

Housing Stability Council

MEETING MATERIALS PACKET



Cherry Creek Apartments
Medford Oregon

August 5, 2016
9:00 a.m. – 1:00 p.m.
Oregon Housing and Community Services
Conference Room 124 A&B
725 Summer St NE, Salem OR 97301



Oregon

Governor Kate Brown

Housing Stability Council

Oregon Housing and Community Services
725 Summer St. NE, Suite B
Salem OR 97301-1266
PHONE: 503-986-2000
FAX: 503-986-2020
TTY: 503-986-2100

Council Members:

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

AGENDA

August 5, 2016

9:00 a.m.-1:00 p.m.

Oregon Housing and Community Services, Room 124 A&B

725 Summer St NE, Salem OR 97301

Call-In: 1-877-273-4202; Participant Code: 4978330

	CLOCK	TOPIC	ACTION
1.	9:00	Meeting Called to Order Roll Call	Call Roll
2.	9:05	Public Comment	Comment
3.	9:15	Draft Meeting Minutes July 8, 2016	Approval
4.	9:25	Consent Calendar <i>For Acceptance:</i> <i>Community Services Block Grant Plan/Application, Marilyn Miller, Homeless Section Manager</i> <i>Low Income Home Energy Assistance Program State Plan, Tim Zimmer, Weatherization Section Manager</i>	Acceptance
5.	9:45	Multifamily Bond Approvals <i>Julie Cody, Assistant Director, Housing Finance</i> <i>Plaza Townhomes, Danny Gette, Loan Specialist</i>	Approval
6.	10:00	Federal Rent Subsidy Preservation NOFA Timing <i>Julie Cody, Assistant Director, Housing Finance</i>	Approval
7.	10:45	State of the Oregon Economy Briefing <i>Mark McMullen, State Economist</i>	Briefing
8.	11:30	2017-19 Budget Environment Briefing <i>Linnea Wittekind, Budget Analyst, Department of Administrative Services</i>	Briefing
9.	12:15	Report of the Interim Director	Report
10.	12:35	Report of the Chair	Report
11.	1:00	Meeting Adjourned	





July 8, 2016

Oregon Housing Stability Council Meeting Minutes

**Chair Dickson and Councilmember Baney will be joining the meeting by phone until they are able to arrive in person. Council member Valfre will be the Acting Chair for the meeting.*

Acting Chair Valfre called the meeting to order at 9:03 a.m. He then asked for the roll call.

Council member	Present	Excused	By Phone
Mayra Arreola	X		
Tammy Baney			X*
Mike Fieldman	X		
Anna Geller	X		
Zee Koza	X		
Marissa Madrigal		X	
Adolph "Val" Valfre	X		
Chair, Aubre Dickson			X**

** Councilmember Baney joined the meeting by phone at 8:58 a.m.*

***Chair Dickson joined the meeting by phone at 9:42 a.m. just prior to the presentation on Moonlight Townhomes.*

Public Comment

Acting Chair Valfre invited those present in the room and on the phone to give general public comment.

From the room:

Rob Prasch, NOAH, Preservation Director – Mr. Prasch came to offer his support of the Department’s request for \$10 million dollars in preservation money. Please reference his written comments by clicking [here](#).

Mr. Prasch also highlighted several examples of Oregonians who could potentially benefit from the \$10 million dollars should OHCS be given the money.

From the phone:

Ruth Atkins, Oregon Opportunity Network – she provided comments on behalf of the new Executive Director of OregonON, Jerome Brooks. Ms. Atkins shared with the Council that Mr. Brooks would be reaching out to each of them in the coming weeks to introduce himself. In addition Mr. Brooks wanted to personally thank Interim Director Seguin and Julie Cody for a good meeting earlier in the week. He is excited about the opportunity to work with OHCS in the future.

Acting Chair Valfre then asked for any additional comments. Hearing no additional requests to make comments, Acting Chair Valfre closed the public comment session.

Draft Meeting Minutes for Approval

The meeting minutes from the June 3, 2016 meeting were distributed to Council members prior to the July 8, 2016 meeting and edits received were incorporated into the document presented to the Council for approval on 7/8/16. Acting Chair Valfre asked Council members if they had any questions or additional edits. Receiving none, Acting Chair Valfre then called for a motion to

approve the meeting minutes. Councilmember Koza moved to approve the meeting minutes and Councilmember Geller seconded the motion. Acting Chair Valfre then called for a vote.

March 4, 2016 Meeting Minutes:

Council member	Motion	Yes	No	Abstain	Absent
Mayra Arreola		X			
Tammy Baney		X			
Mike Fieldman		X			
Anna Geller	2 nd	X			
Zee Koza	X	X			
Marissa Madrigal					X
Adolph "Val" Valfre		X			
Chair, Aubre Dickson					X

Vote: 6:0:0:2 | PASS

Councilmember Fieldman pointed out one of the links in the minutes was not working. Kris Klemm will check and make sure the link is working and repost the document on the website.

Multifamily Bond Approvals – *Heather Pate, Multifamily Section Manager & Theresa Pumala, LIHTC program manager*

Ms. Pate also introduced Tom Kemper with Housing Works in Redmond (the project sponsor for both Daggett Townhomes and Moonlight Townhomes) who will be available to answer questions about both projects being presented today.

Daggett Townhomes:

Ms. Pumala gave the presentations today on behalf of Casey Baumann. Ms. Pumala gave an overview of the project and informed the Council that the project met the requirements for funding.

Ms. Pumala then offered to answer any questions the Council had about the project.

Councilmember Fieldman said he was pleased to see the excellent level of resident services being offered at this property.

Councilmember Geller asked if there was a way to ensure that all resident services were delivered by licensed and trained providers.

Mr. Kemper told the Council that the resident services at this project were being delivered by Mosaic Medical, Neighbor Impact and the Department of Human Services, all of whom are licensed providers.

Councilmember Fieldman asked about how the units can be used in both the short and long term for transitional housing to reunify families.

Mr. Kemper told the Council that this is an area where they are still working to mitigate the impact and stabilize the families who need housing beyond the standard 6-month period. Neighbor Impact has stepped in to assist when the 6-month period has expired.

Councilmember Arreola asked Mr. Kemper to talk a bit more about the families who will be utilizing the units at the two projects. Mr. Kemper told the Council that each project will have specific units dedicated to families in transition and the rest will be filled through the use of an application/lottery process.

Councilmember Arreola would like to see a post-completion evaluation process in place to assess the demographics of the applicant pool and help inform the application process in the future.

