June 7, 2019
9:00 a.m. – 1:00 p.m.
Oregon Housing & Community Services
Conference Room 124 A/B
Salem, Oregon 97301
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## AGENDA

**June 07, 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

### TIME | TOPIC | ACTION
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9:00 | Meeting Called to Order **Roll Call** | 
9:05 | Public Comment | 
9:15 | Meeting Minutes Approval
- May 3, 2019 | 
9:20 | Affordable Housing Finance (pg. 19)
**Julie Cody**, Assistant Director, Affordable Housing Finance
**Multifamily Housing Decisions**
- 85 Stories- 4% Conduit Bond Transaction, **Andrew Moran**, Loan Officer | 
9:50 | Homeownership (pg. 37)
**Emese Perfecto**, Assistant Director, Affordable Housing Finance
- Oregon Bond Residential Loan Program, **Kim Freeman**, Single Family Program Manager
- Quarterly Reports and demographic presentation, **Kim Freeman**, Single Family Program Manager | 
10:20 | Housing Stabilization Update (pg. 41)
**Christy Hahn**, Homeless Policy Analyst, Housing Stabilization
- EHA Real Estate Policy Recommendations, **Vicki Massey**, Rental Assistance Program Coordinator
- EHA Real Estate Project: Medford Shelter at 6th & Ivy, **Vicki Massey**, Rental Assistance Program Coordinator | 
10:50 | BREAK | 
11:00 | Affordable Housing Finance (pg. 53)
**Julie Cody**, Assistant Director, Affordable Housing Finance
- Qualified Allocation Plan (QAP) Policy Update, Tai Dunson-Strane, Tax Credit Program Manager; Natasha Detweiler-Daby, Sr. Ops and Policy Analyst
- GAP Offering Framework Introduction, Natasha Detweiler-Daby, Sr. Ops and Policy Analyst; Ed Brown, GHAP Program Manager
  - $10 MM Small Projects
  - $5 MM New Construction w/4% LIHTC
  - $4 MM for Veterans Housing | 
12:30 | Report of the Director | Report
12:50 | Report of the Chair | Report
1:00 | Meeting Adjourned | 

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

The first public commenter was Lianne Thompson of Clatsop County Board of Commissioners. Ms. Thompson provided information about Clatsop County’s revitalization of the Agate House property, and it’s use for pregnant or parenting single women who are in recovery for substance abuse. She thanked the council for their contribution to this project, and moved on to discuss the lobbying efforts for House Bill 2228, which is still in play in the legislature.

Chair Valfre thanked her for her input.

The second public comment, from Peter Hainley discussed the topic of racial equity in housing development. He voiced his concern around how organizations are being utilized to market racial equity in housing, and whether they are being provided adequate enough resources to do so effectively. Mr. Hainley expressed that he is following up on a number of issues with BRIDGE housing, Pinnacle Management, and Centro Cultural so that he can find opportunities to build the racial equity component into how the projects are tracked and evaluated in the long-term. He went on to share that CASA placed a $32.5 million dollar offer on the manufactured home park in Salem that recently went on the market, but that this offer was rejected. He explained that CASA is now working with the city council on this matter.

Chair Valfre thanked Peter Hainley for his advocacy, and told him that he is welcome to provide additional updates in the future.
March 1, 2019
Oregon Housing Stability Council Meeting Minutes

There were no additional public commenters in the audience. 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.

Before proceeding with the motion, Director Salazar informed the council that Robert Larson, a colleague and Debt Manager at OHCS (Oregon Housing & Community Services), recently passed away, and that she wanted to take a few moments for everyone to recognize his 30+ years of service to the state and to this agency. Director Salazar added that Robert Larson and his team’s work made every multi-family and single-family transaction possible through their commitment, service, quality work, and attention to detail. She ended her statement by sharing that Robert Larson was an important part of the agency, and that he was going to be presented with an award honoring his state service the following week by Governor Brown.

