

# OREGON STATE HOUSING COUNCIL

May 13, 2011



*The Knoll at Tigard, Tigard, OR  
(New Construction; 48 Units Senior Housing)*

## TELEPHONE CONFERENCE

Meeting Location:

Oregon Housing and Community Services  
725 Summer Street N.E., Conference Room 336  
Salem, OR 97301

# OREGON STATE HOUSING COUNCIL

May 13, 2011

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# Oregon State Housing Council

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**Council Members**  
Maggie LaMont, Chair  
Tammy Boney  
John Epstein  
Michael C. Fieldman  
Francisco López  
Nancy McLaughlin  
Jeana Woolley

## STATE HOUSING COUNCIL MEETING

May 13, 2011

9:00 a.m.

### TELEPHONE CONFERENCE

Meeting Location:

Oregon Housing and Community Services  
725 Summer Street N.E., Conference Room 336  
Salem, OR 97301

### AGENDA

- |       |  |              |
|-------|--|--------------|
| I.    | CALL TO ORDER  | M. LaMont    |
| II.   | ROLL CALL  | M. LaMont    |
| III.  | PUBLIC COMMENTS  | M. LaMont    |
| IV.   | APPROVAL OF MINUTES  | M. LaMont    |
|       | A. Minutes of April 15, 2011   |              |
| V.    | RESIDENTIAL CONSENT CALENDAR   |              |
|       | None   |              |
| VI.   | NEW BUSINESS   |              |
|       | A. <i>Neu Place Apartments</i> (Roseburg, OR), GHAP Funds Increase Request | M. McHam     |
| VII.  | SPECIAL REPORTS  |              |
|       | None   |              |
| VIII. | OLD BUSINESS   |              |
|       | None   |              |
| IX.   | REPORTS  |              |
|       | A. Rural Workforce Housing   | B. Gillespie |
|       | B. Legislative Update  | L. Joyce     |
|       | C. Oregon Homeownership Stabilization Initiative (OHSI) Update             | N. Cain      |

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- D.** Report of the Chief Financial Officer
- E.** Report of the Acting Director
- F.** Report of the Chair

**N. Cain**  
**R. Crager**  
**M. LaMont**

**X. FUTURE AGENDA ITEMS**

**R. Crager**

OREGON STATE HOUSING COUNCIL  
Minutes of Meeting

Meeting Location:  
Oregon Housing and Community Services  
725 Summer Street NE, Room 124 A/B  
Salem, OR 97301

9:00 a.m.  
April 15, 2011

**MEMBERS PRESENT**

Maggie LaMont, Chair (via phone)  
Tammy Baney  
Mike Fieldman  
Nancy McLaughlin  
Jeana Woolley

**MEMBERS ABSENT**

John Epstein  
Francisco López

**GUESTS**

Andy High, Central Oregon Builders Assn.  
Keith Wooden, Housing Works  
Lindsay Quartini, CASA of Oregon  
Tim Kropp, Building Partners  
John Miller, Oregon ON  
Peter Hainley, CASA of Oregon  
Tom Cusack, Oregon BLOG  
Ruby Mason, Columbia Cascade Housing Corp.

**STAFF PRESENT**

Rick Crager, Acting Director  
Nancy Cain, Chief Financial Officer  
Bob Gillespie, Housing Division Administrator  
Vince Chiotti, Regional Advisor to the Department  
Karen Chase, Regional Advisor to the Department  
Debbie Price, Regional Advisor to the Department  
Kari Cleveland, Loan Specialist  
Shelly Cullin, Senior Loan Officer  
Janna Graham, Loan Officer  
Debie Zitzelberger, Loan Officer  
Theresa Wingard, PCRC Program Coordinator  
Rich Malloy, NSP & Policy Coordinator  
Shawn Turner, HOAP Administrative Specialist  
Lisa Joyce, Policy & Communication Section  
Manager  
Dave Summers, MultiFamily Section Manager  
Aria Seligmann, Senior Communication Advisor  
Jo Rawlins, Recorder

I. **CALL TO ORDER:** Chair LaMont (via phone) calls the April 15, 2011 meeting to order at 9:08 a.m. and turns the chairing responsibilities over to Jeana Woolley.

II. **ROLL CALL:** Acting Chair Woolley asks for roll call. **Present:** Tammy Baney, Mike Fieldman, Nancy McLaughlin, Jeana Woolley and Chair Maggie LaMont. **Absent:** John Epstein and Francisco López.

III. **PUBLIC COMMENT:** Andy High, Central Oregon Builders Association and member of Bend's Affordable Housing Committee, and Tim Knopp, Executive Director, Building Partners for Affordable Housing, and Central Oregon Builders Association Vice President, encourage Council and the department to reconsider the ranking used for the NSP3 funding in order to make the funds available to the City of Bend for the construction of a new sustainable single family housing project, which would create jobs for the City of Bend, which has among the highest unemployment rate in the state.

