June 7, 2019
Oregon Housing Stability Council Meeting Minutes

Chair Valfre called the meeting to order at approximately 9:00 am, and then asked for the roll call:

**Agenda Item:** Roll Call

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*Arrived after 9am

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**Public Comment:**
Chair Valfre asked for public comment, but there was no public comment. He then asked for public comment over the phone, and there was no response. Public comment was closed.

**Approval of Meeting Minutes for May 3, 2019:**
Chair Valfre introduced meeting minutes for council approval, and asked the council for any discussion before calling to motion. There was no comment for the meeting minutes, and Councilmember Geller moved to motion. Councilmember Hall seconded.

**Agenda Item:** Meeting Minutes Approval
**Motion:** Move to approve the Oregon Housing Stability Council Meeting Minutes from May 2019

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**Affordable Housing Finance:** *Julie Cody*, Assistant Director, Affordable Housing Finance
Multifamily Housing Decisions - 85 Stories – 4% Conduit Bond Transaction, Andrew Moran, Loan Officer

Julie Cody and Andrew Moran were invited forward. Director Salazar had a conflict of interest in one of the transactions being brought forward, and informed the council that she was not involved in the decision making to bring this transaction forward.

More information about this can be found here.

Councilmember Hall asked if this project is unusually large. She then commented that Wells Fargo and Chase are normally competitors, and asked if they are teaming up to share the risk since this project may be larger than others. Mr. Moran clarified that this project is larger than most in Oregon, and AD Cody added that the size of this project is not unusual nationwide, but it is still in Oregon.

Councilmember Li expressed appreciation for the scattered site approach, and the depth and level of the racial justice efforts. She added that the goals and numbers within the racial justice goals pushes our learning and expectations for each other, even though it is challenging. Councilmember Li expressed her continued interest in understanding what it would be like to have a culturally specific MFI (Median Family Income), so that the disparity of incomes for families of color versus Caucasian families can be uncovered.

AD Cody responded and clarified that this is project based/section 8, so residents won’t be required to pay higher than 30% of their income. She further explained that the rents are set at 60% in case the project based/section 8 income requirement goes away. Councilmember Li responded and added that there is nothing to do about her comment at this time, but that she wanted to take the opportunity to mention it.

Councilmember DeVries asked AD Cody and Mr. Moran why the operating expenses are so high (pg. 27). Mr. Moran responded and explained that the Home Forward employees are union labor and that they have a premium for labor costs. He went on to explain that the maintenance expenses are anticipated to just include contracts and supplies, but that in the long run they will address maintenance requirements as it happens. Mr. Moran added that the appraisal supports these expenses.

Councilmember DeVries responded and commented that she noticed very few interior upgrades were addressed, and asked Mr. Moran to provide insight about this. Mr. Moran responded that many of the buildings are in need of envelope repairs and upgrades, which is why there’s a focus on those areas. He added that continued maintenance and age of these buildings has contributed to a decent interior condition, since these properties were built between 1994 through 1996. Mr. Moran explained that OHCS (Oregon Housing and Community Services) staff had an opportunity to walk through the buildings and verify the conditions.

Councilmember Wilhoite asked if the reading materials could be developed so that a simple example could show the side by side comparison of how much certain tax credits or amounts impact a structure. He added that this may help the readers of these materials understand what these transactions translate into. AD Cody asked if Councilmember Wilhoite is referring to the interest rate reduction on the OHTC tax credit, and Councilmember Wilhoite confirmed that she is correct and added that it would be helpful to have an example that shows the difference between a 9% credit versus a 4% credit impact.
Councilmember Wilhoite then asked the presenters about the tenant relocation consideration on page 27 of the materials packet. He asked the presenters what challenges they see and how they plan to react to the challenges even though OHCS is following the Relocation Act. AD Cody responded and informed Councilmember Wilhoite that her team can put together some information to address these concerns, and the possible challenges that people may encounter.

Chair Valfre asked for additional comments from any councilmembers on the phone or in the room. No one added additional comment. Chair Valfre commented that this is a complex program, and agreed with Councilmember Li’s comments about equity and racial justice goals. He went on to explain that this will help to raise the threshold of what OHCS and the council wants to see. Chair Valfre added that relocation plans are very difficult and differ greatly depending on the location.

Councilmember Geller moved to motion and Councilmember Hall seconded. The motion was passed, and Chair Valfre asked anyone from Home Forward to stand up. Theresa Auld of Home Forward stood up and was recognized by the council. Ms. Auld thanked the council and informed them that additional information will be provided to AD Cody’s team to share with the council. Nelda Newton of Wells Fargo was also present, and thanked for her work on this project.

