August 2, 2019
Oregon Housing Stability Council Meeting Minutes

Chair Valfre called the meeting to order at approximately 9:00 am.

**Agenda Item: Roll Call**

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<th>Present</th>
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<td>Sarah DeVries</td>
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*Arrived after 9am*
*With at least six members in attendance, we have reached a quorum for voting purposes*

**Public Comment:**
No public comment was made.

**Approval of Meeting Minutes for July 12, 2019**
The council did not meet quorum for meeting minute approval.

**Affordable Housing Finance:** Julie Cody, Assistant Director, Affordable Housing Finance

**Multifamily Housing Transactions**

**Claxter Crossing Transaction,** Brad Lawrence, Loan Specialist and Casey Baumann, Underwriting Manager

More information can be found [here](#).

After the presentation, Councilmember DeVries asked about the repayments for the LIFT (Local Innovation and Fast Track Housing Program) program, and how funds are brought back to the agency. Mr. Lawrence explained that the LIFT loan is deferred for 30 years at 0% interest. He added that it can be extended for an additional 30 years’ restrictions, at which point the loan is forgiven. Councilmember DeVries asked if the LIFT allocation changes, or remains the same, if the deal changes. Mr. Baumann explained that OHCS (Oregon Housing & Community Services) sticks with what was originally reserved.
Councilmember DeVries asked if the transaction is loan to cost constrained, and Mr. Lawrence and Mr. Baumann offered to return with more information. Councilmember DeVries commented that this brings up the bigger question about how the LIFT funds are allocated, and making sure the subsidy is the right size relative to the debt. She added that we want to make sure we are leveraging the debt, particularly since OHCS is not benefiting from the cash flow or repayment.

Councilmember Wilhoite asked what would make this something that falls under the category of permanent supportive housing (PSH). Director Salazar explained that the LIFT development programs require 60% AMI (Area Median Income) or below. She added that some partners have added in project based vouchers for lower-income households, but that this is not required in the LIFT program. She further explained that PSH housing typically has more extensive wrap around services for tenants, as well.

Councilmember Sandoval expressed appreciation for the level of detail regarding partner participation in the community.

Councilmember Hall asked for clarification regarding the environmental issues referenced in the remediation plans in the meeting materials. Mr. Lawrence explained that the remediation plan is referring to lead based paint and asbestos. He went on to explain that there are plans in place to monitor these environmental conditions, and reserves to address these issues.

Chair Valfre asked to see a timeline for these projects, preferably including an estimate of beginning and end of construction. He added that he is interested in seeing a per unit or square footage cost. Chair Valfre observed that resident services are promoted, rather than being an agreement, but that he’d like to see tenants benefiting from the services. He asked for the presenters to expand on this.

Chair Valfre responded to Councilmember Wilhoite’s earlier comment about PSH, and clarified that PSH services are geared more towards the individual’s needs, rather than the community. He ended his comment by stating that this is his personal interpretation.

**Agenda Item: Claxter Crossing Apartments, Conduit Bond 4% LIHTC funding request**

**Motion:** Move to approve Pass Through Revenue Bond in an amount up to and not to exceed $7,300,000 to Claxter Crossing Apartments LLC for construction of Claxter Crossing Apartments, subject to the borrower meeting OHCS, Key Bank National Association, and CREA LLC’s underwriting and closing criteria, documentation satisfactory to legal counsel and State Treasurer approval of the bond sale.

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Pass/Fail - 6:0:0:1/ PASS
**Halsey 106 Transaction**, Andrew Moran, *Loan Officer and Casey Baumann, Underwriting Manager*

More information can be found [here](#).

Councilmember DeVries asked if there’s a related party ground lease or third party ground lease. Mr. Moran responded that it’s a third party ground lease from Prosper Portland. Councilmember DeVries asked a clarifying question regarding this property being an economic driver for Portland to pass this along, and Mr. Moran confirmed that she was correct.

Councilmember Li commented that the equity and racial justice portion seemed light, and added that the affirmative fair market strategy didn’t appear to target a specific demographic in the neighborhood. She asked staff to go back to the partners and to press for more detail and information. Mr. Moran mentioned that Human Solutions plans to lease that office space for their new headquarters and will have more hands-on access to the residents in this location.