Baney states that when OHCS allocates funds to a project, regardless of where they are located and what they are doing, they are creating jobs at the same time. She asks if, when scoring is

1 done and we are looking at allocating funds, how job creation and use of sustainable products  
2 factor in, or if it does. **Crager** responds that, in terms of calculating the needs and where the  
3 highest concentration of "problem" is, that is driven by the HUD data. It is a complex formula  
4 and we do not have a say in the rank. **Baney** asks if it is specifically based on the number, not  
5 the merits of the project. **Crager** says that is correct.

6 **Peter Hainley**, CASA of Oregon and board member of Oregon Opportunity Network, thanks the  
7 department for hosting the Farmworker Celebration in the Capitol, and says it went very well.  
8 He states that **Cathey Briggs**, the Executive Director of Oregon Opportunity Network, has  
9 announced her retirement, and he introduces the new Executive Director, **John Miller**. **Miller**  
10 explains that he has been involved in housing for several years and is excited to be in this  
11 position. He says he thinks the years ahead are going to be challenging and there are a lot of  
12 bright people in place to meet that challenge. **Woolley** welcomes and congratulates him and says  
13 Council looks forward to working with him.

#### 14 **IV. APPROVAL OF MINUTES**

15 **A. Acting Chair Woolley** asks if there are any corrections to the February 18, 2011  
16 Minutes. There being no corrections, the Motion was read:

17 **MOTION: Fieldman moves that the Housing Council approve the  
18 Minutes of the February 18, 2011 Council meeting.**

19 **VOTE: In a roll call vote the motion passes. Members Present:  
20 Tammy Baney, Mike Fieldman, Nancy McLaughlin, Jeana Woolley  
21 and Chair Maggie LaMont. Absent: John Epstein, Francisco López.**

22 **B. Acting Chair Woolley** asks if there are any corrections to the March 31, 2011  
23 Minutes. There being no corrections, the Motion was read:

24 **MOTION: Chair LaMont moves that the Housing Council approve  
25 the Minutes of the March 31, 2011 Council meeting.**

26 **VOTE: In a roll call vote the motion passes. Members Present:  
27 Tammy Baney, Mike Fieldman, Nancy McLaughlin, Jeana Woolley  
28 and Chair Maggie LaMont. Absent: John Epstein and Francisco  
29 López.**

#### 30 **V. RESIDENTIAL CONSENT CALENDAR:**

31 **A. 37300 Block Highway 228, Brownsville, OR. Kari Cleveland**, Loan Specialist,  
32 reports that this month there is one loan for Council's approval. An FHA insured loan for a  
33 manufactured home in Brownsville, OR, in Linn County near Lebanon. **McLaughlin** reminds  
34 staff that she would like them to discuss with her the prices of the homes in the program.

35 **MOTION: Baney moves that the Housing Council approve the  
36 Residential Consent Calendar.**

37 **VOTE: In a roll call vote the motion passes. Members Present:  
38 Tammy Baney, Francisco López, Nancy McLaughlin, Jeana Woolley  
39 and Chair Maggie LaMont. Absent: John Epstein, Mike Fieldman.**

1 **VI. NEW BUSINESS:**

2 **A. *WyEast Vista Apartments*** (Hood River, OR), Housing Development Grant  
3 Program (Trust Fund) and Housing Preservation Funds Request. **Shelly Cullin**, Senior Loan  
4 Officer, introduces **Ruby Mason**, Executive Director of Columbia Cascade Housing Corp.,  
5 **Lindsay Quartini**, CASA of Oregon, and **Deborah Price**, Regional Advisor to the Department.  
6 **Cullin** states that Columbia Cascade Housing submitted a 2010 Consolidated Funding Cycle  
7 (CFC) application for the acquisition and rehabilitation of WyEast Vista Apartments, a rural  
8 development project with 12 of the 25 units receiving project-based rental assistance. The  
9 transfer of WyEast Vista is necessitated by the impending dissolution of the current owner,  
10 HOPE. Trust Funds and Housing Preservation Funds were reserved for the project through the  
11 2010 CFC process; however, it did not move forward for Housing Council approval at that time.  
12 At the time of the CFC reviews, it was not clear what the project needed in resources and the  
13 scope of rehabilitation. The department was looking for assurances that the project would be  
14 able to sustain itself over a 30-year period. In addition, Rural Development (RD) was working  
15 through their process for the transfer of the property, which included an update to the capital  
16 needs assessment and a revised scope of rehab, along with the analysis of the reserve for  
17 replacement requirement. At this time, RD and the department have completed their due  
18 diligence reviews and the project is ready to move forward with the transfer. She gives an  
19 overview of the write-up contained in Council's packet. She explains that, with only 12 of the  
20 25 units having project-based rental assistance, RD and the sponsor will want to maintain their  
21 rents as low as possible. Even though 12 units receive rental assistance and the tenants only pay  
22 30% of their incomes, there are still 12 non-subsidized units they will want to remain affordable.  
23 With RD projects, all units of the same bedroom size must have the same rent, subsidized or not.  
Columbia Cascade Housing is a very experienced developer and owner of affordable housing in  
both Oregon and Washington. They have hired CASA as the project's development consultant.  
Since 1988, CASA has developed over 930 units of affordable housing. **Cullin** recommends  
approval of \$500,000 in trust fund and \$440,072 in Housing Preservation Funds to Columbia  
Cascade Housing Corp. for the acquisition and rehabilitation of WyEast Vista Apartments. She  
says Columbia Cascade will continue to pursue additional rental assistance with RD. At this  
time they do not have any available, but each year the owners can ask for more.

