



## OREGON STATE HOUSING COUNCIL

### Council Members:

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

FEBRUARY 6, 2015 | MEETING PACKET



*Eastlake Village  
Bend, OR 97701*

**Date:** February 6, 2015  
**Time:** 9:00 a.m.-10:00 a.m.  
**Call-In:** 1-877-273-4202; Room Number: 4978330



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## Phone Conference Meeting

### AGENDA

**Date:** February 6, 2015  
**Time:** 9:00 a.m.-10:00 a.m.  
**Call-In:** 1-877-273-4202; Room Number: 4978330

1. Roll Call
2. Public Comment
3. Draft Meeting Minutes for Approval  
*January 14, 2015*
4. GHAP Grant Award for Approval—*Heather Pate and Casey Baumann  
Bethlehem Inn-Housing the Homeless, 3705 N. Highway 97  
Bend, OR*
5. 2015 LIHTC NOFA Update—*Julie Cody*
6. Legislative Update
7. Report of the Director
8. Report of the Chair

### **\*\*Note schedule change:**

July meeting has been moved from July 11<sup>th</sup>, 2015 to July 17<sup>th</sup>, 2015 to align with the NOFA timeline for Council consideration of award recommendations.

### **Next meeting:**

March 6, 2015 at 9:00 a.m. in OHCS, Conference Room 124a/b (725 Summer Street NE, Salem, OR 97301). Call-In: 1-877-273-4202; Room Number: 4978330





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## **JANUARY 14, 2015 | MEETING MINUTES**

[Draft]

<b>Housing Council Members</b>	
<b><u>Present</u></b>	<b><u>Not Present</u></b>
Aubre Dickson, Chair	Mayra Arreola
Mike Fieldman	Tammy Baney
Zee Koza	
Marissa Madrigal	
Val Valfre	

### **Call to Order and Roll Call**

At the request of Director Van Vliet and in the absence of Chair Dickson, Council member Val Valfre called the January 14<sup>th</sup>, 2015 meeting to order at 9:15 a.m. and asked for a roll call. Chair Dickson, Mayra Arreola and Tammy Baney were absent.

### **Public Comment**

Council member Val Valfre opened the floor to anyone wishing to make public comment, there being none the Council moved to the next agenda item.

### **Draft Meeting Minutes for Approval**

#### **November 7, 2014**

Val Valfre asked Council members for any comments, additions or corrections to the draft November 7<sup>th</sup>, 2014 meeting minutes. There being none, Valfre requested a motion to approve the November 7<sup>th</sup>, 2014 meeting minutes. The motion was read:

Motion: Zee Koza moved and Marissa Madrigal seconded that the Housing Council approve the November 7<sup>th</sup>, 2014 meeting minutes.

Vote: In a roll call vote the motion passed without dissent. Chair Dickson, Mayra Arreola and Tammy Baney were not present for the vote.

#### **December 17, 2014**

Val Valfre asked Council members for any comments, additions or corrections to the draft December 17<sup>th</sup>, 2014 meeting minutes.

There being none, Valfre requested a motion to approve the December 17<sup>th</sup>, 2014 meeting minutes. The motion was read:

Motion: Zee Koza moved and Marissa Madrigal seconded that the Housing Council approve the December 17<sup>th</sup>, 2014 meeting minutes.



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Vote: In a roll call vote the motion passed without dissent. Chair Dickson, Mayra Arreola and Tammy Baney were not present for the vote.

**Residential Loan Program, Consent Calendar**

Lisa Nunnelle, OHCS Staff introduced herself and presented the residential loan program consent calendar for *600 Ridgeview Court, Hood River 97031* and *4800 E Evans Creek Road, Rogue River 97537* to Council members for their approval. She indicated that the loan exceeded the threshold amount of \$190,000.00 thus requiring Housing Council approval.

Chair Dickson asked Council members for any questions or comments. There being none, Chair Dickson requested a motion and roll call vote.

Motion: Val Valfre moved and Zee Koza seconded that the Council approve the single family residential loan program consent calendar agenda item.

Vote: In a roll call vote the motion passed without dissent. Chair Dickson, Mayra Arreola and Tammy Baney were not present for the vote.

**Tax-Exempt Bond Issuance and Re-Funding Approval**

Janna Graham, OHCS Loan Officer introduced herself and Ed McNamara of Turtle Island Development LLC and presented an overview of the request for refunding and new tax-exempt bond issuance for the Ramona Apartments. The project summary may be found in the January 14<sup>th</sup>, 2015 meeting materials on the Housing Council website.

Chair Dickson arrived, apologized for being late and opened the discussion for comments or questions.

Val Valfre commented that there were good reasons to refund this excellent project and that he was happy to see a good rate on amortization.

Chair Dickson asked Council members for any further questions or comments. There being none, Chair Dickson requested a motion.