Approval of Meeting Minutes for April 5, 2019:

Chair Valfre introduced meeting minutes for council approval, and asked the council for any discussion before calling to motion. Councilmember Geller explained that she liked the summarized version of the notes. Chair Val moved to motion.

Agenda Item: Meeting Minutes Approval

Motion: Move to approve the Oregon Housing Stability Council Meeting Minutes from April 2019

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

Multifamily Housing Decisions

Surf View Village – Bond Transaction, Becky Isom, Loan Officer: Becky Isom introduced herself to the council and presented the Surf View Village project for funding consideration.

More information on this project can be found in the meeting materials here.

After the presentation Chair Valfre asked the council for any comments or questions. Councilmember Li asked particularly about the Commitment to Equity section and emphasized how important it is that
OHCS makes sure that people of color in the community have the opportunity to get into these units. She elaborated by explaining that having the demographics of the people of color in the community without any analysis about how these demographics will impact the building of the property, management of the property, and who gets into the property isn’t very meaningful. Additionally, Councilmember Li added that the detail regarding the signing of the DEI (Diversity, Equity, & Inclusion) statement is great, but signing the document doesn’t ensure that things are happening in accordance with that or the statewide housing plan. She summed up her comment by explaining that she appreciates seeing the commitment to these priorities, but that she wants to make sure there is a systemized way to track how these commitments are being made upon project completion or while the project is in progress.

Director Salazar responded to Councilmember Li on behalf of OHCS staff and explained that OHCS is working very hard to create a template for transaction documents that is responsive to what we are hearing from the council, and what we have already put out through the statewide housing plan. She added that this particular work is really new for OHCS so there is not a monitoring or enforcement plan already in place, which is why that information has not appeared in the transaction memos. Director Salazar explained that this information can be seen in the Affirmative Fair Housing Marketing Plan, which is part of the QAP. She added that it would probably be helpful at some point to have a training or briefing for the council on what Affirmative Fair Housing Marketing Plans are, their requirements, and what role OHCS plays in monitoring those requirements. Councilmember Li thanked Director Salazar for her comments.

Councilmember Hall expressed excitement in seeing this project moving forward in Lincoln County, and mentioned that Samaritan House is a nonprofit family homeless shelter in Newport, which she has been on the board of for 16 years and chaired for the last 3 years. She added that there is not a lot of data tracking on the 10-month program, but that they do look at where the residents are one year out after completing the program. She shared that 75%-80% are stably housed at one year after completing the program, and the primary reason the remaining individuals are not stably housed is due to the lack of affordable housing supply.

Councilmember DeVries wanted to clarify that that there are no PSH (Permanent Supportive Housing) units, but that they are all best efforts and Ms. Isom agreed that she is correct.

Councilmember Geller expressed that this project has been needed for quite some time in this area, that the cost is reasonable, and commended the staff who worked on this project. She asked who the contractor is for this coastal project, and Ms. Isom responded that the contractor is a subsidiary of Commonwealth, which is based in Wisconsin. She clarified that they’re contracting out to places such as Oregon and also building a previously approved project in Albany. Councilmember Geller voiced her concern about properties lasting in coastal climates, and wanted to ensure that OHCS is doing what they can to make sure the appropriate construction is put into place. She thanked Ms. Isom at the end of her comment.

Chair Valfre expressed appreciation on the information about Samaritan House and the information on families transitioning out of homelessness. He mentioned that he didn’t see any information about rental
assistance or housing vouchers, and wanted more information about how the transition process from homelessness will be assisted. Ms. Isom responded and explained that the individuals coming from Samaritan House will most likely have their own housing choice vouchers to use for this project, and that there are a number of housing choice vouchers which are underutilized in this community.

Councilmember Hall agreed that that this is known to her as well, based on her conversations with the local housing authority in the area. She reiterated that the vouchers are out in the community, but that they are not utilized due to the lack of affordable housing supply which meet the requirements for voucher use.