**Mason** states that this is the first project that Housing for People created in Hood River and there  
is a great need for farmworker housing. This is the only dedicated farm labor project in the  
agricultural community of Hood River. She thanks Deb Price, who has worked with them for  
years on this project. She explains that Gary Young, who is the chair for the Housing for People  
Award, lost staff over three years ago and is continuing to exist just so these properties can be  
transferred over to another entity that can preserve them. They are grateful to RD for being so  
supportive. **Price** says she wants to share with Council about the partnership that has developed  
through the struggle of trying to preserve this asset. There is no way they can know how much  
work Ruby, CASA, Shelly and RD have done to keep this project intact and to move it from a  
difficult situation with a sponsor who was struggling, to a sponsor that was asked to step up and  
take it over. Some amazing things have been done and everyone should be proud of what was  
accomplished. **Woolley** says it is wonderful to see partners come together to figure out a  
creative solution to preserve those units, and she congratulates them on their great efforts.

**Fieldman** asks them to elaborate on the resident services. **Mason** explains that they have a full  
range of housing services available. Next door is a health service provider, and they provide  
English as a second language classes in the community center. It is one of the few projects in  
Hood River that has a community room, where they will hold a variety of classes. They have an

1 excellent on-site manager who is able to connect people as needs arise. There is childcare  
2 available, transportation, the full range of services that you would expect. **Fieldman** asks what  
3 utilities are included. **Mason** says water, sewer and garbage. They are all electric units, so the  
4 tenant pays their own electric bill. **Price** adds that over the last couple of years, they have had to  
5 take people through the units 15 to 20 times, and they were always gracious. They felt  
6 comfortable that someone was trying to help them. This complex is a community and the  
7 residents are happy to be living there. Their on-site managers are an amazing couple. **Fieldman**  
8 asks if most of the tenants are fairly stable or if it is a migrant population. **Mason** says they are  
9 very stable. Because of the shortage of housing in Hood River they have residents that have  
10 been there since the building was constructed in the early 90s. There is very little turnover.  
11 There is no place for people to go, so they stay. The plan is to have more homeownership  
12 education opportunities for people to move up and out. **Fieldman** asks if there is a significant  
13 migrant population in the area. **Mason** explains that there is a migrant population, but there is a  
14 significant population of farm laborers that stay year round. **Cullin** adds that as their incomes go  
15 up, the rental assistance lessens, so once they can pay all their rent, then that rental assistance  
16 goes back to the Portland office. They can hold it for a certain period of time and allocate out to  
17 other Oregon properties, and then at some point, if it is not utilized, it goes back to the national  
18 level and they would have to request again. That is why RD projects do not always have 100%  
19 RAs.

20 **MOTION: McLaughlin moves that the Housing Council approve a**  
21 **grant reservation of \$500,000 Housing Development Grant Program**  
22 **(Trust Fund), and \$440,072 of Housing Preservation Funds (HPF) to**  
23 **Columbia Cascade Housing Corp., for the acquisition and**  
24 **rehabilitation of WyEast Vista Apartments, in Hood River, Oregon,**  
25 **contingent upon meeting all program requirements and conditions of**  
26 **award.**

27 **VOTE: In a roll call vote the motion passes. Members Present:**  
28 **Tammy Baney, Francisco López, Nancy McLaughlin, Jeana Woolley**  
29 **and Chair Maggie LaMont. Absent: John Epstein, Mike Fieldman.**

30 **Cullin** comments that this is the first time Council has seen the new CFC write-up in this format,  
31 and asks if it meets Council's needs. All Council members say they like it.

## 32 VII. SPECIAL REPORTS:

33 A. *Manufactured Dwelling Park Preservation Update.* **Debie Zitzelberger**, Loan  
34 Officer and Program Manager of the Manufactured Dwelling Park Preservation Program, and  
35 **Theresa Wingard**, Manufactured Community's Resource Center Program Coordinator.  
36 **Zitzelberger** explains that the program was developed to provide assistance to community  
37 organizations within the manufactured dwelling parks to acquire their parks in order to gain  
38 control of rising rents, and a way for the residents to take control if the park owner is considering  
39 selling the park. The program can provide up to \$600,000 of funding in the form of a grant or a  
40 loan. There are two types of organizations eligible to apply for these funds: either residents who  
41 have formed an organization under state statute to be able to own and operate their park, and  
42 nonprofit corporations that are allowed to own and operate these parks; as well as government  
43 entities. Parks receiving these funds must agree to a 20-year affordability, and 60% of the spaces  
44 must be offered to residents at or below 80% AMI. There is a primary lender, and possibly a  
45 subordinate lender, with OHCS providing the gap financing. Typically, parks that are owned by