**Agenda Item:** 85 Stories – 4% Conduit Bond Transaction, Andrew Moran, Loan Officer

**Motion:** Move to approve Pass Through Revenue Bond in an amount up to and not to exceed **$44,030,000** to East Group Limited Partnership for the acquisition and rehabilitation of the project known as 85 Stories Group 6, subject to the borrower meeting OHCS, JP Morgan Chase Bank and Wells Fargo Bank’s underwriting and closing criteria, documentation satisfactory to legal counsel and State Treasurer approval of the bond sale

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**Homeownership – Emese Perfecto, Assistant Director, Homeownership Programs**

**Homeownership Program Updates**

**Oregon Bond Residential Loan Program** – Kim Freeman, Single Family Program Manager

Emese Perfecto and Kim Freeman greeted the council. Ms. Freeman shared that there are no loan files for approval and that she will just be providing an update on the quarterly report. She further explained that there is no presentation to go along with this update, and that’s she will provide a comparison of OHCS’ 2019 mortgage data to the 2018 HMDA data (Home Mortgage Disclosure Act Data). Ms. Freeman shared that June is Homeownership month, and began sharing some highlights from the Oregon Bond Program. She informed the council that the interest rates were lowered in April of this year, and then lowered them again this past Wednesday, which brought the rate advantage down to
3.25%. Ms. Freeman added that the cash advantage, which offers the 3% closing cost, is at 4.25%. She explained that these rates are below the market, and then discussed the property purchase price limits on page 38 of the materials packet. After the update, Ms. Freeman asked the councilmembers for any questions or comments.

Councilmember Li thanked Ms. Freeman and asked if there are any concerns about being able to hit some of the production targets. Ms. Freeman responded to Councilmember Li and informed her that her team meets with the management team on a weekly basis, have set some ambitious goals and will be watching the rate more actively this year. She ended her response by clarifying that she and her team will meet the production goals by the end of the year.

Councilmember Li then asked for an update on the minority home ownership gap taskforce, if it’s possible at this time. Director Salazar commented that we have the production targets for the Oregon Bond Residential Program, but that the production targets for the statewide housing plan are slightly more broad. She informed the council that they will provide an update on some of the other programs in the future months, and how they are impacting some of the more ambitious goals OHCS has set for itself. Director Salazar ended her comment by stating the taskforce on racial disparities in homeownership is taking a bit of a pause during the session, since it is a legislative taskforce, but that they are waiting to see where they go next.

Ms. Freeman informed the council that they received a notice for a new meeting on June 14th, where they will be looking at next steps for the group, particularly since a report is due next September.

Chair Valfre asked for any additional comments from councilmembers, and Councilmember DeVries asked if Ms. Freeman and AD Perfecto’s team could find a standard to present the AMI (Area Median Income) baseline for the homeownership presentation, since the income limits are difficult to contextualize. Ms. Freeman apologized to Councilmember DeVries for not seeing an email regarding this prior to the housing stability council, but that they will address this concern. She asked Councilmember DeVries if she would like that information on a quarterly basis, and Councilmember DeVries responded that receiving this information just once would be enough, and further explained that the councilmembers could gauge what the average is compared to the income limit AMI.

Chair Valfre asked Ms. Freeman how the market feels about the interest rate change, and she responded that they have had some favorable calls and emails regarding this change. Chair Valfre said that the council looks forward to hearing more about this.

**Housing Stabilization Update - Christy Hahn, Homeless Policy Analyst, Housing Stabilization**

Christy Hahn introduced herself and provided an update about Budget Note Report HB 5201 (Strategies to Achieve Equity and Accountability in Oregon’s Homeless System). She explained that they presented the final plan to the legislature and have been working on the implementation of that work. Ms. Hahn explained that they have completely revised the master grant agreement (MGA) to create a more concise document, and this document has given them the opportunity to receive a more in depth assessment of where the partners are in regards to utilizing best practices. She added that this information will be used to create capacity building plans for the partner agencies, and thanked the council for their involvement in that work. Ms. Hahn informed the council that the HMIS (Homeless Management Information Systems) work is being assisted through a new position at OHCS as the HMIS administrator, which will be hired at a later point this month. Lastly, she informed the council that OHCS will be hosting a CoC (Continuum of Care) partner convening in the near future to discuss data sharing agreements, so that they can access all client data and not just the data from OHCS funded programs.
EHA Real Estate Policy Recommendations – Vicki Massey, Rental Assistance Program Coordinator

Vicki Massey introduced herself and began her presentation of the materials. More information about this can be found here.

