

Oregon State Housing Council

725 Summer St NE, Suite B

Salem, OR 97301-1266

Phone: 503.986.2000

Fax: 503.986.2132

TTY: 503 986 2100

www.ohcs.oregon.gov/OHCS/OSHC



Council Members:

Jeana Woolley, Chair

Mayra Arreola

Tammy Baney

Aubre L. Dickson

Michael C. Fieldman

Zee D. Koza

Adolph "Val" Valfre, Jr.

OREGON STATE HOUSING COUNCIL MEETING

February 14, 2014 Meeting Minutes

Meeting Time: 10:30AM

Meeting Location:

775 Court Street NE, Salem, Oregon 97301

Somerville Conference Room

Call-in Number: 1-877-273-4202; Room Number 4978330

Housing Council Members Present:

Jenna Woolley, Chair

Tammy Baney

Aubre Dickson

Mike Fieldman

Zee Koza

Housing Council Members Not Present:

Mayra Arreola

Val Valfre

OHCS Staff Present:

Margaret Van Vliet, Director Oregon Housing and Community Services

Julie Cody, Program Delivery Division Administrator

Diana Koppes, Business Operations Division Administrator

Katherine Silver, Executive Assistant to the Director

Heather Pate, Program Manager Multifamily Finance and Resources Section

Rem Nivens, Government Relations and Policy Advisor

Mike Boyer, Legislative and Communications Coordinator

Guests Present:

Ruth Adkins, Oregon Opportunity Network

Ross Cornelius, Self Employed

Andy Wilch, Salem Housing Authority

Philip Dochow, Housing Development Center

1. Call to Order

Chair Woolley calls the February 14, 2014 meeting to order at 10:39 a.m.

2. Roll Call

Chair Woolley asks for roll call. Present: Tammy Baney, Mike Fieldman, Zee Koza and Chair Woolley. Aubre Dickson joined the meeting in progress.

3. Approval of Housing Council Meeting Minutes – November 15, 2013

Chair Woolley asked for any comments, additions or corrections to the draft November 15, 2013 meeting minutes. There being none; the motion was read:

Motion: Tammy Baney moves that the Housing Council approve the November 15th, 2013 meeting minutes.

Vote: In a roll call vote the motion passed. Members present: Aubre Dickson, Mike Fieldman, Zee Koza, and Chair Jeana Woolley.

4. Public Comment

Chair Woolley called for anyone in the audience who wished to provide public comment for the Council's consideration to come forward. She requested that individuals intending to provide comment regarding the NOFA recommendations wait until after the OHCS staff presentation.

Ruth Adkins, Oregon Opportunity Network (OON), commented on behalf of OON stating the organization is supportive of the OHCS transition proposal that was presented to the legislature. She noted specifically that the group advocates the governing body have authority to set policy with clear linkages to other state bodies, including a clear role in developing and monitoring budget. The governing body should include a cross-sector membership including other state agency heads. Input from stakeholders should be invited and considered. Adkins also posited that a move toward integrating healthcare and housing was a huge opportunity.

Chair Woolley called for any further public comment, there being none the council moved on to old business.

5. Old Business

Julie Cody, OHCS Program Delivery Division Administrator, and Diana Koppes, OHCS Business Operations Division Administrator provided a comprehensive presentation of public outreach surrounding the 2013 NOFA process including regions, improvement to process, and priorities.

Cody provided Council members with further context around the concept of Housing Council authority limits, which was highlighted by council members at the November 15, 2013 meeting. In January 2010, State Housing Council members voted to raise these limits. OHCS started to revise the administrative rules and agreed at that time to come back annually to revisit the issue. The rationale for the change was to allow OHCS the ability to entertain grants under \$200,000 so that the Department can be more nimble in response to aiding projects with issues that arise after initial funding.

Discussion

Chair Woolley noted that Val Valfre raised the issue and wanted to ensure that staff engaged with him despite his absence.