1 a resident association are required to have on-going technical assistance for the term of the grant,  
2 which is 20 years. To date the department has funded three viable parks. Harwood Mobile  
3 Manor in Junction City has closed on their purchase of their park and is now in the renovation  
4 phase; Anchor Mobile Home Park in Gold Beach is scheduled to close at the end of the month;  
5 and Monta Vista Mobile Home Manor in Oakridge has completed an application and the  
6 department is performing its due diligence underwriting, and will be presented to Housing  
7 Council for approval in June.

8 **Crager** adds that Victor Manor was the first park funded last biennium, and the department was  
9 fortunate to get \$3M for this current biennium, specifically targeted for preservation of  
10 manufactured parks. Part of the understanding with the legislature is that we did not know where  
11 this was going to go. We had an agreement that we would put the money out for a period of time  
12 to see if the park preservation would move forward. We have had three parks this biennium,  
13 which is nearly \$1.8M. It appears that we have another park that CASA is working on and we  
14 are hoping for a fourth park. He has taken opportunities to highlight this success with the  
15 legislature, to remind them of the preservation money in the department's budget. The money  
16 has been lottery-backed bonds. One way or another, because of the success that we have seen,  
17 we will continue to work with parks to try and continue these efforts to preserve them.

18 **McLaughlin** asks what the anticipated lifetime is of parks and the individual spaces, and how  
19 that is monitored. **Zitzelberger** says it depends on the model of who is purchasing the park. In  
20 the nonprofit model, they are looking to find newer homes and replace them, starting with the  
21 residents that are currently there. CASA is working to upgrade the homes as well, and  
22 infrastructure is a huge part. **McLaughlin** says access and the roads in the parks are a big deal.  
23 **Hainley** explains that infrastructure is the first thing they look at. Private owners/investors do  
not have reserves for infrastructure. Their first phase was to buy some parks, and then the  
second phase is a replacement strategy. CASA is working with the Manufactured Community  
Resource Center and the weatherization unit, but it would be a better use of resources to replace  
units with an energy efficient one. They will be submitting a grant to start doing some  
evaluation. The process is very difficult on park residents.

1 **Zitzelberger** states that another opportunity is with ODOT. **Crager** explains that the department  
2 is working on an inter-government agreement with ODOT to acquire a group of manufactured  
3 homes ODOT has had to move due to road restructures. ODOT bought the homes from the  
4 residents and they are trying to identify what they can do with them. They cannot provide the  
5 units to CASA, but they can grant them to another state agency. **Fieldman** asks if there is  
6 anyway of knowing what the acquisition need is going to be. **Hainley** states that when they first  
7 started, the parks were closing. Not only has the single family financing dried up, it has dried up  
8 for purchases. So there are a lot of owners with notes coming due, so they are hoping they are  
9 going to start seeing owners wanting to work with them. There was an opportunity to purchase  
10 bill, which was going to give residents the opportunity to purchase parks that were listed for sale,  
11 but that bill fell apart this week and was pulled from further legislation. **McLaughlin** asks if it  
12 was a right of first refusal. **Hainley** says it was similar, but trying to avoid some of the pitfalls.

13 **Wingard** explains that the Manufactured Communities Resource Center (MCRC) program is a  
14 unique program, in that they work directly with landlords and tenants. MCRC has been around  
15 for 22 years. The original purpose was to educate landlords and tenants about alternative dispute  
16 resolution, provide resource referral, and maintain a directory of parks. Since that time, they  
17 have included a variety of resources: There is a toll-free referral and information line, which  
18 gets over 2,000 calls a year; an alternative dispute resolution, at no cost to landlords and tenants,

1 with 120 conducted this year; landlord continuing education, having trained over 3,000 landlords  
2 and park managers over the last year; a statewide park directory that includes information on the  
3 location, spaces and contact information; a comprehensive website that includes resources and  
4 tools for landlords and tenants; and park closure assistance to landlords and tenants by helping  
5 them understand the laws and ordinances. MCRC also monitors the park closure process and  
6 provides relocation assistance and counseling for park tenants. The manufactured dwelling park  
7 community is a unique community where neighbors are considered friends and family. There  
8 are over 1,100 parks in Oregon, with 63,000 families. Since 1985, there have been 68 park  
9 closures, with 2,700 families losing their homes. There are no pending park closures at this time.  
10 She says that as the economy starts to improve, they will start to see parks closing again. One  
11 alternative to park closure is tenant purchase. MCRC works in cooperation with the  
12 department's park preservation program. They refer landlords and tenants to OHCS partners like  
13 CASA, who facilitate resident owned parks. OHCS is committed to the preservation of  
14 manufactured home parks. The department's goal is to retain this valuable resource of  
15 unsubsidized housing and to help families remain in the communities in which they choose to  
16 live. **McLaughlin** comments that they have a great window of opportunity right now. **Wingard**  
17 says yes, they are in the process of putting together a team to look at a possible pilot for mobile  
18 home replacement. In 2006, something similar was tried and it ran into a lot of barriers that  
19 prevented it from going forward. They are looking at those barriers first to see what they can do.

