

**OREGON STATE HOUSING COUNCIL**  
**Minutes of Meeting**

Meeting Location:  
Broadway Commons  
1300 Broadway Street NE  
Mexico Room #304  
Salem, OR 97301

**9:00 a.m.**  
**August 19, 2011**

**MEMBERS PRESENT**

Maggie LaMont, Chair  
Tammy Baney  
John Epstein  
Mike Fieldman  
Jeana Woolley

**MEMBERS ABSENT**

**GUESTS**

Rob Roy, Pacific Crest Affordable Housing  
Terry McDonald, Director, St. Vincent de Paul Society of Lane County  
Zee Koza, Executive Director, New Day Enterprises, Inc.  
Anna Geller, Geller, Silvas & Associates  
Tamara Holden, Geller, Silvas & Associates  
Sister Marcella Parrish, Co-Director St. Joseph's Shelter  
Steven Ritchie, Executive Director, St. Joseph's Shelter  
France Fitzpatrick, CASA  
Sister Terry Hall, St. Joseph's Shelter  
Julie Marple, NWRECC  
Nancy Proctor  
Michael Keown  
Tiah Sanderson Devin  
Bill Lovelace, Lovelace Development  
Destin Ferdun, Consultant, Lunabridge  
Terri Silvis, Caritas Community Housing  
Dale Inslee, NOHA  
Ann Williams, St. Vincent de Paul of Lane County  
Heather Hannah Buch, St. Vincent de Paul of Lane County  
Charlie Harris, CASA  
Jessica Woodruff, REACH  
Sheila Greenlaw-Fink, CPAH

**STAFF PRESENT**

Rick Crager, Acting Director  
Nancy Cain, Chief Financial Officer  
Bob Gillespie, Housing Division Administrator  
Lisa Joyce, Policy and Communication Unit Manager  
Karen Clearwater, Regional Advisor to the Department  
Bruce Buchanan, Regional Advisor to the Department  
Karen Chase, Regional Advisor to the Department  
Betty Markey, Senior Policy Advisor  
Roz Barnes, Loan Officer  
Carol Kowash, Loan Officer  
Joyce Robertson, Loan Officer  
Janna Graham, Loan Specialist  
Shelly Cullin, Senior Loan Officer  
Carole Dicksa, HOME Program Coordinator  
Debie Zitzelberger, Loan Officer  
Phil Richards, Loan Specialist  
Jodi Enos, Tax Credit Program Coordinator  
Tony Penrose, Resource Coordinator  
Heather Pate, Multifamily Programs Section Manager  
Mike McHam, Appraiser & Market Analyst  
Dan Mahoney, Loan Officer  
Kimber Sexton, Financial Review Specialist  
John Cieri, Housing Asset Manager  
Jo Rawlins, Recorder

Karen Perl Fox, CPAH  
Betty Tamm, Neighborworks Umpqua  
Andrea Romine, UCAN  
Jody Ahlstedt, UCAN  
Mary Bartlett, Umpqua Bank  
Desiree Robinson, Umpqua Bank  
Anne Delaney, Architect  
Traci Manning, COO  
Ben Gates, Project Manager/Architect  
Betsy Hunter, Development Director,  
HACSA  
Roberto Jimenez, Director, FHDC  
Christina DeCristo, Oregon Supported Living  
Program  
Mike Masat, Rose Community Development  
Tom Kemper, Kemper Co.  
Ryan Fisher, Northwest Public Affairs

**I. CALL TO ORDER: Chair LaMont** calls the August 19, 2011 meeting to order at 9:04 a.m.

**II. ROLL CALL: Chair LaMont** asks for roll call. **Present: Tammy Baney, John Epstein, Mike Fieldman, Jeana Woolley and Chair LaMont.**

**III. PUBLIC COMMENT:** Rob Roy, with Pacific Crest Affordable Housing, says he has come to address Council at the encouragement of Tammy Baney. Baney says she thinks Council needs to hear from those that we represent, and it is important that we have a good working relationship. If there are things we need to know, or if there are questions or comments, she sees that as Council's job to have that information. Roy says they have worked with Oregon Housing for about eight years, and have done three projects. All of them have come in on budget, on time, and they are all full with 0% vacancy rates. His concern is that they made their eighth application in this CFC round and it did not get funded. With the rather limited time period that he has been involved with Oregon Housing, he is concerned about the process and concerned that there are very good projects that are not getting funded. He understands that there are lots of great projects, but they are looking for more feedback. It is one thing to be debriefed, it is another thing to have total clarity and total transparency in terms of what is happening with the decision-making when it comes to the allocation of funds.

**Baney** states that she thinks this highlights the need for the department to look at things differently. Particularly, she thinks they missed an opportunity around senior housing in this area. When looking at the needs analysis, we can take an area, and this happens all across the state, where it is 30 miles to the next town, when those are the units that we are using, because that is what is captured in the needs analysis as to the availability. We are asking people to move thirty miles out of their support system when the vast majority may not even have vehicles. We are talking about trying to bring people in from a substandard mobile-type environment into housing that is better. She says she thinks we have an opportunity to look at the uniqueness across our state. Our needs analysis needs to be based on information and data, but we also need to have a factor for some of those unique areas that may not get captured because they are being grouped in with a larger populated area. If we are looking at quality of life and trying to keep

people in their communities of support and keep them from having more need for state services, we do better housing in place than we do in trying to capture that outside the area. She says she thinks this is a prime example of only one piece. There are some things that Mr. Roy has asked of Oregon Housing and she wants to put in the record that she thinks any information we can give that is not proprietary to an applicant, she would like this Council to support in offering clarity, so we can have the best projects and assist what is an onerous application process and the patchwork of funding to get it all together. Anything we can do to assist in that process, she would hope Council would assist in. **LaMont** comments that this is not the first project that has commented that the needs assessment does not always meet the needs of all the communities, especially the smaller rural communities. She believes this is something the task force that is being formed can begin looking into statewide. She and Mike Fieldman will participate on the task force and, hopefully, they can try and help address and provide some extra assistance for small communities as to how to meet the standards on those projects. **Fieldman** adds that no matter how you look at it, the real fundamental issue is that there is not enough funding to meet the needs. There are a lot of good programs and projects that should have been funded, but there are not enough resources. The legislature chose to cut the debt limit in half from what was proposed. We are going to continue to see that and we need to continue, as a group collectively, to talk with our legislators, both nationally and locally, to provide more funding for affordable housing. It gets difficult when you are trying to compete against all very good projects. There is a great need everywhere and not enough resources to meet it.

**Epstein** thanks Mr. Roy for making his comments. He says he would like to reinforce that Council is a public body. His comments were constructive, and he wants to encourage people to make comments. Council members are citizens participating at the pleasure of the Governor. From a greater standpoint, that is the purpose of this. Council is an open body; the agency is an open agency; and it is for the good of the citizens of this state. He says that outside of their planned meetings, they are all available and willing to engage with the agency and with the public. This is what the whole public process in our country is all about. **Woolley** states that, ironically, some of the Council members just had a discussion with staff about the process to say they needed to take a look, because there is not enough money, and that the process has become so competitive. We are turning down great projects in these CFC rounds because we do not have enough resources. That suggests that we need to be very mindful every time we go through the process to try and reevaluate what has changed and what we can do better. This is great encouragement and we want to hear from people when they do not understand. *You are our partners and you have a right to understand what is going on, on this end of it. Rest assured we are getting ready to evaluate the process for 2012 because we know there are some things that we need to take a harder look at and figure out if we can do a better job at allocating the scarce resources.* She thanks him for coming forward. **Baney** asks that staff work with Mr. Roy to answer his questions. **LaMont** says that, if there are questions after the debriefing, it is quite appropriate for applicants to contact staff and have those questions answered, as much as they can. It is important if applicants are not funded, to understand why they were not, so that if they want to come in next year for funding they will know what areas they need to improve on their application. She encourages applicants to do that. She says no applicant should ever go away confused, and not clearly understanding what the problem is with their application. It is very important that we understand where our deficiencies are. **Crager** adds that, as Rob alluded to, there is a debrief process that we go through, and if there are other questions, we are committed to providing as much information as we can. There are certain items we cannot legally provide.

To the extent of helping Mr. Roy understand his application and where there are opportunities to improve on it, we are committed to doing that.