Councilmember Sandoval reiterated earlier comments regarding the improvements for the equity and racial justice part of this project, and expressed excitement about this project.

Councilmember Wilhoite asked how all the different partners coordinated with one another on this project, and if type of collaboration can happen more often. Mr. Moran responded that this can definitely be done more often. Mr. Baumann further clarified that this project was more complex, but not more time consuming than usual.

Director Salazar stated that this is a work in progress, and that OHCS is modernizing their own understanding of the underwriting process. Mr. Moran added that this project may help set some sort of template for other projects in the future.

Chair Valfre asked the presenters what their experience has been with American Management Services Northwest, LLC, as far as being property managers. Mr. Moran stated that this experience is limited, but that American Management was selected due to their experience with mixed properties and management.

Chair Valfre asked if the tenants are aligned with the commercial portion of this project. Mr. Moran stated that the office space and restrictions for the retail space are still being worked out for the Human Solutions headquarters, particularly since they do not want to be burdensome to the tenants. Chair Valfre shared that he’s seen several good projects struggle, because of the issue of long term sustainability with retail space in the same area. Mr. Moran stated that OHCS made sure that LIHTC (Low Income Housing Tax Credit Program) portion would be financially feasible.

**Agenda Item: Halsey 106 Conduit Bond 4% LIHTC Funding Request**

**Motion:** Move to approve Pass Through Revenue Bond in an amount up to and not to exceed $8,670,000 to Gateway Halsey LP for the construction of Halsey 106, subject to the borrower meeting OHCS, JP Morgan Chase Bank and PNC Bank’s underwriting and closing criteria, documentation satisfactory to legal counsel and State Treasurer approval of the bond sale.

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Councilmember Wilhoite asked for more information regarding the outreach process for this project. Mr. Brackeen explained that OHCS reached out to culturally specific networks.

Councilmember DeVries asked if this project is based on straight affordability or if it has a specific preference for artists. She then asked about the LIHTC restriction, and asked if it is general preference or a true set aside. Mr. Brackeen stated that it is a true set aside, and that the artist population was a preference. He added that there was an explicit outreach effort to artists in culturally specific organizations (pg. 43). Director Salazar indicated that the asset management division can follow up on the technical aspect of the project with more detail.

Chair Valfre expressed interest in the demographic information for this project, and asked for further clarification regarding HUD’s (Housing and Urban Development) decision regarding the continuing preference for artists. Mr. Brackeen explained that this project’s artist preference will remain the same, but stated that he will conduct more research into this inquiry.

**Agenda Item: Milepost 5 Conduit Bond 4% LIHTC Funding Request**

**Motion:** Move to approve Pass Through Revenue Bond Financing in an amount up to and not to exceed $7,621,333 to Milepost 5 Limited Partnership for the acquisition and rehabilitation of Milepost 5, subject to the borrower meeting OHCS and California Banks and Trust’s underwriting and closing criteria and documentation satisfactory to legal counsel and Treasurer approval for the bond sale.

Pass/Fail - 6:0:0:1/ PASS

**Qualified Allocation Plan: Update & Discussion**, Tai Dunson-Strane, LIHTC Program Manager, Mitch Hannoosh, Affordable Rental Housing Policy Analyst, and Natasha Detweiler-Daby, Senior Housing Finance Policy

More information can be found [here](#).

Councilmember Li stated the importance of staying aligned with the statewide housing plan (SWHP). She added that OHCS staff can return with best option to move forward with this process, and that they will
continue to learn from this progression. Chair Valfre added that the staff is continuing to reach out to stakeholders.

Director Salazar shared that outreach and data work is still being thought through. She expressed interest in engaging with Councilmember Sandoval about planning, equity work, particularly around the topic of gentrification.

Ms. Detweiler-Daby resumed the presentation after these comments.

Councilmember DeVries asked if scoring can be conducted in a way relative to adding leverage points for HUD’s HOME. She added that she has concerns without having more discussion and looking at data. Ms. Detweiler-Daby stated that OHCS currently has points set aside for home leverage, whether through PJ’s (Participating Jurisdictions) or HUD HOME.