20 **VIII. OLD BUSINESS: None.**

21 **IX. REPORTS:**

22 **A. *NSP Update.*** **Rich Malloy**, Neighborhood Stabilization Program & Policy  
23 Coordinator, reports that for NSP1, 90% of the funds have been disbursed. The 10% that is not disbursed  
is because people are still doing some of the rehab work and new construction. The HUD Office of the  
Inspector General conducted an audit of the program and had only one finding, which was minor. **Baney**  
asks when they first started allocating the funds. **Malloy** says it was Spring of 2009. **Baney** asks how  
long they wait to disburse. **Malloy** says until the projects are completed. The entities that have the  
agreements with the department have to expend those funds by March 16, 2013. So we are ahead of  
schedule. NSP2 is different. Oregon ranks high in progress, nationally. This program is a smaller  
program than NSP1. We are required to do at least 100 units with the funds, and they are on track to  
exceed that number. NSP2 was audited by the OIG and there were no findings. He says that overall their  
progress on NSP1 and NSP2 are moving ahead of schedule. NSP3 was put on hold about a month ago  
while Congress was reviewing the budget. Last Friday, they were told they could continue with the  
program. He says NSP3 is different from the other two programs, in that the target areas are focused and  
they have to pick small areas and target as many funds as they can to those areas.

18 **Crager** asks, in relation to the public comment, how the NSP program operates. **Malloy** explains that  
19 there are five different ways to use those funds, and they tend to use them for three activities: Down  
20 payment assistance to home buyers; acquisition/rehab for nonprofits to buy houses and either sell them or  
21 rent them; and redevelopment. Redevelopment can include foreclosed subdivision land. This has been  
22 important and successful for Habitat for Humanity. 25% of the NSP grant must be spent towards projects  
23 that assist low-income households, earning 50% AMI. The units that were referred to in the public  
comments are middle income units. **Crager** says that with the NSP dollars under this program, they can  
use the money to acquire foreclosed land and then build on the land. They then get financing to  
eventually take them out. He asks if the money for the NSP revolves back. **Malloy** says that on those it  
does not. It stays with the property, and there is a deed restriction that they have to keep it affordable for  
a minimum of 15 years. **Crager** asks if the money could come back and still accomplish the goals by  
revolving the dollars back through NSP, or some other type of program. **Malloy** says the money could  
revolve back upon sale of the property. **Crager** asks if, when a family comes in and they use the single

1 family bond program to purchase the home that has been constructed; they use NSP money or some other  
2 source; they do some construction financing; they ultimately get taken out; then could that money revolve  
3 back? **Malloy** answers yes. **Woolley** says then that could be an option for the Bend area if they wanted  
4 to retool their program to stretch it further. **Crager** says he is trying to see if the idea of a revolving type  
5 of program could work. If so, that would provide the department with a little more flexibility and  
6 resources. **Price** comments that the City of Bend has a fund in place that is funded with the support of the  
7 city from local building permits. It is not a large fund, and they had some other resources that were  
8 committed to the affordable housing effort. Because the affordable housing committee contains  
9 membership comprised of builders, realtors, banks and government entities, they have looked for a way to  
10 accomplish everything from construction to homeownership. The piece that the city has not been able to  
11 bring to the table is the revolving amount that you are talking about. **Crager** says they can see by the  
12 results that they have been able to do quite a bit of work, and he wants to explore some ideas with staff.

**Price** says the Central Oregon Builders Association invited members of the Bend housing committee to  
sit on the interview panel to chose six developers to work on a foreclosed subdivision. The presentations  
were difficult to watch as many had been out of work for a long time. In the end, they decided that each  
of them will get at least one and they will document the jobs created through this effort. **Woolley** states  
that this could be a model that could be replicated in other communities to put people back to work. If we  
creatively had some way to cull together resources that we could use to be able to help, we could keep  
that ball rolling. **Gillespie** says that what has been done in Medford is another model to look at as well.  
It was a foreclosed multifamily land. **McLaughlin** asks why the City of Salem canceled its program.  
**Malloy** answers that their portion of what they would get of NSP was so small it was not worth the  
trouble. **Baney** asks if those funds would be available. **Malloy** says no, they were reallocated. **Baney**  
comments that the funds for the City of Bend are really on the line and the city's budget issues are huge.  
The community match is what we need to start asking for. **Crager** assures her that they have his  
commitment to look at this and explore the options, and that the department needs to focus on job  
creation, as well as creating housing. **Woolley** asks if he could provide an update at the next meeting.  
**Crager** says absolutely.