**IV. APPROVAL OF MINUTES**

**A. Chair LaMont** asks if there are any corrections to the July 15, 2011 Minutes. There being no corrections, the Motion was read:

**MOTION: Woolley moves that the Housing Council approve the Minutes of the July 15, 2011 Council meeting.**

**VOTE: In a roll call vote the motion passes. Members Present: Tammy Baney, John Epstein, Mike Fieldman, Jeana Woolley and Chair LaMont.**

**V. RESIDENTIAL CONSENT CALENDAR:** None.

**VI. SPECIAL REPORTS:** None.

**VII. NEW BUSINESS:**

**A. Hillcrest Mobile Home Park** (Oakridge, OR), MDPP Grant Request. **Debie Zitzelberger**, Loan Officer, introduces **Terry McDonald**, Director of St. Vincent de Paul Society of Lane County, and **Karen Clearwater**, Regional Advisor to the Department. **Zitzelberger** states that the funds requested will be used to acquire a mobile home park in Oakridge, Oregon, and she gives an overview of the write-up contained in Council's packet. **McDonald** points out the economic impact the park will have on the community, starting next month when St. Vincent de Paul Society of Lane County opens up a new service center in Oakridge with a Laundromat, so that immediately adjacent to the park there will be laundry facilities available for the first time in four years. They have a very good service package being provided with their partnership with the Cresky Foundation for the next five years, to ensure that the families and the individuals in this park are more closely tied into services that are not currently available in the community. Especially the low-income energy assistance programs, the utility, food and job-training programs. They have the opportunity to have a unique synergy between the park and the larger community. **Fieldman** asks what precipitated the sale and if the owner was wanting to get out of the business. **McDonald** explains that the ownership of this park is by an absentee owner whose family owned property in Oakridge in the 1950-1960s when it was an active timber town. The owner has long retired and wants to sell, but there has been no market. **Baney** comments that when talking preservation, it helps to highlight the new services that are coming to the community because a lot of communities have lost so much. **McDonald** adds that they are also bringing a retail store so that people do not have to go 40 miles to buy things. There are also six office spaces that will be supported by the small business incubator program that they are working with, which will enhance the ability for people to have more economic opportunities. **Crager** says he wants to remind Council that this is a big part of the department's preservation package from last biennium. The department was given dollars from lottery-backed bond resources and \$3M was allocated specifically for this. This is the last of four projects. St. Vincents has been a key partner in helping us with this model. By going forward with the four parks we have been able to fund with those resources, we can show that we are making a big difference. We will be able to use these models to illustrate to the legislature the difference that is being made.

**MOTION: Baney moves that the Housing Council approve a grant award of up to \$600,000 from Manufactured Dwelling Park Preservation resources to St. Vincent de Paul Society of Lane County, Inc. to acquire and renovate Hillcrest Home Park in Oakridge, Oregon.**

**VOTE: In a roll call vote the motion passes. Members Present: Tammy Baney, John Epstein, Mike Fieldman, Jeana Woolley and Chair LaMont.**

**B. 2011 Consolidated Funding Cycle**

1. *Overview.* **Tony Penrose**, Resource Coordinator and **Heather Pate**, Multifamily Programs Section Manager. **Penrose** reports that the department received 43 applications, and 24 were selected for funding reservations. 18 projects are requesting resources in excess of \$200,000 from any single program, or \$400,000 in combined programs, and are being presented to Council today. This round, 50% of grant and tax credit resources, and all preservation funds, were targeted for preservation projects. 10 of the 43 applications received were for projects that would meet this goal. 9 of the 10 were funded and the remaining funds were allocated proportionately to the Urban/Metro and Rural areas. The urban/metro consists of city and county entitlement areas that receive their own allocation of HOME funds: Corvallis, Clackamas County, Eugene/Springfield, Salem/Keizer, Multnomah County and Washington County. The rural allocation is the remainder of the state. The department was able to allocate 45% of the resources through set-asides. One project awarded was not preservation, but did have new RD/HUD funds (48%). He gives an overview of the 6 projects previously approved by the Finance Committee, that do not require Housing Council approval:

- *Cherry Creek* (Medford, OR), sponsored by the Housing Authority of Jackson County, is a proposed two-phase new construction, workforce housing project, targeting families, with a 60-year affordability period. *Cherry Creek Part I* will contain nine, two story residential buildings, 50 units, of which 49 units will be affordable to households earning 50% AMI. One manager unit will be non-income qualified. Eighteen (18) units will be rent subsidized with Section 8, Project-Based Vouchers issued by the Housing Authority.
- *Duck Country Apartments: Dunhill Apartments – Linnwood Apartments – Wilsonville Heights Apartments*, sponsored by Chrisman Development and Management, Inc., is a split site with three existing subsidized family projects. *Dunhill* is a 1983 project in Dundee, Oregon, with five buildings containing 28 units, with office and laundry. *Linnwood* is a 1982 project in Sherwood, Oregon, with two buildings containing 24 units. *Wilsonville Heights* is a 1985 project in Wilsonville, Oregon, with two buildings containing 24 units.
- *Eliot MLK Project* (Portland, OR), is a new construction project with mixed-use and commercial elements. The project is sponsored by Innovative Housing, Inc. The focus of the project will be low-income workforce and homeless housing at a range of incomes between 0 – 60% of AMI, with an affordability period of 60 years. It will include 49 units with a mix of studio, one and two bedrooms, and the floor level commercial will have one or two tenants.
- *Glisan Commons* (Portland, OR), is Phase I of a two-phase, mixed-use, consisting of 120 units serving workforce and seniors, and 16,000 square feet of commercial space. Human Solutions will sponsor the first phase of housing. Ride Connection will own the 16,000 square foot commercial component, and REACH CDC will sponsor the Phase II senior housing. Phase I will consist of 60 units of workforce housing at or below 60% of AMI. The affordability period will be 60 years.

- *Stellar Apartments* (Eugene, OR), will provide 54 units, including a manager unit, for families and special needs at or below 50% AMI. This new construction project will have 11 two and three story buildings, with a community building. St. Vincent de Paul Society of Lane County is the sponsor.
- *Timber Grove Apartments – Estacada Village Apartments* (Estacada, OR) – *Firwood Village Apartments* (Sandy, OR), is sponsored by Chrisman Development and Management, Inc. *Timber Grove* is a split site existing of family projects serving residents at or below 50% AMI, with an affordability period of 30 years. *Estacada Village* has 7 buildings with 48 units, and an office and laundry. *Firwood Village* has 4 buildings with 24 units, community building, office and laundry. 50 of the units have RD project-based assistance.

**Penrose** explains that the funding requests being presented to Housing Council for approval, consist of both GHAP and Trust Fund, in order to give the department flexibility to switch the funding, depending on the need of the project, but the amount requested remains the same. **Baney** asks about why the Timber Grove Apartments are packaged together, versus having them apply individually, when they are in two different areas. **Penrose** explains that the financing is together because RD is looking at them as a combined package. **Baney** asks about the added \$4M and the almost \$800,000 for the tax credit. **Pate** explains that the department is forward allocating funds, so those are not reserves. The department is looking ahead because Trust Fund and GHAP are coming in constantly. **Crager** adds that when the department put the advertising out, there was still some uncertainty related to some of the preservation bonds that were issued. In addition, the document recording fee projection came in higher than was anticipated so there were more available resources. **Epstein** asks how far into the future the department looks when forward allocating. **Crager** says that with the document recording fee the department budgeted what it had, or what was conservative to the end of the quarter. **Pate** adds that the CFC was advertised in December, so they looked to the end of last year. **Crager** states that now that the department is looking at the forecast closer, if we wait until next year we will have banked \$8- \$9M that is just sitting there. It will be better to do some future forecasting, so it was decided to take resource projections through the end of December, and that is revenue that will be coming in and that is committed. Next year, what will happen with the CFC, is that the department will be allocating the resources that have come in for the first two quarters of the calendar year, as well as resources for the third and fourth quarters. **LaMont** says the good news is the department has more money; the bad news is, it comes from foreclosures. **Epstein** comments that he just wants to make sure the department is not getting out in front of itself, projecting money that it is not sure about. **Crager** says no, and from a budget standpoint, the department is conservative.

2. *Grande Manor* (LaGrande, OR). **Mike McHam**, Appraiser and Market Analyst, introduces **Zee Koza**, Executive Director of New Day Enterprises, Inc., **Tamara Holden**, Geller, Silvas & Associates, and **Bruce Buchanan**, Regional Advisor to the Department. He reports that Grande Manor is a proposed five-bedroom group home, designed to serve five disabled individuals, with resident services targeting developmentally disabled requiring 24/7 care. This is a priority one population for the area. Incomes are targeted to below 30% of AMI, and is well located in a residential neighborhood. The total project cost is \$500,000, including GHAP and Trust Fund from OHCS, plus additional funding from New Day. The sponsor is a well-established nonprofit developer serving individuals in Union County for over 39 years. They are the owner, developer and manager of six other similar group homes. New Day has recently completed two similar projects. They have sufficient development capacity to complete the project.

**LaMont** declares a conflict of interest because her daughter is employed at New Day. She says she will not participate in the discussion, nor vote on the project.

**Baney** asks about the proposed rent of \$846 for a five-bedroom group home. **McHam** explains that it is the cumulative total of the rents. Most of the income is subsidized through other funding. **Koza** adds that most of the tenants receive their money from Social Security, and that provides their room and board. **Woolley** asks why it is not listed as five units in the spreadsheet. **McHam** says it is considered a group home with five bedrooms because it has a central common kitchen, and the units do not have individual toilets or cooking facilities. **Woolley** says that by looking at the spreadsheet, it appears they are spending \$500,000 on one unit, and you have to pay attention and read the details. She says this is something they need to think about in terms of perception.