After the presentation, Ms. Massey asked for any questions from the councilmembers. Chair Valfre asked if they will have to purchase bare land, and Ms. Massey responded that they would for a project such as the tiny homes project. Councilmember Hall asked if Ms. Massey and her team has received any feedback from community action agencies and if they’ve run into any obstacles, if they’ve experienced agency capacity issues, if they’ve run into issues with getting the dollars out to their community, or anything else. Ms. Massey responded and stated that she has heard feedback from community action agencies about the matters Councilmember Hall mentioned. She explained that some of these matters reside with OHCS, because of OHCS’ effort to be responsive with the service providers while also addressing the risks of the transactions. She further explained that this shows that a training effort may be needed to show the service providers what is required in order to move forward.

Councilmember Geller asked Ms. Massey if her team is getting a timely response from DOJ (Department of Justice). Ms. Massey informed Councilmember Geller that OHCS has some new staff available at DOJ and that she hopes that will make this process somewhat quicker. Director Salazar added that there is a staffing constraint at OHCS and with colleagues at DOJ. Councilmember Geller expressed her concern for the emergency of getting people experiencing homelessness housed, and stated her appreciation at the idea of community action agencies developing property. She asked if it would be possible to build a pool of housing developers who could shepherd the community action agencies through the site selection and acquiring of the property. Director Salazar added that there could be a concept where OHCS can see what the total EHA (Emergency Housing Assistance) allocation is in the coming biennium and potentially carve out some funding from that to engage some consultants to make available to help community action agencies with their local projects. Councilmember Geller responded and stated that community action agencies could interview certain consultants from a list to decide who is best to work with. Director Salazar stated that OHCS will explore this idea. She went on to explain her understanding of the distinction between development of permanent housing structures and quick construction of emergency housing, and that OHCS is walking the line between these two distinctions.

Councilmember Hall expressed excitement about the prospect of providing community action agencies with the tools to assist in housing development and referenced a positive outcome of this in Newport, Oregon.

Chair Valfre expressed appreciation for Councilmember Geller’s comment, and added that providing assistance to community action agencies is important. Ms. Massey clarified that the EHA and SHAP funding sources are general fund and have to be spent within the biennium. She added that this means $40 million dollars need to spent within the span of 2 years. After making this clarification, Ms. Massey returned to her presentation.

Councilmember Geller asked Ms. Massey for clarification on the last bullet on page 42 (“Acquisition requirements monitored via an annual certification”), since the acquisition of property is a quick process. Ms. Massey clarified that the word “acquisition” is probably not the appropriate word to use in that
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sentence, and added that this bullet point was supposed to refer to the eligibility of persons receiving services being monitored. Councilmember Geller thanked Ms. Massey for her explanation, and Ms. Massey continued her presentation.

After the presentation concluded, Chair Valfre asked if monitoring includes the demographics of the populations being served. Ms. Massey explained that this falls under the budget note and EPIC (Ending Homelessness, Preventing Homelessness, Inclusion and Diversity, and Community Capacity) outcomes work, since that client data will flow into the data reports from community action agencies.

Councilmember Geller informed Ms. Massey that if a 15-year compliance period is wanted, then OHCS should also require 15-year life period for the structures. Ms. Massey agreed. Councilmember Geller mentioned that the monitoring aspect is very important for the structure, because a lot can change in 15 years. Director Salazar thanked Councilmember Geller for her comment on the life span of structures, and asked if she is also raising a question about the operating costs of maintaining housing structures. She went on to explain that there needs to be a plan if those operating cost dollars aren’t available and that OHCS staff are thinking about this and taking it into consideration. She asked if any staff members would like to respond to this concern at this time. Ms. Massey answered that the state policy has instructions about what to do if the project is no longer of needed use, and that the owner or sub grantee can suggest a change in the use of the project at that point. She elaborated that the use of the project can be changed, and that this would vary case by case. Ms. Massey informed the council that the projects that go through the multifamily division at OHCS go to the asset and compliance management section, where they work with the property owner to determine the best plan of action.

Councilmember Geller stated that these structures will be built on land with restricted use requirements, which will prevent tenants and residents from being kicked out so that the land can be sold. She went on to raise the topic about windfall, and the tension around building these emergency structures now, despite the lack of value they may have later. Councilmember Geller added that the value of the housing structures cannot be predicted at this time, but that windfall is an ethical question regarding this matter.