13 **B. Legislative Update.** **Lisa Joyce**, Policy and Communication Manager, reports  
14 that since the last Council meeting, the department made its presentation to Ways and Means.  
15 She thanks Jeana Woolley and the others who testified in support of the agency's budget. They  
16 felt that it went very well. The department is tracking extensions of the sunset of the  
17 Farmworker Housing Tax Credit and the Oregon Affordable Housing Tax Credit. **McLaughlin**  
18 asks if the department is working with Cylvia Hayes on extending the Ashland Food Project.  
19 **Joyce** responds that the department has not been directly involved, but its partners have been.  
20 With regard to the OAHTC bill, there are some concerns on the Senate side because the  
21 committee that has the bill has so many bills they need to get through that there is a bit of a  
22 struggle. She says she has been educating legislators about the status of the Hardest Hit Fund  
23 program. **Joyce** distributes a brochure on the Document Recording Fee Fund Overview that she  
has been giving to legislators. **Woolley** asks her, in terms of dollars, if the legislators are feeling  
that money is going to good use. **Joyce** says it has been well received, and they understood  
when they made the vote that they were making an investment in the future. **Crager** adds that the  
document is very number driven, but the numbers do show how dollars will be put to work.  
**Joyce** comments that they have had a lot of support from our partners. **McLaughlin** says that in  
California, the redevelopment agency funds are being completely wiped out, because it was a  
source of funding the new administration felt were not being spent fast enough. **Joyce** also  
distributes the newly published Annul Report, that is also being given to the legislators. **Crager**  
refers Council to the Continuum of Services, Programs and Accomplishments chart on page 6,  
and says as they move forward they want to instill that message of the department and the  
services it provides. It is a path to sustainability showing a continuum of services. We need to  
be one voice, saying the same thing. **Baney** states that the report is very well done.

1 C. *Oregon Homeownership Stabilization Initiative (OHSI) Update.* **Nancy Cain**,  
2 Acting OHSI Administrator, gives the following update on the program:

- 3 • The fourth amendment to the agreement has been signed, officially granting permission to  
4 start the loan refinance assistance pilot project, which is the \$10M that was dedicated for  
5 Deschutes and Jackson counties. They have contracted with Further Development to  
6 administer that program. They have been laying the groundwork and working in the  
7 community with partners to get it up and running. It is expected that it will be launched  
8 quickly.
- 9 • The first 13 loan payments were made last week.
- 10 • Mike Auman has been hired as the fiscal compliance manager, and has had an immediate and  
11 positive impact.
- 12 • Loans are being distributed to all intake agencies. One of the hurdles they are working to  
13 overcome is that the servicers have to agree to receive the payments on behalf of the  
14 borrowers. The servicers signed up represent 75% of the borrowers. She says DOJ has been  
15 fantastic through the entire process.
- 16 • The transition assistance program will be the next program to launch. For those that do not  
17 meet the requirements of the mortgage payment assistance, this program is one of the exit  
18 strategies that can be used. If a person enters into a short sale, or a deed in lieu of foreclosure  
19 situation, then the program will provide \$3,000 for them to be able to transition to another  
20 affordable housing option. The preservation program will be the next one to launch.  
21 Although the modification program was the first one designed, it may be the hardest one to  
22 implement, so that will be the final program to launch.

23 **Crager** says that regarding the servicer piece, the department would like to get the money out as  
soon as possible. This process has gone longer than anyone anticipated when they first deemed  
the 6,000 people eligible. There needs to be servicer participation to accept the money, and it  
has been more challenging than first thought. There is about 170 servicers that will be  
participating with the 6,000 that are eligible. Many servicers just have one loan. The other piece  
has been the aftercare program. Part of this program is that once you are in it, then what steps  
need to happen to bring you to self-sufficiency? We had a lot of conversations with the  
legislature about this program and received some push back. So we have developed a really  
good program to help those that are eligible. Most states are just providing the money. Our  
program will require them to do some things to get some education to help themselves. **Cain**  
points out that it is a web-based, interactive system. **Crager** adds that he is optimistic that we  
will see more money going out and loans closing in May. Help is coming and we are working  
around the clock to get it out there. **Cain** states that a press release will go out on Monday and  
they will be sending out an e-mail update to all applicants and partners prior to that release. She  
says there is one other obstacle that set them back a number of weeks. That was a decision that  
there needed to be an additional review incorporated into the underwriting about prior  
delinquencies, and they did not have a mechanism to get credit reports. That has turned into a  
longer process than they thought. **Woolley** asks how many servicers are represented by the 75%  
of those that are in the pool. **Cain** says she will need to get back to her on that number, but it is  
very few. **Crager** states that on Monday, out of 170 servicers that represent the entire  
population, there were 64 that had signed on, and seven have indicated they were not going to  
participate.