Councilmember Geller suggested that documenting the marketing used by the projects to fill vacancies would be a useful tool for future projects. She commended the staff for the way in which this project has been underwritten. She commended Housing Works for the hard work they have done in preparation for the projects as well.

Councilmember Fieldman offered his appreciation for the two project deals and the low cost per unit estimate.

Acting Chair Valfre asked Mr. Kemper how many project based vouchers would be available at the properties.

Mr. Kemper told the Council that there would be six at one property and seven at the other.

Acting Chair Valfre asked what the total development cost would be for each project.

Mr. Kemper told the council that the estimates are \$203/sq. ft. and \$212/sq. ft.

Acting Chair Valfre asked that OHCS staff include the number of planned project based vouchers for each project on the report for the projects (if possible). He also asked what the acronym AMC stood for.

Ms. Pumala told the Council that AMC stood for Asset Management and Compliance. That is the OHCS team which reviews Resident Services and Management Agent plans.

Acting Chair Valfre then asked that for future presentation all acronyms be spelled out at least once in the document.

Acting Chair Valfre then asked for a motion from the Council. Councilmember Fieldman made the motion:

BOND RECOMMENDED MOTION: Move to approve Pass through Revenue Bond Financing in an amount up to and not to exceed \$3,500,000 to Daggett Townhomes, LLC for the construction of Daggett Townhomes, subject to the borrower meeting OHCS, Washington Federal Bank, and National Equity Fund underwriting and closing criteria, documentation satisfactory to legal counsel and Treasurer approval of the bond sale.

Councilmember Arreola seconded the motion. Acting Chair Valfre then called for the vote.

Daggett Townhomes

Council member	Motion	Yes	No	Abstain	Absent
Mayra Arreola	2 nd	X			
Tammy Baney		X			
Mike Fieldman	X	X			
Anna Geller		X			
Zee Koza		X			
Marissa Madrigal					X
Adolph "Val" Valfre		X			
Chair, Aubre Dickson					X

Vote: 6:0:0:2 | PASS

Councilmember Baney joined the meeting in person just prior to the presentation for Moonlight Townhomes.

Moonlight Townhomes:

Ms. Pumala provided an overview of the Moonlight Townhomes project. This deal mirrors the Daggett Townhomes project in financial structure and project costs, so rather than repeat the same information she just gave for Daggett Townhomes, Ms. Pumala provided the following information about the two projects.

- The projects were awarded as two separate projects.
- The two projects will be treated as separate entities.
- The two projects will not share any common areas.

Ms. Pumala then recommended that the Council approve the motion found on page 13 of the meeting material packet.

Acting Chair Valfre called for questions from the Council.

Councilmember Koza said she was impressed with the many different financing sources used for these two deals.

Councilmember Baney asked how we would be measure the success of the partnerships with Mosaic, Neighbor Impact and DHS. How are we measuring that the set-asides are working?

Mr. Prasch told the council they would be asking for documentation and metrics from Mosaic and Neighbor Impact and the Memorandum of Understanding with each partner clearly calls out the expectation of reporting on outcomes and metrics.

Councilmember Geller agreed that we would need to find ways to measure the successes of our partners and report out to the Council in the future.

Ms. Pumala told the Council that part of the follow-up being done currently by OHCS through the Asset Management and Compliance group tracks the properties to ensure they are meeting minimum requirements.

Councilmember Koza asked for the per unit estimated costs.

Mr. Kemper told the Council the numbers were \$203 for Moonlight and \$212 for Daggett.

Acting Chair Valfre then asked for a motion from the Council. Councilmember Fieldman made the motion:

BOND RECOMMENDED MOTION: Move to approve Pass Through Revenue Bond Financing in an amount up to and not to exceed \$4,000,000 to Moonlight Townhomes, LLC for the construction of Moonlight Townhomes, subject to the borrower meeting OHCS, Washington Federal Bank, and National Equity Fund underwriting and closing criteria, documentation satisfactory to legal counsel and Treasurer approval of the bond sale.

Councilmember Arreola seconded the motion. Acting Chair Valfre then called for the vote.

Chair Dickson joined the meeting by phone just prior to the vote on Moonlight Townhomes.

Moonlight Townhomes

Council member	Motion	Yes	No	Abstain	Absent
Mayra Arreola		X			
Tammy Baney	X	X			
Mike Fieldman	2 nd	X			
Anna Geller		X			
Zee Koza		X			
Marissa Madrigal					X

Adolph "Val" Valfre		X			
Chair, Aubre Dickson		X			

Vote: 7:0:0:1 | PASS

Agency Request Budget Update – Caleb Yant, CFO

Mr. Yant provided an update on the changes since the June meeting. You will find the information he reviewed during his presentation on pages 19-22 in the meeting materials packet.

Mr. Yant provided a process check and reminder about the next steps in the budget process. He also reminded the Council that today is the last time for a conversation about the Agency Request Budget, because it is due for submission to the Department of Administrative Services on August 1, 2016. DAS will then begin working directly with the Governor's office to build the Governor's Budget to be published by December 1, 2016. We will then know which of our Policy Option Packages (POP) have been included and which have not. During the Legislative session, the House and Senate will complete the final budget by budget by June 30, 2016.

Mr. Yant provided an overview of the specific items on the OHCS POPs list. He highlighted the specific items which changed since the last time he gave a budget review.

Package 101 (LIFT) –

Councilmember Baney asked if the positions would remain as limited duration.

Mr. Yant told the Council that the underwriting positions would remain limited duration.

Councilmember Geller asked what was meant by the word lawyers.

Mr. Yant told the Council that the term lawyers referred to both DOJ and Bond Council (Hawkins).

Councilmember Geller asked how OHCS would know the number of applications received as part of the LIFT program.

Mr. Yant told the Council that OHCS will not know until the applications are received. The numbers used for the POP assumptions are a best guess. The OHCS assumption used: 40 total applications, 25 will be just LIFT funding and 15 will be a combination LIFT and 4% funding.

Mr. Yant told the Council the reason for using this methodology. 1). the program is new and there is no historical information to use as a baseline. 2). this is one of the challenges of a biennial budget process.

Councilmember Fieldman asked if the agency was getting any inquiries about LIFT.

Mr. Yant told the Council that Julie Cody would be providing a LIFT update a bit later on the agenda today.

Councilmember Baney commented that the actual staffing number will remain unknown until the agency actually begins receiving applications.

Mr. Yant confirmed her comment. He also told the Council that the legislature may hold back some of the funds until it is shown that we actually need the money.

Councilmember Fieldman asked if the CS2 position would only work on LIFT.

