May 3, 2019
9:00 a.m. – 1:00 p.m.
Oregon Housing & Community Services
Conference Room 124 A/B
Salem, Oregon 97301
## AGENDA

May 03, 2019

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

### Council Members:
- Adolph “Val” Valério, Jr.
- Sarah DeVries
- Claire Hall
- Anna Geller
- Mary Li
- Gerardo Sandoval, PhD
- Latricia Tillman
- Charles Wilhoite

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<th>TIME</th>
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<tr>
<td>9:00</td>
<td>Meeting Called to Order, Roll Call</td>
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<tr>
<td>9:05</td>
<td>Public Comment</td>
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<td>9:15</td>
<td>Meeting Minutes Approval, Approval</td>
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<td>9:20</td>
<td><strong>Affordable Housing Finance (pg. 23)</strong></td>
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<td>Julie Cody, Assistant Director, Affordable Housing Finance</td>
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<td>9:30</td>
<td><strong>Multifamily Housing Decisions</strong></td>
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<td>Surf View Village – Bond Transaction, Becky Isom, Loan Officer</td>
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<td>Two Rivers Mobile Home Park – Manufactured Home Park Preservation, Terry Murdock Loan Officer and Ed Brown GHAP Program Manager</td>
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<td>9:45</td>
<td><strong>Housing Stabilization Update (pg. 41)</strong></td>
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<td>Claire Seguin, Assistant Director, Housing Stabilization</td>
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<td>10:35</td>
<td><strong>BREAK</strong></td>
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<td>Julie Cody, Assistant Director, Affordable Housing Finance</td>
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<td>11:45</td>
<td><strong>City of Portland North/NE Preference Policy</strong>, Matthew Tschabold, Portland Housing Bureau; Dr. Lisa Bates, N/NE Oversight Committee Member; Leslie Goodlow, Portland Housing Bureau</td>
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<td>12:30</td>
<td>Report of the Director</td>
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<td>12:50</td>
<td>Report of the Chair</td>
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All times listed on this agenda are approximate and subject to change. Agenda items may also be taken out of order and addressed at different times than listed. The agenda may be amended by the Council at the time of the meeting.
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April 5, 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
Pass/Fail 6:0:1:1/

**Public Comment:**
Chair Valfre opened the floor for comments. Discussion was asked to be limited to 3 minutes.

The first public commenter was Shannon Vilhauer, Executive Director of Habitat for Humanity of Oregon, and she stated that her public comment is related to the LIFT homeownership awards. Ms. Vilhauer explained that the Bend area Habitat for Humanity is really taking advantage of this opportunity to double their home production. She expressed her excitement that the state is making these resources available, and explained that the Portland Metro East was their primary affiliate, and that there were no other subsidies at all, but that they were doing everything they could with what they had. She added that this LIFT award will be transformative for them so that the project can move forward. Lastly, Ms. Vilhauer shared that Portland Metro East, in particular, served communities of color nine out of ten times.

Rick Rogers, the second individual to provide public comment, introduced himself as the Executive Director of Newberg Area Habitat for Humanity and Mayor of Newburg as of January 2019. He thanked the council for considering LIFT for homeownership for Newburg, because it will double their production. Mr. Rogers added that the Newberg area Habitat for Humanity is also looking at another at-risk population, which are single women over the age of sixty. Mr. Rogers explained that it is vital that they have good demonstration models of affordable housing, and went on to share that Habitat for Humanity (Newberg) brings 400 to 500 volunteers every year and that they often become advocates for the work that the council and Oregon Housing & Community Services (OHCS) does.
Shannon Vilhauer added that this will more than double the Junction City/Harrisburg/Monroe affiliate’s homebuilding production, if council moves forward with this award. She informed the council that she will be visiting with the Florence, Lincoln, Silverton and other board of directors to talk about LIFT for homeownership and increasing production to serve communities. Ms. Vilhauer thanked the council for standing alongside with Habitat for Humanity in the work they’re doing.

Chair Valfre thanked them for their input.

Ross Cornelius, client services manager for Walsh Construction Company, expressed that he was testifying on a couple of issues having to do with best practices and that he was here to talk about Permanent Supportive Housing (PSH). He explained that it’s exciting for him to know that this is being considered on the agenda today, and that OHCS is focusing on PSH and addressing chronic homelessness in the state. Mr. Cornelius encouraged OHCS to think broadly about the box that will be going around the PSH efforts, and pointed out that chronic homelessness effects lots of different populations, particularly foster children who have a trajectory towards chronic homelessness. He went on to say that professionals who work at the intersection of foster care and housing development practices, such as practitioners, may be beneficial to pilot programs as the council and agency goes forward. In addition, Ross Cornelius congratulated the 124th and Ash project which was brought to council this day, and clarified that there’s a comment in the packet about the cost effectiveness of that program. He provided some additional information about how this evolved from the Meyer Memorial Trust cost efficiency study awarded 3 years ago, and that Walsh Construction teamed up with REACH Community Development when they were awarded with resources to help make affordable housing production more cost effective. Mr. Cornelius added that the 124th and Ash project is their pilot program in some ways, and that Walsh Construction has been seeing up to 20% savings in projects like this, despite how scarce the public resources are. He offered to share this study with the council and agency, and reiterated that Walsh Construction has done a lot of hard work and integrated best practices with the work they’ve been doing, while recognizing the connection between policy and implementation. Lastly, Mr. Corenlius informed the council that they’d be happy to share their adoptions with the council and agency.

Dr. Derenda Schubert, executive director at Bridge Meadows, introduced herself and her colleague, and explained that they are here to discuss the PSH pilot on the agenda. She went on to explain that foster children have been identified as those who have transitioned out of foster care without any supports and those that are currently in foster care. Dr. Schubert explained that this is an opportunity where housing and child welfare can come together and a few problems can be solved all at once. She asked the council and OHCS to consider adding foster youth for the pilot, and clarified that children in foster care who don’t receive PSH are at risk of becoming part of the chronic homeless population. Dr. Schubert recapped that using the PSH pilot to examine PSH for foster youth, prevention work can also be done to deal with this crisis. She asked the council and OHCS to consider expanding the populations to include children in foster care, and to include experts in serving youth in the foster care system. Dr. Schubert ended her statement by sharing a metaphor to further express the significance of helping children in the foster care system who are in a crisis or at risk of becoming homeless.
Peter Hainley, executive director of CASA (Community and Shelter Assistance Corp) Oregon, introduced himself and expressed appreciation for the work that went into the statewide housing plan, and the additions that CASA Oregon suggested. Mr. Hainley went on to express appreciation for the way equity is embedded in the program and a potential way to track this information, so that the results can be examined for their effectiveness.

Martin Campos-Davis, the executive director from Oregon Human Development Corporation (OHDC), provided input about the farm worker aspect of the statewide housing plan, and expressed his interest in making sure that communities that aren’t typically heard from are represented. He added that work done by the budget note subcommittee revealed that past services provided to farmworkers were not meeting their needs, and that an increase of services to this population is being looked at for the coming biennium. He thanked the council and agency for the work being done for this population.

Chair Valfre thanked them for the advocacy, passion and input for the plan and reiterated that the council and OHCS are accountable for what they’ve said they are going to do.

There were no additional public commenters in the audience, so Chair Valfre asked if there were any additional public commenters on the phone, but there was no response. Public comment was closed, and Chair Valfre announced that we will move to the meeting minutes approval.

Approval of Meeting Minutes for March 1, 2019:

Chair Valfre introduced meeting minutes for council approval, and asked the council for any discussion before calling to motion. Councilmember Geller provided input and clarification regarding the March 2019’s housing stability council minutes.

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

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*Councilmembers agreed to approve the March 1, 2019 meeting minutes with the edits being provided by Councilmember Geller.*

Pass/Fail 7:0:0:1/
Homeownership: Emese Perfecto, Assistant Director, Homeownership

Homeownership Program Updates
Oregon Bond Loan Approvals – Kim Freeman, Single Family Program Manager

AD Perfecto greeted the council before turning it over to Kim Freeman. Ms. Freeman introduced herself and referred to page 31 of the housing stability council meeting materials. She stated that the agency is seeking the council’s approval for one residential loan file located in Polk County, which meets all of the agency’s program requirements.

Councilmember DeVries asked for clarification regarding the mortgage payment, and asked if mortgage payment is just P&I (principal and interest) or if it includes the other items (mortgage insurance, taxes, etc). Ms. Freeman confirmed that it is everything.

After Councilmember DeVrie’s comment, Chair Valfre called to motion. Councilmember DeVries moved to motion and Councilmember Tillman seconded the motion.

Agenda Item: Oregon Bond Residential Loan Consent Calendar

Motion: Approve the Oregon Bond Residential Loan Consent Calendar

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Councilmember Wilhoite, who participated over the phone, asked to make a statement, and apologized for not speaking sooner. He explained that he did not realize his phone was on mute during public comment, but wanted to make sure he shared a few relevant details about his trip to Washington DC with the council and the agency. Councilmember Wilhoite shared that he has been working in Washington DC and that he’s had an opportunity to visit with Oregon’s elected officials. He shared that he’s been receiving plenty of positive feedback about OHCS’ staff, teams, and the housing services and programs being provided. Councilmember Wilhoite went on to inform the council that Director Salazar was getting a lot of positive attention and being recognized for the work she and the agency are doing. He ended his statement by expressing that Director Salazar and her team are being recognized and appreciated.

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

Multifamily Housing Decisions
LIFT Awards - Amy Cole, LIFT Program Manager, Natasha Detweiler-Daby, Operations and Policy Analyst
Natasha Detweiler-Daby passed out hard copies to support the LIFT Awards presentation. AD Cody provided a brief overview of the presentation, and Amy Cole gave the presentation.

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

After the presentation, Director Salazar asked the presenters if they could expand on the content that they saw in the communities of color and provide examples of what is being done. Ms. Detweiler-Daby explained where this information is in the packet, and Ms. Cole shared that the Mayor of Newburg and executive director of Newberg area Habitat of Humanity are partnering with Latino owned businesses, town libraries, social service agencies, school districts and more. She went on to explain that their materials are offered in Spanish and that their webpage can be viewed in Spanish as well. She further detailed that they offer homeownership info sessions in Spanish and employ Spanish-speaking staff.

Ms. Cole provided additional examples in Portland, such as the Native American Youth and Family Center, Hacienda CDC and African American Alliance for Homeownership, and reiterated that Habitat for Humanity is working with culturally specific organizations in metro area.

Ms. Cole explained that the Junction City Habitat for Humanity, which is the only rural project, are working with the Neighborhood Economic Development Corporation (NEDCO) for homebuyer education, and informed the council that they offer classes in Spanish, provide marketing materials in Spanish and work with local churches and community organizations, such as CASA, and Latinos Unidos in Benton County. She clarified that Latinos Unidos is a hub for the Latino community in the Benton area.

Ms. Cole shared that there are two projects being considered in the Bend area. She went on to describe that the Bend area Habitat for Humanity is collaborating with the Latino Community Association, public libraries, Latino owned businesses, and the school system to ensure that the Spanish-speaking population has access to materials, Spanish-speaking staff and homeownership processes in the Bend area. Director Salazar and Chair Valfre thanked them for their response.

Councilmember DeVries mentioned how there is an ongoing discussion about how to engage rural communities in their services to communities of color and MWESB (Minority-owned, Women-owned, or Emerging Small Business), and that she’s interested in learning if this rural project in particular is a reflection of the way other rural communities will also be engaged. Councilmember DeVries pointed out that she wants to be sure that the great response from this specific rural project is illustrative of the wider rural community as a whole, and asked if the presenters feel they have a broad enough understanding of the other rural communities out there.

Ms. Cole responded to Councilmember DeVries and said that she made a great point and thinks that it’s a step in the right direction to serve diverse communities all over the state. AD Cody added that this subject is spoken about broadly at council meetings, but that OHCS will be providing more information and engaging in more MWESB training, especially in rural areas. Councilmember DeVries thanked AD Cody and Ms. Cole for their response.
Councilmember Tillman asked AD Cody and her team where they are in their conversations regarding setting targets for MWESB.

AD Cody responded and stated OHCS is currently getting a contract together to bring on a consultant to help the agency do a statewide look at strategies to educate, implement, and get businesses registered as MWESB certified. She added that OHCS is also putting out a job notice for a position that will primarily be responsible of implementing that strategy, and that we can have potential regional strategies about the work going on, as well.

Councilmember Tillman said that this is exciting to hear, and added that she also had a question regarding the homeownership division’s presentation on homeownership rates and the inequities from last month. She asked the presenters if they are looking at how communities of color can be reached, particularly the African-American community, so that the homeownership gap isn’t widening. Councilmember Tillman provided more context around this question by sharing that the gap decreased from 2005 to 2016 and asked if there is any guidance for this effort without the usage of hard targets or set quotas.

AD Cody responded and shared that OHCS is asking applicants to look at the demographics being served, so that it can be assured that historically underserved communities are receiving the services. She added that the agency is anticipating the outcome that communities of color are being reached through this project, and that this process is being tracked.

Chair Valfre asked Councilmember Tillman if AD Cody’s response provided the information she asked for. Councilmember Tillman affirmed that it answered her question, but clarified that she is interested if there is an emphasized focus on the African American community in particular areas such as Multnomah County versus a state-wide focus.

AD Cody stated that she will provide more clarification and explained that the Portland projects are partnering with the African American Alliance for Homeownership (AAAH), and that they are working to make sure those underserved populations are being given a full opportunity. She added that this objective is shared by Habitat for Humanity as well, and that the plan is to be more intentional about this goal.

Director Salazar asked Chair Valfre is she could make a comment, and expressed that she appreciated Councilmember Tillman’s question about this subject. She added that OHCS can be more explicit and clear about the types of outreach and partnerships the agency expects to see in the future.

Councilmember Li expressed her appreciation for the work the staff has been doing from the beginning and up to today. She expressed that the materials are a snapshot of NOFAs (Notice of Funding Availability), but that the overall period of funding should also be looked at. Councilmember Li emphasized that it might be helpful to state what is being asked for in terms of an action and in context of the full program. She continued to her second comment and stated that this funding and new work is a great opportunity for the agency to build the racial justice component, and described that this phase began with building awareness about racial justice, but has progressed to learning how to score the data that is being gathered. Councilmember Li stated that the next step can be exploring how to use the data that’s being compiled. In regards to the Habitat for Humanity projects, she expressed that it is important
to learn more about the demographics for homeowners and the opportunities they have after the housing has been occupied, so that OHCS can lead their resources in a way that is more accurately targeted to the disparities in the communities being served.

Director Salazar summarized Councilmember Li’s comments by explaining that OHCS collects data on projects funded in the past and their outcomes, so that this data can serve as a backdrop to help decisions about how to further the program in the future. Councilmember Li agreed with Director Salazar’s summary, and added that the staff could also use this when writing requirements for the next NOFA.

Councilmember Geller spoke next and voiced her concern about the small number of rural applications, and asked the presenters about exploring the reasons why certain rural providers did not apply, so that they can gather information about what can do to support rural housing providers.

Ms. Detweiler-Daby responded and shared that there is a meeting to discuss that topic, to explore reasons for not using this cap and how to create more opportunities. She added that this round (for the biennium) was particularly offset with 60% for urban and 40% for rural, and that her team is interested in finding ways to make this more equitable in the future.

Councilmember Geller clarified that all the applications were funded, and there were no turn downs, which the presenters confirmed. She then clarified if there was one application from rural in this round, and the presenters confirmed this as well. Councilmember stated that she hopes that there is more than one rural application for the next round, and is interested in any potential problems which may be preventing additional rural applications from coming through.

AD Cody stated that the agency saw six applications in the previous round, and that 47% of the funds put forth was for the rural areas. She then assured Councilmember Geller and the rest of the council that she and her team will investigate why the number was much lower in this round.

Councilmember DeVries asked if the additional funds being reallocated require statutory change. She then asked if there is a more appropriate source for homeownership that would be more accessible from partners, if that is not the case. Councilmember DeVries also asked if the reallocation of the 6.9% was a board or director level decision.

AD Cody stated that the statue allows OHCS to set aside 20% of funding for homeownership. She added that the agency is explicit if that money is not used, and that it will be moved in order to utilize all bond allocations which have been given to fund as many projects as possible.

Chair Valfre expressed concern regarding the low number of rural applications, but pointed out that he’s interested in learning why this occurred after AD Cody’s team delves into this. He acknowledged AD Cody team’s work around the outreach to communities of color, but voiced his concern about the lack of data. He addressed his interest in making sure the stakeholders and communities are working together, and in preventing any barriers that would reduce the demand. Chair Valfre added that a lot of education is needed to assure stakeholders and applicants that their business is important, and that it is critical that OHCS is a leader in moving the statewide housing plan forward.
AD Cody addressed Councilmember DeVries and Chair Valfre’s comments and shared that her team is watching closely to learn if there are any issues regarding funding, but that they’re interested in exploring how to remove any barriers.

Councilmember DeVries ended this discussion by adding that she is interested in learning what the project costs are, and which project costs are attributed to the funding source.