1           **D. Report of the Chief Financial Officer. Nancy Cain** reports that there are some  
2 timing deadlines coming up and they are trying to determine the best timing for the upcoming  
bond sale. The Stewart Terrace, Indian Village and Villa West projects finally closed, after three  
years. The pre-closing for the Block 49 project is in process.

3           **E. Report of the Acting Director. Rick Crager** reports the following:

- 4           ● The Director's recruitment has been opened and is scheduled to close on April 24. The  
5 applications will be forwarded to a screening panel, and the interview process will most  
6 likely occur in May. The goal is to forward a handful of qualified candidates on to a  
7 more elaborate process, which is scheduled for June 2. He encourages Council to contact  
8 Rebecca Gray, Acting Manager of the agency's HR department, if they are interested in  
9 participating in the interview process. The goal is to have a new Director appointed by  
10 July 1.
- 11           ● Ron Meek, the HR Manager, left the agency to take a position out of state, and the  
12 department was fortunate to get Rebecca Gray from DAS, who is an outstanding HR  
13 manager.
- 14           ● Since Mike Kaplan is on rotation at the Capitol, Nancy Cain has stepped into the Acting  
15 Administrator role of OHSI, in addition to her CFO position.
- 16           ● He had the opportunity to meet with the new Chief Operating Officer for the state, Mike  
17 Jordan. He took away from the discussion that the state has gotten so risk-adverse that  
18 we are afraid of everything. But we cannot be afraid to take chances and to think outside  
19 the box. He also mentioned that the relationship between the legislature and agency  
20 heads has become that of micromanagers. We need to build the trust with the legislature  
21 so that we can do what we need to do and the legislature can make the policy. **Woolley**  
22 asks if he had the opportunity to give Mr. Jordan a look into the organization, to see the  
23 complexity of the department. **Crager** says it was a good exchange of information. He  
felt we were on the right track.
- The Governor has formed a Regional Solutions Team, comprised of five agencies: DEQ,  
DLCD, ODOT, BusinessOregon and OHCS. The idea and expectation is that he wants to  
foster the collaboration between all of the state agencies and work towards regional  
solutions to issues as they come up. One of the ways he wants to encourage that is co-  
locating of all the departments. He is looking at six regional centers: LaGrande, Bend,  
Medford or Ashland, Portland, Tillamook and Eugene. The offices will be housed within  
the university system to develop the partnership to create centers for all of the  
coordinators of the departments. The expectation is that our five Regional Advisors to  
the Department will continue to do the work they are doing; however, by co-locating  
there would be an opportunity to bounce ideas off one another and come up with regional  
solutions. He is working through what needs to happen within our agency to meet that  
goal. He stressed the need for a better communication plan around this initiative. Mr.  
Jordan pledged that there will be a better communication plan so we can use that to  
communicate to our partners. The first site, eastern Oregon, is scheduled to open on May  
1. **Fieldman** says he had the chance to be part of a meeting with the Governor on  
Monday down in Medford on the Regional Solutions Team, where he gave his vision and  
asked for input. This is very important to the Governor. **Crager** shows Council a map  
showing the five agencies and the regional coordinator. The piece that is interesting is  
that there is an advisory board that provides input to the regional solutions teams, which  
is made up of city officials, county commissioners, nonprofits and a variety of others.

- 1 • The budget hearings went very well. The tax credits are consuming a lot of staff time. Although they are not agency bills and we do not take a position on them, we do our best to make sure that the committee's understand the value.
- 2 • It was a pleasure to have the Farmworker Housing Celebration at the Capitol. It was fun and a good opportunity to see all of the good work that we, and our partners, have done.
- 3 • There was some damage on the Oregon coast from the tsunami, so the Governor called the directors together to work through some solutions for that area. Our focus was on people and living areas. We identified 20 that were affected and were relocated. We stand prepared, if necessary, to offer further assistance.

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6 **F. Report of the Chair.** **Chair Maggie LaMont** reports that she is going through the CFC application process, and she says she takes her hat off to our partners who apply for that funding. It is quite a process. **Fieldman** says he concurs.

7  
8 **X. FUTURE AGENDA ITEMS.**

- 9 • Targeting funding around job creation
- 10 • Governor's proposal on Regional Solutions and how we can incorporate that into our strategic plan
- 11 • OHSI curriculum video
- 12 • EHAC and Ten Year Plan to End Homelessness update – June
- 13 • Point-In-Time count report

14 **Acting Chair Woolley** adjourns the meeting at 12:00 p.m.

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**Maggie LaMont, Chair**                      **DATE**  
**Oregon State Housing Council**

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**Rick Crager, Acting Director**                      **DATE**  
**Oregon Housing & Community Services**

1 **Memorandum**

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3 **To:** Oregon State Housing Council

4 **From:** Mike McHam  
Market Analyst & Appraiser

5 **Finance Committee Meeting Date:** May 13, 2011

6 **Requested Action:** Approve an increase of \$176,106 in GHAP funds.