Mr. Yant told the Council that the CS2 would have other responsibilities within the Compliance unit. The same goes for the underwriting duties. These positions will be used within their respective units and LIFT will be a part of their responsibilities.

Package 102 –

There is one major change to this package over the last review. OHCS will be asking for two Research Analysts instead of one.

Acting Chair Valfre noted that he was pleased to see the addition of another research analyst since the Council had previously expressed a desire to see more data driven decisions at the agency. It is great to see the agency making moves to become more data driven.

Package 103 & 104 –

The change here is the movement of the money from “general fund” to “other fund”. Community Action Partnerships of Oregon (CAPO) and Housing Alliance both submitted letters in support of these two POPs and can be found in the Housing Stability Council meeting materials packet.

Package 105 –

OHCS is simply asking for the money and if the agency receives the funds, staff will come back to the Council for recommendations about the use of the money.

Network for Affordable Housing (NOAH) submitted a letter in support of this POP and can be found in the Housing Stability Council meeting materials packet.

Both Councilmember Geller and Fieldman thought this POP was well written and gives the Council the most options on how to use the funds should OHCS get them.

Councilmember Fieldman asked why \$10 million.

Mr. Yant told the Council that OHCS arrived at the amount after conferring with DAS and the Governor’s office.

Note to the Council: next month OHCS will have a guest speaker from DAS come to present an overall budget picture for the state.

Package 106 –

The big change in this POP is that the integrator position will reside at the Department of Land Conservation and Development (DLCD) and that OHCS will fund ½ of the expense of the position.

Acting Chair Valfre said he thought this was a good move. And he is looking forward to good coordination between both agencies.

Package 107 –

This package is essentially unchanged from the prior review.

Package 108 & 109 –

These two POPs address the administration of the Federal funds recently received. The positions are all Limited Duration only. OHCS is not permanently adding any staff the agency.

Package 110 –

This package is essentially unchanged from the prior review.

Package 201 –

Mr. Yant has been working closely with the Governor’s office (Dani Ledezma) to determine a path forward for Oregon Volunteers (OV). Questions remain about where Oregon Volunteers and CASA will land in the future.

Councilmember Fieldman is on the OV board and they have been grappling with where OV should reside for several years. The particular program he wants to see survive is AmeriCorps which is currently run through OV.

Councilmember Arreola asked about where the Equity Position for OHCS stands currently. She believes this position is needed by and very important for the agency.

Mr. Yant told the Council that this particular position will be addressed through the Permanent Finance Plan rather than the budget process.

Acting Chair Valfre asked what the difference was between positions and FTE.

Mr. Yant told the Council that FTE is calculated based on the number of months in the biennium. As an example: If my job is for 12 months, I am ½ FTE in one position.

Councilmember Baney suggested it would be a good idea to call out the positions as limited duration (LD) for those who will be reviewing the POPs.

Acting Chair Valfre adjourned the meeting for a break at 10:35 a.m. Chair Dickson joined the meeting in person during the break at approximately 11:42 a.m. prior to the presentation of the Health and Housing Study by Amanda Saul.

Acting Chair Valfre handed the gavel back to Chair Dickson upon his arrival prior to the presentation by Amanda Saul.

Health in Housing Study – Amanda Saul, Senior Program Manager, Enterprise Community Partners, Inc.

Ms. Saul provided an overview of the Health in Housing Study for the Council. You may access the presentation by clicking [here](#).

Councilmember Fieldman asked what the acronym PACE stood for.

Ms. Saul told the Council PACE was a senior care center run by Providence Health & Services. You may explore more by clicking [here](#).

Chair Dickson asked when the program began.

Ms. Saul told the Council they started the learning collaborative in 2014 and ended in March 2016. The research study was done as a part of the collaborative and was published in March 2016.

You may download the Health in Housing Study by clicking [here](#).

Councilmember Baney asked what type of response they were getting from the Coordinated Care Organizations (CCOs) across the state.

Ms. Saul told the Council that they were getting great responses from the CCOs. Many of them are interested in exploring ways to partner and impact health through housing.

Councilmember Baney asked what kinds of recommendations they were giving to the CCOs.

Ms. Saul told the Council that she focuses in the beginning around services to build relationships.

Councilmember Geller asked how the Affordable Care Act impacted the results of the study.

Ms. Saul told the Council that some of the respondents to the survey were already in supported housing prior to the implementation of the ACA and some were in the midst of a move during the ACA implementation.

Councilmember Geller asked if there were people who did not want to participate in the survey.

Ms. Saul told the Council that 50% of those contacted did not respond. The survey was translated into the main languages used in the area.

Councilmember Geller asked if there was a plan to do landlord outreach. How will you reach out to the rural communities?

Ms. Saul told the Council there is a plan to reach out at the Oregon Opportunity Network conference. She also told the council that one of the great things that could potentially come out of the study is forming a real and helpful partnership with health care providers.

Oregon Health Authority (OHA) Overview – Michael Morris, M.S., OHA, Behavioral Health Policy Administrator

Mr. Morris greeted the Council and informed them that he would be presenting the OHA update today. Director Lynne Saxton who was scheduled to present to the Council has been called into an urgent meeting and could not come herself today. Mr. Morris also told the Council that Director Saxton would be happy to come back at a later date and present in person. Director Saxton has a passion for the connection between health and housing and she looks forward to working together in the future. Also with Mr. Morris in the audience was Darcy Strahan, Contracts & Housing Development Manager at Oregon Housing Authority.

Mr. Morris provided a supplemental update on the Medicaid 1115 waiver. The process allows OHA to use the Medicaid 1115 waiver in concert with the Coordinated Care Model. He and his team are working on the renewal of the waiver and working in partnership with Center for Medicaid Services (CMS). The main areas of work on the waiver include:

- Moving forward on the current work being done
- Making tweaks to the waiver to make it more effective
 - The use of funding for flexible services
- Using the guidance from CMS to work with Community Health Partners to use services with housing support
 - Application support
 - Overcoming barriers to housing (past due utilities)
 - Cover cost of furnishing apartments
 - Modifications to a home to make it safe
 - Housing support (working with Landlords and tenants)

Councilmember Valfre asked Mr. Morris to provide the name of the program.

Mr. Morris told the Council the name of the program is Community Health Partnerships. OHA is still waiting for final approval from the Federal Government on the Waiver changes.

Councilmember Fieldman asked Mr. Morris if OHA was optimistic that the waiver changes and updates would be approved.

Mr. Morris told the Council that OHA was optimistic that the waiver would be approved because of the work his team had done and the requests they made were in line with the guidance from CMS. They are hopeful they will get formal approval by the end of October at the latest.