Chair Valfre expressed appreciation for the format of the transaction, the work the staff has been doing, and indicated that the council is there to help staff reach the goal in front of them.

**Agenda Item:** 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.

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**Two Rivers Mobile Home Park** – *Manufactured Home Park Preservation, Terry Murdock, Loan Officer, Ed Brown, GHAP Program Manager:* AD Julie Cody introduced Terry Murdock and Ed Brown to the council and Mr. Murdock began the presentation.

More information on this project transaction can be found [here](http://example.com).

After the presentation, Chair Valfre asked the council for comments. Councilmember DeVries asked if the homeowners cooperative are the same individuals buying the park and space, and AD Cody clarified that this is true. Councilmember DeVries then asked if they are paying a space rent, and AD Cody agreed that is accurate as well. AD Cody then explained that this helps to ensure that the rent does not go up too high, and in many cases it gives the homeowners a lot more certainty and control around their ability to set their own rents. Councilmember DeVries asked if the space rent includes maintenance, and AD Cody responded that this is in an already established budget that the cooperative looks at on an annual basis. She added that part of the acquisition is to upgrade the infrastructure as well.

Councilmember Li expressed appreciation for the cooperative model and mentioned that there were previously a couple of other projects where there was a conversation around exploring the residents’
ability to build equity within their living situation. She asked if this could be an opportunity to learn how to operate and structure the equity piece for other projects somewhere down the line. Councilmember Li elaborated on her concern for residents living in these types of communities to have the resources and ability to build assets in manufactured home communities.

Councilmember Willhoite asked what kind of support OHCS provides in regards to the cooperative homeowners’ undertaking of buying, owning and managing the land and homes. AD Cody responded and explained that the cooperative typically works with CASA (Community And Shelter Assistance Corp.) to help get the plan together, understand the process, set the rents in a sustainable way, and OHCS has supported CASA in this process in the past. Councilmember Willhoite asked if this would just be a continuing relationship, and AD Cody responded that we periodically check in. Councilmember Willhoite further expressed that technical issues can sometimes arise, and that he’s curious about the longevity of this relationship. AD Cody responded and stated that we are working on some capacity building and that having internal technical assistance will be built into the plans with some of the increased funding.

Councilmember Geller clarified that the co-op is paying a type of membership fee to their own organization and AD Cody agreed that she is correct. Councilmember DeVries asked if there is annual asset management oversight of the grant, since there is no true lender. AD Cody clarified that there is an annual asset management check-in to ensure that the income requirements on the property are being met, and to check the rate of homes being sold. She added that OHCS can also check in on the financial status and physical quality of the homes at this time.

Chair Valfre asked if there are any other comments from the council and asked about the BOLI determination. Mr. Murdock explained that they previously applied to this program and found out that they would have to pay the prevailing wage. He further explained that they challenged it 3 times, lost, and were told again that they would have to pay the prevailing wage. Due to this and the extra expense on top of the sewer, water main, and paving of the roads, they decided to withdraw the application and decided to re-apply under the new year NOFA so that they would have additional income to pay the prevailing wage and additional costs for the sewer line. Chair Valfre then asked how extensive the sewer line work and remediation will be. Mr. Murdock responded that the scope of this work will be almost 3 million dollars, including the sewer main replacement, fire hydrants, water main, and repaving. He added that none of the mobile homes will be impacted by this, but that this project will last 5-6 months. Chair Valfre followed up by asking if there are contingencies built into this, and AD Cody affirmed that there are. Chair Valfre then asked about the length of time it took to get residents to agree to this model, and AD Cody explained that it can take time to get residents to agree to such a significant commitment and to learn how to organize themselves. She added that more information about this can be provided to the council. Chair Valfre expressed appreciation to CASA for helping with this.