**MOTION:** **Baney** moves that the Housing Council approve a GHAP/HDGP grant in the amount up to \$425,230 to New Day Enterprises, Inc. for the new construction of Grande Manor, located in La Grande, Oregon. Award is contingent upon meeting all program requirements and conditions of award.

**VOTE:** In a roll call vote the motion passes. Members Present: **Tammy Baney, John Epstein, Mike Fieldman and Jeana Woolley.**  
Abstain: **Chair LaMont.**

3. *St. Joseph's Shelter* (Mt. Angel, OR). **Mike McHam**, Appraiser and Market Analyst, introduces **Sister Marcella Parrish**, Co-Director, **Steven Ritchie**, Executive Director, **France Fitzpatrick** with CASA, and **Karen Chase**, Regional Advisor to the Department. **McHam** reports that this project is a proposed improvement acquisition and remodeling of a dormitory-style building into a ten-unit project consisting of two studios and eight two-bedroom units. The project targets migrant farmworkers, especially those with families requiring larger units. Incomes are at or below 50% AMI. The sponsor will also provide a full-resident service package necessary for this population. The total project cost is \$2.1M, including GAHP, Trust Fund, Farmworker Housing Tax Credits, plus additional funding from Federal Home Loan Bank and HUD Rural Innovation Fund. The property was donated by the Benedictine Sisters in Mt. Angel. **Epstein** asks if this is intended for a 12-month use. **McHam** says the plan is for a maximum of nine months. He explains that there has been a shift in the population as far as demand, and there is more demand for family-type housing than individual housing. **Epstein** asks about the cost of rehab of an existing dorm, versus new construction which could come in at the same price. **McHam** says this has been approved by Finance Committee. **Fitzpatrick** explains that the property was donated and the value on that was over \$600,000. **McHam** states that the total project cost includes the donated building. If you back that out, it is over 25% of the project cost. **Epstein** says instead of \$200,000 per unit, it is closer to \$100,000 per unit. **Crager** states that it is about \$150,000. **Epstein** says a greater issue when looking at these, is that sometimes people get caught up emotionally on existing properties. But if you run the math you can build a new property for the same price. You would be ensured more longevity on a building with new construction. **McHam** says he thinks what he is suggesting is a cost feasibility analysis. These projects are funded based on cost. **LaMont** says she disagrees with that. If you have a project that is in the best area for the population being targeted, even if it is a little more expensive or comparable, sometimes that would be the best use of the project. Especially with farmworker, where the project is located is very important in acquisition. **Baney** suggests adding this to the list of policy discussions. If we have had that

conversation with people bringing in a project, it gives us the opportunity to say we did look at all the comparables. **Woolley** says she presumes this is part of a complex and there is some historical value to the original complex. It is always more expensive to rehab buildings that were constructed a long time ago.

**MOTION:** **Baney** moves that the Housing Council approve a **GHAP/HDGP** grant up to **\$500,000** and a **Low-Income Weatherization Program Grant** up to **\$7,500** to **St. Joseph Shelter** for the acquisition/rehabilitation of the **St. Joseph Shelter Rehabilitation** project located in **Mount Angel, Oregon**. Award is contingent upon meeting all program requirements and conditions of award.

**VOTE:** In a roll call vote the motion passes. **Members Present:** **Tammy Baney, John Epstein, Mike Fieldman, Jeana Woolley and Chair LaMont.**

4. *Crestview Court Apartments* (Beaverton, OR). **Joyce Robertson**, Loan Officer, introduces **Julie Marple**, Northwest Real Estate Capital Corp. **Robertson** reports that Northwest Real Estate Capital Corporation's CFC application requests funding for the acquisition and rehabilitation of the Crestview Court in Beaverton, which is a 48- unit family project built in 1979. Northwest Real Estate Capital Corporation purchased Crestview Court in June of 2010, using short term financing to prevent the project from being sold and converted to market rate housing. During the interim period, the HAP contract was renewed on an annual basis. With the award of CFC resources, Northwest Real Estate Capital will request a 20-year HAP contract in February 2012. Rehabilitation of Crestview Court is needed to repair or replace items that are at the end of their economic life and to ensure this project will last for the next 30 years. The rehabilitation cost is estimated at \$44,555 per unit; will include upgrading units to ADA standards, with one unit specialized for audio or visually impaired tenants. **Epstein** says he thought there was a uniform term of affordability. **Crager** answers that there is, but it won't take effect until the next cycle.

**MOTION:** **Woolley** moves that the Housing Council approve a **GHAP** grant in an amount up to **\$200,000**, a **Housing Preservation Fund** grant in an amount up to **\$272,671**, and a **Low Income Weatherization** grant in an amount up to **\$61,772** to **Northwest Real Estate Capital Corp.** for the acquisition and rehabilitation of **Crestview Court Apartments** located in **Beaverton, Oregon**. Award is contingent upon meeting all program requirements and conditions of award.

**VOTE:** In a roll call vote the motion passes. **Members Present:** **Tammy Baney, John Epstein, Mike Fieldman, Jeana Woolley and Chair LaMont.**

5. *Columbia Hills Manor* (Arlington, OR). **Carole Dicksa**, HOME Program Coordinator, introduces **Nancy Proctor**, President of Columbia Hills Manor, Inc., **Michael Keown**, Board Member, **Tiah Devin**, Project Manager, and **Bruce Buchanan**, Regional Advisor to the Department. **Dicksa** reports that Columbia Hills Manor will consist of eight units for

independent seniors, 60 years of age and older. It is anticipated that most residents will be couples, instead of singles, so there will be two one-bedroom units and six two-bedroom units. This project is an important project to the community because the nearest independent housing for seniors is 38 miles away. This project will allow local seniors to stay in their community and participate and enhance the city of Arlington. **LaMont** points out that there is a typo regarding the cost per square foot (\$202.14 not \$26,890). **Woolley** asks that the typo be corrected because these are public documents. **Fieldman** asks for further explanation of the two-bedroom feature in this project. **Devin** explains it is because they will have couples and many seniors do not stay in the same room. Also, because it is so far away from town, they wanted to allow them to have some independence so guests could stay with them, or a temporary caregiver. **Dicksa** adds that the market information looked at who would be interested and couples were the majority of the interested parties. **Baney** comments that the unit cost is still high. **Devin** states that the bare lot was a donated lot from the City of Arlington. It is only partially ready and a tremendous amount of earth work needs to be done. The donated part is almost entirely the earth work. The total cost of the project is around \$2.1M, the funded portion is about \$1.5M. The county will come in and Proctor Transport will do almost all of the earth work. **Dicksa** says they do not have the benefit of building 20 units; they are only building eight. **Crager** states that, in the preliminary review, they discussed cost per unit on new construction and they did discuss the scale issue. **LaMont** suggests that the write-ups show when items are donated, like the building or land, and that it may be helpful to include donations with the identified funding sources. **Woolley** adds that it would be good to highlight that because one thing Council looks for is community support and that is often demonstrated by contributions to the local project. **Buchanan** says that is very true in rural parts of the state. The match on the application is different in rural areas. **Crager** states that in the past, the department has used the leveraging resources, state resources, and the match piece as a component. **Baney** says if that is reflected in the unit cost, Council needs to have both. **Dicksa** points out that with the HOME program there is a 25% match requirement. **Epstein** comments that it allows Council to compare apples to apples if they can get to our funding and hard bank debt funding. Council wants to see the third party funding and what that costs per unit, and if the community wants to enhance that further and make the cost more expensive. **Woolley** adds that when they put in more money, the leverage rate is higher.

**MOTION:** **Woolley** moves that the Housing Council approve a GHAP/HDGP grant/loan in an amount up to \$500,000 and a HOME Investment Partnership Program grant up to \$1,015,029 to Columbia Hills Manor, Inc. for the new construction of Columbia Hills Manor located in Arlington, Oregon. Award is contingent upon meeting all program requirements and conditions of award.

**VOTE:** In a roll call vote the motion passes. **Members Present:** Tammy Baney, John Epstein, Mike Fieldman, Jeana Woolley and Chair LaMont.