**Agenda Item:** Fall 2018 LIFT Homeownership NOFA Award Recommendations

**Motion:** Approve the LIFT funding recommendations for the following projects:
- 5th Street in Newberg, $65,000 in LIFT funds
- Cherry Blossom Condominiums in Portland, $2,325,000 in LIFT funds
- Harrisburg/Monroe Project in Harrisburg and Monroe, $260,000 in LIFT funds
- Northwest Cottages in Bend, $585,000 in LIFT funds
- Simpson Condominiums in Portland, $650,000 in LIFT funds
- Watercress in Bend, $520,000 in LIFT funds

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

Ms. Cole brought the handout to the attention of the council, and shared that the motion needs to be amended to include the gap resources.

Councilmember Li expressed her excitement and offered support for the recommendations for the next round of funding. She specifically called out the last recommendation in the list of items, because she’s concerned that rural and urban projects were not helped in the way the agency and council intended if they are receiving the current number of proposals. Councilmember Li pointed out that the racial justice requirements of these projects can be integrated into rural projects as well, because people of color and communities of color exist all over the state.

Councilmember DeVries stated that she was encouraged to see the scoring for the MWESB from the Multifamily division at OHCS, considering the 4 projects that are touching rural communities. She went on to express agreement with Councilmember Li’s statement about following this through to see how committed the businesses are to it and to see how it plays out. She then asked AD Cody if they could go back over the gap financing part of the motion, and AD Cody clarified that the majority could be used from LIFT funds based on the interest rate.
Councilmember Geller addressed a change in the current application which shows OHCS’ flexibility, and pointed out that making this change in the application was a smart modification to make. She added that she also appreciated the consideration to increase the cap in rural areas without penalty, since this has shown to be a struggle for those areas. Councilmember Geller addressed the impression that money can be taken from other programs, and AD Cody clarified that those are LIFT dollars that OHCS is required to spend. Councilmember Geller expressed concerns about the fact that NOFA has been stated in public documents as the funding source for certain upcoming projects, and wanted to make sure that there are still funds to take when the time arrives.

Director Salazar responded and expressed that it is sometimes a balancing act between maintaining our obligation to spend LIFT dollars, while also not over-allocating. She added that the agency is considering a relatively small portion to reallocate.

Councilmember Geller asked if the agency would reduce the GHAP (General Housing Account Program) coming in July, and Director Salazar and AD Cody clarified that this won’t be occurring. Ms. Cody further clarified that these funds won’t need to be spent for quite some time, and will remain on the calendar.

Councilmember Tillman reiterated the comment Councilmember Li made earlier in the meeting regarding the evaluation of data. She voiced a concern about a project in Multnomah County where 175 units will be made available, but didn’t see a focus on the African-American Community. Councilmember Tillman added that it would be helpful to become more nuanced when looking at data where big categories of race and ethnicities are represented, because these categories often hide disparities in those communities. She added that certain communities may appear to be doing well, based on the data collected, but those same communities often have hidden disparities where they are struggling.

Councilmember DeVries asked if family sized units were a preference, and Director Salazar responded by explaining that the early concept of LIFT included the idea of serving families, but that the agency has not set preferences or funding incentives in the NOFAs as frameworks were stood up, to move towards getting larger units. She added that they are not seeing a large number of family sized units, but that the statewide housing plan includes a strategy for addressing family homelessness, so they are hoping to get more family-sized units built through this program.

AD Cody added that setting caps does not encourage building larger units, because of subsidy per unit, and that they want to come up with a methodology that does not discourage family units, based on subsidy per unit. Councilmember DeVries asked if people are not applying for this, and if this will be revisited. AD Cody and Director Salazar confirmed that it will be, and Director Salazar added that the idea would be to have a larger subsidy for that need. Councilmember Geller commended Salazar for helping to add something in the application to address this.

Chair Valfre said that LIFT has been very successful, but that caps and cost of subsidy have been difficulties in the past. He added that receiving data helps to reveal where things need to be improved, and that the council brings different perspectives to that so that they can own it and address any disparities. Chair Valfre ended his comment by stating that there is still plenty of work left to do.
Councilmember Wilhoite commented on the importance of requiring sponsors to sign the Diversity, Equity & Inclusion Agreement and engage with the MWESB. He added that he agreed with Councilmember Li’s and Councilmember Tillman’s feedback about engaging different parts of the state and closing the housing gap for communities that have historically been disadvantaged. Councilmember Wilhoite explained that establishing achievable targets would help OHCS and the council to accomplish the mission of closing housing gaps, and that he appreciates the requirement for our sponsors to sign the DEI agreement and engagement with MWESB.

Chair Valfre asked for anyone to motion. No further discussion.

**Agenda Item:** Fall 2018 LIFT Rental NOFA Award Recommendations

**Motion:** Approve the LIFT funding recommendations for the following projects:

- 124th & Ash in Portland, $7,875,000 in LIFT funds
- Holden Creek Village in Tillamook, $5,999,940 in LIFT funds
- Merwyn Hotel in Astoria, $2,879,964 in LIFT funds
- Red Canyon in Madras and Redmond, $6,610,358 in LIFT funds
- Sunrise Vista in Klamath Falls, $7,225,702 in LIFT funds

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Chair Valfre asked the project sponsors to stand up and be acknowledged.

**Permanent Supportive Housing Pilot Framework** – Amy Cole, LIFT Program Manager, Natasha Detweiler-Daby, Operations and Policy Analyst

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

Natasha gave the presentation. The motion did not follow this presentation, due to lack of time, and we moved immediately to the Metro Bond Program Briefing Presentation. Chair Valfre informed that councilmembers and staff that time for questions and comments will be allotted after the break, along with the motion, so that we can meet time requirements.
Affordable Rental Housing Briefings

QAP Update – Tai Dunson-Strane, Tax Credit Programs Manager

This Presentation was moved to a different time on the agenda, due to a lack of time. The QAP update was moved to after the break.

Metro Bond program briefing – Emily Lieb, Housing Bond Program Manager at Metro Regional

More information about this subject can be found here.

Chair Valfre asked for questions after the presentation.

Councilmember Li asked Ms. Lieb from Metro Bond if they’ve ever considered using a culturally specific AMI (Average Median Income). She explained that actual disparity in many communities can be masked when large amounts of data are compiled, and clarified that they would not have to move off of the AMI percentage already set for themselves and the common practice. Councilmember Li asked if Metro Bond can consider setting an area median income for communities that are predominantly African-American or Latino, for example.

Councilmember Geller expressed agreement with Councilmember Li’s comment about getting a different data plan for populations, since a median income tends to favor majorities. Before moving to the next topic, she added that she is also interested in learning more about the work Metro does with land. Councilmember Geller shared that her experience with Metro has been positive, and complimented their efficiency, support and lack of complexity. She asked Ms. Lieb to clarify the disbursement process, and also asked Metro to speak more about how they can work with us on the issue of land. Councilmember Geller explained that land impacts the work provided by OHCS on a significant level and OHCS only has one land acquisition at this time. Councilmember Geller concluded her comment by adding that its historic and monumental that Metro has set aside funding for land.

Ms. Lieb responded and clarified that the Metro funding that will be administered will be for sites that are identified and acquired by Metro, and developed in partnership with local governments. She explained that there have been a lot of conversations with the jurisdictions about the amount of funding and interest in flexibility for local partners to potentially also look at acquiring other sites. Ms. Lieb further explained that Metro has an intention and commitment to aim to invest those resources proportionally across the partnering jurisdictions, because the goal is to achieve targets in each local community. She added that there will be an opportunity, at some point in time, to reevaluate if the distribution targets need to be adjusted to reflect where the Metro funds have been invested. Ms. Lieb added that the other item Metro is looking at is the potential to invest small amounts of gap funding in projects. In terms of the nonprofit or private developer land acquisition, she added that it may be something that will be a reimbursable expense through the bond. Ms. Lieb then answered Councilmember Geller’s next question regarding the disbursement, and clarified that Metro is working on the structure and getting the funding out the door. She expanded on this topic by explaining that they are speaking with their jurisdictional partners about the needs and are expecting to disburse the majority
of those funds upfront, so that there won’t be additional costs. Ms. Lieb ended her response by acknowledging that this is different since Metro is playing a major role as a gap funder.

To your question about the timing of the disbursement, we are working with our finance folks to structure and get the funding out the door. We’re talking to our jurisdictional partners about the needs and expecting to be disbursing the majority of those funds upfront so that you don’t have those additional costs. We know that this is different and we are playing a major role as a gap funder.

Councilmember Geller stated that certain counties may have to work harder to align with the program, and that the work at OHCS will change to some degree. She added that the counties that are served by Metro are not always completely served, and provided an example of a portion of Clackamas county that is not served. She further explained that their federal home funds may shift, which would result in OHCS not seeing those home funds come into projects that they are funding as much as they have in the past, and they may not be combined with Metro as often. Councilmember Geller ended her comment by stating that this change may affect the applications OHCS receives, and that she commends everyone working on the bond.

Director Salazar stated that this conversation is important, because it may be a preview of coming attractions which may come through the council for approval for 4% tax credit and conduit bonds. She turned it over to AD Cody to share the conversations she’s having with other jurisdictions that might also be seeking other OHCS resources.

AD Cody explained that she, Casey Bauman (Underwriting Unit Manager) and Tai Dunson-Strane (Tax Credit Programs Manager) visited 6 of the 7 jurisdictions in an effort to make it known to them that OHCS wants to be in partnership with them, coming up with implementation plans, and also providing very clear understanding of OHCS’ funding such as how competitive it is and how many projects are funded. She explained that providing this information helped them understand the level of difficulty in getting more than one project funded at a time. AD Cody shared that OHCS informed the jurisdictions that the 4% tax credit program is their only non-competitive program, and discussed the possibility of embedding OHCS’ pre-application into the applications the jurisdictions already have so that this can be streamlined as much as possible. She added that PSH (Permanent Supportive Housing) may be an opportunity going forward, given the high number of units, and that there are some other opportunities that may be useful. AD Cody finished her response by adding that her team is working with veterans to enter into an IGA (Intergovernmental Agreement) on the asset management and compliance work. She added that her team believes that they will most likely have 4% tax credits for the transactions, and that OHCS can provide some standardized reporting which they can be using as well.

Councilmember DeVries stated that Metro has a more significant footprint than most local jurisdictions, and that the state has an even larger footprint. She explained that the funding resource is really important and that there is a tendency to spread the funds as wide as possible, but that this can oftentimes be inefficient and costly. Councilmember DeVries stated that this is something which should be considered, and that she hopes there is some discussion with the jurisdictions about how they leverage these Metro resources.
Ms. Lieb responded and explained that this is something the Metro oversight members will be looking at. Councilmember DeVries added that people are likely to become excited when partnerships begin, and sometimes miss the high costs, legal fees, and extended period of time involved in the closing process.

Chair Valfre stated that Metro has done an excellent job at trying to achieve difficult targets, and there’s a lot that Metro and OHCS will glean from one another in this experience. He added that this experience will teach OHCS a lot about attaining their goals on a state level, and acknowledged Ms. Lieb’s and Metro’s equity lens in this process.

Permanent Supportive Housing Pilot Framework – Amy Cole, LIFT Program Manager, Natasha Detweiler-Daby, Operations and Policy Analyst

Chair Valfre called to resume the meeting, and indicated that the discussion around the Permanent Supportive Housing Pilot Framework agenda item can begin. Ms. Detweiler-Daby provided an overview of the earlier presentation provided on this agenda item.

Councilmember Hall stated that this is truly historic and this is the first targeted Permanent Supportive Housing investment in 12 years. She added that this is essentially a brand new program, added that she is in agreement about having no firm cap per unit subsidy. Councilmember Hall expressed that this will be a learning experience for the agency and the providers, and that it may become more appropriate to look at including a firmer cap in the future rounds. She voiced her support around the consideration to allocate gap funding to further help in making these projects possible.

Councilmember Hall expressed excitement about this opportunity, as Lincoln County Commissioner, and recalled the last few years she’s spent on trying to form a frequent utilizer list of people in Lincoln County who utilize both the criminal justice and health systems. Councilmember Hall then referenced the letter she wrote, which was distributed to the council beforehand, and reiterated the unique role counties have as the local mental health authority and public service provider. She concluded her statement by expressing that counties can be strong partners in moving these programs forward.

Councilmember Li expressed her support of the PSH Framework and the informed risk taking. She mentioned that she would discourage the pre-selection of population targeting in any of the criteria, and that she is interested in hearing the AD Cody or her team’s thoughts on the public comment recommending to specifically include foster children in the population. Councilmember Li recommended expanding the population targeting concept by removing specificity, which would allow a number of groups to come in for partnerships. She then visited the topic of gap funding, and recommended that OHCS does not make a decision until more projects come forth, so that they can see if gap funding or another source is needed. Councilmember Li’s last comment raised the topic of racial justice not being mentioned in this framework. Ms. Detweiler-Daby addressed this concern and indicated that this is mentioned in the application threshold in the eligibility portion. She read aloud text from the document that refers to diverse populations as being described, and Councilmember Li expressed that this text is not sufficient and should be more aligned with the statewide housing plan (SWHP). She further explained that the term “diverse populations” can refer to gender, size of family,
geographic location, but that the term “racial justice” refers to something more specific. She added that, throughout the document, it is important to keep in mind that racial disparity exists even within the population of individuals, families, and communities experiencing chronic homelessness. Lastly, Councilmember Li emphasized that the council and agency may miss out on the opportunity to test out these ideas and see through on their commitments unless there’s an unapologetic message about racial justice in these efforts.

Director Salazar added that the agency is intentionally including a technical assistance component into this, and that it would be a great opportunity to include racial justice curriculum in this process, outreach and other work the agency will be doing.

Councilmember Tillman expressed that she would like to see some incentivizing of culturally specific approaches to PSH, and that she hopes the agency can front end some of these approaches across the state.

Councilmember DeVries asked when the 20 million dollars will be committed, if they are committed, and Ms. Detweiler-Daby shared that they will know at the end of the legislative session around July, but that she anticipates it happening within the calendar year.

Councilmember DeVries asked Ms. Detweiler-Daby to confirm that the 20 million will be accompanied by rental assistance. She then asked what the duration of that rental assistance would be and how much is available, because that would backfill how many units can be funded. Ms. Detweiler-Daby responded and said that the agency will overall receive rental assistance for 500 households and that comes with corresponding tenancy service funds through Oregon Health Authority. She added that the rental assistance sources would come to OHCS, which would then become funded on a service level. She continued to explain that it is renewed every biennium unless something different happens, but that OHCS should certainly have a strategy if the legislature doesn’t fund these services. Ms. Detweiler-Daby explained that there are other states that have done this, so they have examples of the language that can be used and incorporated. She ended her statement by stating that the plan is to put out rental assistance for those units, unless tenants arrive with their own rental assistance.

Councilmember DeVries asked for clarification regarding the $20 million funding, and Ms. Detweiler-Daby clarified that the $20 million is capital. AD Cody added that we will be looking at $20 million and 200 units for the pilot. Councilmember DeVries expressed that she received the clarification she was looking for.

Councilmember DeVries mentioned that there are certain groups OHCS has partnered with whom have excelled in building, operating and managing. She added that she is curious about any vetting processes for the groups that will be coming in for technical assistance, and who have experience with pilot programs such as this. Councilmember DeVries elaborated that she does not want to exclude anyone, but that she also wants to make sure that OHCS and the council are investing in things most likely to produce outcomes. She ended her statement by asking if setting a subsequent pilot may be beneficial.
AD Cody addressed Councilmember DeVries and stated that the agency needs to figure out who the technical assistance providers are going to be and talk to other states that have done these types of projects. She clarified that there tends to be a limit to how many people come in, but that OHCS is trying to create a cohort of possibly 10. AD Cody added that if there are more applications than spots, they will look for readiness to proceed in this first round. She followed-up by stating that they want to know who else is on the horizon so that they can begin planning for the next cohort, because they have a pipeline of projects that can move forward if they receive the $50 million.

Councilmember DeVries agreed with AD Cody’s statement about the readiness to proceed, but added that it is important to be mindful of the potential resources that may be limited if this is mismanaged in some way. She ended her comment by clarifying that this may be something to consider earlier on in this process.

Councilmember Geller stated that the agency has been more real estate deal focused in the past, and that there have been some challenges. She expressed that she is glad to hear that AD Cody and her team will not limit the cohort to just 7-10 organizations, but asked for clarity on the types of organizations that are (or will be) applying and if the training process is about taking service organizations and teaching them how to become developers. Councilmember Geller also voiced a concern that the number of requirements will prevent certain organizations from even applying or proceeding with the training. She then informed the presenters that she had a few questions that she would like to ask. Councilmember Geller’s first questioned if the agency should consider two cohorts; one now and another one that would join in January 2020. She then asked the presenters if know of any projects which are ready to go, and if there are, would the organizations apply for them. Councilmember Geller’s third question asked what the most important driving factor is in the threshold for applicant eligibility. She elaborated by asking if it’s possibly related to previous PSH experience or if it is more important to have an experienced project team with site control that can deliver in the time allotted. Councilmember Geller clarified that she is bringing up these questions now, so that the content can become more clear.

AD Cody addressed the questions and clarified the thought behind the 7-10 teams. She clarified that each team will have a developer, a service provider, a property management firm, and other things needed to own and operate. She explained that most members of the team should have experience with PSH, but it may not be necessary for the developer. AD Cody emphasized that the whole point of bringing a team together and use the technical assistance training is to create a solid work group that understands how to design, develop, and put a project together. She added that this training is meant to make sure the teams have what they need to move forward with development.