Tammy Baney asked how the lower authority limits would be utilized and how often the department felt it would happen.

Julie Cody, OHCS responded that this does not occur often (exceptional basis). OHCS would discourage this as a practice and will make it clear that this will not be a way to circumvent the NOFA process. Setting maximums of \$200,000 of GAP funding for LIHTC projects makes use of this option limited as the Department lacks an abundance of excess funding available to remedy this type of situation.

Margaret VanVliet, OHCS noted for State Housing Council members that the Department has a Formal Finance Committee that reviews the applications for additional funding.

Chair Woolley asked how often requests have been received and/or approved within the last year and what circumstances were in those instances.

Heather Pate, OHCS responded that there were two occurrences both of which were reviewed; only one request received an allocation. This was not a new project; however, the approved funding was issued to remedy a compliance issue. The second request was not funded.

Chair Woolley said she would encourage approval of leaving the limits where they are to allow staff to be responsive to any issues that arise in real time, but cautioned staff that Council members should be made aware of any funding made under these limits.

Julie Cody, OHCS advised the Council members that she had reached out to Val Valfre and that he will be contacting her with any concerns.

Chair Woolley called for any further discussion, there being none the council moved on to new business.

6. New Business

a. Parkway West, Additional Funds Request

Heather Pate, OHCS Multifamily Resources and Finance Section introduced herself for the record along with Andy Wich, Salem Housing Authority and Phillip Dochow, Housing Development Center. Pate stated that GHAP funds were need for the project from a split year finance decision through which a gap was created due to 2014 floating rate on tax credits versus the 2013 fixed 9% percent rate.

Andy Wilch, Salem Housing Authority thanked the council for the opportunity and thanked staff for their work on this important project for Salem Housing Authority and the community, noting that the project afforded a place of residents for 400 individuals, 50% of which are children under 18 years old.

Chair Woolley called for any questions or concerns with regard to the request for additional funds, there being none a motion was requested.

Motion: Tammy Baney moved to approve the GHAP grant award in an amount up to \$230,000 to Salem Housing Authority for the rehabilitation of Parkway West Apartment located in the City of Salem, Marion County, Oregon.

Vote: In a roll call vote the motion passed. Members present: Tammy Baney, Mike Fieldman, Zee Koza, and Chair Jeana Woolley. Members Abstaining: Aubre Dickson.

7. NOFA Discussion

Julie Cody, Program Delivery Division Administrator and Heather Pate, OHCS Program Manager Multifamily Finance and Resources Section provided the council with an overview of recommendation that staff are making. Supplemental documents provided to council member for this discussion are available online.

In the previous NOFA regions were aligned with the regional solutions regions. Doing this required the Department to set a floor for two regions which would eventually result in those regions being over-served.

Staff are recommending : Metro Tri-County; Non-Metro HUD Participating jurisdictions (with HOME funding); Balance of State. There is no current recommendation with regard to the cap; the cap will remain at 10%.

Staff are recommending: One more year of Big “P” preservation, to be followed by a broader definition of preservation to include other types of projects that have HUD funding expiring that may need assistance and portfolio projects. Opening up the definition of preservation would be opening up for the 2015 NOFA.

Mike Fieldman asked if the 35% set-aside is by region or across the state?

Staff are recommending: As a first look at policy priorities to be included in the NOFA there is a current and big push in other agencies to reduce the number of children in the foster care system and increase housing opportunities for those recently released from incarceration or reentry housing. This resulted in the Department adding bonus points for projects that would target this population. In addition to the two distinctly identified priorities, staff will continue to look at underserved areas and potentially give points for projects that hit this mark to incentivize building in census track for 10% poverty aiming at deconcentrating poverty.

Mike Fieldman asked if staff have done any assessment regarding rural areas with high poverty (10%) – book end to the other side?