6. *Ocean Winds* (Brookings, OR). **Carol Kowash**, Loan Officer, introduces **Bill Lovelace** of Lovelace Development, and Karen Clearwater, Regional Advisor to the Department. **Kowash** reports that this project will have nine buildings on 2.5 acres in Brookings, and will have retail, employment and most services nearby. The units will serve workforce housing residents in a mix of townhouse and flat units surrounded by a community center. The community center will have offices and rooms for service providers, classrooms, a

computer lab, laundry, maintenance shop and rental offices. The 39 affordable units will have Section 515 Rural Development rental assistance, which will allow a payment of no more than 30%, based on the tenants' income. An additional unit will house the manager of the property. Lovelace Development will develop the parcel. This is another small community that has very low availability to affordable housing. Having the project-based assistance is important, as the residents have low income levels. **Lovelace** comments that they did receive \$1M in funding from RD and 100% rental assistance for this project. They were one of 42 projects selected nationally and the only one in Oregon. **Epstein** says he has heard rumblings about RD cutbacks and taking 60,000 rental assistance units out of service due to budget cuts. **Gillespie** comments that he has had discussions with RD regarding this, and they will be making the cuts through attrition. As projects fall out they are recapturing the rental assistance. He says that will be a discussion on one of the projects coming up at the next Council meeting. The days of 100% rental assistance are gone. **Lovelace** they have a guarantee of refunding from RD. **LaMont** says that RD periodically goes through and looks at projects and if there is a market rate tenant that is not using the subsidy, they pull the subsidy. She says she assumes that means there will be another big sweep of unused subsidies. **Baney** says the unit cost is pretty high, that Curry County is just not able to assist, and they will be struggling with the economy. It is one of the highest of the unit costs. She understands the need in the community, but she just wants to be cautious. **Shelly Cullin** comments that when you start to look at department policy and the best practices documents, some of the activities we are requiring do cost more. **Clearwater** adds that the rental assistance on this project is on the unit, so the tenant only pays 30% of their income. If they are unemployed, they will pay a very small amount. The demand for this project will be big. **Kowash** says that other similar projects in the area have waiting lists and they do not have rental assistance. **Lovelace** states that the state does have requirements that they comply with DEQ upgrades to a lot of public services, so the SDCs are exorbitant, and the other problem is that Brookings is miles away from services. **Baney** responds that, being in local government, SDCs are a community choice, and there is a give and take of having affordable housing, as well as offsetting some of those costs. **Clearwater** says she did talk to the city about this, and they say they do not have the ability to waive charges. They had to put in a new upgrade to their sewer system because it was failing, and they do not have the luxury of waiving hook-up fees for any housing. It is a resort town with lots of absentee residents that do not shop, work or pay into the community. The coastal communities are really struggling. **Baney** states that those are also policy decisions for local government. **Crager** says he wants to underline what Shelly said. As Council talks more about policy at the next Council meeting, from a policy standpoint, we need to ensure that the affordable housing that is developed, lasts. **Woolley** adds that one of the things that should be done in preparation for that discussion, is to try and quantify what we think the burden is, so we have the cost benefit analysis.

**MOTION: Baney moves that the Housing Council approve a HOME award in an amount up to \$437,800 and GHAP/HDGP grant up to \$200,000 to Lovelace Development, LLC, for construction of Ocean Winds in Brookings. Award is contingent upon meeting all program requirements and conditions of award.**

**VOTE: In a roll call vote the motion passes. Members Present: Tammy Baney, John Epstein, Mike Fieldman, Jeana Woolley and Chair LaMont.**

7. *Cedar Park Gardens* (Sandy, OR). **Carol Kowash**, Loan Officer, introduces **Destin Ferdun**, Lunabridge Consultant, and **Terri Silvas**, Caritas Community Housing. **Kowash** reports that this is an RD, phased process rehabilitation project for elderly residents, and that they are currently at phase two. Rental subsidy will provide affordability to the tenants to 30% of their income levels. The development was built in 1982. It has 19 one-bedroom and one two-bedroom units. It could have been returned to market rents in 2005, but it was preserved through a Caritas/Catholic Charities purchase, providing affordability to the area for another 30 years. The average tenant makes less than \$12,000 a year and is at 23% of AMI. Rehab will include converting and upgrading two units to ADA standards of accessibility. Exterior renovations will take place that include roof, windows, railings and cement board siding replacement. Whole house ventilation will be included in the units. **Silvas** adds that they purchased this project in 2005, and since that time have been using reserves and USDA money, CDBG, and some Clackamas County HOME funds to do some of the most critical renovations to the property. It was a preservation project beginning many years ago. Now they are down to the last several hundred thousand dollars, so they have come to Council to ask for the very last piece they need, which is about 30% of the cost of the renovations.

**MOTION: Baney moves that the Housing Council approve a Housing Preservation Fund (HPF) award in the amount of up to \$144,825, and a GHAP/HDGP grant of up to \$465,175 to Catholic Charities for rehabilitation of Cedar Park Gardens in Portland. Award is contingent upon meeting all program requirements and conditions of award.**

**VOTE: In a roll call vote the motion passes. Members Present: Tammy Baney, John Epstein, Mike Fieldman, Jeana Woolley and Chair LaMont.**

8. *Strawberry Village* (Prairie City, OR). **Joyce Robertson**, Loan Officer, introduces **Dan Inslee**, Northwest Oregon Housing Authority, and **Bruce Buchanan**, Regional Advisor to the Department. **LaMont** declares a conflict, stating that this is one of her projects, and says she will abstain from the discussion and the vote. **Robertson** reports that Northeast Oregon Housing Authority is requesting funding for the acquisition and rehabilitation of the Strawberry Village in Prairie City. Strawberry Village is a 10-unit family project built in 1981, receiving HUD project based rental assistance. Grant County has an unemployment rate of over 14%. There are few other housing options for the families residing at Strawberry Village, so it is important that it be preserved as affordable housing. The rehabilitation cost is estimated at \$79,671 per unit, and will include replacing components that have reached the end of their economic life; upgrading the building for better energy efficiency, and adding playground equipment. Temporary relocation is not anticipated, but should it be necessary, approximately \$10,000 has been budgeted for relocation assistance. **Inslee** states that the need to preserve is obvious and important. In a small, rural community like Prairie City, this is one of the only things available for those families. It is a wonderful project for the community. It will have a safe and secure look and will be inviting to all the families that live there. **Baney** asks how he knows for sure they will have the people that they need. **Inslee** responds that at the time the application was submitted, there were four vacancies, but it is 100% occupied currently. There are some other low-income projects in John Day. They run a tight program as far as encouraging the families and overseeing and offering extra assistance. When the project is rehabilitated, it

will be an invitation for families to raise children there. **Buchanan** says there is a demand, which was addressed in the market study that is part of the application. This is a typical 35-year old HUD project that has not been as well maintained as it should have been. When it is rehabbed it will be representative of the good work the department does on preservation projects. He says he thinks the market data stands on its own. There will be a curb appeal and a desire to live there, that does not currently exist.

**MOTION:** Fieldman moves that the Housing Council approve a Housing Preservation Fund grant in an amount up to \$201,775, a GHAP grant in an amount up to \$499,500 and a HOME Investment Partnership Program grant in an amount up to \$513,358 to Northeast Oregon Housing Authority for the acquisition and rehabilitation of Strawberry Village Apartments located in Prairie City, Oregon. Award is contingent upon meeting all program requirements and conditions of award.

**VOTE:** In a roll call vote the motion passes. Members Present: Tammy Baney, John Epstein, Mike Fieldman and Jeana Woolley. Abstain: Chair LaMont.

9. *Jefferson Court Apartments* (Madras, OR). **Joyce Robertson**, Loan Officer, introduces **Anne Williams**, St. Vincent de Paul of Lane County, and **France Fitzpatrick** and **Charlie Harris** of CASA of Oregon. **Robertson** reports that St. Vincent de Paul of Lane County is requesting funding for the acquisition and rehabilitation of the Jefferson Court in Madras. Jefferson Court is a 26-unit family project built in 1979 and includes two units adapted for physically disabled tenants. With Rural Development rental assistance, tenant rents are 30% of their income, which averages less than \$10,000 for the residents of Jefferson Court. With funding approval, the exterior and interior of Jefferson Court will be completely rehabilitated, improving the street presentation and marketability of the project, as well as insuring an additional 30 years of useful project life. The rehabilitation cost is estimated at \$38,264 per unit. It is expected that tenants will be temporarily displaced during the rehabilitation of this project. Rehabilitation will be staged, impacting eight to nine tenants at a time. A budget of approximately \$75,000 is being used to assist the tenants with motel vouchers and per diem food allowances during the temporary displacement. **Williams** adds that of all of the RD projects she has looked at, this project is unique in that it is not necessarily immediately identifiable as an RD project. It is sited in a well-maintained residential area, it has wonderful green spaces and mature trees. It is within walking distance of schools and food shopping. The project presents very well. Once we are done with rehab it will be an incredibly important preserved addition to the community.

**MOTION:** Woolley moves that the Housing Council approve a GHAP grant in an amount up to \$500,000 and a Housing Preservation Fund grant in an amount up to \$468,000 to SVDP for the acquisition and rehabilitation of Jefferson Court Apartments located in Madras, Oregon. Award is contingent upon meeting all program requirements and conditions of award.