Motion: Mike Fieldman moved and Zee Koza seconded that the Council to approve the refunding and new issuance of Tax-Exempt Bonds in an amount not to exceed \$14,335,000 to NURTURE 247 Limited Partnership for the restructure of existing financing on the Ramona Apartments the approval is contingent upon the borrower meeting OHCS and US Bank National Association underwriting and closing criteria, documentation satisfactory to legal counsel and Treasurer's approval for the bond sale.

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Vote: In a roll call vote the motion passed without dissent. Mayra Arreola and Tammy Baney were not present for the vote.

**Update on Columbia Knoll Apartments**

Ryan Miller and Kimber Sexton, OHCS provided Council members with an update on Columbia Knoll Apartments. Miller reminded Council members that they approved the renewal of conduit bonding for the property in July 2014 and that a condition of that renewal was that the Council receive and update every six months.

The most recent compliance review, conducted October 30<sup>th</sup>, 2014 showed appropriate advertising and marketing and correct rents were being charged. There has also been a 20% increase in vacancy rate since July 2014. The asset management team has a plan in place that includes conducting a resident services survey in Feb 2015 and secret shopping to ensure that the correct marketing and rent rates are being charged.

Zee Koza commented that she was delighted to get this positive report.

Val Valfre seconded Koza's comment and thanked staff for the update.

Chair Dickson asked what the current DCR is for the property.

Kimber Sexton answered that the two properties have a combined Debt Coverage Ratio (DCR) of 1.03. The Department is working toward a minimum of 1.15.

Chair Dickson asked if any deferred maintenance and repairs existed.

Kimber answered that the asset management team is working with current management to get a clear sense of those issues.

Miller reminded Council members that the DCR at 0.9 back in July and that although 1.03 is not ideal it is trending in the right direction.

Director Van Vliet applauded staff for their hard work and advised Council members that the team is working on increasing transparency regarding the overall well-being of the Department's portfolio. When the Department has a tool, staff will come back to the Council to report with that.

**2015 LIHTC NOFA Update**

Heather Pate, Multifamily Housing Section Manager presented the NOFA update to the Council. Pate reiterated that there was no formal outreach following the 2014 NOFA. Once the 2015 NOFA is released, staff will be doing outreach for the 2016 NOFA. The Department felt as though it was more important to get the NOFAs on the right schedule to align with construction schedules. Pate noted that, going forward, any award of \$200,000 or more will come before the Council for consideration which will increase what the Council sees.

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In 2014 an ad hoc preservation work group was convened several times before making recommendations to the Department. The first recommendation is to expand the definition of preservation to encompass Housing Authorities in addition to HUD and Rural Development projects. Staff will take a deeper look at this and other recommendations of the workgroup.

Pate stated that many partners were involved in the preservation workgroup, Robin Boyce, Rob Prasch, Martha McLennan, Bill Van Vliet, and OON Partners.

Director Van Vliet added that the workgroup was very helpful in highlighting opportunities for the Department to explore and that staff will probe a bit more on some of the technical pieces.

The Department is targeting January 31<sup>st</sup> for releasing the 2015 NOFA. The outreach schedule will be put together and announced shortly thereafter.

Val Valfre asked for the definition of comprehensive recapitalization?

Director Van Vliet stated that it is a term of art used with public housing recapitalization of HUD housing and staff are trying to align with HUDs requirements.

Val Valfre asked what the submittal date will be since the Department is aiming for the end of January 2015.

Pate answered that applicants will have 75 days to complete the NOFA applications so the submittal date will land somewhere around April 15<sup>th</sup>, 2015.

Mike Fieldman asked if there is concern about the risk of losing units if the Department changes the requirement that 25% of units carry federal subsidy to the time of application instead of after submission. Or if there is concern over this same risk of losing units by limiting the number of applications? He commented that sometimes there is a short window for saving a project- keeping in mind that the end goal is to not put artificial barriers in the way of saving a project.

Pate answered that applications can have scattered sites (bundling of sites) and that imposing a limit on the number of applications is not just targeting sponsors heavily involved in preservation.

Marissa Madrigal asked if this proposed limit is due to past experiences of over-funding a particular sponsor resulting.

Chair Dickson commented that there is a need to create a sense of equity among developers, but the rationale also has to do with the fact that projects tend to slip. If timelines slip on a project there is a risk of losing funding. Good practice to place some kind of limitation.

Mike Fieldman asked if vetting can happen as part of the application and added that it is important to stay focused on the end goal.