Chair Valfre asked if there is a period of time where these housing structures can be converted to permanent housing structures, and if there are any restrictions to this. Ms. Massey responded and informed Chair Valfre that she is unaware of the restrictive covenant, but assumed that the restrictive covenant would fall off after the 15-year period. Chair Valfre commented that Ms. Massey and her team may be able to work with DOJ to figure out the answer to that, since that question will probably come up in the future. Chair Valfre referenced the Equity & Racial Justice Priority in the Coordination with Statewide Housing Plan Priorities section on page 44, and suggested information on the percentage of minority contractors within each hired group.

Councilmember Sandoval asked why neither of the two funding sources are helping to fund other organizations outside of community action agencies. He mentioned that there are nonprofit organizations which already work with housing development and populations experiencing homelessness. Director Salazar answered that OHCS is mandated by statute to allocate EHA and SHAP (State Homeless Assistance Program) to community action agencies, and added that OHCS is aware of some of the challenges with this since community action agencies act very differently across the state. Director Salazar further explained that this issue has been highlighted in the dialogue with the budget note around services such as shelter, domestic violence services, and others and that in some cases the community action agencies work very closely with providers of those services. She emphasized that this
may not be the case in every part of the state, but that OHCS and her team are open to suggestions from the council about which direction to go in. Director Salazar elaborated that her team is open to guidance in regards to the appropriate share of EHA dollars to earmark towards these structures and facilities, and the limit for these funds. She ended her comment by expressing an openness to advice that the council is able to provide about such topics.

Councilmember Li stated that shelter is a stopgap to what is really needed in the state, which is housing. She explained that housing development requires more difficult and innovative work, and wants OHCS to have a point of caution around the work being done around shelter versus housing development. Councilmember Li went on to explain that she is interested in the impact of the shelter study information being brought forward with community capacity, readiness to move, and ability to manage large sums of money. She added that the large sums of money will be used to provide higher levels of services and to potentially take on real estate projects, but taking a look at capacity levels for each area is important.

Councilmember Li expressed an interest in exploring housing options in every area, and stated community action agencies proposing standalone projects should be required to explain how the project fits within the context of continuum of care within that community (i.e. homelessness prevention). She went on to explain that partnerships should be required, since community action agencies shouldn’t be expected to learn this process on their own, and that providing them with an opportunity to choose from a vetted pool of qualified development assistants is a great idea as well. Councilmember Li went on to express her concern to make sure that shelters are operating under best practices so that current missions and values are upheld, particularly since research has proven the historical requirements to be ineffective. She expressed her dissatisfaction about the idea of funding shelters that don’t reflect values and best practices upheld by OHCS and the Housing Stability Council. Lastly, Councilmember Li encouraged a future discussion about having a culturally specific MFI (Median Family Income).

Director Salazar informed the councilmembers that the shelter study will be brought to next month’s meeting, so that this dialogue can be continued, and voiced the agency’s agreement that the shelter strategy is not a solution. She shared a conversation that she had with former Councilmember Tillman where they discussed how critical the low-barrier component is and that this will be a big lift for the state. However, she noted that it still called out the need for expanding shelter capacity to reach the larger goal of making homelessness as brief and rare as possible.

Councilmember DeVries reiterated the previous statement made about not making developers out of service providers, and expressed concern about how difficult the construction process can be when it’s not understood. She recommended adding a layer of requirement, such as an OHCS or project manager representative, who can provide oversight for these organizations. Councilmember DeVries stated that this could be mandated or required by partnerships.

Councilmember Wilhoite reiterated Councilmember Li’s previous comments, and stated that humanity is at the core of the work OHCS and the council are doing. He explained that emergency shelter is a necessity to provide temporary shelter, and appreciates the conversation about how to responsibly address this issue. Councilmember Wilhoite added that he appreciates the clarity of the flowchart in the meeting materials as well.
Chair Valfre summarized the councilmembers’ comments, and added that he has a few concerns about the use of bare land due to restrictions such as zoning and conditional use.

**EHA Real Estate Project: Medford Shelter at 6th and Ivy, Vicki Massey, Rental Assistance Program Coordinator**

Vicki Massey introduced herself and began her presentation of the materials. More information about this can be found here.