7 **Project Sponsor:** Umpqua CDC

8 **Property:** Neu Place Apartments  
524 W. Homewood Lane  
9 Roseburg, OR 97471

10 **Affordability Commitment:** 35 years

11 **Target Population:** Developmentally Disabled & Single Family

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15 /S/ Bob Gillespie  
Bob Gillespie, Finance Committee Chair

April 26, 2011  
Date

16 **RECOMMENDATION/MOTION:** Approve an increase of \$176,106 in GHAP funds for Neu Place  
17 Apartments.

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# REQUEST FOR INCREASE IN FUNDING

**Project Name:** Neu Place Apartments

## Project Overview

Originally, Neu Place was funded in the Fall 2009 CFC. The proposed project at that time consisted of constructing ten (10) new units for developmentally disabled (DD), building (converting) one (1) new unit in an existing garage for DD, remodeling (converting) the remainder of the garage into a small common area, and converting and remodeling a four-bedroom house into a foster-care home with four (4) beds for physically disabled (PD). At application, the project was considered a 15-unit project.

Currently, the project still consists of the 10 new units and garage conversion (one unit plus common area) as above however, the house is to remain a four-bedroom single-family residence. It will be remodeled and rented as a single-family residence at an income level not to exceed 80% MFI. The new construction 10 units and the garage conversion are presently under construction (+/-50% complete), but the house remodeling is on hold pending this review and decision. Currently, this is now considered a 12-unit project.

## Explanation of Increased Cost

There are/were 14 funding sources in this project of which four (4) require discussion for this request because they change the sources of funding for the project. The four explanations lead to the concluding total net loss in funding of \$307,894. Changes in the sources of funding are illustrated on the following table and then discussed below:

**SOURCES OF FUNDING - Changes**

Funding Source	Original App	Post Resrv. Budget	Current App	Post Change
Oregon Dept of Human Services	53,000	200,000	0	-200,000
Permanent Loan	163,000	100,000	0	-100,000
BETC	29,200	29,200	15,632	-13,568
Energy Trust	0	0	5,674	5,674
<b>Total of Sources Change</b>				<b>-307,894</b>
Less: Value Engineering				93,249
Cash Developer Fee Reduction				30,645
Developer Cash for Wx offset				7,894
				<b>Funding Gap = -176,106</b>

1. Oregon Department of Human Services (DHS) funded a \$200,000 grant of "On the Move" funding. DHS discovered that this project had been incorrectly funded with the grant source due to significant problems with the program manager. Although DHS investigated this program manager, the end result is that the project lost \$200,000 in funding.
2. A permanent loan of \$100,000 was originally intended for the project. However, the result of the loss in the DHS grant also transferred to a loss in annual income to the project. Instead of renting the house to a service provider as a foster home at \$1,960 per month, the house can now only be rented as a SFR at-or-below 80% MFI at an estimated \$1,068 per month. The loss in income eliminated the project's ability to place a \$100,000 permanent loan on the property.
3. The BETC funding has been reduced from \$29,200 to \$15,632 or a total reduction in funding from this source of \$13,568.

- 1 4. The sponsor has added Energy Trust funding in the amount of \$5,674 to partially offset the loss in  
2 BETC. Total net loss in Wx is \$7,894.

### 3 Steps Taken to Address Increases

- 4 • **Value engineering:** The sponsor has value engineered a reduction of \$93,249. This was  
5 accomplished by removing some cost items required by DHS for rehab of the “foster home”.  
6 Since it is now a SFR, these cost items could be removed. Solar and other items were also deleted  
7 on existing structures which reduced the scope of rehab on the house and garage.
- 8 • **Cash Developer Fee Reduction:** The developer is reducing the total cash developer fee by  
9 \$30,645, or from \$240,000 cash to \$209,355. This assists in reducing the gap.
- 10 • **Developer Cash Contribution:** The developer is contributing cash to zero-out the net  
11 weatherization loss of \$7,894.
- 12 • **Alternative Funding Sources:** The developer reported not seeking funds from any other source  
13 than OHCS because these sources were exhausted from initial funding of the project.

### 14 Contingency Plan if OHCS Increase is not Approved

15 UCDC reports that if funding is not approved it must consider raising rents (if possible) and using more  
16 of the developer fee as a source of funding. This would jeopardize meeting the organizations overhead  
17 and operating costs. It may also impact the organization’s ability to meet predevelopment expenses on  
18 pipeline projects.

19 **Risks or Concerns:** Nothing unusual or specific.

### 20 Options to Consider

21 GHAP funds are not available as of this presentation and can only come from one of two sources:

- 22 1. This quarter’s GHAP funds will be available at any time. If OHCS receives sufficiently more  
23 funds than budgeted, funds for New Place could come from this source. Historically, OHCS has  
received an average of \$389,000 per quarter in excess of budget.
2. If the above funds are insufficient to fill the gap, the funds would have to be allocated by  
reducing the available funds for the 2011 CFC.

24 /S/ David Summers

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25 David Summers, Manager  
26 Multifamily Housing Section