Councilmember Geller asked if AD Cody sees them taking this training together, and AD Cody confirmed that she did. Councilmember Geller agreed with the idea of teams taking the trainings together and informed AD Cody that her questions were answered by the response.

Councilmember Geller then stated her support for subsidy change and expressed that the council should do everything they can to make this work. She asked if the subsidy will be determined by each legislative session, and Director Salazar addressed this question. Director Salazar stated that one of the things being piloted is the usage of the OHA (Oregon Health Authority) subsidies with the services
attached, and that it is an existing program that OHA runs for specific populations that are more narrowly defined. She clarified that this has not yet been a project based rental subsidy program and was previously tenant based, but that this one will be project based and part of the state budget. Director Salazar expressed that she is hopeful that it will be an ongoing part of the state budget, and part of what is being piloted is what this process will look like, if lenders will lend on this, if investors will invest in this, and what the legal agreements are if these funds are not allocated by the legislature. She ended her statement by clarifying that this model is used in other states, but it is still a measured risk since project based rental assistance resources are critical to projects such as this.

Councilmember Geller asked about the funding resources and if there will be an OAHTC (Oregon Affordable Housing Tax Credits) PSH NOFA to pair with the 4%. AD Cody responded and stated that this is not a NOFA. Ms. Detweiler-Daby reiterated what AD Cody just stated, and added that the first thing will be an RFA to select the participants for the technical assistance. She explained that there will potentially be another step to request for proposal (RFP) to make it eligible for people in the teams in the training cohort. She added that they would be doing their request for our resources, such as our capital dollars for PSH, and if they utilized OHTC, probably submitting the 4% pre-applications.

Councilmember Geller expressed that this makes sense to her, because those are sources that are not very scarce. She explained that when LIFT first came out there was some doubt that other programs were being taken away, but that this program doesn’t harm other people who are already participating in other programs.

Chair Valfre thanked the department for taking a chance and being proactive about moving this along for community and counties. He stated that this is a really important program and that the council and agency want to make sure they are serving the most vulnerable across all cultures and boundaries. He ended his comment by commenting that moving ahead with the 20 million, before the agency has it, is a measured risk that is very appropriate for this council and this body, and that he endorses that work. Chair Valfre asked for someone on the council to come forward on this motion.

Councilmember DeVries stated that she is in support of this, but would be more comfortable if the financing pieces are a little more refined. She recommended continuing this dialogue even after the framework is passed.

Councilmember Wilhoite expressed his support of this framework, and shared that this topic has been raised during his trip to Washington D.C. as well. He strongly encouraged the council to take a hard look at understanding those cities that are already doing this and achieving success so that OHCS can borrow and build on that. Councilmember Wilhoite encouraged the agency to build a strong picture of what this will look like when it is time to present this to elected officials and others who may participate in this program, because that will assist the agency in receiving the support they need to move ahead. Councilmember Wilhoite ended his comment by informing the council that his call will end in ten minutes.
Councilmember Tillman asked for clarification regarding changes to the motion in terms of adding foster children or single parents with children to the population target, and the integration of culturally specific priorities.

AD Cody responded to Councilmember Tillman and expressed that her team can do much better in incorporating the racial justice component. With respect to populations, she clarified that this doesn’t preclude youth or veterans experiencing chronic homelessness, because they fall under the umbrella of the chronic homelessness piece.

Councilmember Li clarified that there are many different types people experiencing chronic homelessness and that removing that specificity would help in broadening that term to include many different populations within that group.

Director Salazar clarified that the motion says “as presented or with noted revisions” on page 65. She clarified that there are revisions around an explicit approach to racial justice, as well as the technical assistance component of that, the inclusion of culturally specific strategies, and ensuring that the framework shows an expansive view of chronic homelessness. She informed the council that a more in-depth conversation can happen about this topic after this meeting, if they are comfortable with moving forward with a vote.

**Agenda Item:** Permanent Supportive Housing Pilot Framework
**Motion:** Approval of the framework for the selection of participants for the Permanent Supportive Housing Pilot Training Cohort and Permanent Supportive Housing Pilot Resources as presented (or with noted revisions).

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**Housing Stabilization Update - Claire Seguin, Assistant Director, Housing Stabilization**
**US DOE State Plan (approval) – Tim Zimmer, Manager, Energy Services Section**

AD Claire Seguin introduced the US DOE state plan agenda item, along with the addendum, and then handed it off to Tim Zimmer and Steve Divan to discuss that materials and motion on page 85.

Councilmember Li expressed enthusiasm for OHCS’ responsiveness and leadership. Councilmember DeVries asked how people can be educated about the list of MWESB providers so that it can become a bigger priority in communities. She added that this knowledge may help to find more organizations that qualify for this, but don’t know that yet. Director Salazar responded to Councilmember DeVries.
explaining that part of the agency’s work with the new MWESB coordinator will be to do some of that work. Councilmember Geller thanked the presenters and expressed that there are probably more opportunities to find contractors that would qualify for this.

Chair Valfre said the implementation and strategy displayed the agency’s interest in exploring and broadening the idea of what they can do. He explained that the council’s and OHCS’ values are not limited by what the federal government’s thresholds and guidelines are, because they can go beyond that to pursue values that are meaningful to the state of Oregon and the agency’s goals. Chair Valfre clarified that, as long as federal guidelines are met, this is a really positive step to do that. He thanked the presenters for their work and presentation, and called for a motion.

**Agenda Item:** US DOE State Plan (approval)

**Motion:** Approval of the draft 2019 US DOE State Plan as presented and authorization to submit the document to the DOE for the State of Oregon.

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**Affordable Rental Housing Briefings**

**QAP Update** – Tai Dunson-Strane, Tax Credit Programs Manager, Julie Cody, Assistant Director of Affordable Housing Finance, Natasha Detweiler-Daby, Operations and Policy Analyst

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

AD Cody provided an overview of the QAP (Qualified Allocation Program) update to the council, and then handed it off to Ms. Detweiler-Daby for the remainder of the presentation.

Councilmember DeVries specified that there is scoring in the implementations to denote applicability for the 9%, and asked if everything else is applicable for the 4%, but just not scored. Ms. Detweiler-Daby clarified that these are mostly around 9%, aside from the affirmative fair housing marketing. Councilmember DeVries asked if this will be true for each slide, and Ms. Detweiler-Daby replied that it varies, but that she will clarify as she presents each slide. Director Salazar added that they can bring that delineation to the following housing stability council meeting. Ms. Detweiler-Daby continued with the presentation until its conclusion.
Councilmember DeVries asked if the definition of PSH will merge in meeting the consistent definition used here. Ms. Detweiler-Daby stated that she anticipates that happening. She explained that, in terms of developing phase 2, the overall PSH strategy is to identify if there should be distinctions and different types of offerings, so that it’s not confusing.

Councilmember Tillman asked how “institutional care” is defined. Ms. Detweiler-Daby stated that it wasn’t completely defined, and Mr. Dunson-Strane interjected with additional details. He added that this definition was broad, but that there is a section where survey takers could add comments within the survey. Mr. Dunson-Strane explained that there were other questions about how that’s referenced, and that they will bring that back and provide more detail, specifically for definitions around other OHCS program funding.

Director Salazar thanked AD Cody’s team for their time, and informed the council that no questions can be taken due to the lack of time. She added that this conversation will continue in May, but that the council members are welcome to provide feedback and engage in discussions at a later time.

National Alliance to End Homelessness Conference – Claire Seguin, Assistant Director of Housing Stabilization, Christy Hahn, Policy Analyst, and Gus Bedwell, Community Engagement Integrator

*Due to time restrictions, this presentation did not occur at this meeting.*

SWHP Implementation Update – Ryan Vogt, Kenny LaPoint

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

Ryan Vogt and Kenny LaPoint provided a verbal summary of the update.

Report of the Director:

Ariel Nelson, Government Relations and Communications Liaison, introduced herself and provided an update on legislative events happening at the capitol. She informed the council that OHCS presented on the agency’s budget and had a full day of public testimony, but are not being called back for phase two of this process yet. She added that OHCS has two agency bills, which are not budget bills, that have moved out of the policy committee ahead of the deadline. Ms. Nelson then began discussing the bills the agency is paying attention to right now. She mentioned H.B. 2002, which would update the affordable housing preservation program at OHCS and H.B. 2003, which relates to land use and would establish new planning and funding requirements for cities above a certain size. Ms. Nelson discussed H.B. 2020, which considers resources for low income Oregonians and is part of the climate change conversation. Ms. Nelson shared that there are a lot of bills around resources for manufactured housing, and that they primarily deal with the tools for funding the decommissioning of homes and replacing them. Lastly, she mentioned the coalition bill that will make some changes to our manufactured community resource center, and that this bill is still in progress. Ms. Nelson informed the council that she has a list of all the bills, and that the hearings can be listened to online as well. She expressed hope for some informational presentations around homeless services and permanent supportive housing in the future.
Director Salazar thanked Ms. Nelson and began her report to the council. She informed the council that she and AD LaPoint went to Washington D.C. for a NCSHA conference in March and connected with Senator Wyden, who is working hard on permanent supportive housing as well as other matters. She informed the council that they also met with a number of individuals from the delegation, and heard people using the SWHP as a reference document, particularly by hill staffers. Director Salazar touched on the subject of President Trump’s recently released budget where there is a proposed elimination of several programs and significant changes to key HUD rental assistance programs that would require maximum length of tenancies and work requirements. She assured the council that she and her team are watching this news very closely, and are hopeful that these programs will be protected in the process. Director Salazar mentioned that she and other members of OHCS are being invited to a number of groundbreakings and grand openings, and that they will try to bring this to the council’s attention as soon as possible. She then directed the attention to AD LaPoint, who had a list of forthcoming events. Director Salazar then brought up the Salishan retreat for the housing stability council, and asked the council to direct any questions about travel arrangements or other logistics to Cheyloa Chase. The final announcement made by Director Salazar was a reminder that April is Fair Housing month, and that the engagement in the robust conversation surrounding racial justice and equity at this day’s meeting was an opportune time to have this conversation.

After she finished her report, Director Salazar turned it over to Chair Valfre.

Report of the Chair:
Chair Valfre shared that it had been a busy month. He accompanied Director Salazar and AD LaPoint in Washington D.C. during their conference, and served as a housing expert on briefings to the Oregon delegate. He acknowledged Councilmember Hall and Zee Koza for their testimonies on the 25th of March. Chair Valfre informed the council that he presented at the grand opening for Cornelius Place, where they have a library on the first floor and senior housing on the upper two floors. He thanked Nicole Stoenner, Legislative and Communications Coordinator, for helping him get through that process. Lastly, Chair Valfre updated the council that he was in Brookings, Oregon for a Veterans Advisory Committee meeting and that Welcome Home was discussed. He thanked Gus Bedwell for his work on this.

Before the end, Director Salazar asked Chair Valfre to allow Councilmember Tillman to make an announcement. Councilmember Tillman announced that this meeting will be her last in person meeting as a member of the Housing Stability Council. She added that she will be present over the phone next month, but will be resigning after that. Councilmember Tillman explained that she will be leaving in August to get her MBA (Master of Business Administration) at Clark Atlanta University. She ended her statement by expressing her appreciation for serving on the council and how much they’ve accomplished together.

Meeting Adjourned
The meeting was adjourned at 1:15 PM
Date: May 3, 2019

To: Housing Stability Council
   Margaret Solle Salazar, Director

From: Rebecca Isom, Loan Officer
      Casey Baumann, Underwriting Manager
      Julie Cody, Assistant Director Housing Finance

RE: Surf View Village

MOTION: Move to approve Pass Through Revenue Bond Financing in an amount up to and not to exceed $12,500,000 to Surf View Village LLC for the construction of Surf View Village, subject to the borrower meeting OHCS and CITIBANK’s underwriting and closing criteria and documentation satisfactory to legal counsel and Treasurer approval for the bond sale.

Overview and Location:

Surf View Village will provide 110 units of well-designed, cost-efficient, family sized (86 units are two/three-bedroom units) and transit connected homes to residents of Lincoln County.

With a population of just over 10,000 people, Newport has seen almost no new multifamily housing developed in the last 15 years. The City’s most recent housing study (The Newport Housing Needs Analysis 2011-2031) notes, “the market is producing virtually no multifamily dwellings for local residents and workers”. Half of all households in Newport are renters, 46 percent of which are at or below 60 percent AMI.

The project is located in the northern part of Newport, in the Agate Beach neighborhood. Formerly the site of a RV park, the location offers one of the last opportunities to complete a large-scale affordable housing development in Newport.
Funding History:

OHCS awarded Surf View Village $10,945,000 in LIFT funds in June 2018 through a competitive process, as part of the Rural set-aside. The project is now seeking approval for the conduit bonds. No previous funding awards have been used on this project. Current proposed OHCS funding sources include non-competitive 4% Low Income Housing Tax Credits (LIHTC), and Tax-Exempt conduit bonds.

Funding Context:

This project uses non-competitive 4% Low Income Housing Tax Credits and Pass Through Revenue Bond Financing as well as competitive LIFT resources which were reserved to the project in 2018. As a rural LIFT transaction in 2018 the project was given preference for using low subsidy and include outreach to minority women and emerging small businesses; the program has since expanded to require scoring preference for culturally specific partnerships for rural transactions, this requirement did not exist when this project was funded.
Project Sponsor and Partnership:

Commonwealth Development Corporation (CDC) has successfully developed over 1,500 tax credit units in thirty-seven different projects, with an additional 600 units either under construction or in predevelopment. CDC has delivered each of its tax credit projects on time and on budget. Headquartered in Wisconsin, with regional offices in Austin, Louisville, Minneapolis, Atlanta, and Portland, the Commonwealth Companies include development, design, construction, and property management. In recognition of its development work, Commonwealth has received many awards including the Wisconsin Builder’s Association Developer-of-the-Year Award in 2008, the Avenues West Association Community Investment Award in 2012, the Marian University Economic Development Award in 2012, the Wisconsin Main Street Award for Best New Building Project 2013, the Wisconsin Main Street Award for Best Adaptive Reuse Project 2013 and Excellence in Community Design from the City of Greeley, CO in 2016. Commonwealth also ranked 7th in the Top 50 Affordable Housing Developers of 2018 by Affordable Housing Finance.

This is Commonwealth’s second affordable housing project in Oregon. The first project, Sunset Village, was awarded a 9% LIHTC allocation and GHAP funds in 2017, with construction beginning in the 4th quarter of 2018 and an expected completion date of October 2019.

The LLC is a new single asset entity. It will be managed indirectly by Commonwealth Companies Inc through Surf View Village MM, LLC. The tax credit investor will be an affiliate of The Richman Group. Both the sponsor (CDC) and investor are well seasoned in tax credit and public subsidy programs as described above.

Notable Features:

The development site for Surf View Village offers one of the last opportunities to complete a large-scale affordable housing development in Newport. With almost no vacant multifamily land, very high coastal land costs, and abundant natural hazards that impede development, this investment in 110 new units in Newport will make a significant impact on local housing conditions.
Commitment to Equity:

**Community Demographics:** fundamental to understanding the impact of this project in the community is to understand the composition of the community.

<table>
<thead>
<tr>
<th>Newport city, Oregon</th>
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<tbody>
<tr>
<td>Total Population</td>
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<tr>
<td>White non-Hispanic</td>
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<tr>
<td>Black or African American non-Hispanic</td>
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<tr>
<td>American Indian and Alaska Native non-Hispanic</td>
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<tr>
<td>Asian non-Hispanic</td>
</tr>
<tr>
<td>Native Hawaiian and Other Pacific Islander non-Hispanic</td>
</tr>
<tr>
<td>Some other race non-Hispanic</td>
</tr>
<tr>
<td>Two or more races non-Hispanic</td>
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<tr>
<td>Hispanic or Latino</td>
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<tr>
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<tr>
<td>Spanish</td>
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<tr>
<td>Other Indo-European languages</td>
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<tr>
<td>Asian and Pacific Island languages</td>
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<tr>
<td>Other languages</td>
</tr>
</tbody>
</table>

2017 5 yr American Community Survey

**Affirmative Fair Housing Marketing Strategies and Resident Services:** though not prescribed by federal funding sources, this project will use Affirmative Fair Housing Marketing Strategies to ensure access by those least likely to be served with affordable housing. From their application for LIFT resources: *Surf View was conceived through grass roots efforts to improve housing conditions in the community. An ad-hoc group of concerned members formed the Affordable Housing Partners working group. This group, made up of city staff, social service providers, nonprofit housing organizations and health care officials sought to bring a diverse group of stakeholders together to tackle the region’s growing housing crisis. ... Many members of this group represent community service agencies that struggle on a daily basis trying to find suitable housing for their clients. Surf View will offer units to all of these partners. Families struggling to keep up with rising housing costs, victims of domestic violence, individuals working hard on recovery will all know that Surf View Village is an option... Commonwealth and the management company will work closely with service agencies to complete resident placements and to ensure supportive services are delivered and designed to promote long-term housing.*
Contracting, Diversity, Equity & Inclusion: The LIFT program requires that projects seek out MWESB contracting opportunities. Commonwealth has actively reached out to all certified MWESD/SDVBE businesses in Lincoln, Tillamook, Benton, and Linn Counties for contracting work. They are expecting to contract between 15-25% of work to MWESD/SDVBE firms, and are a Service Disabled Veteran Business Enterprise (SDVBE) themselves. The actual percentage will be collected with the final application after construction is completed.