Staff are recommending: Brining threshold items into the scored sections. One lesson learned from the 2013 NOFA was that too much focus and emphasis was placed on scored sections and despite the extreme importance of threshold items they were not a focus for applicants. Impact will be the highest weighted in scoring and need will be the lowest. Need is designated the lowest for scoring purposes because need is prevalent everywhere.

Staff are recommending: That cost-containment begin to be a factor for consideration in evaluating NOFA applications; numbers presented to Council members are based on averages of the OHCS portfolio.

Aubre Dickson asked if cost containment as defined by the Department would include both hard and soft costs.

Cody, confirmed that they were both included.

Chair Woolley asked if this represents the average OHCS portfolio.

Cody, replied that the information provided is representative of OHCS' portfolio over a five year time period.

Chair Woolley encouraged OHCS staff to narrow the time frame because a lot has changed in the housing market over a three year period, utilizing a five-year period may not be accurate.

Dickson asked if staff look at variations across the data within the five-year time period.

Natasha Detweiler, replied that the numbers reflect 80% level for CAPs and outliers have a specific story as to why they were higher than the CAP.

Cody, stated Washington has a very narrow approach to allocation points for hitting cost-containment. She further clarified that this recommendation does not exclude any project from the process rather requires any project coming through with costs higher than this cap to provide an explanation for why.

Tammy Baney stated that she is struggling with how the articulated priorities fit into the NOFA process and what it will look like in practice. How will we screen that? Transitional housing is very difficult (particularly dealing with sex offenders etc...)? Baney further commented that she felt that incorporation of regional solutions was missing from staff recommendations. How are staff proposing to integrate regional/community priorities?

Director Van Vliet stated that setting policy is an art not a science. We know there are projects out there that do incorporate priorities like those listed in the staff recommendations and we have to start somewhere. OHCS plans to lean on Department of Human Services (DHS) and Department of Corrections (DOC) to get perspective on what success would look like? What partnerships can be established and is it possible for other agencies to contribute additional funds. These are the low hanging fruit.

Mike Fieldman brought up a transitional housing project that received continuum of care funding and incorporated MOUs with local programs to help with case management etc... DOJ had housing funding that was tapped into at that time as well.

Chair Woolley emphasized her concern over calling out specific target populations. She posited that having an open dialog might be the better way to go so that when we get ready to do the NOFA the dialog (policy setting process) has occurred and stakeholders have participated in that discussion. She

also noted her uncertainty about whether the Department should be investing more toward priorities if other agencies are not putting money into the equation.

Director Van Vliet agreed, point is well taken.

Aubre Dickson asked if there are there other cross-agency objectives; and, if so why call out these two specifically?

Julie Cody advised the Council that staff did look hard across the state enterprise and found projects in the pipeline. The Department would want to know if there are projects in the pipeline in order for this to have an impact.

Director Van Vliet noted that there's a question about where leverage needs to come from.

Chair Woolley stated her opinion that target populations should not get extra points in the 2014 process.

Tammy Baney called out specifically healthcare reform as creating opportunities for partnering and creating leverage.

Chair Woolley added that this is a point of contention because even allocating 1-2 points for something like this can set one project apart from another.

Ross Cornelius, developer, provided comment for the Council stating that there are people out there doing this already. Cornelius reminded Council members that they heard in 2010 about an intergenerational project – there is innovation going on out there [referring to Bridge Meadows]. He iterated that these leveraged projects are really hard to pull off, but it creates awareness and leverages a lot of volunteerism.

Creates a different vocabulary for measuring outcomes and it creates conversation around how we break out of siloes. As you think about local match and support- we are beginning to find a synergy – both local government and others begin to realize.

Chair Woolley stated that projects that leverage resources and create synergies would score high in the process regardless of calling out specific priorities.

Cornelius offered a last comment to applaud Julie Cody for pulling together partner feedback sessions, stating they provided a great process for partners to provide input.

Cody noted that there were projects that had all the bells and whistles and did not get funding. She advised the Council that the predictability question came up a lot, partners are looking for more direction.