The other program his team is working on is called the Innovator Accelerator Program (IAP), which is supported by CMS and help to advancing best practices across the states. The participation in Oregon is two-pronged.

1. Webinar training and technical assistance
2. Partnering with consultants and other state agencies to provide continuity of service for Oregonians. Oregon Health Authority (OHA), the Department of Human Services (DHS) and OHCS are working in concert to address health and housing.
 - a. Looking at the need
 - b. Develop strategies
 - c. Memorandum of Understanding (MOU) in place between the agencies for data sharing and other work product

Mr. Miller also provided an overview of the presentation from Lynne Saxton on the OHA supported housing programs. Please reference the full presentation by clicking [here](#).

Mr. Miller highlighted the types of supported housing programs and the two supported housing partnerships with OHCS.

OHA has been working closely with U.S. Department of Justice (USDOJ) to ensure that OHA meets the integration requirements as outlined in his presentation.

Councilmember Fieldman asked if the agreement with the USDOJ addressed “fractional” units. For example, what do you do when the 25% represents a number like 4.6 or 4.3 units? Will OHA round up or round down?

Mr. Morris told the Council that OHA has some flexibility when addressing the “fractional” units.

Mr. Miller highlighted the OHA supported housing programs:

1. Rental assistance (this is a challenge especially with the housing crisis; OHA has funds, but no housing to put people into)
2. Supported housing development
Councilmember Valfre asked if the funds go to the whole development or only to the 25% as outlined by the USDOJ agreement.
Ms. Strahan told the Council that the practice at OHA is to cap the available funds on each project.
3. Oxford Houses (peer supported clean and sober housing)
Chair Dickson asked how much funding was in this program.
Ms. Strahan told the Council that she thought the amount was just a couple hundred thousand, but she did not know for sure.

Partnerships with OHCS:

1. HUD 811 (rental subsidy)
2. Mental Health Housing (\$20 million)
Councilmember Valfre asked if this money was for general mental health.
Mr. Morris told the Council the money was primarily for clients with Serious Mental Illness (SMI)

LIFT Progress Update – Julie Cody, Assistant Administrator, Housing Finance & Natasha Detweiler, Housing Finance Analyst

Ms. Cody provided an update on the progress to date for the LIFT program.

1. There have been many LIFT outreach events across the state facilitated and coordinated by the OHCS Housing Integrators, Kenny LaPoint and Kim Travis.
Bringing together community members, sponsors, housing authorities, local DHS staff are present at the meetings.
2. Under development now and based on the Council approved LIFT framework:
 - a. The LIFT NOFA document
 - b. The NOFA Application document
 - c. The NOFA instruction document
3. Primary and secondary scoring methodology is now with DHS (Self-sufficiency and Child welfare programs) for edits and input.
4. Working with DHS on coordination of information to all district offices.

5. Legal documentation is still being worked on by the Department of Justice (DOJ) (ownership component); meeting weekly to get progress reports. DOJ is also meeting with the Bond Council to address any concerns.
6. Website has been updated and now streamlines the information on LIFT.
 - a. Final approved version of the LIFT Framework
 - b. FAQ (this is a living document and is updated regularly)
 - c. 2-page summary of the LIFT Framework

Councilmember Valfre asked if Ms. Cody or Ms. Detweiler were getting any inquiries about LIFT or if they perceived any early interest in the program.

Ms. Detweiler told the Council that she has only gotten three calls about the LIFT program, but both of the Integrators have been getting lots of interest at the outreach events over the past several weeks.

Ms. Travis shared that she believes there are a handful of groups interested so far. Mr. LaPoint told the Council that he has spoken with several developers who are expressing interest in the program. He estimated the number of units to be at about 500 from those showing an interest and seriously considering applying to the LIFT program.

Chair Dickson asked if there were any questions which have been asked multiple times.

Ms. Detweiler told the Council that the most often asked questions are about the specifics of the legal agreements and what they will be like.

Ms. Cody told the Council that DOJ is still reviewing the specifics of the legal requirements for the operational and ownership sides of the deals.

1. OHCS is exploring the option of putting in place operating agreements for each project and seeking approval from DOJ and the Bond Council.
2. OHCS is exploring options and requirements for ownership.
 - a. Land ownership with a land-based lease for owner/operator of the project
 - b. Not going into a joint-ownership agreement

Council member Valfre asked if Ms. Cody and her division were having conversations with potential lenders about LIFT.

Ms. Cody told the Council that they have had dialogue with partners, lenders and investors. And she plans to continue to have conversations with these groups.

Councilmember Valfre asked what will happen to the land at the end of the 20-year period. Ms. Cody told the Council there are two options to *own* the land or *operate* the property. It all depends upon the funding which will be secured for each property.

One option is to simply get the money back from the developer.

At the end of the 20-year period OHCS would enter into negotiations for extended affordability for the property in return for loan forgiveness.

Councilmember Koza thanked Ms. Cody and Ms. Detweiler for the report and for adding the FAQ document to the LIFT website.

Chair Dickson asked for an update on the workgroups.

Ms. Cody told the Council that there will be three workgroups. Membership will be a mixture of staff, Housing Stability Council members, lenders, investors, bond professionals and developers (for profit, non-profit, urban and rural).

The groups as described by Ms. Cody are:

1. The **4% Ad Hoc Workgroup** will be exploring the scope of work, and having a kick-off meeting in the very near future. This workgroup will explore the following:
 - a. Gap funding options and how it will work
 - b. Policy priorities
 - c. Blending 9% and 4%
 - d. Streamlining the application process.
 - e. Bring recommendations to the Housing Stability Council.
2. **Portfolio combination workgroup** will look at the possibility of combining the portfolio for “little p” preservation and asset management fees. Working with Meyer Memorial Trust and OregonON. Some items which this group will address are as follows:
 - a. What is the right mix
 - b. Getting costs down
 - c. Best portfolio size
 - d. Define the terms used
 - e. What is the appropriate asset management fee
3. The **Resident services workgroup** is still under development. The plans are to have this group address the following at the very least.
 - a. How developers will provide the services
 - b. Develop a clear definition of resident services

Chair Dickson asked what the timeline is for the kick-off for the three workgroups.

Ms. Cody told the Council that the plan is to launch the workgroup #1 in the next few weeks and sometime late-summer for workgroup #2. Workgroup #3 is still in development and a timeline has not yet been set.