**GHAP Application Request**  
**January 27, 2015**  
**Bethlehem Inn-Housing the Homeless**

**Project Sponsor:** Bethlehem Inn and Housing Works

**Property:** Bethlehem Inn-Housing the Homeless  
3705 N. Highway 97  
Bend, OR

**Owner:** Beth Shelter LLC

**Description:** Bethlehem Inn is a 36 unit former motel development that is currently used as an emergency homeless shelter for up to 78 homeless men and women and 5 families. The 1.18 acre site is located at 3705 N. Highway 97 in Bend, OR.

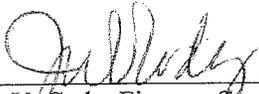
**GHAP Request:** \$200,000 in GHAP funds to be used in the acquisition of an existing property to be used as an emergency homeless shelter.

**Target Population:** Homeless

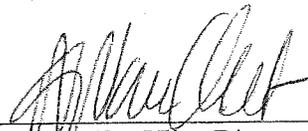
**Finance Committee Date:** January 27, 2015

**Submitted by:** Casey Baumann, Loan Officer

Finance committee Meeting:      Voting to Approve:        ✓    
   Voting to Decline:                  
   Absent:                                

  
\_\_\_\_\_  
Julie V. Cody, Finance Committee Chair

  1/27/15    
Date

  
\_\_\_\_\_  
Margaret S. Van Vliet, Director

  1/28/15    
Date

**GHAP RECOMMENDED MOTION:** Move that Housing council approve a GHAP grant up to \$200,000 to Bethlehem Inn for the acquisition of the property, currently used as a homeless shelter. Approval is contingent upon the borrower meeting OHCS and Lender underwriting and closing criteria and documentation satisfactory to legal counsel.

**GHAP RECOMMENDED MOTION:** Move that Housing council approve a GHAP grant up to \$200,000 to Bethlehem Inn for the acquisition of the property, currently used as a homeless shelter. Approval is contingent upon the borrower meeting OHCS and Lender underwriting and closing criteria and documentation satisfactory to legal counsel.

**Background:** Bethlehem Inn was established in 1999 with the mission of providing shelter to homeless men, with women and families later included. In 2004, Bethlehem Inn began to use space at the Deschutes County Sheriff's Office work release center allowing it to provide year-round shelter. In mid-2007 Deschutes County purchased an existing, 36 room former motel and is currently leasing it to Bethlehem Inn.

Currently, Bethlehem Inn is the only year-round emergency shelter in Central Oregon, and has the capacity to help 78 single adults and five families.

Along with temporary housing, Bethlehem Inn provides three meals a day to the residents, with the evening meal provided and served by individuals, organizations, churches and businesses throughout the area. With assistance from Bethlehem Inn staff, residents are connected with resources they need to find jobs, enroll their children in school, and help give back to the community. With this help from staff and partner agencies, a family can usually be ushered into transitional or permanent housing in less than 30 days.

**Purpose of Funding:** Bethlehem Inn currently leases this property from Deschutes county, and has entered into a Purchase and Sale Agreement to purchase the property which is the first step in the goal of developing a new state-of-the-art facility offering additional shelter units and giving Bethlehem Inn the resources to expand the ability to serve those in need. The purchase price of the existing buildings and property is \$1 Million. At closing, the purchase agreement will be assigned to Beth Shelter LLC, who will own the property.

**Sources of Funding:**

OHCS GHAP Funds:	\$200,000
Permanent Loan:	\$500,000
City of Bend Funds:	\$300,000
<u>Sponsor Cash:</u>	<u>\$13,549</u>
Total:	\$1,013,549

**Development Team:**

Beth Shelter LLC is a newly formed ownership entity that was created for the ownership of this property. Upon closing of the property purchase, the ownership will be transferred from Deschutes County to Beth Shelter LLC. Bethlehem Inn will lease the property from Beth Shelter LLC, with the lease payment in the amount of the debt service on the permanent loan.

Bethlehem Inn, a private, nonprofit organization, was originally established in 1999 with the mission of providing shelter in various local churches for homeless men. Homeless women and families were included later.

In 2004, Bethlehem Inn began to use space at the Deschutes County Sheriff's Office work release center allowing it to provide year-round shelter.

In mid-2007 Deschutes County purchased an existing, 36-room former motel and is currently leasing it to Bethlehem Inn.

Since Bethlehem Inn began, the staff has grown from two to 12 employees. Along with input from the Board, Bethlehem Inn has the strong ability to serve the growing number of individuals and families in need.

**Location:** The property is located at 3705 N. Highway 97, Bend, OR.

- This is a developed commercial/industrial area in the northern part of Bend
- Highway 97 (3<sup>rd</sup> Street) is the major North-South arterial through town
- Adjacent land uses include the KZTV television station, an automotive parts/ repair business, and commercial office and retail space
- The property has good accessibility to area services and schools

**Summary:**

By purchasing the property from Deschutes County, Bethlehem Inn will be able to continue to provide temporary emergency shelter and services to the homeless men, women and children of Central Oregon.