Councilmember Li posed a question regarding the 60-day stay limitation on page 49 of the meeting materials. She asked Ms. Massey if the expectation is to transition people from the shelter to permanent housing after 60 days. Councilmember Li expressed that one of the challenges of shelter is the lack of continuum of care, particularly if affordable housing isn’t accessible in the area. She added that the issue of homelessness cannot be resolved within 60 days for most individuals who stay at shelters.

Ms. Hahn shared that the community action agency (ACCESS) is part of the continuum of care in that area, and that they may have something worked out with the housing authority to assist these specific clients move into affordable housing more quickly. She added that this will be explored and they will seek out why the stay for this shelter has been restricted to 60 days. Director Salazar added that a plan to get them into housing can be crafted, whether it’s through vouchers or being added to a waiting list for affordable housing.

Councilmember Geller explained that the 60-day timeline has been around for a while, and that it was previously supported by good ideas. She informed that councilmembers that it’s important to be communicative with sponsors, rather than rigid, so that the population experiencing homelessness is not set up to fail. Councilmember Geller added that the general awareness of how this population is going to succeed is really important. Ms. Massey responded and stated that this may be a great way to add this to the application as a question, so that OHCS can get a response. She added that this may be a way to begin this conversation with partnering agencies, and to assist in expanding or changing the perception around shelters.

Chair Valfre reiterated that this subject matter is a challenging area, and that there aren’t enough resources for moving individuals experiencing homelessness along to affordable housing units since there are waiting lists which are a few years long in some areas. He added that this is a significant issue, and that it’s really important to think about what happens after the 60-day stay limitation has ended.

**Affordable Housing Finance – Julie Cody, Assistance Director, Affordable Housing Finance**

**Qualified Allocation Plan (QAP) Policy Update – Tai Dunson-Strane, Tax Credit Program Manager, Natasha Detweiler-Daby, Sr. Ops and Policy Analyst**

Ms. Detweiler-Daby gave the presentation. More information about this presentation can be found here.

During the QAP update, the presenters posed questions to the councilmembers for advice. AD Cody asked the councilmembers the following question (QAP Policy Update, slide 7):

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Is Housing Stability Council comfortable continuing to use this approach in awarding points for MWESB contracts until we are further along in the development of a comprehensive MWESB strategy?

Councilmember Li advised the AD Cody and her team to take smart risks with this policy and to stretch goals. Councilmember Sandoval voiced the importance of rewarding the organizations that are already doing what needs to be done.

Councilmember Geller informed the council that a high premium is charged for rural projects by a contracting company from Portland, because there are not enough contractors within the rural community that are MWESB (Minority-owned, Women-owned, or Emerging Small Business) registered. She added that there needs to be work done with different areas in Oregon to gather a number of MWESB registrations in that community. Councilmember Geller went on to comment that OHCS and the council needs to be realistic about the expectations for the MWESB registration process throughout Oregon.

AD Cody clarified that the contractors will have the data regarding MWESB contractors in different areas throughout Oregon, and added that it’s important to build more of an MWESB capacity in particular areas around Oregon. Councilmember Geller agreed and elaborated that there may not be many MWESB certified contractors in rural parts of Oregon. AD Cody explained that there may be ways to work through some of the barriers in the certification process, such as getting contractors certified for part of the MWESB registration. She explained that there may be contractors that qualify for the emerging small business certification, rather than the minority or woman-owned certification. AD Cody informed Councilmember Geller that she would like to speak with her more about this topic offline.

Chair Valfre asked for additional comments, and no one else offered. He encouraged OHCS to move forward with this process, despite the challenges.

Mr. Dunson-Strane continued the presentation, and posed the following question (QAP Policy Update, slide 9):

Is Housing Stability Council comfortable continuing to use the 4% LIHTC resources as the tool for projects that can capitalize on economies of scale to get those 60% units on the ground relatively quickly with little policy overlay, (including MWESB, supportive services, large unit sizes, etc) while focusing the 9% LIHTC program more so on furthering harder to serve policy objectives?

Director Salazar added context to the question above by stating that 4% and bond transactions are layering in other OHCS resources more often. She added that this recommendation is being made, because the 4% federal program paired with private activity bonds is designed to not be a competitive program and OHCS’ goal is to make this as user-friendly as possible. Director Salazar emphasized making this federal resource available, and potentially pairing it with another resource.