Councilmember Li clarified if the allocations for each of the regions will be based off of the organizational framework in concept 1 on page 55. She then asked if there is a way to organize framework by population threshold. Councilmember Li stated her preference for concept 1, but added that she is interested in understanding what the allocation and geographic alignment would look like in a scattered site. Mr. Hannoosh responded and explained that concept 1 is distributed by population of city, and that it is tied to the populations in those jurisdictions. He added that the baseline data for this can be provided.

Councilmember Sandoval described different ways of defining the various regions across the state of Oregon, and Ms. Detweiler-Daby agreed that this can potentially happen on a jurisdictional level.

Director Salazar stated the importance of clarity when communicating with developers and receiving feedback, since the data will help OHCS understand how to structure projects.

Chair Valfre expressed interest in hearing feedback from stakeholders, and commented on the complexity of geographic regions within the same county.

Ms. Detweiler-Daby resumed the presentation.

Councilmember Li asked for clarification regarding the decision making priority for the council. Director Salazar expressed OHCS’ intent to bring well-studied recommendations to the council, and taking their suggestions under advisement.

Affordable Rental Housing Data Dashboard, Mitch Hannoosh, Affordable Rental Housing Policy Analyst and Natasha Detweiler-Daby, Senior Policy Analyst and interim Program Manager

More information can be found here.

Mr. Hannoosh presented the Affordable Housing Dashboard to the council. Councilmember DeVries asked about the filters for different geographical regions beyond urban and rural. Mr. Hannoosh shared that he and his team would be able to adjust that accordingly. Councilmember Wilhoite asked if the dashboard will show the cumulative totals and targeted amounts pertaining to a statewide housing plan specific dashboard. Mr. Hannoosh confirmed that this is a work in progress.
Councilmember Hall asked if the dashboard can be accessed, and Mr. Hannoosh shared that a link to the dashboard will be posted to the OHCS website.

Councilmember Sandoval asked if the research team is working with any other researchers for the broader questions, and Mr. Hannoosh shared that the research team is working with larger studies and looping in universities across the state. He added that OHCS is in touch with Washington State University.

Chair Valfre asked if data regarding manufactured homes around the state can be filtered, and Mr. Hannoosh stated that there is a filter specifically for rental housing and manufactured home parks. Chair Valfre asked if the research team is working with housing authorities to show their data, and Mr. Hannoosh stated that OHCS is in connection with OAHI (Oregon Affordable Housing Inventory).

**Housing Stabilization Update:** Kenny LaPoint, *Interim Assistant Director, Housing Stabilization*

**LIHEAP State Plan (briefing),** David Kaufman, *Oregon Energy Assistance Coordinator*

More information can be found [here](#).

Director Salazar stated that the council would like to hear more about the evaluation the energy team is embarking on, possibly as a future agenda item.

Councilmember Wilhoite asked if the 13% being served is accurate (on page 61). Mr. Kaufman confirmed that the 13% is accurate. He stated that the households served is not an accurate indicator of the work being accomplished or the outcome. Mr. Kaufman added that the evaluation and data being currently discussed will show a more accurate description of what work is being accomplished.

Chair Valfre asked if the public hearing is on the 19th of August, and Mr. Kaufman and Mr. Zimmer confirmed.

**Housing Cost Study – BlueSky Consulting,** Mitch Hannoosh, *Affordable Rental Housing Policy Analyst, Matthew Newman*

More information can be found [here](#).

Councilmember DeVries asked for clarification regarding the financial set up and data related to the cost. Mr. Newman clarified that the measure of cost is from the date of application approval to the service date. He added that the cost includes the period of construction time, as well. Mr. Newman shared that this was not shown to be correlated with higher project costs.

Chair Valfre highlighted the importance of pre-work to get the land ready, which may lead to delays and add costs. Mr. Newman shared that some parcels of land come ready to build on, and some require work to be done prior to construction.

Councilmember Sandoval asked for any differences between the Oregon and California studies, and if anything unique was found in the Oregon study. Mr. Newman explained that the process in Oregon is much less political, and that the construction costs are higher in California. He added that California also has more environmental protections.
Councilmember Li asked what the developer partner feedback has been. Mr. Hannoosh stated that this report has not been released yet, except to the legislature office (which requested it). He added that the Public Affairs team is engaged with the developer partners, and are listening to their feedback.

Mr. Hannoosh clarified that one of the key goals for this study is to inform of what OHCS doing, and to make sure the study is part of the thought process.