Policy Priorities:

Surf View Village initially applied for funding during the Spring 2018 LIFT round, prior to the implementation of the State Wide Housing Plan. The spring 2018 LIFT framework and NOFA through which this project was funded required that projects in rural areas have connections to services for residents. Surf View Village has executed Memoranda of Understanding with Community Services Consortium and Samaritan House to fulfill this funding requirement. Below are the six priorities of the SWHP along with how the project may meet them.

- **Equity and Racial Justice Priority** – Surf View Village will use the required Affirmatively Furthering Fair Housing strategies while marketing the units, and has a target of using 15%-25% MWESB contracting during the design/construction phase of the project.
- **Homelessness Priority** – Surf View Village has executed an MOU with Samaritan House, which is a nonprofit focused on serving homeless families with children. Samaritan House will refer families who are transitioning from a temporary shelter program into permanent housing. These residents will continue in the Samaritan House program until they “graduate”.
- **Permanent Supportive Housing Priority** – Although these units are not specifically designated as Permanent Supportive Housing, they are designed to be permanent housing for those exiting shelter programs.
- **Affordable Rental Housing Priority** – Surf View Village will bring 110 new units to an area of the State that has not had much multifamily housing developed in the last 15 years.
- **Rural Communities Priority** – Commonwealth is partnering with the City of Newport to get a 10-year property tax exemption. Surf View Village is the first project to apply for this new program (Multiple-Unit Property Tax Exemption aka MUPTE).
- **Homeownership Priority** – Not Applicable; this is dedicated rental housing.
May 3, 2019  
Surf View Village Recommendation

Risks and Mitigating Factors:

This development proposal conforms to all OHCS underwriting standards, was vetted by OHCS Finance Committee, and approved to move to Housing Stability Council for consideration by the Finance Committee Chair, Assistant Director Cody, and OHCS Director Salazar.

The pages that follow will provide more technical details on the proposed project.
Project Detail: Surf View Village

Project Sponsor: Commonwealth Development Corporation of America

Property: Surf View Village
6138 N Coast Hwy
Newport, OR 97365

Owner: Surf View Village LLC

Description: Proposed, new construction of four three-story wood frame buildings with fiber cement siding. It will be located on Hwy 101, north of the City of Newport’s city center.

Affordability:

<table>
<thead>
<tr>
<th>Funding Source</th>
<th># Units</th>
<th>% Income</th>
<th>% Rents</th>
<th># Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>LIHTC/Bond</td>
<td>110</td>
<td>60</td>
<td>60</td>
<td>30</td>
</tr>
<tr>
<td>LIFT</td>
<td>110</td>
<td>60</td>
<td>60</td>
<td>30</td>
</tr>
</tbody>
</table>

Target Population: Families, with a focus on families transitioning out of homelessness with children under 18.

Environmental Review: A Phase I report review has been completed and all recognized environmental conditions or issues on the site have been addressed with a remediation plan acceptable to DEQ, lender, investor, and OHCS is in place.

Finance Committee Approval: OHCS Finance Committee Reviewed and Approved this Project to be Recommended to the OHCS Director and the Housing Stability Council on April 16, 2019.

Summary:
Surf View Village is a new construction 110 unit, 4% LIHTC and LIFT affordable rental housing development serving families in Newport and the Lincoln County area in Oregon. The project is tailored towards larger family units and includes; (44) three-bedrooms, (42)
two-bedrooms, and (24) one-bedrooms. All 110 units will be affordable, serving families whose income is sixty percent (or less) of the median family income. Common areas throughout the property include; a clubhouse which includes a leasing office, fitness room, lounge, and common kitchen, as well as a playground, surface parking (165 spaces) located on the premise. The site is located directly on the Lincoln County bus line, giving residents access to both the Intercity Bus loop, and the Newport City Loop.

Surf View was conceived through grass roots efforts to improve housing conditions in the community. An ad-hoc group of concerned members, made up of city staff, social service providers, nonprofit housing organizations and health care officials sought to bring a diverse set of stakeholders together to tackle the region’s growing housing crisis.

**Financing Structure:**

- **Construction Lender:** Citibank, NA
- **Permanent Lender:** Citibank, NA
- **General Contractor:** Commonwealth Construction Corporation, an affiliate of Commonwealth Development Corporation of America
- **Equity Investor:** The Richman Group Affordable Housing Corporation

<table>
<thead>
<tr>
<th>SOURCES</th>
<th>USES:</th>
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<tbody>
<tr>
<td><strong>OHCS Sources:</strong></td>
<td></td>
</tr>
<tr>
<td>Tax Exempt Bonds (Long Term)</td>
<td>$3,766,451</td>
</tr>
<tr>
<td>Tax Exempt Bonds (Short Term)</td>
<td>$8,733,549</td>
</tr>
<tr>
<td>Short Term Use of Bonds</td>
<td>($8,733,549)</td>
</tr>
<tr>
<td>4% LIHTC Equity</td>
<td>$8,248,615</td>
</tr>
<tr>
<td>LIFT</td>
<td>$10,945,000</td>
</tr>
<tr>
<td><strong>Non-OHCS Sources:</strong></td>
<td></td>
</tr>
<tr>
<td>Deferred Developer Fee</td>
<td>$1,009,702</td>
</tr>
<tr>
<td>Cash Flow During Construction</td>
<td>$104,474</td>
</tr>
<tr>
<td><strong>TOTALS:</strong></td>
<td><strong>$24,074,242</strong></td>
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</tbody>
</table>
**Bond Structure:**
The total tax-exempt conduit bond amount is $12,500,000, of which $8,733,549 will be short-term, used for the construction of the project and the remaining $3,766,451 will be long-term debt.
The bonds will be issued by OHCS and drawn down over the construction period. Citibank will be both the construction and permanent lender.

**Scope of Work:**
Surf View Village will be comprised of four residential buildings, each with three floors. The unit mix will be 24 one-bedroom one-bath units, 42 two-bedroom one-bath units, and 44 three-bedroom two-bath units. Two of the buildings will have 24 units each, one building will have 22 units, and the remaining building will have all common areas & clubhouse, as well as the remaining 40 units.

**Developer Fee:**
The Developer fee is $2,400,000, which is 12.36% of total project costs. This is below the OHCS maximum of 14%. The Developer is deferring $1,090,702, and it will be repaid within the first 9 years of operation.

**Tenant Relocation:**
New Construction, Not Applicable

**Affordability Restrictions:**

<table>
<thead>
<tr>
<th>Unit Type</th>
<th># Units</th>
<th>Income AMI %</th>
<th>Rent AMI %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 BR</td>
<td>24</td>
<td>60%</td>
<td>60%</td>
</tr>
<tr>
<td>2 BR</td>
<td>42</td>
<td>60%</td>
<td>60%</td>
</tr>
<tr>
<td>3 BR</td>
<td>44</td>
<td>60%</td>
<td>60%</td>
</tr>
</tbody>
</table>
**Income:**

OHCS – LIHTC commitment is for 110 units at 0-60% AMI Income and Rents. There are no other restrictions being overlaid on the property.

**Operating Expenses:**

Gross Operating Expenses per unit are $4,503, excluding property taxes and resident services. This is slightly lower than OHCS guideline of $4,600, but the repair & maintenance budget is higher than comparable projects. This is acceptable to the Department as the location of the project is the Oregon Coast which has a more corrosive environment than other areas of the State.

**Debt Coverage Ratio:**

The sponsor has demonstrated a debt covered ratio that is slightly higher than OHCS guidelines. However, at year 11, the DCR will change due to the City of Newport Multiple-Unit Property Tax Exemption expiring. The sponsor has demonstrated the project will produce sufficient income throughout the restriction period of the property to cover the listed expenses and debt service after the MUPTE expires.

\[
\begin{align*}
DCR & \text{ at first full year of operations: } 1.50 \\
DCR & \text{ at year 20: } 1.54 \\
DCR & \text{ at year 30: } 1.44
\end{align*}
\]

**Location Amenities:**

Public transit
- Newport City Loop & Intercity Loop – Stop located at the property

Schools
- Yaquina View Elementary School – 3.9 miles
- Sam Case Primary School – 2.9 miles
- Newport Middle School – 3.9 miles
- Newport High School – 3.5 miles

Emergency Services
- Police station - .7 miles (state police) and 3.5 (city police)
- Fire Department – 2.8 miles
- Emergency Medical – 3.9 miles

Parks, Recreational/Culture Opportunities
- Agate Beach Neighborhood Park – 1 block
May 3, 2019
Surf View Village Recommendation

- Yaquina Head Outstanding Natural Area – .7 miles
- Oregon Coast Aquarium – 5.5 miles
- Hatfield Marine Science Center – 5.7 miles
- Newport Cinema – 1 block

**Resident Services:**

Surf View Village has memorandum of understandings (MOUs) with CSC, and Samaritan House. CSC is a community action agency whose mission “is to help people in Linn, Benton, and Lincoln counties to access tools and resources to overcome poverty and build brighter and more stable futures.” Samaritan House is a family transitional housing program serving Lincoln County. They serve homeless families with children through a three stage program.

CSC will provide resident referrals, as well as various supportive services to those residents. Examples: Housing supports, independent living skills, as well as assistance in obtaining other resources and support such as child care, transportation, job training, and job placement. It’s expected that the residents referred by CSC will need services designed to allow them to comply with lease obligations while being integrated into a new residential community. This could include basic skills such as cleaning, banking, nutrition, and benefits enrollment.

Samaritan House will provide resident referrals, as well as ongoing case management to those families enrolled in their program. It’s likely that these residents will come with a housing choice voucher.

Residents referred by CSC and Samaritan House will maintain wrap around case management services until it’s determined by the agency and property management that full case management is no longer needed. Services will be provided both at Surf View Village, and at the respective agencies office locations.

Residents who are not affiliated with CSC or Samaritan House will have intake interviews to gather information and assess their need at initial occupancy. Various agencies, including CSC, will be allocating staff hours to visit Surf View Village to conduct outreach sessions, and individual services for those participating in their programs.

**Amenities:**

Common amenities will include a clubhouse with a leasing office, fitness room, lounge, and common kitchen, as well as a playground and 165 surface parking spaces.
Unit amenities will include full kitchen and bath facilities with appliances including range/oven with overhead fan, a refrigerator and dishwasher, in-unit laundry, and an HVAC in the living room.
Date  May 3, 2019

To:  Housing Stability Council
     Margaret Solle Salazar, Director

From:  Terry Murdock, Loan Officer
        Ed Brown, GHAP Manager
        Julie V. Cody, Assistant Director Housing Finance

RE:  Two Rivers Mobile Home Park- Manufactured Dwelling Park NOFA # 5004

MOTION: Move to approve a Manufactured Dwelling Parks General Housing Account Program (GHAP) grant reservation in an amount up to $4,970,000 to for purchase and rehabilitation of the mobile home park known as Two Rivers Mobile Home Park.

Overview and Location:
Two Rivers Mobile Home Park consists of a 142-unit manufactured home community. The community is located on approximately 12 acres of land at 19605 River Road, in the City of Gladstone, Oregon.
Funding History:
This project had previously been approved by HSC in 2018 and withdrawn in 2019. The sponsor withdrew the original application because after the reservation the project received a BOLI determination that made the original financing structure insufficient. The sponsor then reapplied, using our current funding limits, and was able to request sufficient resources to fund this park acquisition.

We are currently requesting approval for the use of up to $4,970,000 in Manufactured Dwelling Parks General Housing Account Program (GHAP) funds for the acquisition of the manufactured dwelling park known as Two Rivers Mobile Home Park.

In addition to the GHAP resources, the project has been conditionally awarded $7,800,000 in Oregon Affordable Housing Tax Credits (OAHTC) by the Agency Director based on the recommendation of Finance Committee put forward on March 19, 2019. The OAHTC award is conditioned on Housing Stability Council approving the GHAP grant reservation requested in this memo.

Funding Context:
Manufactured Park Preservation is funded on a first-come, first-served basis and in general, and funds are used to acquire the park. This is a homeownership park where the residents own their homes, and in this preservation activity the residents are forming a cooperative ownership structure.

Project Sponsor and Partnership:
CASA of Oregon is supporting Two Rivers Homeowners’ Cooperative purchase of this mobile home park by working as a consultant on this project. CASA of Oregon improves the lives of Oregonians in underserved communities by building affordable housing, neighborhood facilities, and programs that increase families' financial well-being.

Notable Features:
Two Rivers Mobile Home Park sits near the confluence of the Willamette and Clackamas Rivers. The community was developed in 1962 and is surrounded by single-family and multi-family residential homes, parks and retail establishments. The park has an outdoor pool, a clubhouse and laundry facility.
Commitment to Equity and Racial Justice:

**Community Demographics:** fundamental to understanding the impact of this project in the community is to understand the composition of the community.

<table>
<thead>
<tr>
<th>Gladstone city, Oregon</th>
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<tbody>
<tr>
<td><strong>Total Population</strong></td>
<td>11,936</td>
</tr>
<tr>
<td><strong>White non-Hispanic</strong></td>
<td>9,413 78.9%</td>
</tr>
<tr>
<td><strong>Black or African American non-Hispanic</strong></td>
<td>126 1.1%</td>
</tr>
<tr>
<td><strong>American Indian and Alaska Native non-Hispanic</strong></td>
<td>63 0.5%</td>
</tr>
<tr>
<td><strong>Asian non-Hispanic</strong></td>
<td>287 2.4%</td>
</tr>
<tr>
<td><strong>Native Hawaiian and Other Pacific Islander non-Hispanic</strong></td>
<td>13 0.1%</td>
</tr>
<tr>
<td><strong>Some other race non-Hispanic</strong></td>
<td>0 0.0%</td>
</tr>
<tr>
<td><strong>Two or more races non-Hispanic</strong></td>
<td>293 2.5%</td>
</tr>
<tr>
<td><strong>Hispanic or Latino</strong></td>
<td>1,741 14.6%</td>
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</tbody>
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<table>
<thead>
<tr>
<th>Gladstone city, Oregon</th>
<th></th>
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</thead>
<tbody>
<tr>
<td><strong>Population that speak only English</strong></td>
<td>9,960 86.6%</td>
</tr>
<tr>
<td><strong>Population that speak a language other than English</strong></td>
<td>1,536 13.4%</td>
</tr>
<tr>
<td><strong>Spanish</strong></td>
<td>919 8.0%</td>
</tr>
<tr>
<td><strong>Other Indo-European languages</strong></td>
<td>288 2.5%</td>
</tr>
<tr>
<td><strong>Asian and Pacific Island languages</strong></td>
<td>243 2.1%</td>
</tr>
<tr>
<td><strong>Other languages</strong></td>
<td>86 0.7%</td>
</tr>
</tbody>
</table>

2017 5 yr American Community Survey

**Affirmative Fair Housing Marketing Strategies:** As a homeownership manufactured home park, Affirmative Fair Housing Marketing Strategies are not directly applicable. However, upon unit turnover, the opportunity to purchase is advertised widely in the community to ensure all eligible households with the ability to purchase a manufactured home are aware of the opportunity. We are still exploring best practices in fair housing marketing for resident owned cooperatives which are functionally different from a marketing perspective than our rental housing inventory.

**Resident Services:** As a resident owned cooperative, there will be a significant focus on building the capacity of residents to run their new entity.

**Contracting, Diversity, Equity & Inclusion:** The Diversity, Equity and Inclusion (DEI) Agreement is a required submission for Manufactured Park NOFA funding. Two Rivers Homeowners’ Cooperative agrees to commit their organization to follow diversity, equity and inclusionary ideals and standards.
**Policy Priorities:**

- **Equity and Racial Justice Priority**
  The preservation of Two Rivers Mobile Home Park is furthering equity and racial justice by engaging the new Homeowners Cooperative in a Diversity, Equity, and Inclusion agreement which they have committed to using in guiding their work and park operations.

- **Homelessness Priority**
  Not directly applicable.

- **Permanent Supportive Housing Priority**
  Not directly applicable.

- **Affordable Rental Housing Priority**
  This project is meeting key OHCS policy priorities by preserving existing affordable housing in Oregon and reducing the housing cost burden for lower-income Oregonians by stabilizing space rents.

- **Homeownership Priority**
  The preservation of Two Rivers Mobile Home Park is securing the homeownership interest of the current park residents, developing assets through permanent park ownership cooperative.

- **Rural Communities Priority**
  Not directly applicable.

**Risks and Mitigating Factors:**

The underwritten debt to coverage ratio is below OHCS guidelines but is found to be acceptable. The DCR starts at 1.09 in year one and increases to 1.23 in year 20.

The underwritten vacancy rate is underwritten at 5% per OHCS guidelines, however the actual vacancy rate is 1.4%. When applying the actual vacancy rate, the DCR increases to 1.19.

An operating reserve account in the amount of $103,555 will be in place to cover any potential shortfalls in cash flow.

**The pages that follow will provide more technical details on the proposed project.**
**Project Detail:**

**SUMMARY:** MDP GHAP and OAHTC funds will be utilized by Two Rivers Homeowners’ Cooperative for the purchase of the Mobile Home Park known as Two Rivers Mobile Home Park.

**Project Sponsor:** Two Rivers Homeowners’ Cooperative

**Property:** 19605 River Road, Gladstone, OR 97027

**Owner:** Two Rivers Homeowners’ Cooperative

**Description:** Two Rivers Mobile Home Park is a 142-space manufactured home community located on approximately 12 acres at 19605 River Road in Gladstone. The park is a 55+ community near the confluence of the Willamette and Clackamas Rivers. The community was developed in 1962.