Councilmember Li thanked Director Salazar for her clarification, and asked for further clarification on the restrictive expectations for the way the 4% LIHTC resources are used. Director Salazar explained that there may still be transactions that come in using the 4% and private activity bond that are not proposing to pair with the other state dollars, and OHCS finds it appropriate as long as developers are able to fast-track development using these federal programs. She added that OHCS would like the
council to think about this prospect. Councilmember Li expressed her willingness to accept OHCS staff’s analysis of this matter, but also pointed out the urgency in representing OHCS’ values.

Councilmember Geller thanked Director Salazar for her comment, and explained that the 4% bond program is providing a very important infrastructure on the continuum of housing. She added that the 60% units will become more affordable over time, even if they aren’t affordable at this very moment, now that Oregon has statewide rent control.

Councilmember Wilhoite asked if there is any indication that this program is not working. He went on to ask what the real issues are in regards to this particular program, because the question may be posed to the council and OHCS in the future. AD Cody responded and explained that the 4% program alone, without any other funding, is a non-competitive program. She added that this aspect of it makes it really easy to use, but that it may result in it not being paired with a local subsidy. AD Cody further explained that this makes it easier for OHCS to continue putting additional resources out without a competitive process of scoring projects as they come through. She added that OHCS would like to have the ability to attract others to our market for larger urban projects in the future.

Chair Valfre informed the council that he has a concern about the minimal policy requirements, and that he would be more comfortable with some additional standards that could be easily superseded by local jurisdictions. He added that 4% program is going to be under high demand by the metro bond, who will have their own standards, but reiterated that he would more comfortable with minimal standards for the 4% program.

Councilmember Geller asked if there would be a requirement for contracting across the board. AD Cody responded that OHCS could have a minimal standard, and once they have a better understanding of that, this conversation will be easier to have. Councilmember Geller voiced her concern at not discouraging out of state developers from developing housing in Oregon, particularly since there are a few challenging programs.

Chair Salazar stated that there is a distinction between matters such as MWESB, how the project is getting built, and the kind of project AD Cody and her team are discussing.

Chair Valfre asked if the comments helped to answer the question presented by AD Cody and her team. AD Cody confirmed that the comments did help. Ms. Detweiler-Daby resumed the presentation.

The following question was posed to the council:

How should we approach the balance between wanting to ensure that small rural and culturally specific partners have access to our funding resources factors and the desire to get units placed on the ground quickly which increases predevelopment investment needs?

Councilmember Geller commented on the highly regulated zoning process and how it interacts with readiness to proceed. While she expressed a likeness for readiness to proceed, she also stated concerns about it being realistic, considering how difficult it is for developers right now and the cost of it. Chair Valfre asked for additional comments, and there were no additional comments. He asked AD Cody what predevelopment opportunities the state is offering. AD Cody responded that her team is working on balancing requirements and costs, and that she is unsure about getting back into the
predevelopment funding business. She explained that she and her team can ensure that they have relationships with lenders that engage in and understand this type of work, and added that they may be able to incentivize those funds to do certain rural and culturally specific projects.

Chair Valfre informed AD Cody that he was previously with a predevelopment funding organization in Washington County, and agreed with the earlier comments about the challenges with readiness to proceed. AD Cody explained that one way to incentivize developers to be more realistic and to know what they’re signing up for is to rollover any negative points they’ve acquired to the next round. She ended her comment by informing the council that she and her team are toying with types of scoring pieces as well.

Councilmember Geller asked if there would be an appropriate predevelopment tool to get those 4% transactions where we want to see them, but reiterated that this was a rhetorical question that she is thinking about.

Councilmember Li expressed appreciation at the co-creation of this work between OHCS staff, the housing stability council and the developers, since this process has worked out fairly well. She went on to reiterate Councilmember Geller’s comment about the changes that have occurred in the last few years and wanted to reflect on the conversation about costs. She explained that she is unsure that points should be given for cost containment, because the containment comes at the risk of some of OHCS’ policy targets and some of the vulnerable populations. Councilmember Li stated that this takes more time, money and resources and that they may still be missing the most vulnerable populations. She ended her comment by stating that this cost may be beneficial, because it is incorporating racial justice and equitable services to underserved communities.

Councilmember Geller explained that developers are taken more seriously when they have more funds to provide. She added that cost containment has been an issue in the past, but that she understands why costs are growing and where they’re coming from now as time has gone on. She emphasized that most of the costs are higher due to goals that are beneficial in some way (i.e. environmentally friendly, amenities within housing units for families), and wanted to defend the higher costs. She told AD Cody and her team that she hopes her team and OHCS receives an itemized lists of the costs so that this information is shown in detail, and the costs can be defended when there are questions or inquiries.