**VOTE: In a roll call vote the motion passes. Members Present: Tammy Baney, John Epstein, Mike Fieldman, Jeana Woolley and Chair LaMont.**

10. *Maples II Apartments* (Hillsboro, OR). **Joyce Robertson**, Loan Officer, introduces **Jessica Woodruff**, REACH Community Development. **Robertson** reports that REACH Community Development is requesting funding for the acquisition and rehabilitation of the Maples II in Hillsboro. The Maples II was built in 2001 and has 21 one-bedroom units serving elderly tenants with less than 50% of AMI. The average age of Maples II residents is 73.5, and the average income is 20% of AMI. 100% of the units are covered by a HUD project based assistance contract. Funding for the Maples II is needed to cure deferred maintenance issues. The exterior siding is currently allowing moisture to penetrate and needs to be addressed before damaging sheathing and framing. The roof will be replaced to ensure 30-year sustainability. Interior upgrades will be made to meet ADA requirements and home ventilation will also be added to improve air quality issues. The rehabilitation cost is estimated at \$17,537 per unit. Relocation of tenants is not anticipated. If residents need to be displaced, it should be for four days or less and they would return to their same unit. The sponsor has budgeted approximately \$26,003 for relocation assistance. The previous sponsor of the Maples II project did not request HUD rent increases to cover rising operating costs or reserves. REACH Community Development is requesting a rental increase from HUD, so there will be reserves to cover future project needs. Tenant-paid rents will remain at 30% of their income. **Baney** points out that the costs are low. **Woodruff** clarifies that this is a HUD single-asset entity, which was done by another group that is a volunteer group. REACH became the sponsor after that group came to them because they wanted to get out of that business. So they were approved by HUD a year ago and they now control the single-asset entity. When they took it, part of their due diligence was to do a capital needs assessment, which showed they were going to take an asset that had construction defects when it was built. For example, the flashing was put on backwards. They will be able to fix that before damage can occur. They have another 30 years on the HUD contract, and it will set them up with the rent increases they are requesting.

**MOTION: Woolley moves that the Housing Council approve a HDGP grant in an amount up to \$108,559, a Housing Preservation Fund grant in an amount up to \$378,000 and a Low Income Weatherization grant in an amount up to \$3,260 to REACH Community Development Inc. for the acquisition and rehabilitation of Maples II Apartments located in Hillsboro, Oregon. Award is contingent upon meeting all program requirements and conditions of award.**

**VOTE: In a roll call vote the motion passes. Members Present: Tammy Baney, John Epstein, Mike Fieldman, Jeana Woolley and Chair LaMont.**

11. *Spencer House Apartments* (Beaverton, Oregon.) **Joyce Robertson**, Loan Officer, introduces **Sheila Greenlaw-Fink** and **Karen Perl Fox** of Community Partners for Affordable Housing. **Robertson** reports that Community Partners for Affordable Housing is requesting funding for the acquisition and rehabilitation of the Spencer House in Beaverton. Spencer House is a 48-unit family project built in 1971. HUD project based rental assistance on

37 of the 48 units keeps tenant rent at 30% of their adjusted income. Tenants stay an average of six years at Spencer house, with 11 current households having been there for over 10 years. Spencer House is in an ideal location for families with schools, parks, shopping and public transportation all nearby. Rehabilitation is needed to address critical needs at Spencer House, as well as updating and providing another 30 years of sustainable affordable housing. Rehabilitation will include repairing or replacing upper landing and deck structures, and poor ventilation, that have been identified as critical health and safety concerns. Siding, windows and doors will be replaced to cure moisture issues, and drainage added to address standing water issues. The rehabilitation will also include the renovation of three ground-floor units to be fully accessible. One unit will have sight and hearing impairment warning devices installed. The rehabilitation cost is estimated at \$50,713 per unit. Temporary relocation of tenants will occur and there is a budget of approximately \$163,705 to temporarily relocate eight tenants at a time for up to three months.

**MOTION: Fieldman moves that the Housing Council approve a Housing Preservation Fund grant in an amount up to \$765,300, an HDGP grant in an amount up to \$422,700 and a Low Income Weatherization grant in an amount up to \$158,779 to Community Partners of Affordable Housing, Inc. for the acquisition and rehabilitation of Spencer House Apartments located in Beaverton, Oregon. Award is contingent upon meeting all program requirements and conditions of award.**

**VOTE: In a roll call vote the motion passes. Members Present: Tammy Baney, John Epstein, Mike Fieldman, Jeana Woolley and Chair LaMont.**

12. *Eagle Landing* (Roseburg, OR). **Roz Barnes**, Loan Officer, introduces **Betty Tamm**, Executive Director of Neighborworks Umpqua, **Andrea Romine**, UCAN, **Anne Delaney**, Bergsund, Delaney Architecture, and **Karen Clearwater**, Regional Advisor to the Department. **Fieldman** declares a conflict of interest and says he will be abstaining from participation and voting. **Epstein** also declares a conflict of interest. **Barnes** reports that Eagle Landing will consist of 10 residential buildings with 54 units of supportive housing for homeless veterans, with one manager unit. The four buildings which house the one-bedroom units are multi-story. The five duplexes containing the family units are single story. 44 of the units will offer permanent supportive housing, while the remaining 10 units will provide transitional housing. Tenants will pay no more than 30% of their income in rent. Ideally situated on the Veterans Administration Medical Center campus, comprehensive services will be offered and coordinated with existing services made available through the VA. In 2010 Neighborworks Umpqua applied for and received a department predevelopment loan in the amount of \$67,000. The Veterans Administration has committed a \$1.25M donation in the form of a land lease and a \$1M grant for the construction of Eagle Landing, plus a little over \$1.3M in a VA grant for transitional housing. The current market study calculated a marginal demand for 180 units of permanent supportive housing for veterans. 153 of the 180 Veterans surveyed have an income of 30% of AMI or less. The remaining 27 veterans have incomes that fall between 30% and 40% of AMI. The market rate complexes in Roseburg had an average vacancy rate of 2.6%, while the affordable complexes surveyed had an average vacancy rate of 3.4%. With all the information gathered, it is obvious there is a need for additional, affordable housing for veterans and Eagle

Landing will help to make it possible for 54 families to have safe and secure housing. **Tamm** states that Neighborworks Umpqua, Umpqua CDC and UCAN have been working on this project for over a year. The VA has been a tremendous partner, both giving them 10 acres in the middle of Roseburg, and committing \$1M in construction money. They are committed to this project. The veterans groups in Roseburg, that represent all the lines of service, are very vocal and supportive and have been in front of the legislature quite a bit lately to secure services. It will be a nice connection. There is also a plan for a veterans' home on the campus. It is a well integrated project. **Clearwater** adds that this was an RFA process, they awarded four RFA awards, and this is the only project in the nation that is moving forward. **Baney** says that if they were to factor in what they have been able to garner from the community, it would shift the costs. She is excited to see Meyer Memorial and Ford Family in that part of the state. She cannot think of a better way to spend money than on those that have taken care of us. There are a lot of veterans in our state that are underserved.

**MOTION:** Woolley moves that the Housing Council approve a HOME grant of up to \$900,000; an HDGP/GHAP grant/loan of up to \$200,000; a HELP grant of up to \$200,000; to Umpqua Community Development Corporation for the new construction of Eagle Landing in Roseburg, Oregon. Award is contingent upon meeting all program requirements and conditions of award.

**VOTE:** In a roll call vote the motion passes. Members Present: Tammy Baney, Jeana Woolley and Chair LaMont. Abstain: John Epstein and Mike Fieldman.

13. *Butte Hotel* (Portland, OR). **Roz Barnes**, Loan Officer, introduces **Traci Manning**, Chief Operating Officer, Central City Concern, and **Ben Gates**, Project Manager and Architect. **Barnes** reports that Central City Concern has owned the Butte Hotel since 1981 and rehabilitated it in 1984. The Butte Hotel is a proposed rehabilitation of 38 units of affordable housing serving low and extremely-low income households. All units, with the exception of one, are Section 8 project-based units. The 1984 rehabilitation was moderate in scope and it now is required structural stabilization, envelope repair, weatherization measures, fire/life/safety and health upgrades, in order to ensure long-term viability. The proposed rehabilitation work, which is mainly confined to the building exterior and common areas, will occur with the tenants in place. No relocation is expected, although a contingency of \$2,000 is reserved for any unforeseen, temporary relocation needs. There currently is and will continue to be a high demand for Section 8 units. There is a limited supply of a little over 1,600 Section 8 units within downtown Portland. Currently no new Section 8 units are in the development pipeline. Moderate employment and population growth suggest an increasing demand for the project, especially when considering the rapid growth in the lowest paying industries. The Butte Hotel has been in service to those at risk of homelessness for nearly 30 years. The Butte Hotel is a worthwhile project in the Portland downtown area that needs to be rehabilitated to ensure it remains an affordable and sustainable housing project. Of the \$1.2M going into this rehab, over \$700,000 is coming from other sources. We are asking approval of a \$500,000 Housing Development Grant. **Manning** adds this project does not bring in a lot of revenue, so they have partnered with other agencies to try and get the resident services. **Gates** says he would like to highlight the importance of this building for the community, as well as the residents. About four years after they rehabbed it, the City of Portland recognized that there was a decline in affordable housing.

Since that time the City has lost nearly 50% of affordable units at this level. The residents are people are coming off the streets. Often they have addictions, are unemployed, have mental issues, or a combination of these factors. The location of the building is in the center of the city, so all of the services that would assist are located within walking distance. **Fieldman** asks him to talk about the commercial revenue mentioned in the proposed annual operating budget. **Manning** explains that it is a mixed-use building, and that Sisters of the Road café is the ground floor commercial tenant. **Woolley** compliments Central City Concern on all of the great work they do in Portland.