Councilmember Li observed that there is not an increase in cost related to the MWESB (Minority, Women & Emerging Small Business) priority, and that she’d like the data to push OHCS into conversations with developers. She referenced research that shows that people living on low-income in one area being disadvantageous for that community, and asked the agency to think about that aspect when reflecting on these projects.

Councilmember Sandoval observed that the survey questions didn’t really ask about minority owned small businesses, and directed Mr. Newman to question 2c on page 120, which related to this topic. Mr. Newman indicated that this specific question would have included this issue. Director Salazar clarified that these are two different potential requirements, and Mr. Newman stated that it depends on how the developer characterizes that requirement. Mr. Hannoosh added that a lot of the responses in the survey were self-reported.

Chair Valfre shared that he didn’t hear anything about efficiency costs and connection to parking, which can make a huge difference in communities and how much land is available to build on.

Chief Financial Office: Caleb Yant, Chief Financial Officer

More information can be found [here](#).

2019-2021 Legislatively Adopted Budget Overview, Caleb Yant, Chief Financial Officer
Legislative Highlights and Implementation, Ariel Nelson, Government Relations and Communications Liaison

Councilmember Li referenced the operating expenses in the presentation and asked if that refers to administrative costs. Mr. Yant confirmed that this is correct. Councilmember Li expressed her concerns about the operating cost percentage for the overall amount of work that needs to be done. She reiterated her concern about the agency’s capacity to deliver on everything that needs to be done on the less than 2% operating cost. Councilmember Li discussed the need of a clear statement from the council highlighting the issue of being able to operate with the current administrative percentage provided.

Chair Valfre asked Director Salazar how comfortable her team is with the article XI bonds for PSH, and Director Salazar shared that OHCS has gotten a track record of deals that have opened and closed with multiple funders. She added that it is new for PSH, but that they’re making sure the funding source is understood.

Report of the Director:

Director Salazar invited Sup Thanasombat, Senior Advisor for Strategic Planning and Business Operations, up to provide an update on the SWHP implementation. Ms. Thanasombat provided an update regarding the metrics, simplifying the report, and the importance of accountability. She explained that the metrics identify: who, when, how, and provides definitions. She shared that OHCS is developing an online SWHP dashboard to post on intranet, and that she is working with the SWHP teams to finalize annual goals.
Ms. Thanasombat discussed the reporting simplification process by establishing regular meetings with strategy owners every other week and monthly with policy priority owners, to make sure they have established time frames for reporting. She explained that they have developed standard reporting templates for monthly and quarterly reporting to the executive team, and developed high level visuals and condensed high level reports to easily relay information and manage project pieces.

Ms. Thanasombat mentioned the importance of accountability, and discussed the quarterly reports and working on communication pieces internally and externally. She ended her update by providing information regarding the internal SWHP show and tell for staff, which helped to show them goals, strategies, and process for reporting.

Councilmember Sandoval asked if there has been any pushback for any portions of the plan. Director Salazar shared that there has been great conceptual feedback on the six policy priorities, and that the agency is currently discussing the specific strategies for each priority. She added that OHCS is at the phase where they are communicating with partners about the work they are dedicating themselves to.

Director Salazar provided an update on the Operation Welcome Home Veterans’ Convening in Independence, Oregon in late July and the groundbreaking in East Portland for Ash Creek Terrace. She provided a brief update on the West Coast Housing Exchange, which was hosted by OHCS this year.

Director Salazar shared that the shelter study will be released later in August, and discussed at the September Housing Stability Council meeting. She reminded the council about the bill signing the following week, in case their schedules permitted them to join.

Director Salazar shared information about the racial disparities taskforce event, and asked Councilmember Li to share any feedback about this event.

Director Salazar shared an update regarding the newly appointed housing policy advisor, Shannon Singleton, and brought the opportunity for councilmembers to join OHCS at the NCSHA (National Council of State Housing Agencies) conference in Boston around October.

Lastly, Director Salazar provided a brief presentation of OHCS’ new logo to the council.

**Report of the Chair:**
Chair Valfre expressed appreciation for the OHCS staff members that contributed to the veterans’ convening in Independence, Oregon. He provided an update regarding his experience at the convening and the event at Gail’s Lodging for veterans experiencing homelessness in Dallas, Oregon.

Meeting Adjourned at 1:40 pm.