Chair Valfre stated that the legislature pushes back on higher costs, and that a lot of projects don’t always have someone on point to handle the confrontations about costs. He explained that if one project costs more than there will be less for another project, but reiterated that what is being asked for is not unrealistic since these structures are where families grow and thrive.

AD Cody informed the council that their comments have been very helpful. Ms. Detweiler-Daby informed the council that her team will be meeting with culturally specific developer partners and are working on a redline draft of the QAP to put real words to the changes they are working towards.

**GAP Offering Framework Introduction** – Natasha Detweiler-Daby, Sr. Ops and Policy Analyst, Ed Brown, GHAP Program Manager

- **$10 MM Small Projects**
- **$5 MM New Construction with 4% of LIHTC**
- **$4 MM for Veterans Housing**
Ed Brown was invited to present along with his team, and began the presentation. More information about this presentation can be found here.

After the presentation, Ms. Detweiler-Daby asked the council the first of three questions from their presentation:

Should we prioritize putting resources to develop units set-aside for Veterans into all projects, or should we restrict those resources to just the small project offering?

Councilmember Li suggested expanding the focus from single veteran individuals to veteran family households.

Chair Valfre asked for additional comments, and Councilmember Wilhoite asked if the MWESB scoring in the offerings is weighed heavily enough. Ms. Detweiler-Daby asked for clarification, and Councilmember Wilhoite stated that he is not suggesting a change to the way it is weighed, but that he is unaware of the impact that expectation will have. Ms. Detweiler-Daby informed him that she and her team will get back to him with more information about his question.

Chair Valfre asked if there is a possibility to have some funding in the reserved category where that reserved allocation can go towards advancing programs in entire state to advance MWESB. He added that this topic about funding will need to be discussed in the near future. Ms. Detweiler-Daby thanked him for his comment.

Chair Valfre agreed with Councilmember Li’s comment about serving veteran families, and informed the presenters that connecting services to the veteran community would be beneficial for them.

Ms. Detweiler-Daby posed the second question for the council:

Should we allow preservation / rehabilitation projects to apply for the Small Project offering?

Chair Valfre asked for comments from the council. Director Salazar asked if they would like to preference new construction. Councilmember Li stated that she would be confident to rely on staff expertise regarding that preference.

Councilmember Geller asked if OHCS is making this program like the ones that they already have, or if it will be a unique program that addresses an unmet need. Ms. Detweiler-Daby responded and informed the council that their hope is that this offering addresses the pieces that weren’t previously addressed, and that this is an attempt to streamline processes to make this application easier for the smaller rural partners. She directed their attention to the memo where it indicates that 70% of these project resources are supposed to serve rural areas.

Councilmember Geller explained that the needs for rural Oregon are different than other communities in Oregon.

Ms. Detweiler-Daby posed the third question to the council:
Our current framework includes preference points for projects connected to several state agency capacity building efforts; do we want to expand this point incentive to projects participating in other, unrelated, capacity building efforts?

Councilmember Geller stated that this is a good idea on the surface, but explained that there is a distinction between participating and good developers. Councilmember Li expressed agreement with Councilmember Geller’s statement, but added that they should be looking at a strategic systems level for these partnerships. She added that points should be added if the work is further their agenda on a strategic systems level.

Councilmember Sandoval asked how those boundaries and parameters are defined for the partnerships, and the decision-makers behind the creation of those boundaries and parameters. Chair Valfre stated that Councilmember Sandoval’s comment made a good point, and asked for additional comments. Ms. Detweiler-Daby informed the council that they will return in July with additional updates.

Councilmember Li expressed appreciation for their focus on tribal nations and culturally specific partnerships, but added that she looks forward to hearing more information about the demographics of who will occupy these units. Councilmember Li pointed raised the point of providing outreach to specific communities so that they are aware of these opportunities.

Chair Valfre informed the staff and councilmembers that he enjoys the feedback and questions during these meetings, and thanked the staff for the way the material was presented.