**MOTION: Woolley moves that the Housing Council approve a GHAP/HDGP loan/grant in an amount up to \$500,000 to Central City Concern for the rehabilitation of the Butte Hotel located in Portland, Oregon. Award is contingent upon meeting all program requirements and conditions of award.**

**VOTE: In a roll call vote the motion passes. Members Present: Tammy Baney, John Epstein, Mike Fieldman, Jeana Woolley and Chair LaMont.**

14. *Norseman Village Apartments* (Junction City, OR). **Tony Penrose**, Housing Resource Coordinator, introduces **Betsy Hunter**, Development Director for Housing Authority and Community Services Agency of Lane County, and **Karen Clearwater**, Regional Advisor to the Department. **Penrose** reports that the Norseman Village Apartments is sponsored by Housing Authority and Community Services Agency, which acquired the Norseman Village Apartments in 2006. The project was built in 1976, and is a 44-unit low-income Rural Development financed project in Junction City. The Norseman Village has 16 studio, 24 one bedroom, and 4 two-bedroom units, which serve seniors and people with disabilities at 50-80% AMI, with an affordability period of 60 years. At completion, Housing Authority and Community Services Agency anticipates 43 units of Rural Development Rental Assistance for the project. Rural Development has established an \$800,000 reserve for the rehabilitation of Norsemen Village. **Hunter** adds that the partnerships involved include Viking Services and ShelterCare. As part of the application, the tenants wrote letters of support and were strong advocates for their community. **Woolley** points out that the DCR is 1.05 and asks if there is a standard that we try to meet. **Clearwater** answers that we usually have a 1.20 DCR. If we get a higher DCR, they have to pay a higher rent subsidy. **Shelly Cullin**, Senior Loan Officer, adds that the rental assistance does pay rent and expenses, but the owners do get a percentage of distribution.

**MOTION: Fieldman moves that the Housing Council approve a GHAP/HDGP grant in an amount up to \$80,800, HPF grant in an amount up to \$2,149,931 to Housing and Community Services Agency for the rehabilitation of Norseman Village Apartments located in Junction City, Oregon. Award is contingent upon meeting all program requirements and conditions of award.**

**VOTE: In a roll call vote the motion passes. Members Present: Tammy Baney, John Epstein, Mike Fieldman, Jeana Woolley and Chair LaMont.**

15. *Richland School Senior Housing* (Richland, OR). **Tony Penrose**, Housing Resource Coordinator, introduces **Dale Inslee**, Director of Asset Management, Northeast Oregon Housing Authority, and **Bruce Buchanan**, Regional Advisor to the Department. **LaMont** declares a conflict of interest. **Penrose** reports that Richland School Senior Housing is sponsored by Northeast Oregon Housing Authority, and will utilize a small rural school building for a much needed 10-unit elderly and disabled affordable housing complex, consisting of 7 one bedroom, 3 two-bedroom units, a community room with kitchen, public library on site, and covered gathering courtyard. The Richland School Senior Housing will serve tenants at 50% and 60% AMI, with an affordability period of 60 years. **Inslee** adds that this is a project that can really get a person excited when you think about the community involvement. To be able to use this school that many in the community went to, and have the building and land gifted, is exciting for them to be involved in. Others have said this could be a model. The partnerships are overwhelming. **Buchanan** says this is a wonderful example of adaptive reuse in a rural community. They have the opportunity to sustain a very well built piece of real estate. **Fieldman** comments that the comment about the repurposing of the building is what he thought when he read the paperwork. In rural areas that will become more of a reality. **Baney** asks how elderly and disabled are mixed. **Inslee** says it would qualify for disability, but is considered senior disabled. **Penrose** explains that the department will be redefining that in the CFC to be “persons with disabilities with services toward seniors,” so it will not distinguish the disability. **Fieldman** asks if there were asbestos issues. **Buchanan** answers that those were dealt with.

**MOTION:** **Fieldman** moves that the Housing Council approve a GHAP/HDGP grant/loan in an amount up to \$500,000 to the Northeast Oregon Housing Authority for the rehabilitation of Richland School Apartments located in Richland, OR. Award is contingent upon meeting all program requirements and conditions of award.

**VOTE:** In a roll call vote the motion passes. **Members Present:** Tammy Baney, John Epstein, Mike Fieldman and Jeana Woolley. **Abstain:** Chair LaMont.

16. *Nuevo Amanecer IV* (Woodburn, OR). **Tony Penrose**, Housing Resource Coordinator, introduces **Roberto Jimenez**, Director of Farmworker Housing Development Corporation, **Emily Breidenbach**, Project Manager, **Ramon Ramirez**, Board President, **Charlie Harris**, CASA of Oregon, and **Karen Chase**, Regional Advisor to the Department. **Epstein** declares a potential conflict of interest and the need to abstain. **Penrose** reports that Nuevo Amanecer Phase IV is sponsored by Farmworker Housing Development Corp. and will be a newly-constructed 40-unit apartment complex with 5 one-bedroom, 15 two-bedroom, and 20 three-bedroom units, serving farmworkers at or below 50% AMI, with an affordability period of 60 years, located on a 2.65 acre site in Woodburn. The site is next to the first three phases of Nuevo Amanecer, which consists of 90 units, a multi-cultural education center, and community gardens. **Jimenez** adds that this is their 20<sup>th</sup> year and it is fitting that CASA and FHDC are collaborating on a Nuevo project. The demand is huge, and there are currently 250 families on the waiting list for the project. Nuevo is a safe zone for farmworkers. He thanks the department for two decades of collaboration and consideration. **Ramirez** thanks Council for all of the support they have given them. He says he wants to make a special comment to the staff of the

agency and especially Rick Cramer: *On behalf of our board of directors, I really truly want to thank you for all of the hard work that you have done building the collaboration with us. Since the last director left, and in that transition, we really look forward to working with the agency. We can be the model for the kind of collaboration that we need in the future. Thank you very much.* **Baney** comments that he mentioned it is becoming a place for people to feel safe, it is drawing people, and they could probably continue to build and never meet the demand. She asks how to quantify the demand for the community versus building to meet a demand for the population. She also asks if they find people moving from out of state to this area. **Jimenez** says he does not think the need is getting greater. There is a labor shortage in Oregon, in terms of farmworkers. Woodburn happens to be the place that they are most comfortable living. The demand for farm labor is the same. **Baney** points out that the original funding was for 90 units, and they are still at 250 for a wait list, and asks if they take the 90 off, and are seeing a reduction. **Jimenez** responds that this is over the course of 20 years. The demand stays high, but the demand for labor is there. **Ramirez** says that FHDC's model for housing is what attracts people. People want to live there because they get the services. They provide education and the success of their housing can be shown in the progress the children are making. **Baney** says they are instilling pride and building a community. **Ramirez** adds that they are developing leadership and capacity, so the residents can take control of their own life. They want to start moving people into buying their own homes. **Jimenez** says they move 10% – 20% of the families into market rate housing over the course of any given year. **Fieldman** asks if this tends to be more stable housing. **Ramirez** answers yes. In the long run, what they are doing is stabilizing the work force. Oregon has become a home-base state for migrant farmworkers, and the agricultural community can now depend on a stationary work force. **Gillespie** comments that, from the department's point of view, for 20 years they have looked at farmworker populations. The one consistent is in Marion County, which is the hub of farmworker labor in this state. **Jimenez** says over 25% of the state's ag economy is in Marion County. **Fieldman** asks if there are Head Start services available to the children. **Jimenez** says yes, on site.

**MOTION:** Woolley moves that the Housing Council approve a GHAP/HDGP grant in an amount up to \$200,000, HOME in an amount up to \$385,000; LIWX in an amount up to \$78,481 to Farmworker Housing Development Corporation for the new construction of Nuevo Amanecer Phase VI located in Woodburn, OR. Award is contingent upon meeting all program requirements and conditions of award.

**VOTE:** In a roll call vote the motion passes. Members Present: Tammy Baney, Mike Fieldman, Jeana Woolley and Chair LaMont. Abstain: John Epstein.

17. *Almaden Project (Eugene, OR).* **Dan Mahoney**, Loan Officer, introduces **Christina DeCristo** of Oregon Supportive Living Program, and **Karen Clearwater**, Regional Advisor to the Department. **Mahoney** reports that the Oregon Supportive Living Program (OSLP) has been serving the Eugene community for almost 25 years by serving individuals with disabilities with housing needs, daily activities and job skills. OSLP is requesting Trust Fund to rehabilitate the single family residence OSLP purchased 10 years ago, and currently has three residents. Built in 1972, the house is in need of capital repairs, modernization and energy efficiency upgrades. OSLP has proposed to rehabilitate the property to meet our 30-year useful

life standards. The renovation plan includes a new 30-year composite roof, siding and drainage repairs. It also includes interior upgrades to insulation, appliances, HVAC and solar water heater, flooring, cabinets and paint. A second egress exterior staircase will be installed to increase the number of eligible rooms to four. Rehabilitation costs are approximately \$91,000 a bed. During the rehabilitation, tenants will be temporarily relocated for approximately 180 days in OSLP units at no cost. **DeCristo** says Council helped them in the past on a similar project with ex-offenders. It has changed their lives to live in a beautiful home and not to have staff turnover because the staff take pride in the home. There is a hidden benefit with all the cost savings of the house itself. It has been a moving experience and, if this project is funded, the experience would be similar in scope. **Clearwater** points out that the house is located in an upscale south hills neighborhood of Eugene. They have operated the house for ten years and have made repairs as needed, but it needs some TLC. The neighborhood has embraced the population, which is difficult for ex-offenders. The enhancements to the exterior of the site will make it more livable for neighbors and residents. **Fieldman** says that once homes like that get established in neighborhoods, that is the case. Where he lives there is a DD group home and they are part of the neighborhood.