Director Van Vliet added that there may be a way to provide the desired direction, but also to be broader.

Chair Woolley agreed.

Ruth Adkins, Oregon Opportunity Network, offered comment for the council stating priority populations concern OON members due to timing. She noted the amount of time it takes to put together a strong viable project with a short turn around for the 2014 NOFA. The short notice limits partner ability to be responsive. Appreciates Chair Woolley's comments – state agencies should be bringing in additional resources if there are shared objectives. We do want to make sure other agencies are carrying their weight.

Ross Cornelius appreciates Adkins comments these projects do take a long time. He advised OHCS that staff may want to think about expanding/exploring how to make that transition?

Adkins recognized the tough challenge of balancing priorities; asked for additional consideration of geographical allocation.

Baney asked why it couldn't be as simple as prioritization for projects that leverages cross-agency resources.

Dickson wanted to make sure that the Department adds clarity as to how the priority points impact the scoring- not over and above the 35%, instead going toward overall scoring.

Chair Woolley asked that staff take feedback from today and tweak this recommendation to address all of the noted concerns. Noting that the next meeting of the Council is set for March 7th she added a request that staff do whatever necessary to stick with the release date of the NOFA.

Baney commented that the recommendation regarding weighting for need and impact doesn't seem to be sending the right message since need really is where we are trying to go. She also found that length of affordability to be missing from all this.

Cody answered that length of affordability is mandated by and addressed in the QAP.

Chair Woolley asked for any further comments, there being none, she expressed excitement looking forward to the 2014 NOFA.

Director Van Vliet thanked everyone very much adding that she appreciates this process which is on-going.

Chair Woolley added one last comment that it might be valuable for staff to think about the most meaningful and efficient process for Council to provide input.

Julie Cody, moved on to discuss the staff recommended changes to the QAP. OHCS staff is recommending one change to the Qualified Allocation Plan to modify two sentences to create more flexibility to staff by removing specificity in the application. The change incorporates removing language specific to threshold items which will change in the NOFAs themselves.

Tammy Baney noted that “may” is extremely discretionary and can create trouble.

Cody, stated that “may” in Department of Justice’s opinion would create flexibility.

Dickson asked why OHCS would want flexibility around whether the staff screens certain projects versus screening all projects.

Director Van Vliet thanked Council members for the discussion and advised that staff will continue to work toward clarity, incorporating the feedback received during the meeting.

Chair Woolley called for any last comments with regard to the QAP, there being none a motion was requested.

Motion: Aubre Dickson moved that the Council authorize staff to move forward with recommended changes to QAP and begin the public comment process to enact the change.

Vote: In a roll call vote the motion passed. Members present: Tammy Baney, Aubre Dickson, Mike Fieldman, Zee Koza, and Chair Jeana Woolley.

8. Report of the Director

Director Van Vliet provided the council with an update on recommendations made to the legislature for agency transition. Specifically, the new governing body would be charged with policy setting across the continuum. Policy would be set using good data and research. Mutual accountability would be required, including performance based contracting. Cross agency collaboration and alignment with also be a top priority. Van Vliet provided a two page summary document to Council members which can be found under meeting materials on the State Housing Council website.

Discussion:

Mike Fieldman stated there are different interpretations of transition proposal. One camp hears agency will look at continuum of housing, being an advocate for housing across the continuum - shelter, housing, etc. Others think focus will be on development of new housing and people living in subsidized affordable housing.

Van Vliet indicated the original creation of Housing plus Community Services understands housing and services must go together. Housing finance is disconnected from the community services side of the agency. Sometimes agencies do both, but the two functions aren't necessarily integrated. OHCS doesn't necessarily provide needed social services to clients that live in subsidized affordable housing. If you take away food and Oregon Volunteers, the rest of the agency programs serve a housing related/housing function. Embrace the continuum of housing services.