Councilmember Sandoval expressed appreciation for this model, stated that it incorporates equity strategies that OHCS and the council want to pursue, and added that this cooperative model can lead to more asset building in these communities.

**Agenda Item**: 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.

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Housing Stabilization Update - Claire Seguin, Assistant Director, Housing Stabilization

AD Claire Seguin introduced herself and informed the council that the IDA initiative and new manager for the Homelessness section, Andrea Bell, are being celebrated today as well. Ms. Bell introduced herself to the council and provided background information. Afterwards, AD Seguin introduced Jacqueline Boudreaux, policy analyst and Oregon IDA Initiative Lead.

Individual Development Account (IDA) Program Updates, Jacqueline Boudreaux, Policy Analyst and Oregon IDA Initiative Lead

More information about this can be found here.

Councilmember Wilhoite asked if the ten fiduciary organizations have relationships with the 70+ affiliates and partners around the state. He followed up with another question and asked if this program is getting the coverage needed and reaching the people OHCS wants to reach. Ms. Boudreaux informed Councilmember Wilhoite that the agency and council will learn more about the coverage as the Oregon IDA participants are mapped out, and that this will also reveal where there are service gaps. She added that the 10 fiduciary organizations come in different shapes and sizes, and CASA Oregon is one of the largest fiduciary organizations in terms of duration and volume of network partners. Ms. Boudreaux went on to explain that when CASA Oregon was mapped out, it travels North through Multnomah County, cuts across Columbia River and covers a large portion of Northern territory. She ended her comment by affirming that there is capacity to reach people in every county in Oregon.

Councilmember Li asked if it would be possible to look at where coverage intersects with the homeownership goals, since the IDA program is such an important tool. She added that it will be interesting to talk about ways to layer different programs so that there are multiple resources going in towards the single goals to gain more traction and effectiveness. Councilmember Li ended her comment by stating that this is part of a much longer discussion that will happen at the retreat. Ms. Boudreaux responded to Councilmember Li and explained that their focus on the statewide housing plan’s 2019
objectives is to take an internal look, begin looking at where the IDA program intersects with other programs, and to examine where there is not enough coverage and gaps.

Councilmember Sandoval asked for more information on the equity audit referenced in the IDA materials on page 46, and Ms. Boudreaux informed him that the Neighborhood Partnerships representatives will expand on that topic immediately after her presentation.

Councilmember DeVries asked if Neighborhood Partnerships is the current contract administrator and sells the tax credits, and Ms. Boudreaux affirmed that she was correct. Councilmember DeVries mentioned that the admin fee is higher than a few other programs, which stand at around 10% while this program stands closer to 25%. She asked if OHCS is thinking about more ways to leverage this and thinking about efficiency during this process. Director Salazar explained that, as the agency is looking at the RFP process, OHCS will be thinking about the structure and Councilmember DeVries’ comment.

Chair Valfre thanked Councilmember DeVries’ for her comment, and informed Ms. Boudreaux that she articulated the program updates well during her presentation.

**2019 IDA Funding Awards & Other Updates. Janet Byrd, Executive Director; Carlos David Garcia, Director of Economic Opportunity; Amy Stuczynski, Manager, Data Analysis and Evaluation**

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

Councilmember Hall informed the council that she has been a part of the Neighborhood Partnerships program and supports their work.

Councilmember Wilhoite asked if the presenters from Neighborhood Partnerships think that they would have 20 million dollars in takers of this IDA program, if they had those funds available. Ms. Byrd responded and stated that she does think they would be able to put the 20 million dollars to that use, and explained that the partners shared that up to 50 million could be used within a year. Councilmember Wilhoite added that this program is a great educational source for populations that need it the most, and that this program could help almost anyone who is having a challenge with homeownership, rental or business ownership.