**MOTION: Baney moves that the Housing Council approve a GHAP/HDGP grant/loan in an amount up to \$363,988 to Oregon Supported Living Program for the rehabilitation of Almaden House located in Eugene, Oregon. Award is contingent upon meeting all program requirements and conditions of award.**

**VOTE: In a roll call vote the motion passes. Members Present: Tammy Baney, John Epstein, Mike Fieldman, Jeana Woolley and Chair LaMont.**

18. *Vet LIFT IV (Eugene, OR)*. **Dan Mahoney**, Loan Officer, introduces **Anne Williams** of St. Vincent de Paul of Lane County, and **Karen Clearwater**, Regional Advisor to the Department. **Mahoney** reports that St. Vincent de Paul is requesting Trust Funds to acquire and rehabilitate Cherrywood Apartments located in Eugene, OR. The renovated apartments will serve a significant need within the community for homeless women Veterans living in Lane County, and will be one of eight projects in the nation. St. Vincent de Paul is acquiring a 12-unit garden style apartment building built in the 1970s, containing many of the original appliances and fixtures. The scope of rehabilitation includes the replacement of appliances, flooring, interior/exterior paint, windows, interior/exterior lighting and ADA access to ensure 30 years of useful life of the property. Rehabilitation costs are approximately \$67,000 a unit. The department's HELP grant has been approved contingent on Housing Council approval of the Trust Fund grant. Additional resources include funds from the Veterans Administration, City of Eugene and an Affordable Housing Program grant from Federal Home Loan Bank. **Williams** comments that this is their fourth project serving chronically homeless Veterans. They have served a mixed population since 2006. They have had a number of women Veterans, but unanimously they want a place of their own. Military sexual trauma is a huge issue. Housing women in a co-ed setting requires careful matching of neighbors. Women Veterans experience two forms of PTSD coming back from the current conflicts -- combat trauma, and military sexual trauma. She says the VA isn't being as helpful as it could be in dealing with both forms of PTSD. This is going to be a wonderful project. **Fieldman** says he was saddened to see the need, and he is glad they are working on it. It is not a good commentary. He asks if there are other

unique issues they have identified. **Williams** states that, unfortunately, many of the women who volunteered to serve in the current conflicts come from dysfunctional families. They saw the military as an opportunity out. So they deal with some layering issues. Many did not have the educational background that they could plug back into the civilian community. They have a Department of Labor grant currently and they find that all of the younger Veterans have educational deficiencies. **Williams** says they have been successful, with 100% of their Vets graduating to permanent housing, all receiving benefits. All are either employed and going to school, or those with profound disabilities are in permanent supportive housing. They are working closely with their current group of women Veterans. They also maintain a fairly unique transitions to housing group which is a weekly meeting of Veterans who are thinking about getting off the street. The VA has a new women's liaison position. They are trying to sensitize their service deliveries to accommodate women. **Clearwater** adds that this project is located in downtown Eugene, on major bus lines and thoroughfares, and walking distance to services. Nationally, Anne is being recognized and is known as an expert in Veterans' issues. The department is lucky to have her as a partner. The VA was not equipped for the women coming back, and they are gearing up to assist.

**MOTION: Fieldman moves that the Housing Council approve a GHAP/HDGP grant in an amount up to \$467,669 and a HELP grant in an amount up to \$50,000 to St. Vincent de Paul Society of Lane County, Inc. for the acquisition and rehabilitation of Cherrywood Apartments located in Eugene, Oregon. Award is contingent upon meeting all program requirements and conditions of award.**

**VOTE: In a roll call vote the motion passes. Members Present: Tammy Baney, John Epstein, Mike Fieldman, Jeana Woolley and Chair LaMont.**

19. *Firland Apartments* (Portland, OR). **Dan Mahoney**, Loan Officer, introduces **Mike Masat**, Housing Developer, Rose Community Development. **Mahoney** reports that Rose Community Development has been serving the SE Portland community for almost 20 years by owning/managing 300 units. RCD is requesting Trust Fund and Weatherization funds to acquire and rehabilitate the 19 units of a two-story garden-style apartment project in SE Portland. Built in 1973, the 19 apartments are in need of repair. RCD has proposed to acquire the property and renovate it to 30-year useful life standards. The renovation plan includes a complete full envelope replacement, including awnings over exterior doors. It also includes interior upgrades to insulation, appliances, flooring, paint and heating sources. First floor units will be made ADA accessible and the unused community room will be renovated to include furniture. Rehabilitation costs are approximately \$95,000 a unit. During the rehabilitation, tenants will be relocated for approximately 180 days. The relocation budget is approximately \$60,800. RCD has combined their request for OHCS funds with Portland Housing Bureau TIF and HOME and a loan from One Pacific Bank to fund the project. **Baney** asks how many residents they anticipate will be permanently relocated. **Masat** responds that if they have someone who is over-income, they would have to follow the Relocation Act requirements. **Shelly Cullin** says this project has HOME funds, and those funds have income eligibility restrictions. **LaMont** asks how they will target homeless families. **Masat** says they have turnovers, their property manager has a relationship with the VA, and they have worked on a project with VASH vouchers.

**MOTION:** Fieldman moves that the Housing Council approve a GHAP/HDGP grant/loan in an amount up to \$450,000 and a Low Income Weatherization grant in an amount up to \$82,060 to Rose Community Development for the acquisition and rehabilitation of Firland Apartments located in Portland, Oregon. Award is contingent upon meeting all program requirements and conditions of award.

**VOTE:** In a roll call vote the motion passes. **Members Present:** Tammy Baney, John Epstein, Mike Fieldman, Jeana Woolley and Chair LaMont.

**Crager** compliments all the staff on the hard work they have done. There were 43 applications and the department is fortunate enough to be able to fund 24. He says this is an incredible amount of work, and he appreciates the comments made by Mr. Roy during public comments. Having looked at all of the applications, it is very difficult because they are all so good. Our partners do incredible work, and you can see from the scoring that these are close. Whatever adjustments we make, there will always be questions about why we went one direction versus another. **Fieldman** says he wants to echo those comments. The projects are all very good ones. Even the ones that were not funded. The need is there. The fundamental issue is inadequate funding. We need to press the message that there is a need for greater funding for affordable housing and we cannot back away from that.

**VIII. OLD BUSINESS:** None.

**IX. REPORTS:**

**A. *Oregon Homeownership Stabilization Initiative (OHSI) Update.*** **Nancy Cain**, Interim OHSI Administrator, reports that the Mortgage Payment Assistance program is the area of focus, and this last month has been about resolving payment issues. Payments were made to over 45 small servicers. Slightly over \$10M in payments have been made for 2,500 homeowners. They have made great strides in getting denial letters out. There is one staff person dedicated to processing appeals. Borrowers who have received denial letters may file an appeal within 21 days. Any denial that is appealed will get at least three reviews. This week a project manager was hired. It has been difficult to get the Mortgage Payment Assistance program stabilized. As a result, progress on other programs has stalled. They have hired someone to handle the alternative payment processes. There are servicers who have chosen not to participate, so they need to find an alternate way to get payments out. Mortgage Payment Assistance II will be for areas that did not fill the original slots. There is also the transition assistance that is a payment of \$3,000 for anyone not able to afford their home, and that money will be for the costs of moving into an affordable housing option. **Epstein** asks, compared to peer states, how they are tracking in getting the money out. **Cain** says Treasury does not want them to say, but she can share the report internally with Housing Council members. **Crager** adds that Oregon is doing pretty good. Oregon took on a statewide approach, where other states were more conservative. **Cain** says the next quarterly report will show good results. There are diverse needs across the state, and they do have an ability to tap into some of those needs.