An additional conversation Ms. Cody plans to have with the Council is: Loans vs. Grants for housing projects:

- ◆ What is the process?
- ◆ Seat at the table when recapitalization occurs
- ◆ What is the basis for each?
- ◆ Can OHCS generate an evergreen fund?

Next steps:

- ◆ Begin the dialogue at a future Housing Stability Council meeting
- ◆ Have stakeholder outreach and gather their input
- ◆ Come back to the Council for a final decision

Councilmember Valfre asked when the LIFT NOFA would be released.

Ms. Cody told the Council that she is anticipating a release in late-August or early-September. There is a very tight timeline to meet the bond sale which has been moved up to January/February. She also told the Council that she is planning to bring the NOFA awards to the Council at the December 16th meeting.

Report from Interim Director Seguin

Agenda projection review –

Interim Director Seguin brought several changes and updates to the attention of the Council. She also reminded the Council of the plans to have an all-day meeting in September. She asked the Council to share what they were looking to accomplish at the all-day meeting and if they had any topics they would like to suggest for the logistics and content of the meeting.

Meeting input from the Councilmembers:

- ♦ Not on a Friday; logistically it is just too hard
- ♦ Having a structured time
- ♦ September seems like a good time; later in the month would be better
- ♦ Facilitator to help with the meeting
- ♦ Identify what expertise would be helpful from the yet to be named 9th member of the Council

Topics to discuss and consider:

- ♦ The state of housing in Oregon today
- ♦ How can we come together with others to address the housing crisis?
- ♦ Discussion of the new mission of the Council; what does it mean to be the Housing Stability Council.

Claire will reach out to the Councilmembers to get their feedback on what they want to see happen at an all-day meeting.

Please also note the meeting date changes coming later this year as outlined in the email sent earlier this week.

Statewide Housing Plan:

Interim Director Seguin gave the Council an update on the plan. OHCS is in the early stages of formulating the plan, gathering data and meeting with housing experts to determine where the plan should go and what it should address.

OHCS plans to bring the Council regular updates as the work progresses.

Equity update at OHCS:

Interim Director Seguin told the Council that OHCS is currently working on ways to increase diversity through our hiring recruitments.

OHCS is also checking into how contracting work is done at the agency and how we might influence the contracting work of the developers who receive funding from the agency.

The OHCS Equity Council continues to work toward greater awareness of equity barriers at the agency. Some of the things they are currently working on:

1. Drafted an Equity Statement
2. Film presentation of the series “Unnatural Causes”
3. Creation of a resources page accessible to all agency personnel

Permanent Director:

There has been no decision made on naming a permanent Director for the agency. Interim Director Seguin plans to keep the Council informed of any updates as they occur.

Report from Chair Dickson

The events of this past week have been disturbing and hard. He encouraged everyone in the room and on the phone to make every day count, because tomorrow is not promised.

Councilmember Baney told everyone to “be the change”.

Chair Dickson restated that we are in a housing crisis and with the recent tragic events it is now very important for everyone to have a safe place to meet and commune together. Chair Dickson then adjourned the meeting.

The meeting was adjourned at 12:58 p.m.

DRAFT



Oregon

Governor Kate Brown

Housing and Community Services

North Mall Office Building
725 Summer St NE, Suite B
Salem, OR 97301-1266

PHONE: (503) 986-2000
FAX: (503) 986-2020
TTY: (503) 986-2100

www.ohcs.oregon.gov

Date: July 27, 2016

To: Housing Stability Council Members
Claire Seguin, Interim Director

From: Carie Bauer, Community Services Block Grant (CSBG) Program Analyst

Re: U.S. Department of Health and Human Services (HHS), Office of Community Services (OCS) CSBG State Plan Application

Purpose: To inform the Housing Stability Council regarding the 2017 CSBG State Plan for the State of Oregon

The draft CSBG State Plan can be accessed by clicking [here](#).

Background:

The Community Services Block Grant (CSBG) is a federal fund established to alleviate the causes and conditions of poverty in local communities. Oregon Housing and Community Services (OHCS) is the state lead agency designated to administer and distribute 90% of the CSBG funds to eligible entities in Oregon. Ten percent of Oregon's annual award is held by OHCS for administration and discretionary usage, per statutory allowance.

Eligible entities in Oregon that receive CSBG funds include local government and nonprofit community action agencies, and the statewide farmworkers organization. These agencies administer a variety of services to assist low-income Oregonians within their own communities, both rural and urban.

CSBG national goals, that were set in legislation and administered by the Department of Health and Human Services (DHS) and the Office of Community Services (OCS), are:

- Help low-income people become more self-sufficient
- Improve conditions for low-income households
- Help low-income people own a stake in their communities
- Coordinate local services and providers assisting low-income households
- Help increase Community Action Agencies' (CAA) ability to achieve results
- Help low-income people, especially vulnerable populations, achieve their potential by strengthening families and creating supportive environments.

To achieve these goals, grantees provide services and activities addressing, but not limited to: employment, education, self-sufficiency, low-income housing, nutrition, daycare, Head Start, healthcare, emergency services, and youth or elderly-based initiatives.



State Plan Application Timeline

State lead agencies are required to submit a one or two-year plan to OCS, due September 1st. This plan serves as the application for state CSBG funding. Due to the phased implementation process of many new OCS-led initiatives (*described further below*), the 2017 Oregon CSBG State Plan application will be a one-year plan.

State plan applications are required by CSBG Statute to undergo a public hearing and open comment period. The public hearing will be held at OHCS on August 15th at 10:30am and the public comment period will be open and receiving written comments, until 5pm, August 26th. In addition to being posted on the OHCS website, the draft state plan application is also sent to the Oregon CAA Network for review and feedback. Historically there has been little public comment received, however, if comments or feedback are received, changes may be made.

In preparing for the application, OHCS convened a workgroup consisting of representatives from the community action agency network. The workgroup developed recommendations in several application-related areas: discretionary usage and policy, allocations and formula, data collection and reporting, and implementation of organizational standards. These recommendations have been incorporated into the final draft application. OHCS also utilized data and information from the Consolidated Plan in development of this state plan application.

State Plan Application Changes

The state plan reflects several significant improvements including:

Model State Plan: Introduced by OCS in 2015, this was an update to the previous state plan application and submission process. This plan allows for agencies to submit their plan online. The new formatting includes narrative limits and special instructions, thus, some instructional notes have been left in the public version for ease of reading.

Organizational Standards: This plan includes the new standards OCS has introduced as part of a new, larger performance management and accountability system for CSBG.

Within the state plan, OHCS reports on the procedural developments and implementation process, created with the assistance of the CSBG Workgroup and state association.