Councilmember Geller asked if any of the participants for the IDA program target schools for financial education, and added that they may consider partnering with them for a pilot program. Ms. Byrd replied that College Dreams works with middle schools and high schools by district in Southern Oregon, and that they serve as a resource and a model. She elaborated that they work with children as they begin college and through that beginning phase as well. Ms. Byrd added that CASA has a program that works through community colleges with some of the high schools. She explained that a lot of college financial aid offices rely on IDAs to supplement the additional expenses for students to attend, and that the educational aspect of IDAs has potential to continue growing.

Councilmember Geller asked how much the IDA program has overlapped with the homeownership programs at OHCS, and how much collaboration currently exists between the two. Mr. Garcia responded that the two sides almost always have to work together. Director Salazar added that there seems to be a general curiosity amongst councilmembers regarding the way OHCS is leveraging IDA,
and what other opportunities OHCS sees. She informed the council that the agency will be keeping this on the radar for the future.

Councilmember Li expressed gratitude for the IDA initiative, particularly since it focuses on who is in poverty and why they are in poverty. She added that sometimes what people in low-income households need to be lifted out of poverty is financial assistance, in addition to other services. Councilmember Li recalled the discussions in the past about having a culturally specific allocation formula where the nature of the population, demographic and poverty experience by race and ethnicity is taken into account. She explained that, based on the data presented, there seems to be an opportunity to begin conversations about what culturally specific allocations might look like.

Councilmember Sandoval expressed appreciation of the data presentation to Amy Stuczynski and asked about the quantitative indicators that will be looked at in the data, aside from ethnicity. Ms. Stuczynski turned it over to Mr. Garcia who stated that one of the fiduciary organizations they work with have a work plan to include an equity audit, but that this is still being processed and worked on.

Director Salazar clarified that this is not a requirement for all of the fiduciary organizations, and Mr. Garcia confirmed that. Director Salazar stated that OHCS should continue having this conversation and she is interested in Mr. Garcia bringing information about the equity audit back so that this information can be shared. Ms. Byrd added that Neighborhood Partnerships is also interested in learning this information from the evaluation, especially in regards to their racial equity goals. She added that they welcome hearing any thoughts the council may have in regards to this topic.

Councilmember DeVries asked if Neighborhood Partnerships’ contracts through the fiduciary are performance based contracts. Ms. Byrd responded and confirmed that their contracts are performance based, and that they require a work plan that includes a racial equity goal. She added that the funding is not always contingent on successfully meeting all of the goals in the contract, but that the performance related to the work plan is monitored on a quarterly basis.

Ms. Byrd stated that graduation rates are monitored, but funding is not evaluated based on graduation rates since that can be impacted by a number of things. Councilmember DeVries clarified that her question was meant to explore ways to streamline the services and programs. Ms. Byrd addressed Councilmember DeVries’ question and explained that the requirement was 20% for program delivery and 5% for admin. She went on to explain that the admin appears to be high in the grant breakdown, because of that. Ms. Byrd elaborated that the program delivery includes helping students learn how to apply for scholarships, how to fill out a FAFSA form, how to apply for financial aid, how to manage educational debt, how to choose which career path, and more.

Councilmember Geller asked if there is another charge for the fiduciary organizations, and Ms. Byrd explained that 75% is grant and 25% is matching to the grantees. She went on to explain that Neighborhood Partnerships’ program and admin is typically less than 9%, which includes marketing and evaluation. Councilmember Geller explained that there is not a clear breakdown of the amounts that are cut before it gets to the beneficiary, and that she’s interested in learning more about this at another time.

Chair Valfre asked Janet Byrd how long she has been overseeing this program, and Ms. Byrd responded that she has been the executive director of Neighborhood Partnerships since March of 2005, but was
interim director for six months prior to that. Chair Valfre asked if this program began shortly after she began this position, and Ms. Byrd clarified that it began in 1999, but that in 2003 Neighborhood Partnerships assumed partial oversight and management of this program. Chair Valfre commended her for the work she’s a part of, and expressed his gratitude for the IDA program helping so many individuals obtain financial sustainability.

