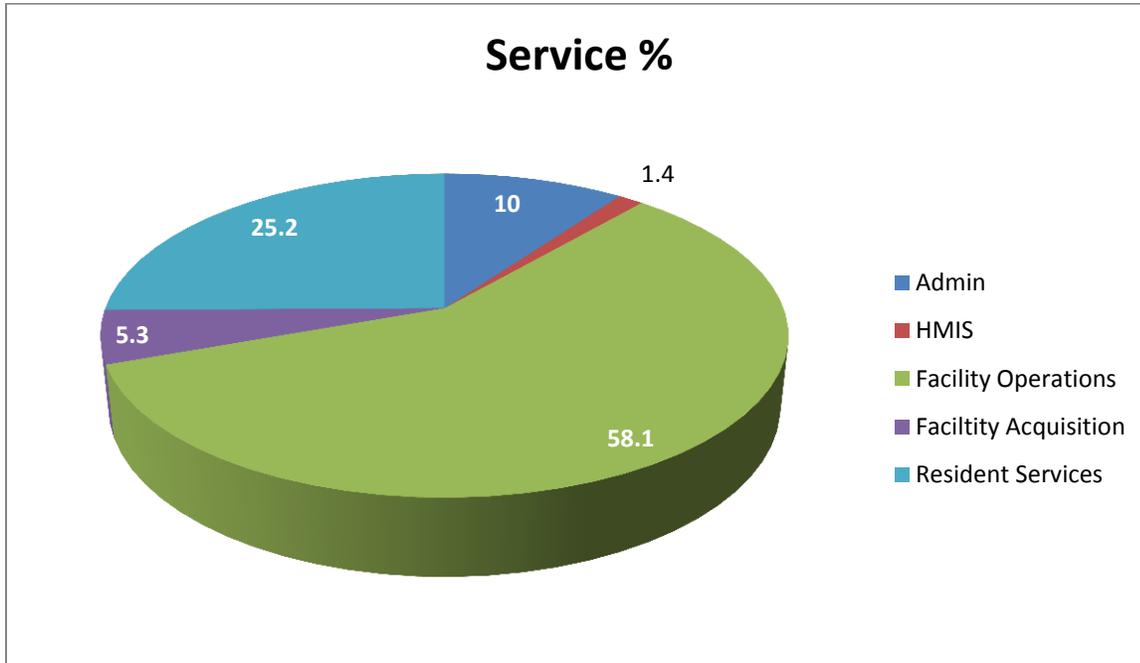
Attach your required Business Plan inclusive of the following:

- Description of grantee’s history and capacity to acquire, maintain and manage real property (include current asset management staff and policy/procedures);
- Five year operational budget that shows projected revenue (including source of rent subsidies and method for determining rent) and expenses;
- Availability of agency/property reserves for facility/housing replacement and operations;
- Anticipated number of units and type of housing/facility targeted for acquisition;
- Identification of targeted tenants and plan to address displacement of current tenants if acquired property is not vacant;
- Total cost of acquisition and percentage funded with OHCS funds;
- Lender/donor verification of financial commitment to project;
- Insurance verification for each acquisition;
- Planned support services and assistance to project tenants including any service agreements with other organizations or agencies;
- Anticipated tenant average length of stay in acquired facility or housing unit;
- Timeline for acquisition and placement of clients (has to be within the current fiscal year);
- Agency policy regarding conflict of interest in placing clients into agency acquired property;
- Exit strategy for disposal and/or repurposing acquired property at end of required homeless and affordability time period;
- Agency identified performance goals for additional number of homeless housing units and person months housed and/or shelter nights provided;
- Signed commitment by Board Chair and CEO to utilize acquired property for a minimum of five years as homeless shelter, transitional housing or “housing first” permanent housing.