**Affordability:**

<table>
<thead>
<tr>
<th>FUNDING SOURCE</th>
<th># OF SPACES RESTRICTED</th>
<th>% INCOME</th>
<th># OF YEARS</th>
</tr>
</thead>
<tbody>
<tr>
<td>GHAP</td>
<td>86</td>
<td>80% AMI on 60% of population</td>
<td>60</td>
</tr>
</tbody>
</table>

**Target Population:** Existing park residents aged 55+. Cooperative ownership of the mobile home park requires that 60% of the homeowners have incomes below 80% of the area median income.

**Environmental Review:** A Phase 1 environmental review was completed and there are no recognized environmental conditions or issues on the site.

**Finance Committee Approval:** March 19, 2019
May 3, 2019
2019 Manufactured Dwelling Parks NOFA #5004

<table>
<thead>
<tr>
<th>SOURCES:</th>
<th>USES:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OHCS Sources:</strong></td>
<td>Acquisition</td>
</tr>
<tr>
<td>MDP GHAP Grant</td>
<td>Rehabilitation:</td>
</tr>
<tr>
<td>$4,970,000</td>
<td>Sewer &amp; Water Main Repair</td>
</tr>
<tr>
<td><strong>Non-OHCS Sources:</strong></td>
<td>Development</td>
</tr>
<tr>
<td>NOAH w/ OAHTC</td>
<td></td>
</tr>
<tr>
<td>$7,800,000</td>
<td></td>
</tr>
<tr>
<td>CASA of Oregon</td>
<td></td>
</tr>
<tr>
<td>$566,488</td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL Sources and Uses:** $13,336,488

**Tenant Relocation:** N/A. The sewer and waterline rehabilitation will be done on the paved streets with no tenant relocation.

**Operating Budget:**

**Affordability Restrictions:**

<table>
<thead>
<tr>
<th>Total Spaces</th>
<th>Number of restricted Spaces</th>
<th>Percent Median Income</th>
<th>Percent of Residents at AMI Restriction</th>
</tr>
</thead>
<tbody>
<tr>
<td>142</td>
<td>86</td>
<td>80%</td>
<td>60%</td>
</tr>
</tbody>
</table>

**Income:** Two Rivers Mobile Home Park has 142 total spaces with a minimum of 60% (86) of the spaces restricted to residents at or below 80% of area median income.

**Operating Expenses:** $3,846 PUPA. These are based on historical expenses and are in range and typical of similar type of projects.
Date: May 3, 2019

To: Housing Stability Council (HSC) Members
   Margaret Solle Salazar, Director

From: Claire Seguin, Assistant Director of the Housing Stabilization Division
      Jacqueline Boudreaux, Policy Analyst and Oregon IDA Initiative Lead

Re: Oregon Individual Development Account (IDA) Initiative – 2019 Annual Update

FY19-20 Program Administration Budget – $1,210,068

Purpose
To provide a program update on annual activities related to the oversight, management, and operation of the Oregon IDA Initiative and to provide information about outcomes for program participants.

2019 Annual Update
Every year, Housing Stability Council members receive an update from our Agency’s contract administrator on annual funding awards to fiduciary organizations and the most recent Oregon IDA Evaluation Report. This year, Agency staff is excited to expand the conversation and will be co-presenting with Neighborhood Partnerships as follows:

Agency Staff
Provide an update on contract administrator services for program management; FY19-20 funding to fiduciary organizations; and Action Initiatives in the Statewide Housing Plan that support Oregon IDA.

Neighborhood Partnerships
Provide an overview of Oregon IDA and role as contract administrator. Provide an update on FY19-20 funding methodology and FY19-20 work plans to support the Statewide Housing Plan’s Equity and Racial Justice Priority; the 2019 Evaluation Report; and proposed legislation to expand Oregon IDA.
Background on the Oregon IDA Initiative

The Oregon State Legislature authorized the Oregon IDA Initiative in 1999 out of recognition that financial security is not built solely through income, spending and consumption, but also requires savings, investment and the accumulation of assets.

What are IDAs? IDAs are match savings accounts which provide participants the opportunity to build financial skills while they save towards a defined goal, and for every dollar they save the Initiative typically matches three dollars.

What are IDAs used for? IDAs are used to further education, attain homeownership, start a small business, and pursue other asset-building goals.

Long-Existing Savings Categories
- Home Purchase - costs associated with purchase, i.e., down payment
- Education - post-secondary education or job training
- Small Business - microenterprise startup or expansion
- Home Repair or Replacement - restore to habitable condition
- Assistive Technology - purchase equipment to support employment

Additional Savings Categories
- Vehicle - purchase or repair vehicle to pursue life goals
- Retirement - savings for the future
- Rental - assistance for rental housing when tied to state policy goals
- Credit Building/Credit Repair - via paired accounts to establish or build credits

How does the IDA Initiative Operate? The IDA Initiative is operated by a group of 10 non-profit organizations referred to as Fiduciary Organizations (FOs). Two FOs manage a combined 70+ affiliate partners and together they create a strong and effective network that includes culturally-specific and culturally-responsive non-profit organizations, which allows Oregonians to access IDAs in all 36 counties.

College Dreams
Mercy Corps Northwest (MCNW)
Micro Enterprise Services of Oregon (MESO)
The Native American Youth and Family Center (NAYA)
Neighborhood Economic Development Corporation (NEDCO)
NeighborWorks Umpqua (NWU)
Portland Housing Center (PHC)
Warm Springs Community Action Team (WSCAT)
Community and Shelter Assistance Corporation of Oregon (CASA)
Immigrant and Refugee Community Organization (IRCO)
For more information, see attached: What are IDAs? & IDA Initiative Flowchart.

How are IDAs funded? IDAs are funded by contributions, from individuals and businesses, under the Oregon IDA Tax Credit (ORS 315.271). There is a limit to the amount of contributions the Oregon IDA Initiative may receive each year. The “cap” on contributions to the Initiative is limited to $7.5 million in state expenditure each year.

Who is eligible? IDAs are available to qualified residents of the state who are 12 years of age or older and are a member of a low income household with a net worth of less than $20,000. Other factors include completion of financial training and skills development and a minimum savings contribution of at least $25 a month for six months.

How is low income determined? IDA applicants must have qualifying household income less than or equal to the greater of 80% of the area median income (AMI) or 200% of the poverty guidelines.

<table>
<thead>
<tr>
<th>#HH</th>
<th>100% FPG</th>
<th>200% FPG</th>
<th>80% AMI</th>
<th>50% AMI</th>
<th>30% AMI</th>
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<tr>
<td>1</td>
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<td>86,860</td>
<td>73,800</td>
<td>46,150</td>
<td>27,700</td>
</tr>
</tbody>
</table>

*Table includes data from 2019 HHS FPG % and FY2018 HUD Area Median Income for the State of Oregon

- The U.S. Dept. of Health and Human Services (HHS) publishes Federal Poverty Guidelines (FPGs) based on U.S. Census Bureau data. FPGs are updated annually and used to set income eligibility for assistance programs (for example, based on 2017 FPG guidelines: 300% for Oregon Health Plan for Kids, 250% for Childcare Assistance, 185% for WIC and SNAP, 138% for Medicaid for Families, and 133% for Medicaid for Adults).

- The area median income (AMI) is a statistic generated by the U.S. Dept. of Housing and Urban Development (HUD) and updated annually for purposes of determining the eligibility of applicants for certain federal housing programs. AMI percentages are further described by HUD as income levels: extremely low (0-30% of AMI), very low (30% to 50% of AMI), low (50% to 80% of AMI), and moderate (80% to 120% of AMI).
To determine income eligibility, IDA providers reference HHS poverty guidelines and HUD AMI data available by county and family size (the greater of state or county AMI is determined before it is compared to the FPG). Based on 2017-2018 information, most savers are living on extremely low or very low household incomes.

Equity Impacts

Of the 10 FOs, four are culturally-specific (serving primarily communities of color, immigrant and refugee families, minority families displaced by gentrification, and Native Americans). At least 10 affiliate partners are culturally-specific (serving Hispanic and African Americans) and more than 17 affiliate partners are culturally-responsive (which means they intentionally work with diverse communities, especially communities of color). Collectively, FOs:

- Actively incorporate diversity, equity, and inclusion into their organizations;
- Serve economically-challenged communities, people of color, immigrants and refugees;
- Conduct outreach activities in their local communities;
- Adapt program practices and policies to better include under-represented communities;
- Operate specialty programs for adults and youth who are or have experience the criminal justice system;
- Develop partnerships with state agencies and non-profit organizations to better serve youth exiting the foster system, school engaged youth, and survivors of intimate partner violence; and
- Offer strong culturally-specific curriculum (in multiple languages) for housing, small business, and other asset-specific education.

For more information, see attached: 2017-18 Program Year Participate Information Highlights.

Contract Administrator Services

The contract between OHCS and Neighborhood Partnerships was amended (effective) April 1, 2019 to extend program management services another year. To date, this contract has not been subject to an open procurement process and the Agency has identified this as an area for improvement and plans to issue a Request for Proposal in 2019 (a change supported in the 2015 Secretary of State Audit Report). Over the past year, the Agency has assumed a more active role with our oversight responsibilities for Oregon IDA to provide stewardship to support Oregon IDA partners and community stakeholders.

FY2019-20 Funding

Funding awards were finalized to allocate all 10 fiduciary organizations an aggregate total of $9.6 million resulting in $7,019,290 available for match funding and $2,580,710 available to cover program and administration expense. The match funding will be used to enroll new IDA savers in 2019. Allocation amounts are determined through a non-competitive request for proposal process, administered by Neighborhood Partnerships and approved by the Agency. For more information, see attached: FY2019-20 IDA Award Announcement.
Action Initiatives

In 2019, the OHCS Statewide Housing Plan has rooted several action initiatives, involving the Oregon IDA Initiative, in the Homelessness Priority under Strategy C: “Maximize opportunities to integrate asset-building and anti-poverty programs and resources to support housing stabilization and economic security for individuals and families experiencing or at risk of homelessness.”

Purpose of Action Initiatives

▪ Support asset-building & anti-poverty programs and resources in the state;
▪ Identify opportunities to integrate the Oregon IDA Initiative into OHCS resources; and
▪ Research poverty in the state with a focus on equity and racial justice.

1. Create an Advisory Board for the Oregon Individual Development Account (IDA) Initiative / Goal: Select board members, develop on-boarding structure, and complete orientation

2. Issue a Request for Proposals (RFP) to select a Contract Administrator (CA) to manage the Oregon IDA Initiative / Goal: Finalize and execute RFP; award CA contract and execute CA transition plan, as needed

3. Assess opportunities to integrate Oregon IDA into OHCS programs Goal: Create a written recommendation for a minimum of two new ideas to implement in 2020

4. Initiate the development of a system to receive and analyze Oregon IDA data, i.e., IDA Dashboard / Goal: Develop a framework for an IDA Dashboard

5. Research Asset-Building & Anti-Poverty Programs and Resources in Oregon Goal: Outreach to a minimum of two organizations to discuss potential ideas for integration

6. Identify and analyze multiple sources of data, and other comparable data, to produce a statewide poverty report / Goal: Complete and Publish 2019 Biennial Poverty Report

In accordance with (2017) ORS, Vol. 11, Chapter 458, Section 458.505, Paragraph (6): “The Housing and Community Services shall (d) Biennially produce and make available to the public a status report on efforts by it and state agencies to reduce the incidence of poverty in Oregon. This report shall contain figures regarding the numbers and types of persons living in poverty in Oregon. The report shall also describe the status of efforts by the department and the Department of Human Services to implement the state policy regarding homelessness described in ORS 458.528.”

Equity & Racial Justice Priority
A funding methodology was applied to this year’s allocation to maximize state resources and to encourage capacity building of three culturally-specific fiduciary organizations that work with high priority populations identified in the Statewide Housing Plan.

This year, Neighborhood Partnerships and IDA Fiduciary Organizations (FOs) have made a commitment to support the Statewide Housing Plan by incorporating equity and racial justice goals into their 2019-20 work plans. FOs are currently working with Neighborhood Partnerships to finalize goals, a few examples of ideas generated so far include:

- Working on an equity statement and plan
- Conducting an equity audit
- Staff engagement around equity including trainings to raise awareness
- Program design to facilitate more equitable goals

Overall, FOs will implement goals and activities that will increase inclusion and advance equity for traditionally marginalized communities. Neighborhood Partnerships will collaborate closely with FOs and community stakeholders to develop a long-term strategic plan for the Oregon IDA Initiative, which will incorporate core principles around diversity, equity, and inclusion.

Evaluation Report

The Oregon IDA Initiative collects data to assess its overall program delivery and participant outcomes. Data in this report is drawn from the IDA Initiative’s client management system, participant feedback surveys, interviews with provider staff and participants, and the National Student Clearinghouse. Overall, the 2019 report finds that the IDA Initiative yields long-term positive outcomes for participants and continues to reach Oregonians in traditionally underserved communities. The evaluation report is published on an annual basis and available at https://oregonidainitiative.org/evaluation.

Proposed Legislation

Senate Bill 790 & House Bill 3133 propose to expand Oregon IDA to $15 million in tax credit authority, adjust the value of the tax credit to respond to changes in federal tax regulations, increase the allowed match to $3,000 every six months, and update some parts of the law. Both bills have passed through the Senate Human Services Committee and House Revenue Committee, respectively and are currently waiting in the Joint Committee on Tax Expenditures.

Attachments:

1. What are IDAs? & IDA Provider Map and Flowchart
2. 2017-18 Program Year Participant Information Highlights
3. FY2019-20 IDA Award Announcement
Managed by Neighborhood Partnerships, the 29-year-old, 501(c)(3) nonprofit partner of the State of Oregon. Contact: Janet Byrd, 503.226.3001 x103, jbyrd@neighborhoodpartnerships.org
What are IDAs?

Individual Development Accounts, or IDAs, are matched savings accounts that change the financial futures of qualifying Oregonians with lower incomes. Participants build financial skills such as budgeting and saving while they save towards a defined goal, and for every dollar they save the Initiative typically matches three dollars.

How does the IDA Initiative work?

The Oregon IDA Initiative is in all corners of the state. Thanks to a large network of Initiative Partners who work in their communities, private, nonprofit, and public organizations reach individuals and families who use IDAs to transform their lives.

Savings are invested in purchasing a home, fulfilling educational goals, developing a small business, or pursuing another approved asset.

When people have savings, strong financial habits, and assets to fall back on in lean times, they are able to navigate life's bumps and stabilize. Moreover, these assets provide people the security and opportunity to pursue their goals, advance, and reach their full potential. Since 2008:

- More than 13,000 Oregon residents have saved in IDAs
- IDAs have been opened in 35 of Oregon’s 36 counties
- Collectively, IDA participants have saved more than $23 million
- All participants are provided financial education and support to build their financial capability and successfully reach their goals
- $37 million in matching funds have been distributed to approximately 7,000 savers for asset investments
- More than 3,000 people are currently saving

Contact Janet Byrd for more information
jbyrd@neighborhoodpartnerships.org, 503-226-3001 x103

How is the Oregon IDA Initiative funded?

The Oregon IDA Initiative is funded by the Oregon IDA Tax Credit (ORS 315.271). Oregon contributors may receive up to a 70% tax credit on their Oregon state returns for contributions made. This means the state gets $1 of investment for every 70 cents or less that it spends. Oregon IDA contributors come from across Oregon and contribute a wide range of dollar amounts.

See oregonidainitiative.org for more information

The Oregon IDA Initiative is managed by Neighborhood Partnerships, the 29-year-old, 501(c)(3) nonprofit partner of the State of Oregon.
The **Oregon Individual Development Account (IDA) Initiative** is bringing hope, stability and opportunity to Oregonians with low incomes. The Oregon IDA Initiative is managed by a statewide non-profit organization, Neighborhood Partnerships, on behalf of the State of Oregon. Today, Oregon Housing and Community Services (OHCS) and Neighborhood Partnerships are pleased to announce $9.6 million in program awards for the upcoming year to help more Oregonians access this powerful resource.

With a combination of financial education, coaching and matching funds, IDAs support Oregonians in making investments that promote their financial health. A recent program evaluation shows that IDA participants experience long-term improvements in financial capabilities including the use of a budget, using automatic savings, and maintaining emergency reserves at rates that are greater than those reported nationally. IDA completers are paying their mortgages on time, finding employment related to their post-secondary training, and starting and growing locally-based microenterprises. IDA participants build financial resilience and support vibrant communities—outcomes that all of Oregon shares in. Below is a story from an IDA participant:

*Charmaine Reddix wanted more for her two children. With apprehension, she watched her rent increase hundreds of dollars while her wages did not. She dreamed of owning her own home. Reddix had finished her degree from Portland State University and was working to transition off Section 8 housing assistance. Reddix’s Section 8 caseworker through Home Forward, an IDA partner of CASA of Oregon, helped her to develop a roadmap for how she would manage without Section 8.*

“What truly changed me at the end of the day, was the [IDA’s financial and homeownership] education and the experience of applying it,” states Reddix. Saving in an IDA required her to change her spending habits and develop a budget. She had debt to manage and student loans that were coming due. “It was hard, having people look at your spending habits,” she explains. “It was like surgery—how they go in and find something. And you don’t see it until someone else shows it to you. That was my awakening point.” Seeing and hearing the stories of others who were achieving their goals was also encouraging. “At the end of the day, I’d feel like I could do it, even though some days it just didn’t feel like it,” notes Reddix.