**B. *Report of the Chief Financial Officer.*** **Nancy Cain** reports that the department got good rates with the bond sale, and is able to offer, for the loans with no payment assistance, a

rate of 3.875%. The department has a requirement to originate loans in certain areas as defined by rules. They were able to sell the premium backed bonds, which gives the department amounts that can be used for down payment assistance. The Cash Advantage program was suspended, but is now being offered again in targeted areas. Financial statements are being prepared. While the federal stimulus funds are winding down, there are still some programs that are running, and audits are still ongoing. **Epstein** comments that last year she mentioned that the department was floating bonds that did not compete with the mortgage market. He asks if the department's mortgage product is competitive again for single family. **Cain** says yes. **Epstein** states that it is a revenue generator for the department. **Crager** responds yes, but there is a caveat that some of the reasons for success is because the federal program has aided. That program will come to an end at the end of this year. If we did not have that program, with a guaranteed buyer at a guaranteed rate, we would not be achieving the same. **Cain** states that the department has about \$55M left on its authorization, which expires at the end of this year. She recently listened in on a call that NCSHA had with the representatives from US Treasury, and every state said to extend it, so that may be a possibility. Other states said to expand it, but that was a no. **Gillespie** asks if there will be another sale before the end of the year. **Cain** says they will have to monitor the reservations before making a decision.

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

- *OHSI.* He recognizes Nancy for her hard work during the transition in OHSI for the last 6 – 7 months. She has done an incredible amount of work over that time. Mike Kaplan will not be coming back from the Governor's Office, and they are hoping to fill the OHSI Administrator position soon.
- *New Director.* He says he is pleased that Margaret Van Vliet has been appointed as the Director for the department. She will start near the end of September, and she will go to the NCSHA conference with him at that time. He thanks Jeana for representing the Housing Council on the recruitment process, and says he appreciates her volunteering her time to participate. **Woolley** says she was aided by all of her fellow Council members who all made contributions to the questions and issues they felt needed to be addressed.
- *Council Membership.* **Crager** reports that Maggie's last meeting will be next month. There are three positions needing to be filled, and we are waiting to hear back from the Governor's office as to who the new Council members will be and, also, waiting for Senate confirmation.
- *PBCA Contract.* On July 1 we were told that Bremerton got the Oregon contract, and we have protested to the GAO. At last count, there were 61 protests filed out of 101 awards. Our chief argument was that there was a lack of transparency in the process. HUD, in light of all the protests, has chosen to cancel the entire process and start over, with the exception of those 11 states where there was only one bidder. The other 39 states can rebid, and HUD plans to have that out in 60 days. HUD is aiming for April 1, 2012 as the new contract start time. HUD is going to do an amended contract with us to at least March 31, 2012, which will be at a reduced amount. That means the department will not have to lay off the 14 direct staff at this time. As of October 1, the contract will be at a reduced rate. We may rebid and still not get the contract. The department will still need to implement some form of layoffs outside of those 14 positions. We had a solid idea of how to address the reductions, and are now waiting to see, through recalculations and new assumptions, what that looks like. We had planned on that being 12 additional positions, beyond the 14. The good news in all of this is that we bought a little time and it will give Margaret a chance to take a look at the proposal. We will need to transition to a smaller organization for the future. One of the concerns by some states is the way their statutes read and some federal statute mandates. It

appears that maybe only HFAs can do that business in their own state. Our AG is looking at that carefully, on how that may apply to Oregon. **Baney** thanks him for his leadership. Just like our process, not everyone is going to get funded. As long as everyone understands that process and it is clear and fair, even if we do not get it, we will know it was a fair process. **Crager** says the Congressional Delegation was supportive as well, and signed a letter of support.

- *Rural Workforce Housing Task Force.* **Crager** says he is excited about the work Bob Gillespie is doing with the Rural Workforce Housing Task Force. Mike will be the lead for the Housing Council. This will be a good opportunity around a policy discussion, and they are considering getting some facilitation services to assist. They have some great representation and the Governor's Office is engaged. **Gillespie** says the membership consists of County Commissioner from Wallowa County, Sherman County, and Lincoln County; the Mayor from Coos Bay; the City Manager from The Dalles; Housing Authorities from The Dalles and La Grande; FHDC; Betty Tamm; the Governor's Office; the Port of Morrow; and a Medford economic development agency. **Woolley** asks if there is any representation from the federal level. **Gillespie** says no. **Crager** comments that they were going to ask them to be there as a resource, not be part of the task force. So they will ask someone from HUD and RD to sit in. They have talked to Oregon Solutions about facilitation services.
- *Regional Solutions Teams.* Some of the offices are starting to open. Portland State University is open and Vince is located there. Bruce has transitioned to La Grande. Karen Clearwater will be at the U of O. The two that are behind are Karen Chase, who has been in the west, will be moving down to Medford. Central Oregon is behind and Deb Price will at the OSU extension office. We will align ourselves closely with the RST, with the exception of Vince, who will cover metro and the north coast western region. DEQ, OHCS, BusinessOregon, ODOT and DLCDC are the five agencies in the RST.
- *Policy Discussions.* At the September meeting there will be a discussion around prioritization and how the needs analysis model is used. Bill Carpenter and Natasha Detweiler will discuss the methodology. **Baney** asks if they could find out what some of the other states are doing, and if there is a better model. **Crager** says there aren't many other models. The department was given an award two years ago for this model, because it was cutting edge. He says there is an issue in the LaPine area around the definition of elderly. Our category defines the age as 65 and older. Whereas some of the housing proposals that Mr. Roy was talking about, serves a population of 55 and older. There is a disagreement that 55 should be considered elderly. We use DHS's definition. Workforce housing uses 55 years. **Betty Markey** says elderly means that the head of the household is over the age of 55. There is also HUD Fair Housing which is 55 or 62. The statute defines elderly and disabled housing bonds and the Oregon Housing Fund. **Gillespie** comments that according to the federal fair housing definition, 62 and over can be an exclusive elderly project. On the needs analysis we look at how many units are in an area that is designated for elderly; there is a definition of elderly; and a comparison is made. Little Deschutes Lodge is a priority 2, not a priority 1, based on the data provided and on the definition. **Baney** states that the needs analysis does not necessarily get to those details because it captures larger areas. The market analysis showed the Bend area 30 miles away, and that is where the exception process comes in. **Crager** explains that because the Little Deschutes indicated they were going to serve homeless, which is a number 1 priority, they were given a 1½. **Baney** asks about how to factor the uniqueness of population borders. **Woolley** says that part of it is making the argument and communicating to those that are applying that if the demographic rationale does not match the market data, and there are specific reasons why it is an exception, then we

need to be clear in the application what those things are. **LaMont** explains that what was done was to take two small cities that were fairly close and use those as the demographic area, to determine the housing need in those rural areas.

**Crager** states that you also run into the question of “If one gets an exception, then why don’t I?” **LaMont** says that is why it needs to be made clear why a project did not get funded. She was under the impression from Mr. Roy that it was not explained. It needs to be explained so if he wants to apply again he’ll know. **Gillespie** says he disagrees because Mr. Roy knew coming into the application what his score was. That he would lose those points because the project was a number 2 priority. **Crager** says he thinks Mr. Roy’s point was that he lost other points besides the priority factor. **Woolley** states that we need to be prepared to explain that and not be defensive. He can disagree once it has been explained, but from our point of view we need to explain why he ended up where he ended up in the process based on the criteria. It is not unusual to go back through another round considering the kind of competition we have. **Baney** says that was part of his contention, that it was his second time through and his numbers went down. If we are going to speak specifically about Little Deschutes Lodge, perception is reality in her area and there is a lack of trust in the process. We need to put light on the process; nothing is discretionary; and it is all in writing. **Gillespie** explains that is why the department is publishing the scores, so applicants will see that there were so many good projects. They can look to others in their industry and see what they need to do to have a successful application. He says he does not want to get into a situation where RADs are saying that two points were lost here or there, because it then becomes a debatable point and it opens the agency up to lawsuits. **Fieldman** says there is a self-scoring process and it matches up closely with the score applicants end up getting. **Woolley** asks how many points he was off in the self-scoring process. **Gillespie** answers that we probably agree with him on the self-scoring portion. **Crager** says he lost 7 points on the priority piece. Even if that got added back, he still would have lost. It is more than the scoring piece, he wants to have an understanding of generally where the shortcomings are. **Gillespie** says it is hard for the RADs to go out and tell someone how to improve a nearly perfect score. **Fieldman** states that going forward we need to look at how we are doing it, because we are getting a compression of scores and at some point we need to break that. Theoretically, you could have 15 projects with a perfect score, but only have funding for 12 projects. **Crager** says that is where we need to go in 2013. In 2012, it will be hard to make all those changes. **Baney** says that with this project it will be an opportunity to instill trust again. For Rob to drive all the way over here this morning and say something will help the department take a closer look. Although it won’t help his application, it could help the department make better decisions. **Crager** states that he hopes Council found this discussion to be helpful, and that he wants the Council to understand, endorse and embrace the methodologies. He wants to focus on the highest priorities.

**Baney** says she would like to have a conversation around tax credits. **Woolley** suggests at the next meeting, rather than focusing in on one thing, perhaps Council could brainstorm a list of the things they want to look at in the future. **Baney** suggests having a discussion about oversight over a certain limit, which would put more onto the Council. **Crager** says it would have added six more projects to today’s agenda. **Gillespie** adds that the statute says Council approves loans and grants, but does not give specific guidance around credits. It does not say Council cannot do something else at their own discretion. He says he will ask the AG before the next meeting. **Epstein** says that tax credits are all big deals, so they may not be looking