Report of the Director:

Director Salazar invited Ariel Nelson up to present the legislative updates. Ms. Nelson informed the council that the agency budget bill is scheduled for the following week, and what OHCS is expecting to receive funding for. Before proceeding, she reiterated that this information is all pending and subject to confirmation by the legislative committees. Ms. Nelson discussed Senate Bill 5512 and informed the council that this includes staffing increase requests, and other increased resources. She shared that OHCS is expecting a small amount of funding for foreclosure avoidance and homeownership counseling, estimated at around 1.5 million. Ms. Nelson informed the council that the Greater Oregon Housing Accelerator bill will not be moving on, however, OHCS is expecting 5 million dollars in funding through the corresponding policy option package in the budget to continue the housing pilot work. She added that House Bill 2056 will update the existing loan guarantee account to attract financing for rural Oregon, and will be moving on to the full Ways & Means Committee, and then to the House and Senate floors for approval. Ms. Nelson concluded the updates regarding funding, and moved on to the updates regarding general fund bills that will be moving through the following Monday. She updated the council on House Bill 2006, House Bill 2002, House Bill 2896, Senate Bill 586, House Bill 2001, and House Bill 2003. Ms. Nelson informed Chair Valfre that she will get back to him with specific information regarding the size of the cities involved in House Bill 2003. Councilmember Li asked if last two bills (House Bill 2001 and House Bill 2003) come with administrative resources, and Ms. Nelson confirmed that they do.
Director Salazar informed the council that links to these hearings will be sent out to them, and that debriefs will be provided in July or August for a fuller picture. She provided an update on the proposed rules HUD has put out for comment, and began discussing the mixed status family rule which would prohibit mixed immigration status families from living in public subsidized housing, where they could potentially be evicted from their housing after 18 months or sooner. Director Salazar shared that HUD estimated this may be up to 25,000 families from receiving housing assistance nationwide. Director Salazar shared that OHCS is coordinating a response with Oregon Housing Authority Association, and indicated that they will be surveying the impact across the state. She told the councilmembers that she will be meeting with them the following week, and that she’s placed this issue on the agenda for NCSHA (National Council of State Housing Agencies). Director Salazar informed the council that comments are due by July 9th. She continued on to discuss HUD’s second proposed rule to amend the equal access rule for LGBTQ+ members by weakening those protections, and allowing shelter providers to have exemptions to serving transgender individuals based on religious preference. Director Salazar shared that OHCS plans on having a response to this, but encouraged councilmembers to sign on. She provided information on another update from HUD regarding the oversight of section 8 properties in Oregon, and the potential to rebid those contracts. Director Salazar shared that HUD will be extending the contract, but with financial cuts, so OHCS is currently negotiating this change.

Director Salazar shared that the Affordable Housing Credit Improvement Act of 2019 was introduced to both the Senate and House, which includes provisions that OHCS have been working on at national level to strengthen tax credit. She informed the councilmembers that more information about this subject will brought back to them.

Director Salazar informed the councilmembers that Assistant Director of Housing Stabilization at OHCS, Claire Seguin, will be moving on to a different position and that Assistant Director of Public Affairs, Kenny LaPoint, will be the interim director for Housing Stabilization. She added that Kim Travis, housing integrator of the public affairs division, will be taking AD LaPoint’s place during this interim. Director Salazar shared that James LaBar (Regional Solutions Director and Policy Advisor for Housing, Economy, and Jobs at Oregon Governor’s Office) will be moving on to North Carolina, and invited him forward to speak with the councilmembers.

Director Salazar updated the council on OHCS’ annual report, which was passed out to councilmembers, and informed the council that the OHCS logo will be changed in the near future as well. She went on to provide a list of events which will be occurring in the next few weeks, and directed them to check the calendar of events which was shared with them by email if they are interested in participating. She briefly invited councilmembers to the Veterans Convening on July 30th to 31st. Lastly, Director Salazar communicated with the councilmembers about the follow-up from the housing stability council retreat which took place in May, and informed them that follow-up notes will be sent as soon as they are available. Director Salazar shared that a few follow up items and feedback are still being worked through, but that they will be bringing back more ideas to council for consideration.

Lastly, Director Salazar asked the councilmembers for feedback about extending July’s council meeting by an additional hour, and would like to know if they will be available.
After she finished her report, Director Salazar turned it over to Chair Valfre.

Report of the Chair:

Chair Valfre shared details of his trip to Enterprise, Oregon and discussed the need for other services in addition to housing, such as transportation and medical resources. He added that wide distances tend to limit access in certain areas, but that housing serves as a bedrock in Oregon’s communities.

Chair Valfre discussed Operation Neptune (D-Day Landing in Normandy) and the significance of how one generations’ sacrifices and contributions benefit the following generations.

Lastly, Chair Valfre thanked Mariah Acton for her work on the housing stability council retreat last month.

Meeting Adjourned
The meeting was adjourned at 1:15 PM