*In summer 2016, Reddix signed the papers to her own home in southeast Portland. The lessons she learned in creating a budget have stuck, and she proudly notes that after more than a year, she hasn’t missed a home payment. “I’m proud of myself for that. That’s a really big thing for me,” she notes. Looking towards her future, Reddix states, “There was a dark tunnel, and now there’s light. It feels like a goal that I’ve accomplished. The possibilities are endless now.”*

**Oregon Housing and Community Services** and **Neighborhood Partnerships** are proud to announce the following awards totaling $9,600,000 for the upcoming 2019-20 program year:

- **Community and Shelter Assistance of Oregon** (CASA) - $3,390,000.*
- **College Dreams** - $750,000
- **Immigrant and Refugee Community Organization** (IRCO) – $300,000.
- **Mercy Corps NW** - $660,000
- **Microenterprise Services of Oregon** (MESO) - $500,000
- **Native American Youth and Family Center** (NAYA) - $280,000
- **Neighborhood Economic Development Corp.** (NEDCO) - $780,000
- **NeighborWorks Umpqua** - $2,400,000
- **Portland Housing Center** (PHC) - $65,000.*
- **Warm Springs Community Action Team** - $475,000

* This award supplements on-hand resources (unallocated match and over-allocation), to support program operations and enrollments at current levels.
1 in 5 savers (age 25+) have no more than a high school education.

3 in 5 savers are women.

Nearly one quarter of savers are 24 years old or younger.

Most savers are living on extremely low or very low household incomes (less than 60% of the area median income).

2017-2018 Program Year Participant Information

IDA savers come from all regions of Oregon.

- 5 or more IDAs per 1000 residents living on low incomes
- 3-4 IDAs per 1000 residents living on low incomes
- 1-2 IDAs per 1000 residents living on low incomes
- Less than 1 IDA per 1000 residents living on low incomes
- 0 IDAs opened in the last three years

Oregon’s communities of color benefit from the IDA Initiative.

Nearly one quarter of savers are 24 years old or younger.
Through the IDA Initiative, Oregonians are improving their financial resiliency.

IDA participants plan and save for asset-building goals.

IDA completers build strong financial habits.*

According to The Center for Financial Services Innovation, beneficial financial habits can improve financial well-being, even if income stays the same. Households who have a planned savings habit are four times as likely to be financially healthy as those who do not. National rates are from the Federal Reserve Board, May 2018.

“...It was being given the tools, but most important for me, it was teaching me how to apply tools I learned in the classes. It gave me an opportunity to actually make it happen...The possibilities are endless now.”
Charmaine Reddix, homeowner in Portland

“...Going through the IDA and saving the money has forced me to think more like a business owner. Had it not been for the IDA process I would’ve never had a business plan. I would’ve just kept making decisions without any kind of proof behind it...It’s helped me realize that it’s not something that’s above me and there are people out there to help me when I need it.”
Kathleen Dickson, owner of OtterBees in Brookings

Managed by Neighborhood Partnerships, the 29-year-old, 501(c)(3) nonprofit partner of the State of Oregon.

Contact: Janet Byrd, 503.226.3001 x103, jbyrd@neighborhoodpartnerships.org
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Date: May 3, 2019
To: Housing Stability Council Members;
Margaret Solle Salazar, Director

From: Tai Dunson-Strane, Tax Credit Program Manager
Natasha Detweiler-Daby, Interim Manager, Multifamily Housing Finance
Julie V. Cody, Assistant Director, Housing Finance

Re: Fall 2018 Lottery Backed Bond Preservation NOFA Results Report and Policy Analysis

Background:
The Oregon Legislature committed $25 million in Lottery Backed Bonds to OHCS preservation efforts. Specifically, these funds were to be dedicated to preservation of affordable rental properties with federal rent assistance attached to the property. Sources of that federal rental assistance are HUD, USDA Rural Development, and Public Housing Authorities. At the October 5, 2017 Housing Stability Council meeting the framework for committing these resources, to leverage the 4% LIHTC program, was approved.

This memo serves to provide a high level summary of the fund offering performance, including the applications received and next steps. No approval motions are being requested of you at this time, as each transaction will require Housing Stability Council approval along with their 4% LIHTC conduit bond, which occurs after sponsor fulfillment of all 4% LIHTC programmatic conditions.

NOFA Application and Responses:
The LBB Rental NOFA was released on November 20, 2018 with an offering of $25 million. The NOFA included three soft set-asides of 1/3rd each for developments serving rural areas, urban areas and Rental Assistance Demonstration or RAD conversion (RAD) and Section 18 disposition (Section 18).

Responses to the NOFA were due on February 19, 2019, with RAD/Section 18 proposals accepted and reviewed on a first come first served basis, as detailed in the offering framework.
OHCS received eight proposals with cumulative requests of $34.2 million and funding for 920 units, and we are reserving funding for seven of the eight proposals.
- Four projects submitted applications for the RAD / Section 18 set-aside
- Two projects submitted applications for preservation in rural communities;
- One project submitted an application for preservation in an urban community;
- One project submitted an application for preservation in urban and rural communities (scattered site).

**RAD / Section 18 set-aside: $8.33 million**
We were successfully able to commit resources to all four of the RAD / Section 18 applications which requested just under the set-aside resources. All together the four projects requested $8.328 million for the conversion of 571 public housing units to project based rent assisted units in Portland, Springfield, Eugene, Milwaukie, and Salem Oregon. Each of these projects additionally requested OAHTC based on the adopted framework criteria. Since resources were available to fully fund all project applications under this offering, and all applications met threshold requirements, no further use of the identified selection criteria was necessary.

<table>
<thead>
<tr>
<th>Project Name</th>
<th>County</th>
<th>Total Units</th>
<th>Sponsor</th>
</tr>
</thead>
<tbody>
<tr>
<td>85 Stories Group 6</td>
<td>Multnomah</td>
<td>315</td>
<td>Home Forward</td>
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<tr>
<td>HFG RAD Phase II</td>
<td>Lane</td>
<td>102</td>
<td>Homes for Good</td>
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<tr>
<td>Hillside Manor</td>
<td>Clackamas</td>
<td>100</td>
<td>Clackamas Housing Authority</td>
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<tr>
<td>SHA RAD Group II</td>
<td>Marion</td>
<td>52</td>
<td>Salem Housing Authority</td>
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<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>571</strong></td>
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</tr>
</tbody>
</table>

**Rural set-aside: $8.33 million**
There were two projects applying for resources from the Rural set-aside and a third project that was scattered site with locations in both urban and rural Oregon. Because the majority of the scattered site units (50 of the 70 units) are located in an urban area, the scattered site project was evaluated using the urban project criteria. Of the two rural only project sites, after applying the specified selection criteria, the Glenhaven Park Apartments was selected for funding. This project requested the full $8,333,000 million in the set-aside to fund the
preservation of 122 units located in Tillamook, Newberg, Heppner, and McMinnville Oregon. This rural scattered site project also requested OAHTC in line with the framework.

### Soft Set-Aside = Rural

<table>
<thead>
<tr>
<th>Project Name</th>
<th>County</th>
<th>Total Units</th>
<th>Sponsor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Glenhaven Park Apts</td>
<td>Tillamook</td>
<td>122</td>
<td>Chrisman Development, Inc.</td>
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<tr>
<td></td>
<td>Yamhill</td>
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<tr>
<td></td>
<td>Morrow</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Yamhill</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total 122

### Urban set-aside: $8.33 million

There was one project applying for resources from the urban set-aside and a second project that had sites in both urban and rural areas. Since the majority of the urban/rural scattered site units were located in urban areas, it was evaluated against projects in this set-aside. After applying the selection criteria from the NOFA framework, Patton Home in Portland was identified for a funding reservation. This project obligated $5.8 million in the urban set-aside resources, leaving just under $3 million in resources available.

### Soft Set-Aside = Urban

<table>
<thead>
<tr>
<th>Project Name</th>
<th>County</th>
<th>Total Units</th>
<th>Sponsor</th>
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</thead>
<tbody>
<tr>
<td>Patton Home</td>
<td>Multnomah</td>
<td>63</td>
<td>Community Development Partners</td>
</tr>
</tbody>
</table>

Total 63

In priority order, the next project to be considered was the urban/rural scattered site project with units in both Salem and Monmouth. As the NOFA allowed the use of additional resources to be added to the offering to fully fund a transaction, the OHCS Director chose to obligate an additional $2.86 million in multifamily resources to preserve these additional 70 units of rent assisted housing. Please note that while the table below indicates that all 70 units are being funded within the urban set aside, in reality 50 of the 70 units are in an urban location and 20 of the 70 units are located in a rural area.
Equity and Racial Justice Considerations
Consistent with the adopted NOFA framework, all applications for LBB Rental are required to do the following in order to increase equity and racial justice in affordable rental housing development and operations:

- Seek opportunity to further equity through the use of Minority, Women and Emerging Small Business (MWESB) contracting, sub-contracting, and professional services for the project.
- Sign a Diversity, Equity, and Inclusion (DEI) agreement that outlines actions that the sponsor will take and/or is currently taking to increase diversity, equity and inclusion within their organization and in the services that the organization provides to the public.
- Upon unit turnover, and in managing project waitlists, all funded projects will be required to use Affirmative Fair Housing Marketing strategies to ensure access to the homes in accordance with best practices in fair housing.

Statewide Housing Plan Alignment:
With a focus on preserving affordable rental units, specific scoring and funding set-aside for rural proposals, and its focus on MWESB contracting, and DEI agreements, the LBB program and resulting housing meet the following Statewide Housing Plan priorities:

- Affordable Rental Housing
- Rural Communities
- Equity and Racial Justice
Policy Discussion:
Applications for LBB Rental were scored according to the process outlined in the NOFA framework (see Reference LBB Framework Selection Criteria on following pages), which served to prioritize preservation investments by risk of loss and impact to the community.

Overall this was a very successful offering. We were able to fund a significant number of RAD / Section 18 transactions, thanks in no small part to sponsor collaboration and leverage of both Lottery Backed Bonds and OAHTC. The urban and rural set-aside groups, with the commitment of funds to the urban / rural scattered site project meant using $9.9 million in the rural set-aside and $9.7 million in the urban set-aside; over committing resources by nearly $2.9 million.

Together, this shows a very strong performance of the three set-aside categories. However, we have recognized that it led to a significant unintended consequence. That unintended consequence is that by choosing to divide resources evenly across the three set-aside groups, since all of the active RAD / Section 18 transactions are located in urban areas, the result is that we do find ourselves providing more resources to urban areas. Relatedly, this NOFA had not included a deliberate contemplation of scattered site projects with locations in urban and rural areas.

Both the equity of urban and rural investments as well as the treatment and priority for cross-regional scattered site projects should be deliberately addressed in the next Preservation NOFA framework.

Next Steps
All of the selected projects will now proceed through the 4% LIHTC funding process, which begins with a pre-application acceptance letter that lays out the next step due diligence items which must be completed, generally, within 90 days. Once a full application and due diligence is completed, projects are required to complete a construction closing within 180 days. All project transactions will return individually to Housing Stability Council along with their 4% LIHTC bond transaction for final approval.
Reference: LBB Framework Selection Criteria

Federal Preservation (Urban and Rural) Selection Criteria

<table>
<thead>
<tr>
<th>First Priority:</th>
<th>Expiration Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rent assistance loss within 36 months funded first;</td>
</tr>
<tr>
<td></td>
<td>- if resources not adequate to fund all, then the secondary</td>
</tr>
<tr>
<td></td>
<td>selection criteria will be applied in order as listed.</td>
</tr>
<tr>
<td></td>
<td>- if resources remain, then projects with rent assistance</td>
</tr>
<tr>
<td></td>
<td>loss 36 months - 60 months will be prioritized by the</td>
</tr>
<tr>
<td></td>
<td>secondary selection criteria in the order as listed.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Secondary Selection Criteria:</th>
<th>Rural Criteria</th>
<th>Urban Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Projects where tenants would NOT receive a rent assistance voucher funded first</td>
<td>Percentage of Tenants with Rent Assistance in the project(s) that have incomes below 30% AMI</td>
</tr>
<tr>
<td>2</td>
<td>Projects representing the greatest share of their communities' affordable housing.</td>
<td>Project(s) with the most rent assisted units funded first as a percentage of the total units</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Third Selection Criteria:</th>
<th>Rural Criteria</th>
<th>Urban Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Projects with rental assistance closest to expiration</td>
<td>Projects with rental assistance closest to expiration</td>
</tr>
</tbody>
</table>

RAD and / or Section 18 Selection Criteria

<table>
<thead>
<tr>
<th>First Priority:</th>
<th>CHAP Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rent Assistance Demonstration conversion “Commitment to enter into a Housing Assistance Payment” (CHAP) and / or Section 18 approvals signed 12 months prior funded first;</td>
</tr>
<tr>
<td></td>
<td>- if resources not adequate to fund all, then the secondary selection criteria will be applied in order as listed.</td>
</tr>
<tr>
<td></td>
<td>- if resources remain, then CHAP signed within prior 12 months will be prioritized by the secondary selection criteria in the order as listed.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Secondary Selection Criteria:</th>
</tr>
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<tbody>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>Project Name</td>
</tr>
<tr>
<td>------------------------------</td>
</tr>
<tr>
<td>85 Stories Group 6</td>
</tr>
<tr>
<td>HFG RAD Phase II</td>
</tr>
<tr>
<td>Hillside Manor</td>
</tr>
<tr>
<td>SHA RAD Group II</td>
</tr>
<tr>
<td>Glenhaven Park Apts</td>
</tr>
<tr>
<td>Patton Home</td>
</tr>
<tr>
<td>Sunnyslope &amp; College Manor</td>
</tr>
</tbody>
</table>

**Total Reservations:** 9,873,000 9,655,206 8,328,811 826

**Set-Aside Allocations:** 8,333,333 8,333,333 8,333,333

**Balance Remaining:** (1,539,667) (1,321,873) (4,522)

**Total Balance:** ($2,857,018)

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Allocation Category</th>
<th>URbane Rural</th>
<th>Project City(s)</th>
<th>Rural Set-Aside</th>
<th>Urban Set-Aside</th>
<th>RAD/Section 18 Set-Aside</th>
<th>Total LBB $</th>
<th>Total OAHTC $</th>
<th>Total Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Malheur Portfolio</td>
<td>Rural</td>
<td>Ontario, Vale, Nyssa, Burns</td>
<td>$6,412,826</td>
<td></td>
<td></td>
<td></td>
<td>$6,412,826</td>
<td>$0</td>
<td>94</td>
</tr>
</tbody>
</table>

Lottery Backed Bond Preservation NOFA
Date: May 3, 2019

To: Housing Stability Council
Margaret Solle Salazar, Director

From: Tai Dunson-Strane, Tax Credit Program Manager
Natasha Detweiler-Daby, Housing Finance Policy and Programs
Mariah Acton, Strategic Business Analyst
Mitch Hannooosh, Research and Analysis
Rick Ruzicka, Housing Finance Policy Analyst
Julie V. Cody, Assistant Director Housing Finance OHCS

Re: Qualified Allocation Plan (QAP) engagement update

We are eager to be providing the Housing Stability Council with an update on our current QAP process and policy efforts. We are currently midway through a robust stakeholder engagement effort to update the Qualified Allocation Plan (QAP) for 2019. The QAP is the required plan document which establishes program criteria for the state’s Low Income Housing Tax Credit (LIHTC) programs. It is responsive to specific requirements established by the IRS for these programs, and includes program parameters for both the competitive 9% LIHTC Program as well as the 4% LIHTC Program.

Objectives for this QAP update
1. Alignment of the QAP to reflect priorities, goals, and strategies in the five-year Statewide Housing Plan.
2. Adoption of national best practices where possible and lessons learned over the past two years; notably to improve the timely delivery of housing to Oregonians and to ensure the appropriate and responsible subsidization of projects to be viable throughout the affordability period.
3. Streamlined project selection and funding process that will take advantage of the new data system that we are in the process of adopting. This system will both move us to a data-driven electronic application as well as require the adherence to deliberate funding processes which will be accessed by both OHCS staff as well as project sponsors.

Outreach Efforts to Date: Online Survey
In March we conducted an online survey to develop a baseline understanding of the core interests, priorities, and preferences for those directly impacted by the Oregon QAP. The survey was released to our partner network through our Technical Advisory, Housing Finance Partner call, and outreach to individual active development partners. The survey was open for just over two weeks, closing on March 24th. There were 85 total respondents: 42 of those identified as developers, 14 as management agents, 12 as Housing Authorities, 9 as consultants, 8 as lenders, 6 as Participating Jurisdictions and several others indicated being architects, contractors, service providers, and tribal housing providers.

The survey was divided to collect feedback on seven topics, respondents were able to provide information for any topic that was of interest.

- Topic One: Equity and Racial Justice
- Topic Two: Homelessness and Permanent Supportive Housing Priorities in the SWHP
- Topic Three: Rental Production and Rural Strategies of the SWHP
- Topic Four: New Data System
- Topic Five: Preservation Strategy
- Topic Six: Tax Credit Subsidy and Cost Containment
- Topic Seven: General Comments

Following this memo are the full survey results report; as we move on to in person round table conversations with stakeholders, we are refining survey results to guide conversations.