Reference: [IM 138](#) and [Organizational Standards](#).

State Accountability Measures: OCS has also developed State to track organizational performance by State CSBG Lead Agencies. These measures are part of an enhanced framework for accountability and performance management across the CSBG Network.

Reference: [IM 144](#) and [State Accountability Measures](#).

2017 CSBG State Plan Highlights:

- Updated and clarified procedures for CSBG award allocation process, including response to increases and decreases in funding.
- Updated policy and procedures for usage of CSBG discretionary funds.
- Increased alignment with other OHCS plans
- Reported improvements in data collection processes.
- Expanded Training and Technical Assistance activities (e.g., board development, innovation)
- Revised to reflect improved tracking of accountability measures and Organizational Standards requirements.



Oregon

Governor Kate Brown

Housing and Community Services

North Mall Office Building
725 Summer St NE, Suite B
Salem, OR 97301-1266

PHONE: (503) 986-2000
FAX: (503) 986-2020
TTY: (503) 986-2100

www.ohcs.oregon.gov

Date: July 27, 2016
To: Housing Stability Council Members
Claire Seguin, Interim Director
From: Tim Zimmer, Energy Services Section Manager
Re: U.S. Department of Health and Human Services (HHS) Low Income Home Energy Assistance Program (LIHEAP) State Plan

Purpose: To inform the Housing Stability Council regarding the 2017 LIHEAP State Plan for the State of Oregon

The draft LIHEAP state plan can be accessed by clicking [here](#).

Background

The Low Income Home Energy Assistance Program (LIHEAP) provides energy assistance to low-income Oregonians, especially those households with the lowest incomes and the highest home energy need in relation to income. The purpose of this program is to supplement home heating and cooling costs to income eligible households regardless of utility or primary fuel type. LIHEAP is an energy assistance program provided on a first come first served basis. Program services include bill payment assistance, heating and cooling equipment repair and replacement, and energy education.

The U.S. Department of Health and Human Services (HHS) offers applications to states, territories, and tribes to administer LIHEAP. Oregon, in turn, contracts with non-profit community action agencies and county governments throughout the state to provide energy assistance services to their local communities. **Last year the program provided assistance to more than 63,000 low-income Oregon households.**

State Plan Application Timeline

The 2017 state plan is due to HHS no later than September 1, 2016. The draft state plan included in the Housing Stability Council packet was also posted on the OHCS website July 26, 2016. OHCS staff will be facilitating a public hearing on August 8, 2016 and will be accepting written comments until August 12, 2016. OHCS staff is not anticipating substantial public comment related to the draft plan; however, there may be changes resulting from either public comment or final negotiations with HHS.

In the unlikely event that there are substantive changes resulting from either public comment or negotiations with HHS, OHCS staff will be prepared to present the final state plan during a future Housing Stability Council meeting.



Partner and Stakeholder Engagement

Energy Services staff participate in at least five formal meetings with our sub-grantees throughout the year that are specific to energy assistance and weatherization. In addition to those, staff participates in various other meetings throughout the year that involve larger and smaller groups of sub-grantees, partners, utilities, and other stakeholders. Oregon's review process never really ends; we are continuously and collaboratively looking at how to do things better, how to serve our communities more effectively.

State Plan Application Summary

- Bill payment assistance
 - This includes heating, cooling, and crisis payments. The majority of payments are made directly to a utility or fuel vendor on behalf of a client. In order to qualify, the household must have income at or below 60% of the state median.

- Weatherization Assistance
 - The Low-Income Weatherization Assistance Program (WAP) provides weatherization and energy conservation services at no cost to households at or below 200% of the federal poverty income level. Services provided may include ceiling, wall, and floor insulation; energy-related minor home repairs; energy conservation education; air infiltration reduction; furnace repair and replacement; or heating duct improvements.

- Assurance 16
 - HHS allows a maximum of 5% of LIHEAP funds to be used to provide services that encourage and enable households to reduce their home energy needs and thereby the need for energy assistance. Allowable uses of these funds include needs assessments, budget planning, arrearage management, energy education, energy saving incentives, and supplemental bill payment.

State Plan Application Changes

The state plan does not typically change substantially from one year to the next. Changes to the 2017 plan include:

1. Addition of a cooling assistance component
 - a. Each agency may choose to offer assistance to low income households with cooling costs as well as heating costs, depending on the needs of their particular community and depending on available funding. Each sub-grantee also has the option of assisting with cooling equipment repair and replacement in addition to heating equipment.

2. Elimination of a reduced benefit for households in subsidized housing
 - a. Oregon currently provides assistance to a subsidized household that is equal to a little more than half of what a non-subsidized household would receive. In 2017 Oregon will treat subsidized households (those that pay their energy costs directly) the same as non-subsidized households.



Oregon

Governor Kate Brown

Housing and Community Services

North Mall Office Building
725 Summer St NE, Suite B
Salem, OR 97301-1266

PHONE: (503) 986-2000
FAX: (503) 986-2020
TTY: (503) 986-2100

www.ohcs.oregon.gov

To: Oregon State Housing Stability Council

From: Danny Gette, Loan Officer;
Heather Pate, Multifamily Housing Finance Section Manager

Date: August 5, 2016

Re: Plaza Townhomes; Conduit Bond funding request

BOND RECOMMENDED MOTION: Move to approve Pass Through Revenue Bond Financing in an amount up to and not to exceed **\$10,500,000** to Plaza Townhomes Community Partners, LP for the acquisition and rehabilitation of Plaza Townhomes, subject to the borrower meeting OHCS, CITI Bank and WNC & Associates, Inc. (investor) underwriting and closing criteria and documentation satisfactory to legal counsel and Treasurer approval for the bond sale.

SUMMARY:

Project Sponsor

Community Preservation Partners, LLC.
17782 Sky Park Cir. Irvine, CA 92614

Property

Plaza Townhomes, 5802 N. Michigan Ave., Portland, OR 97217

Owner

Plaza Townhomes Community Partners, LP

Description

Plaza Townhomes, originally built in 1974, is an existing 68-unit multifamily property on 2.11 acres. The Project consists of 17 residential buildings and one common building. There are 68 units; 34 two bedroom and 34 three bedroom. All 68 units are subject to an existing HAP Contract (transfer has been approved).

Tax-exempt Bond

\$10,500,000 in tax-exempt conduit bonds; all of which will be long term bonds.



Affordability

FUNDING SOURCE	# OF UNITS	% INCOME	% RENTS	# OF YEARS
4% LIHTC/bond	68	60	60	30

Target Population

Family

Environmental Review

A thorough environmental review (including Phase I and II Site Assessments) was completed. The Sponsor will implement the O&M plan.