CAA Projected Use of New 2016 EHA Funds



CAA Projected Use of New 2016 SHAP Funds



Note #1: Projections are based on CAA submitted work plans and budgets

Compiled 092716

EHA/SHAP Attachment #2

Summary of New EHA Allocation Funding Requests to OHCS

Grantee	Service Area Counties	Total Allocation	Projected New Households Served	Projected Use of Funds							
				Admin.	HMIS	Prevention	Rapid Re-Housing	Shelter	Transitional Housing	Capacity Building	
ACCESS	Jackson	\$456,944	20	\$45,694	-	-					\$411,250
CAO	Washington	\$719,607	100	\$71,961		\$385,646	-	\$62,000			\$200,000
CAPECO	Gilliam, Morrow, Umatilla, Wheeler	\$136,946	40	\$13,695	\$1,369	\$24,542	\$97,340				
CAT	Columbia, Clatsop, Tillamook	\$248,718	536	\$24,872	\$24,000	\$46,423	\$38,923	\$25,200			\$89,300
CCNO	Union, Wallowa, Grant, Baker	\$102,669	18	\$10,267	\$18,480	\$36,960	\$36,962				
CCSSD	Clackamas	\$507,856	585	\$50,785		\$275,312	\$70,636	\$52,500	\$44,581		\$14,042
CinA	Malheur, Harney	\$85,399	55	\$8,540	\$2,500	\$43,359	\$11,800	\$6,000	\$13,200		
CSC	Linn, Benton, Lincoln	\$511,871	400	\$51,187	\$25,594		\$184,272		\$46,069		\$204,749
KLCAS	Klamath, Lake	\$149,302	24	\$14,930	\$4,477	\$8,960	\$8,960				\$111,975
LANECO	Lane	\$850,655	450	\$85,066		\$430,940	\$304,649				\$30,000
MCCAC	Hood River, Wasco, Sherman	\$89,687	40	\$8,969	\$4,500	\$42,000	\$29,718				\$4,500
MULTCO	Multnomah	\$1,700,247	350	\$170,025		\$1,147,666		\$382,556			
MWVCAA	Marion, Polk	\$739,507	330	\$73,951		\$223,395	\$265,476				\$176,685
NIMPACT	Jefferson, Crook, Deschutes	\$402,649	180	\$40,265	\$13,250	\$201,550	\$143,501				\$4,083
OHDC	Farmworkers	\$100,000	60	\$8,257	\$1,600	\$90,143					
ORCCA	Coos, Curry	\$190,602	25	\$16,201							\$174,401
UCAN	Douglas, Josephine	\$435,027	100	\$43,503	\$7,500	\$38,512	\$65,512	\$100,000	\$80,000		\$100,000
YCAP	Yamhill	\$172,314	96	\$17,231	\$7,583	\$55,000	\$80,000	\$10,000			\$2,500
Total		\$7,600,000	3,409	\$755,399	\$110,853	\$3,050,408	\$1,337,749	\$638,256	\$183,850		\$1,523,485

Note 1: Capacity Building is inclusive of allowable CB activities/services (\$438,559) and proposed facility/housing acquisition (\$1,084,926)

Summary of New SHAP Allocation Funding Requests to OHCS

Grantee	Service Area Counties	Total Allocation	Projected New Households Served	Projected Use of Funds			
				Admin.	HMIS	Shelter Operations	Shelter Services
ACCESS	Jackson	\$111,020	10	\$11,102		\$99,918	
CAO	Washington	\$164,321	100	\$16,432		\$73,945	\$73,944
CAPECO	Gilliam, Morrow, Umatilla, Wheeler	\$30,763	25	\$3,076	\$508	\$2,800	\$24,379
CAT	Columbia, Clatsop, Tillamook	\$84,098	283	\$8,410	\$12,100	\$58,588	\$5,000
CCNO	Union, Wallowa, Grant, Baker	\$24,703	60	\$2,470	\$4,446	\$13,341	\$4,446
CCSSD	Clackamas	\$120,825	67	\$12,083		\$20,540	\$88,202
CinA	Malheur, Harney	\$20,135	20	\$2,014	\$1,000	\$15,121	\$2,000
CSC	Linn, Benton, Lincoln	\$120,350	400	\$12,035	\$6,002	15,000	\$87,313
KLCAS	Klamath, Lake	\$36,086	100	\$3,609		\$23,460	\$9,017
LANECO	Lane	\$217,477	200	\$21,748		\$195,729	
MCCAC	Hood River, Wasco, Sherman	\$24,385	20	\$2,439	\$2,000		\$19,946
MULTCO	Multnomah	\$456,198	75	\$45,620		\$410,578	
MWVCAA	Marion, Polk	\$172,677	293	\$17,268	\$700	\$65,289	\$89,420
NIMPACT	Jefferson, Crook, Deschutes	\$98,088	60	\$9,809		\$86,000	\$2,279
OHDC							
ORCCA	Coos, Curry	\$52,882	150	\$4,494		\$48,388	
UCAN	Douglas, Josephine	\$117,688	100	\$11,769		\$37,500	\$68,419
YCAP	Yamhill	\$48,304	10	\$4,830		\$38,474	\$5,000
Total		\$1,900,000	1,973	\$189,208	\$26,756	\$1,204,671	\$479,365

Note 1: Shelter Operations is inclusive of facility acquisition



Members:

Aubre Dickson, Chair
Mayra Arreola
Tammy Baney
Michael C. Fieldman
Anna Geller
Zee D. Koza
Marissa Madrigal
Adolph "Val" Valfre, Jr.

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