One important note on the survey results: you will see throughout the survey numerous expressions that the Oregon QAP serves to disadvantage rural areas. While we are doing our work to prioritize increased housing production in rural areas through the Statewide Housing Plan, it is also important to recognize that we have built several safeguards for rural areas into the existing QAP. The existing QAP includes a regional delineation – projects compete in one of three geographic buckets: Portland Metro; other Participating Jurisdictions (cities that are large enough to receive federal block grant funding from HUD); and Balance of State. This approach ensures that the most urban projects are not competing directly with projects located in rural areas. Further, in the large geographic “Balance of State” region we have included a set-aside to ensure that at least half of the resources are committed to projects in truly rural areas. It is clear from the survey results that these practices, and the rationale behind them, are not widely understood, and as such we plan that this education and messaging will be fundamental to engaging our development community in productive conversations and feedback.

Some of the high level key themes from the survey responses are:

- Alignment with Statewide Housing Plan
Overarching concern from survey respondents that equity & racial justice measures are difficult to implement, and serve to disadvantage rural areas: in particular, MWESB efforts, affirmative fair housing marketing, location criteria.

Support for points or set-aside for Permanent Supportive Housing, though a need for providing training and technical assistance to deliver; emphasis on the importance of rent assistance and service funding for success.

Support for offerings to target rural areas and score differently for those projects; interest in facilitated partnerships with developers in rural areas.

Adoption of National Best Practices and Lessons Learned
- Some support for prioritizing investment on federally designated tribal land through point preference or set-aside.
- Conflict over cost containment; no agreement that scoring development costs is effective in encouraging lower development costs.

Streamline Project Selection and Funding Process
- Support for providing increased predictability in the project selection process; including the use of a pre-application.
- Concern that not allowing subjective information will not consider unique project features into fund decision process.

Outreach Plans: Roundtable Conversations
To follow-up on what we have learned through the survey, we will be conducting four in-person roundtable events for the following key stakeholder groups: lender/investors, HUD HOME Participating Jurisdictions, Developers, and culturally-specific stakeholders.

To be clear, the culturally-specific development and service partners will be invited and encouraged to attend the larger developer stakeholder conversation. The reason we are creating a stand-alone opportunity for culturally-specific development and service partners is to create an intentional space to focus on alignment opportunities and better understand how to support our partners.

The goal of these roundtable events is two-fold: 1) to signal and articulate our priorities going forward, 2) to learn more about opportunities and implications for specific topics from the stakeholders’ perspective.

Equity & Racial Justice Considerations
The LIHTC program has a tremendous overlap with equity & racial justice efforts.
Our current QAP prioritizes housing in opportunity rich areas, in areas that are vulnerable to gentrification, and that are in accessible locations (transit, walkable, grocery, schools, medical services etc).

The current QAP includes some components around MWESB contracting and Affirmative Fair Housing Marketing Plans (AFHMP), and we believe there is an opportunity to strengthen these strategies. Regarding Affirmative Fair Housing Marketing, the current QAP provides incentives for sponsors that go above and beyond what is required under fair housing regulations. As we have discussed with Council, we plan to create a clear and robust approach to MWESB policy requirements, and will be hiring staff to lead this work, which is still in the very early stages. We plan to examine the options for AFHMPs and MWESB more closely through survey analysis and stakeholder engagement as we develop recommendations for Council consideration.

The current QAP does address resident services with incentives for robust resident service partnerships, but does not use an explicit approach related to culturally specific service providers. We are learning more about these approaches and relationships through the LIFT program and hope to have recommendations in this arena for Council consideration as well.

Finally, you will see information in the survey results related to tribal engagement and potential for tribal set-asides. We will explore this further, as well as how our work through LIHTC engages with agricultural farmworker housing strategies. Both tribal relationships and agricultural worker housing are explicitly identified in strategies called out in the Statewide Housing Plan.
OHCS Qualified Allocation Plan Stakeholder Survey Results

Oregon Housing & Community Services (OHCS) is kicking off the process to revise the Oregon Qualified Allocation Plan (QAP) that establishes policy for the allocation of federal Low Income Housing Tax Credits (LIHTC) that are used to finance the development and preservation of affordable rental housing across the state.

OHCS has several objectives for this QAP update.

1. Alignment of the QAP to reflect priorities in Breaking New Ground: the OHCS Statewide Housing Plan, a five-year look at the agency’s priorities, goals, and strategies in ensuring a stable and affordable housing landscape and further our ability to meet key production goals.

2. Adoption of national best practices where possible and lessons learned over the past two years; notably to improve the timely delivery of housing to Oregonians and to ensure the appropriate and responsible subsidization of projects to be viable throughout the affordability period.

3. Streamline project selection and funding process that will take advantage of the new data system which we will be moving to by 2020. This system will both move us to a data-driven electronic application as well as require the adherence to deliberate funding processes which will be accessed by both OHCS staff as well as project sponsors.

In order to develop a baseline understanding of the core interests, priorities, and preferences of those directly impacted by the Oregon QAP, we conducted a survey in March 2019.

This survey is divided into feedback on 7 Topics; respondents were able to provide information for any topic that was of interest.

- Topic One: Equity and Racial Justice Priority of the Statewide Housing Plan
- Topic Two: Homelessness and Permanent Supportive Housing Priorities in the Statewide Housing Plan
- Topic Three: Rental Production and Rural Strategies of the Statewide Housing Plan
- Topic Four: New Data System
- Topic Five: Preservation Strategy
- Topic Six: Tax Credit Subsidy and Cost Containment
- Topic Seven: General Comments

This document provides a detailed summary of the survey results.
Survey Respondent Overview:
The survey was open for just over two weeks, closing on March 24th. There were 85 total respondents: 42 of those identified as developers, 14 as management agents, 12 as Housing Authorities, 9 as consultants, 8 as lenders, 6 as Participating Jurisdictions and several others indicated being architects, contractors, service providers, and tribal housing providers.

Responses for Other included service providers, advocates, research and policy development, lawyers, funders and investors, trade association, community interest business, board member, and tribal housing provider.

Ten of the twelve total “Other” responses stated that they operated Statewide, and 3 respondents instead selected each county. It can thus be assumed that 13 respondents operate in every county in Oregon, and each county has a minimum of 15 responses from respondents who operate in their county.
Topic One:
Equity and Racial Justice Priority of the Statewide Housing Plan

Equity and Racial Justice are a key priority in the Breaking New Ground: the OHCS Statewide Housing Plan, a five-year look at the agency’s priorities, goals, and strategies in ensuring a stable and affordable housing landscape.

OHCS has several established equity measures within the tax credit program and QAP, including incentive points for: plans to engage MWESB contractors, project teams that go above and beyond basic Affirmative Fair Housing Marketing strategies; projects that are located in Opportunity Areas; projects that are located in areas that are Vulnerable to Gentrification with a deliberate revitalization plan; that are located in walkable communities close proximity to transit, grocery stores, medical services, and libraries.

Fifty-four stakeholders responded to this survey topic.

MWESB

Currently OHCS requires that 9% LIHTC sponsors provide a plan for outreach to try to employ Minority Women and Emerging Small Businesses in the contracting for project development, and then provide reporting of such activities after project completion. This initial plan is a scored element.

What has your experience been in pursuing opportunities to contract with MWESB entities?

<table>
<thead>
<tr>
<th>We often develop in areas without an adequate supply of MWESB contractors 52.4%</th>
<th>It is very difficult to get MWESB contractors to commit to projects in areas we develop 26.2%</th>
<th>We have had moderate success contracting with MWESB entities 23.8%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other (please specify): 45.2%</td>
<td>Contracting with MWESB entities is something we need to do to meet requirements from our local jurisdiction 16.7%</td>
<td>Contracting with MWESB entities is an easy thing to do 11.9%</td>
</tr>
</tbody>
</table>
Which of the following strategies would you be comfortable with OHCS incorporating in the next QAP?

Responses for Other included challenges in rural areas and other regions that are homogeneous and issues with the "check box" approach rather than something both more "meaningful" and more accountable. Ideas included a mentorship program for MWESBs and greater focus on measurable outcomes.
Currently the MWESB targeting has been applicable to 9% LIHTC projects, we anticipate extending this to 4% LIHTC projects as well.

What impact would that have to 4% LIHTC projects?

<table>
<thead>
<tr>
<th>Positive</th>
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</thead>
<tbody>
<tr>
<td>Greater opportunities for MWESB firms in urban markets.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Negative</th>
</tr>
</thead>
<tbody>
<tr>
<td>It will have a negative impact on 4% LIHTC developments. Costs are already a concern for 4% development in Oregon and adding additional cost, time, and restrictions will only make 4% development less appealing.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Neutral</th>
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<tbody>
<tr>
<td>As long as the 4% LIHTC is a non-competitive process, and no points are awarded, just reporting, it should be ok.</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Comments</th>
</tr>
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<tbody>
<tr>
<td>I believe this is a positive step, and don’t believe it will have much or any impact on 4% LIHTC projects.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Will result in less bids for projects. While that makes sense from a goals perspective, the Department will likely run into all sorts of implementation issues.</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>I think that given the non-competitive nature of 4% LIHTC projects, it makes more sense to include MWESB requirements than 9% competitive tax credits where certain regions have more MWESB contractors.</td>
</tr>
</tbody>
</table>
Affirmative Fair Housing Marketing
All projects are required to use Affirmative Fair Housing Marketing strategies; in addition our current QAP incentivizes with points in our competitive 9% LIHTC application for those projects able to demonstrate going above and beyond minimum requirements to reach those populations least likely to access housing resources.

What marketing or development strategies besides Affirmative Fair Housing Marketing would further equity outcomes?
# COMMENTS

<table>
<thead>
<tr>
<th>Access</th>
<th>Themes</th>
<th>Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>A percentage set-aside for Tribes</td>
<td>Section 3, workforce development, apprentice and pre-apprenticeship program participants.</td>
<td>The Department should require certain detailed content in the plans, like describing outreach activities to be undertaken including how those will address equity, displacement or gentrification issues.</td>
</tr>
<tr>
<td>Supporting developers that work in or have long-standing ties to communities affected by racial inequity.</td>
<td>MWESB participation numbers for contracting, outreach associated with design or development participation, coordination with culturally sensitive property or resident services managers.</td>
<td>State-funded programs to develop and nurture DMWESB sub-contractor capability.</td>
</tr>
<tr>
<td>Funding set-aside for culturally specific and community based organizations.</td>
<td>Partnering with school districts</td>
<td>The location of the housing would further equity outcomes (close to grocery, transportation, schools, hospitals).</td>
</tr>
<tr>
<td>The problem with scoring the AFHMP is you can't score a metro area like you would score rural. The same opportunities for targeted marketing and partnerships don't exist and are less affordable in the rural markets if they can be created.</td>
<td>Reaching out to specific populations of job classifications that may be over represented by women and people of color.</td>
<td>We need a comprehensive list of all Culturally specific organizations throughout Oregon to be shared with non-profits and other housing providers so we know who they are and how we can all connect with them for their assistance.</td>
</tr>
<tr>
<td></td>
<td>Creating referral agreements with culturally specific organizations that provide housing services; linked to wait list preferences.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>a review of which specific populations in your project area are experiencing housing problems.</td>
<td></td>
</tr>
</tbody>
</table>
Which of the following AFHM strategies would you be comfortable with OHCS incorporating in the next QAP?

Responses for Other included a desire to have more specific and measurable outcome measures. Also suggestions to make this a post-reservation requirement and to use caution with fair housing laws regarding measurable outcomes.
Diversity Equity and Inclusion

OHCS has recently created a Diversity Equity and Inclusion Agreement, which requires that funded organizations work toward comprehensive equity assessments. This is likely to be included in the QAP as a threshold element.

How aware of this Diversity Equity and Inclusion agreement are you?

How comfortable are you with this agreement?
Are there any additional comments you’d like to make about the Diversity, Equity, and Inclusion Agreement?

<table>
<thead>
<tr>
<th>Positive</th>
<th>Negative</th>
<th>Neutral</th>
</tr>
</thead>
<tbody>
<tr>
<td>The department is going in the right direction with these new policies after many years of talking about equity</td>
<td>It doesn't go far enough unless it's tied to measures, and applicants are held accountable for the goals set.</td>
<td>The state also needs to help build capacity among culturally specific organizations and help market their unique services and ideally build partnerships to further the goals of DEI.</td>
</tr>
<tr>
<td>Difficult to achieve in markets with low diversity and organizations representing diversity are scare or non-existent.</td>
<td>How will it be measured or monitored when sponsor organizations sign the agreement? What if 80% of it is done? What if only 20% is done? Your nonprofit sponsors are more likely to do 80% vs your for profit sponsors 20%. Can there be bonus points in scoring for proven track record?</td>
<td></td>
</tr>
</tbody>
</table>
### Opportunity Areas, Areas Vulnerable to Gentrification, & Location Access

The QAP currently gives point preference to 9% LIHTC projects that are located in Opportunity Areas, Areas Vulnerable to Gentrification, and Accessible Areas (in close proximity to transit, medical services, grocery stores, etc)

**How do these factors influence your site selection?**

![Pie Chart](chart.png)

#### COMMENTS

<table>
<thead>
<tr>
<th>Positive</th>
<th>Negative</th>
<th>Neutral</th>
</tr>
</thead>
<tbody>
<tr>
<td>Too many families and individuals are being impacted by gentrification in metro areas, particularly. We must help counter that impact by ensuring affordable housing gets developed in these areas.</td>
<td>There are only so many areas in rural Oregon that housing can be placed. There are entire towns that don't meet these preferences.</td>
<td>There is such a shortage of land that we have to look at many other factors also. We mostly have to take what we can get but it is a consideration.</td>
</tr>
</tbody>
</table>

I am concerned that "opportunity areas" are ill-defined and represent redlining that deprives communities where the majority of low-income and people of color live of needed investment.

Tribes tend to develop in rural areas. Including points that are specific to Urban Gentrified neighborhoods creates inequity for Tribes.

These criteria have greatly limited viable sites for affordable housing.
development at a time that it is already difficult to find suitable sites in our jurisdiction.

Currently these preferences are applicable to 9% LIHTC projects; should they also be applied to 4% LIHTC projects?

**COMMENTS**

<table>
<thead>
<tr>
<th>Positive</th>
<th>Negative</th>
<th>Neutral</th>
</tr>
</thead>
<tbody>
<tr>
<td>4% projects are very difficult to pull off. If a developer finds a deal on a piece of land and can make a 4% project work, I don't think the opportunity area criteria should stand in the way of those potential new units.</td>
<td>I think a &quot;lite&quot; version could be applied.</td>
<td>Any additional requirement will deter 4% development. There are PAB that are going unused so anything to remove restrictions or requirements will encourage the full utilization of PABs.</td>
</tr>
</tbody>
</table>

A change like this would be hard for our existing rural development projects. I would be opposed to applying these rules to 4%.
National best practice is to include Tribes in the QAP; which of the following would work best in Oregon?:

**COMMENTS**

<table>
<thead>
<tr>
<th>Positive</th>
<th>Negative</th>
<th>Neutral</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree that a percentage of LIHTC should be set aside for Tribal projects! Yes!!</td>
<td>Tribes have their own federal resources and OHCS should not be giving them preference over and above other projects.</td>
<td>Tribal land should be considered, however, our area has quite a few tribal members that live off reservation due to the availability of work and other supportive services. Effective housing choice would allow everyone, including tribal members, to live in their chosen location.</td>
</tr>
<tr>
<td>A lot of states have a set aside for 1-2 tribal projects in a given round. This could be effective.</td>
<td>Not sure there should be a point preference, they should be able to compete as the same with all projects.</td>
<td>The question here is do the preferences unfairly affect the poor in rural counties? Would a set aside come from the metro division of funds or the rural?</td>
</tr>
</tbody>
</table>
I would encourage OHCS to look very deeply at how they will apply the usual standardized underwriting criteria before jumping in.

Please share any additional comments about how we may expand the Equity and Racial Justice impact in the state QAP.

**COMMENTS**

<table>
<thead>
<tr>
<th>Alignment</th>
<th>Themes</th>
<th>Name the Priority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Like the Tribal set-aside concept</td>
<td>You need to be realistic and careful about expanding this in rural areas which are predominantly white if you want private developers to continue working in these areas.</td>
<td>Right now the criteria are one size fits all which is not very effective. It makes sense for the state to work in partnership with local jurisdictions and partners to develop more nuanced and targeted approaches.</td>
</tr>
</tbody>
</table>

Thank for expand the equity and racial opportunity.

The state continually does what works in metro areas and refuses to see the realities and limitations in service and media availability in rural Oregon.

I don’t think your focus should be expanding this in the QAP. You should be directly increasing the capacity for providers by providing training and technical assistance.

Having a split QAP for Metro, Native, and Rural would be helpful.

Please do not include anymore restrictions or requirements for 4% projects.
Topic Two: Homelessness and Permanent Supportive Housing Priorities in the Statewide Housing Plan

Both Homelessness and Permanent Supportive Housing are key priorities in the *Breaking New Ground: the OHCS Statewide Housing Plan*, a five-year look at the agency’s priorities, goals, and strategies in ensuring a stable and affordable housing landscape.