Finance Committee Approval July 19, 2016

FINANCING STRUCTURE:

Construction Lender

CITI Bank

Permanent Lender

CITI Bank

General Contractor

LMC Construction

Equity Investor

WNC & Associates, Inc.

Project Financing

SOURCES:		USES:	
OHCS Sources:			
Tax Exempt Bonds (Long Term)	\$10,500,000	Acquisition	\$7,176,000
		Construction	\$4,649,161
		Development	\$4,577,655
4% LIHTC Equity	\$4,556,588		
Non-OHCS Sources:			
Deferred Developer Fee	\$121,696		
Cash Flow During Rehab	\$1,224,532		

TOTALS \$16,402,816

***The project contains an additional subsidy of 100% Project-based section 8 vouchers.**

Bond Structure

The bonds will be issued as long term debt with the bonds being purchased by CITI Bank.

Scope of Work (construction)

- Improvements to street entryways and landings
- Improvements to patios and common area walkways
- Replacement of all siding and roofing
- Replacement or additions to insulation, drywall, windows and doors
- Improvements to unit interiors including drywall, flooring, toilet and bath
- Replacement of appliances
- Improvements to cabinets and countertops
- Improvements to plumbing, HVAC and electrical

Per unit construction cost is **\$68,370**. Square footage construction cost is **\$84.67** per square foot total

Developer Fee:

Total Developer Fee:	\$2,097,759	14.66% (maximum allowed \$2,146,410 @ 15%)
Deferred Developer Fee:	\$121,696	repayment projected within the first year.
Cash Developer Fee:	\$1,976,063	(paid out based on % of project completion)

Tenant Relocation

The Sponsor has developed an in-house tenant relocation method based on the limited scope of unit rehabilitation.

The Project has budgeted \$150,000 for relocation assistance which has been determined to be reasonable for the relocation plan submitted by the Sponsor.

Operating Budget

Per IRC Section 42, the Sources, Uses and Operating Budget for this project have been reviewed. It has been determined that the Project is feasible and should remain financially viable for the tax credit affordability period.

Affordability Restrictions:

Unit Type	Number of Units	Percent Median Income as Adjusted for Family Size Will Not Exceed	Rents Not to Exceed the Following Percent of Median Income Described in the Most Current Table of LIHTC Program Rents Determined by OHCS
2 Br	34	60%	60%
3 Br	34	60%	60%

Operating Expenses: \$5,464 PUPY (minus taxes and services)

The operating expenses are higher than the range we would typically see for properties with similar operating structures. The proposed budget uses historical data compiled by an appraiser, which includes audited and estimated financial statements from the seller. The proposed operating expense of \$5,464 PUPY is approximately a three year average for this property.

Debt Coverage Ratio:

- First full year of operations: 1.29
- DCR at year end of loan term (year 16): 1.47
- DCR at year **30**: 1.73

The DCR in the first year of operations is within our range of 1.15 to 1.30 and increases throughout the LIHTC affordability period.

Location, services, marketing and amenities

The 4% LIHTC/Bond program is non-competitive and therefore Projects must meet only the minimum threshold program requirements and is not scored based on need and impact. The management agent and resident services plans have been reviewed and approved by OHCS Asset Management and Compliance.

Location:

The Project is located in Northeast Portland.

- Subject neighborhood is in a mixed-use neighborhood known as the “Humbolt Neighborhood”, an established, high density, mixed use neighborhood. Freeways and arterial streets are within .25 miles of the property.
- Surrounding properties consist of single family homes and a Portland Community College campus.
- Located within .25 miles are shopping centers, schools, parks, and mass transit.

Resident Services:

The 4% LIHTC/Bond programs are non-competitive and therefore Projects must meet only minimum threshold requirements. The resident services plan has been reviewed and approved by AMC.

Plaza Townhomes has partnered with Volunteers of America (VOA), a nonprofit whose mission is to “change lives by promoting self-determination, building strong communities, and standing for social justice.”

The shared services plan includes:

- Weekly homework help for primary education
- Family Community Night
- Field trips (VOA vehicle if necessary)
- Computer Lab instruction
- Open Community Space Activities which include:
 - Cooking classes
 - Movie night, group games, arts and crafts.

Amenities

- Community Room equipped with a kitchen and computer lab.
- Playground
- Community Garden

Risks & Mitigating Factors:

As stated previously, the operating expenses are higher than OHCS would typically see for like properties. According to a recent survey by CohnReznick, a national accounting and services firm, median per unit gross expenses for Oregon should be \$4,848 (minus taxes and services). While the expenses are higher than OHCS guidelines and what we typically see on other like properties, further analysis for oversubsidy showed that decreasing the expenses to acceptable levels resulted in a minor upward adjustment on the DCR of 0.05. This results in a non-material adjustment to tax credits and therefore no reduction of tax credits was warranted.

Conclusion

Based on the review of the Plaza Townhomes application materials submitted by the sponsor, it is recommended that the motion on page **21** be approved. The approval will be contingent upon the satisfaction of the lender and equity investor’s underwriting and closing requirements.



Oregon

Governor Kate Brown

Housing and Community Services

North Mall Office Building
725 Summer St NE, Suite B
Salem, OR 97301-1266
PHONE: (503) 986-2000
FAX: (503) 986-2020
TTY: (503) 986-2100
www.ohcs.oregon.gov

Date: August 5, 2016

To: Housing Stability Council Members;
Claire Seguin, Interim Director

From: Julie V. Cody, Assistant Director Housing Finance

Re: Federal Rent Gap Subsidy Preservation NOFA Timing

MOTION:

Option #1: Housing Stability Council authorizes OHCS to release the Federal Rent Subsidy Preservation NOFA after the 2016 9% LIHTC NOFA awards have been made at the November 18th meeting, with the inclusion of a per unit Preservation gap subsidy cap of \$25,000.

Option #2: Housing Stability Council authorizes OHCS to forego a separate Federal Rent Subsidy Preservation NOFA and award the \$5 million of lottery-backed bonds based on the results of the 2016 9% LIHTC NOFA awards to provide the option of Preservation funding to the next highest scoring Preservation projects until the funds have been fully awarded, with the inclusion of a per unit Preservation gap subsidy cap of \$25,000.

Option #3: Housing Stability Council authorizes OHCS to release the Federal Rent Subsidy Preservation NOFA in September 2016 prior to the 2016 9% LIHTC NOFA awards have been made, with the inclusion of a per unit Preservation gap subsidy cap of \$25,000.

BACKGROUND

In an effort to award 2016 multifamily development funds as quickly and efficiently as possible, OHCS had planned to release the 2016 Federal Rent Subsidy Preservation NOFA (4% Preservation NOFA) in early September. This NOFA is funded through state allocated Lottery Backed Bonds and is used in conjunction with the 4% LIHTC program. The decision to release this NOFA in September was made prior to knowing the ultimate timing of the 2016 9% LIHTC NOFA (9% NOFA) process. Since the 9% NOFA was released in June, with funding awards projected for November, OHCS has received many inquiries regarding the timing of the Preservation NOFA.



Historically, the 4% Preservation NOFA has been opened in the fall and awarded on a first come first served basis once threshold requirements have been confirmed. The NOFA has remained open for approximately six months or until the funds have been fully awarded, whichever comes first. OHCS has not typically capped the amount of Preservation funds by project or by unit.

The 2016 4% Preservation NOFA will have \$5 million available for gap funding for preservation projects that can be financed with 4% LIHTCs and tax-exempt bond financing. Over the past couple of 4% Preservation NOFAs, this amount of funding has funded one (1) to three (3) projects depending on the number of units and need for gap funds once a 4% LIHTC and tax-exempt bond transaction has been contemplated.

ISSUE

Concerns from stakeholders that have arisen since the 2016 Multifamily NOFA calendar has been fully flushed out include the following:

- Projects that are requesting 9% LIHTC funding will not be eligible to apply for the 4% Preservation NOFA until after they know the determination of funding from the 9% NOFA on November 18, 2016, at which point the 4% Preservation NOFA funds may have already been committed to projects that were able to apply as soon as the 4% Preservation NOFA was released.
- There are more Preservation projects seeking funding than we are able to fund and yet the 4% Preservation NOFA funds are not awarded on a competitive basis ensuring the most critical projects are being prioritized and funded.
- If OHCS changed the process for awarding 4% Preservation funds to be based on the 9% NOFA rankings and the sponsor had not already contemplated submitting a 9% NOFA Preservation application, they would not have the opportunity to apply to access this funding as key must-meet deadlines for the 9% NOFA have already passed.

As concerns from stakeholders have come forward regarding the timing of the Preservation NOFA, OHCS has explored a few possible solutions.

1. Hold off on releasing the 4% Preservation NOFA until after the 9% NOFA awards are made on November 18, 2016.
2. To address the question of ensuring the most critical projects are being prioritized and funded, OHCS could utilize the 9% NOFA as the mechanism to score and rank Preservation projects and offer the Preservation gap funds to the next Preservation projects in the ranking and award those projects if they are financially feasible with 4% LIHTCs and Preservation gap funds.
3. Release the 4% Preservation NOFA in early September 2016 prior to the 9% NOFA awards as originally published.

OPTIONS DISCUSSION

Option #1: Release 4% Preservation NOFA after 9% NOFA awards made on November 18, 2016

This option would be considered “status quo” from previous years. It has always been contemplated that, when it is able to be funded, the 4% Preservation NOFA would provide an opportunity for all Preservation projects looking for funding; including those that had applied for 9% LIHTCs through its separate NOFA process in the same year.

The date originally published for the release of the 4% Preservation NOFA did not take into consideration the delay in Qualified Allocation Plan and subsequent 9% NOFA release in June of 2016. It wasn't until shortly after the 9% NOFA application and award timeline was published in June that it became clear that any Preservation project that was applying for 9% LIHTCs would likely not have the opportunity to have a second chance at funding in the 4% Preservation NOFA.

This option would delay the 4% Preservation NOFA by up to three months, but would allow more projects to be eligible to apply. The delay is not as impactful as it would be in a competitive NOFA process since projects are awarded on a first come first served basis.

Option #2: Make 4% Preservation funding decisions based 9% NOFA score and ranking once 9% NOFA awards are made on November 18, 2016

This option would be very efficient as there is already a funding process in place and a separate NOFA would not be necessary. It also addresses stakeholder concerns about the non-competitive nature of the 4% Preservation NOFA in a time when there are a high number of transactions seeking funding.

The drawback is that this was not announced in advance and there are potential 4% Preservation NOFA applicants that did not contemplate preparing an application for the 9% NOFA, and it is currently too late to meet some of the required deadlines for the 9% NOFA.

Option #3: Release 4% Preservation NOFA in early September 2016 as originally published

This option would potentially exclude a number of applicants that would have historically been well situated to apply for the 4% Preservation funding; those that submit applications in the current 9% NOFA. In addition there may be some unintended consequences given that some Preservation projects may decide to not submit an application for the 9% LIHTC NOFA as planned in order to be able to submit an application for the 4% LIHTC Preservation NOFA as soon as it is released.

Both NOFAs are anticipated to be oversubscribed. The 9% NOFA typically funds three (3) Preservation projects and the 4% Preservation NOFA is anticipated to fund one (1) to three (3) projects depending on the size of projects that are awarded.

Creating a disincentive for Preservation projects to apply through the 9% NOFA may result in fewer Preservation projects being funded through that NOFA and a missed opportunity to preserve these very important projects. Given the number of NOFA applications currently in play and the limitation of staff to perform a threshold review on any applications that would come in from the 4% Preservation NOFA in September, the choice to delay the 4% Preservation NOFA release would not cause a substantial delay in those projects moving forward.

STAFF RECOMMENDATION

To address some of the concerns related to these funds going out on a first come first served basis and the desire to preserve as many units as possible with the funds, staff is recommending that the 4% Preservation NOFA include a per unit gap subsidy cap. This will ensure that applicants are looking to maximize other funding sources. Creating a competitive 4% Preservation NOFA would not be efficient given the limited amount of funds available (\$5 million) and the additional work that would need to be done before a NOFA could be released.

Based on stakeholder concerns regarding the fairness of access to the limited resources, desire to utilize all available resources for Preservation, and the high demand for Preservation funding, staff recommends Option #1. This 4% Preservation NOFA would be released on a first come first served basis with the inclusion of a unit Preservation gap subsidy cap of \$25,000 due to the high demand for funding and to ensure the greatest number of units are preserved utilizing this scarce resource.

The per unit gap subsidy cap has been based on the level of gap funding that has been needed to make 4% LIHTC and tax-exempt bond applications feasible over the past 24 months, including those deals that have not yet closed.



Members:

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

Housing Stability Council

725 Summer St NE, Suite B
Salem OR 97301-1266
Phone: 503-986-2000
FAX: 503-986-2020
TTY: 503-986-2100