Permanent Supportive Housing is a critical strategy for addressing the needs of vulnerable Oregonians. This type of housing requires housing units that are affordable to those with extremely low incomes coupled with comprehensive supportive tenancy services, ordinarily requiring both operational subsidy and rent assistance.

Our current QAP, in line with LIHTC program requirements, prioritizes projects that serve the lowest incomes through a point system. Implementing a PSH strategy within the QAP will require a more targeted approach.

There were forty respondents to this survey topic.

Permanent Supportive Housing

What types of populations is your organization current comfortable serving?

![Diagram of types of populations](image)
How confident is your organization in its ability to implement PSH units?

![Implementation Strategy Graph](image)

- Collaborate with partners, both during the planning phase and for the life of the project, to ensure the stability of tenants and the project.
- Ensure that service providers will actively engage households in a wide array of supportive services without requiring participation as a condition of the lease.
- Ensure that the housing is affordable to very low-income tenants for the life of the project.
- Ensure that the project and its tenants are integrated in the community, participating in community dialogue and activities, and supporting tenants in building strong social networks.
- Facilitate the ability of tenants to quickly and easily access housing without barriers or preconditions.
- Provide all supportive housing tenants with a lease or sublease identical to that of a non-supportive housing tenant.
What kind of technical assistance would you be willing to participate in to expand capacity for PSH?

<table>
<thead>
<tr>
<th>Options</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opportunities to meet and have conversations with representatives</td>
<td>75.8%</td>
</tr>
<tr>
<td>from development, service providers, and management operations</td>
<td></td>
</tr>
<tr>
<td>A conference training session</td>
<td>72.7%</td>
</tr>
<tr>
<td>Access to best practices documentation</td>
<td>66.7%</td>
</tr>
<tr>
<td>Access to template agreements with service providers</td>
<td>66.7%</td>
</tr>
<tr>
<td>Ability to get individual feedback on my project plan</td>
<td>60.6%</td>
</tr>
<tr>
<td>Detailed work sessions and coaching</td>
<td>54.6%</td>
</tr>
<tr>
<td>A tutorial road map provided to show me the steps I should take to</td>
<td></td>
</tr>
<tr>
<td>access rent assistance and services for tenants</td>
<td>48.3%</td>
</tr>
<tr>
<td>Other (please specify)</td>
<td>15.2%</td>
</tr>
</tbody>
</table>
Which of the following approaches to prioritizing PSH in the QAP are you ready for?

- Points for projects that include PSH units (66.7%)
- A set-aside of credits for projects that include PSH units (57.6%)
- Requirements for projects to include a minimum number of PSH units (24.2%)
- None of the above (18.2%)
- Other (please specify) (18.2%)
Please share any additional comments you have regarding the creation of units to support formerly homeless individuals and families.

<table>
<thead>
<tr>
<th><strong>Beyond Sticks and Bricks</strong></th>
<th><strong>Themes</strong></th>
<th><strong>Balanced QAP</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent Supportive Housing is a key strategy to dealing with the complex issue of Homelessness.</td>
<td>We do not have any viable PSH services in the area. What we most need is capacity building support for services specifically.</td>
<td>It's important for the state to focus on PSH, but there needs to be a balance between non PSH housing production and PSH production. Perhaps 10-15% of the credits set aside for PSH projects.</td>
</tr>
<tr>
<td>Maintaining service levels, rental assistance and extremely low income rents are all extremely difficult without a substantial and appropriately funded plan.</td>
<td>There is also a great deal of concern among our support services staff that mixing the chronically homeless within our family housing may be too problematic to manage.</td>
<td></td>
</tr>
</tbody>
</table>

If OHCS is dedicating ongoing rent assistance, will PSH be viable
Topic Three: Rental Production and Rural Strategies of the Statewide Housing Plan

Both New Production and Rural Housing are key priorities in the Breaking New Ground: the OHCS Statewide Housing Plan, a five-year look at the agency’s priorities, goals, and strategies in ensuring a stable and affordable housing landscape.

These priorities have OHCS committing significant additional resources to expand our reach and capacity for developing in Rural Oregon as well as to dramatically increase development of affordable housing units targeting housing burdened Oregonians.

There were forty respondents to this survey topic.

What QAP strategies would work best to increase the production of affordable rental units:

Top Three:
1. Focus on fewer, more flexible, fund offerings instead of customized NOFAs with a singular goal – 67.6%
2. Give developers greater predictability regarding their ability to secure resources through a particular fund offering – 59.5%
3. Increase funding transparency; implement pre-applications to provide initial feedback on project proposals – 56.8%
4. Increase coordination with local jurisdictions – 35.1%
5. OTHER – 29.7%
6. Create incentive for shovel ready projects – 27%
7. Have more resources available on a first-come first-served basis – 13.5%
8. Conduct more education and outreach to familiarize the development communities on upcoming fund offerings – 1 vote
9. Have fewer resources available on a first-come first-served basis – 1 vote

OTHER: Responses for Other included removing barriers, lessening subjective scoring, more money for rural deals/less incentives for urban projects, concern about incentivizing shovel-ready, and eliminating all restrictions and requirements for 4% projects.
Share any additional comments you have regarding production.

**COMMENTS**

<table>
<thead>
<tr>
<th>Themes</th>
<th>Christmas tree effect</th>
<th>Process Streamlining</th>
<th>Eliminating Barriers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Limit the &quot;Christmas tree effect&quot;</td>
<td>The more layers that are put on these projects, the more expensive and difficult they become to execute. Keep it simple to keep production robust</td>
<td>Create a streamlined process that has profile info already saved so it doesn't have to be re-entered every application.</td>
<td>Loosen the PDM rule set. It adds unnecessary costs.</td>
</tr>
<tr>
<td>There is more coordination needed with local funders to coordinate funding to help expand the pipeline, identify suitable sites and expedite development.</td>
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<tr>
<td>Solicitation and award timelines that are consistent year to year combined with a willingness to make a 9% award as first money in, i.e. without the pre-condition of other subsidy awards</td>
<td></td>
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<tr>
<td>Providing more self scoring thresholds, more transparency, and more flexible funding will reduce risk, and will increase pipeline of projects actually under construction.</td>
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</tbody>
</table>
What strategies would work best to increase the RURAL production of affordable rental units:

**Top Three:**

1. Target development offerings to rural areas only – 46%
2. Target development offerings to urban/rural scattered site projects – 40.5%
3. Facilitate partnerships with developers and rural organizations – 29.7%
4. OTHER – 27%
5. Fund projects during project concept stage in order to secure interest and participation in the project – 21.6%
6. Increase number of contractors / builders etc. that serve rural areas – 16.2%
7. Fund projects that are ready to be built – 16.2%
8. Have more resources available on a first-come first-served basis – 8.1%
9. Incentivize access to lending products for permanent loans – 1 vote
10. Conduct more education and outreach to familiarize the development communities on upcoming fund offerings – 1 vote
11. Conduct more development trainings – 1 vote

OTHER: included raising or removing rent restriction requirements, creating more fund offerings beyond tax credits, financing smaller projects, removing all service and location-related scoring, and having specific rural set-asides
Share any additional comments you have Rural production.

**Question 27: Are there any additional comments you'd like to make about ways to increase RURAL affordable rental unit production?**

<table>
<thead>
<tr>
<th>Non-Tax Credits Path</th>
<th>Themes Blind spot</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Need to create funding products other than LIHTCs that work in rural areas.</td>
<td>Allowing for profit developers to scattered site in metro and rural Oregon creates an un-level playing field where they can state services are available for the project that do not exist at the rural site leaving local Housing Authorities and developers unable to compete.</td>
<td>Determine a consistent definition of what is rural.</td>
</tr>
<tr>
<td>Fund smaller projects as most OHCS funding is not well suited for small communities with very limited local resources.</td>
<td>Don't make it more difficult for rural development like MWESB requirements, and applying deep 30% MFI requirements to GAP funding for rural projects is additionally detrimental to their feasibility and sustainability.</td>
<td></td>
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<tr>
<td>Usually a project under 25-30 units does not work well financially as a tax credit project. However, with the LIFT program it may be perfect. Although the cap per unit must be removed. There are not additional resources in most small communities, so the LIFT and a conventional loan may be all they can get. Unless you can provide some GHAP resources to small rural LIFT projects, there should not be a cap on LIFT for small (frontier) communities.</td>
<td>Remove all service related scoring and area related scoring criteria in relation to stores, transportation and medical in rural areas.</td>
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<tr>
<td>Land use approval process and lack of infrastructure funding are constraints in many smaller rural communities.</td>
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</tbody>
</table>
Topic Four: New Data System

As you’ve hopefully heard, OHCS has procured the Pro Link data system to be used for tracking projects from application through asset management and compliance. This is a widely used data system that offers many improvements over our prior system which did not allow for electronic file transfer or direct communication between development and compliance. Staff have been working over the past 6 months to transfer data and map processes which will be foundational to this system.

Ordinarily, the back end system the state uses does not directly impact the public. This is not the case with the conversion of Pro Link. This system will have applicants directly submitting applications electronically, once funds are reserved the process and deliverables will be transparently tracked through the user Procorum interface where updated files, documentation, and communication will live for the entire project development team. To be clear, you will still be working directly with loan officer staff, but our processes will be built into the system which will increase transparency and accountability and decrease project delays.

Our expectation is that applications will be submitted electronically through this system beginning in January 2020. The electronic data system will also give OHCS the new ability to capitalize on self-scoring, establish early feedback for projects, and give added focus to the timeliness of project development.

OHCS is planning to adopt a self-scoring model, to address prior feedback to improve transparency and predictability as well as to fully implement our new data system. There were twenty-eight respondents to this survey topic.

In addition to self-scoring, what other features of scoring would strengthen our processes?
What concerns would you have about moving to an electronic application system?

<table>
<thead>
<tr>
<th>Comments</th>
<th>Positive</th>
<th>Negative</th>
<th>Neutral</th>
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<tbody>
<tr>
<td>Having had experience with the paper process many years ago, I favor moving to an electronic process.</td>
<td>I worry that the system developed could be clunky or inaccurate.</td>
<td>So long as the financial portion of the model is done in Excel, we have no concerns. Other states have implemented completely online application systems and troubleshooting errors in models is extremely burdensome.</td>
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</table>
One of the challenges OHCS has had is that projects come in for funding before they are ready to proceed to construction close. This means that it is not unusual for fundamental aspects of project design or costs to change requiring the loan officers to spend more time on projects through the underwriting process.

How could OHCS best increase projects readiness to proceed to construction close at the time of application?
## COMMENTS

<table>
<thead>
<tr>
<th>Cost</th>
<th>Themes</th>
<th>Additional Resources/Process changes</th>
<th>Opposite Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>Add too much cost for a competitive application with uncertain results</td>
<td>This disadvantages organizations of color and smaller organization</td>
<td>Provide pre-development funds</td>
<td>Readiness to proceed is not correlated to the quality of the project or who is housed.</td>
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<tr>
<td>The more “shovel ready” a project, the more you’ll get projects from organizations that have larger capacities; fewer from small and emerging organizations that may come from culturally specific communities.</td>
<td>Frequent check-ins with developers by OHCS staff</td>
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</table>

Utilize a Pre-Application to self-score and reduce some Sponsor risk and provide additional opportunity to proceed to a higher level of detail with less risk.
If OHCS were to increase the focus on having projects that are ready to proceed; what are your concerns?

Responses for Other included a desire for predevelopment funds or a pre-app process, closer partnerships between OHCS and project sponsors, and concerns about equity.
Topic Five: Preservation Strategy

OHCS intends, as part of the 5-year Statewide Housing Plan to develop a concerted Preservation Strategy that includes all types of preservation needs. Currently, the QAP has an established 35% set-aside for the preservation of projects with federal project based rent assistance or rental assistance demonstration projects. In addition, preservation projects have a dedicated scoring line to assess risk of loss and impact to tenants.

There were thirty seven respondents to this survey topic.

Do you have any feedback on the current 35% set-aside for preservation projects in the 9% LIHTC program?

General comments included a desire to focus more on 4% credits with preservation projects, a need to do more with naturally occurring affordable housing, and concerns about RD preservation and preservation of units without as deep of subsidy.
The current measures for prioritizing preservation focus on the Tenant Impact, the Risk of Loss, and the Prudence of Investment (SEE QAP).

Indicate your level of agreement with the inclusion of each of these three (3) major categories in the scoring process.
**Themes**

<table>
<thead>
<tr>
<th>Capacity</th>
<th>Aligning Funds to Need</th>
<th>1st Priority</th>
<th>More holistic</th>
</tr>
</thead>
<tbody>
<tr>
<td>It would be very helpful if OHCS could help build capacity of rural orgs and PHAs so they could purchase and preserve properties in their service areas.</td>
<td>In communities with lower incomes, the gap is too big to do 4% tax credits.</td>
<td>Highest priority should be for projects that are truly at risk for loss. A good measure would be to prioritize projects where there is a significant LIHTC rent advantage in the market.</td>
<td>No efforts have been made to preserve housing without deep subsidy that assist households between 50-80% AMI.</td>
</tr>
</tbody>
</table>

- Capacity
- Aligning Funds to Need
- 1st Priority
- More holistic

Any policies that would encourage the use of 4% for preservation is essential. The 9% program should be used for new construction in Rural or high cost areas.

- The state needs to begin preparing for a crisis in Rural Development projects mortgages maturing and exiting the program.
- Naturally Occurring Affordable Housing units should be included in definition of preservation.

My feeling is that 9% credits should be used almost exclusively for new construction. Using scare 9% credits for preservation is reducing overall production. I think OHCS should force developers to use 4% and gap funds for preservation.

- The focus should be more on the risk of loss of the entire project as affordable to the local community.

Preservation of the physical stock should take priority in the following order:

1. Building Envelope
2. Mechanical Systems
3. Lighting
4. Water Use

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Topic Six: Tax Credit Subsidy and Cost Containment

Ensuring appropriate subsidization of projects is the critical responsibility of OHCS as the credit issuer; additional focus nationally and locally has been on containing costs to ensure responsible stewardship of resources.

There were thirty eight respondents to this survey topic.

Currently the 9% LIHTC cap is effectively 20 percent of the annual Oregon tax credit allocation. Any Project applying for more than 10 percent of the total annual tax credit allocation is required to submit a 4% LIHTC/tax-exempt bond pro forma to evaluate feasibility.

*In any one year: No Sponsor may receive more than 20 percent of any annual tax credit allocation. If additional projects have been submitted and score such that they are eligible for funding and are in excess of 20 percent of the total LIHTC funds available, the lower scoring project(s) will not be funded.*

*In any two sequential years: No Sponsor may receive more than an average of 15 percent of annual tax credits. For example if a Sponsor receives 20 percent of funds in year one, they would only be eligible for 10 percent in year two. OR, if a Sponsor receives 15 percent of funds in year one, they would only be eligible for 15 percent in year two. If additional projects have been submitted and score such that they are eligible for funding and are in excess of the percentage of the LIHTC available, the lower scoring project(s) will not be funded.*

This approach was adopted in order to encourage economies of scale in development.

**What is your level of agreement with the following statements about the 20% cap on annual 9% tax credit allocations?**
Currently there is a Total Development Cost Threshold, comparing projects per unit costs to that of most recently funded projects. It is not scored, but rather if a project exceeds the stated threshold they must provide a narrative justification.

What is your level of agreement with the following statements about the total development cost threshold section of OHCS’s application?
### COMMENTS

<table>
<thead>
<tr>
<th>Positive</th>
<th>Negative</th>
<th>Neutral</th>
</tr>
</thead>
<tbody>
<tr>
<td>There needs to be recognition in the scoring of the costs of building in different environments based on the urban/suburban/rural characteristics of each site.</td>
<td>What if a project requires higher costs to meet a special needs population?</td>
<td></td>
</tr>
<tr>
<td>Giving points for lower cost of development isn't necessarily beneficial overall (i.e. a great project with substantial energy improvements will cost more).</td>
<td>Why isn't OHCS connecting with the outcomes of the MMT cost containment study?</td>
<td></td>
</tr>
<tr>
<td>TDC is not an effective metric. Subsidy/unit is a much stronger incentive for developers and there are many more ways for developers to solve for this variable than for total development cost.</td>
<td>Design, scale and schedule are three main systemic drivers of cost. Industry practices are evolving to address cost effective design and construction techniques, which could be adopted by the State. Schedule delays increase costs when funding uncertainties come in to play, or per unit subsidies are not sufficient to close a project quickly (ie, LIFT). There is innovation underway in this field which the State and all stakeholders of affordable housing could benefit from.</td>
<td></td>
</tr>
</tbody>
</table>
Topic Seven: General Comments

There were forty one respondents to this survey topic.

Should OHCS consider modifying the 9% application process to include a pre-application component to allow sponsor to obtain critical feedback before submission?

![Pie chart showing responses to the first question.]

How comfortable are you with OHCS modifying the application process for 9%, 4% or both to be self-scoring?

![Pie chart showing responses to the second question.]

What is your level of agreement with the following statements regarding the developer fee?

![Developer Fee Statements Chart]

- I am comfortable with the current developer fee
- The developer fee formula should be simplified
- The developer fee formula should include a maximum cash amount per project
- The developer fee formula should include an overall, per project dollar cap
- The developer fee limits should include a requirement for deferred developer fees
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Sarah DeVries
Claire Hall
Anna Geller
Mary Li
Zee D. Koza
Gerardo F. Sandoval, PhD
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