Chair Valfre mentioned Senate Bill 790 and House Bill 3133, which Ms. Byrd explained are posted for their first meeting of the session the following Friday. She informed the council that their lobby day is May 22nd and invited them to join her if they are able. Director Salazar stated that OHCS, as an agency, has no position on these bills, but that the agency is still happy to talk about the bill.

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

AD Julie Cody introduced herself and provided an overview of what will be discussed during this time.

**Preservation Funding Reservations and NOFA Summary, Tai Dunson-Strane, Tax Credit Program Manager**

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

Councilmember Li asked about the power point presentation where there was mention of “unintended consequences” in the Rural & Urban section, and asked for clarity about this topic. Natasha Detweiler-Daby, Senior Operations and Policy Analyst, mentioned that the memo expanded on this topic more than the presentation. She explained that she and her team wanted to bring adequate rural coverage of these resources to the frameworks presented to the council and that, in the past, they didn’t understand that the RAD (Rental Assistance Demonstration Program) Section 18 transactions were exclusively urban transactions. She further explained that when she and her team were unpacking the funding recommendations with Director Salazar, they made that recognition. Ms. Detweiler-Daby shared that 1/3 of those resources went to urban through the RAD Section 18, and the others were split even between urban and rural, but they realized that there was an over allocation for the urban areas. She added that when they are looking at the small project gap offering coming up next month, she and her team intend to allot the bulk of those resources to rural projects.

Councilmember Li thanked Ms. Detweiler-Daby for the response and discussed the possibility of the council and OHCS getting a better understanding of the geographic impacts, because there is a geographic equity issue as well.

Councilmember DeVries expressed appreciation for the flexibility of this NOFA. Councilmember Geller noticed that this project was given an additional 2.86 million dollars at the bottom of page 55, but didn’t see where that money came from. Ms. Detweiler-Daby explained that this would be forward allocated through document recording fee resources.

Chair Valfre asked if anyone else had a comment. He asked the presenters to remind him of the total number of units, and AD Cody responded that there are 826. Chair Valfre commented about the priorities being followed through the statewide housing plan and that he thinks the previous project models were useful in different areas as well. He then mentioned the importance of following up on the
DEI agreements after they are signed.

**Qualified Allocation Plan (QAP) Policy discussion, Tai Dunson-Strane, Tax Credit Program Manager and Natasha Detweiler-Daby, Senior Operations and Policy Analyst**

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

Councilmember Li expressed concerns about some of the feedback represented in the QAP Stakeholder Survey Results, and pointed out that some of the survey takers expressed discomfort about the DEI agreement. Councilmember Li specifically identified the question asking survey takers about their comfort level with the DEI agreement, and wanted more context on the 25% of survey takers who chose the option “don’t know/doesn’t apply” for their response. She asked the presenters if this is a particular issue in this sector of work, and if there needs to be an intentional conversation about this. She ended this comment by informing them that there is probably not a specific answer for this, but wanted to initiate this conversation. AD Cody responded and shared that this survey was able to gauge where people are, and that their feedback will help OHCS shape their outreach and education about this goal. She added that the outreach will reveal where the misunderstandings may be and it will help the agency understand what areas of education to focus on for different organizations. Councilmember Li thanked her for her response and stated that it would be interesting to hear how the organizations are thinking about the OHCS’ role in educating and providing support in various ways in the future. She added that it will also be interesting to see how accountability plays out, in regards to funding and meeting certain educational requirements for competitive funding. Councilmember Li shared that some agencies overemphasize the education and technical assistance aspect of this process, and that this sometimes causes a lack of compliance or commitment to the goal. She clarified that there is sometimes a pattern of educating ourselves on racial justice issues, but not holding ourselves accountable for addressing those issues.

Councilmember Sandoval shared that he had a similar comment to Councilmember Li’s comment, and added that there is an additional difficulty in outreach to minority owned businesses in rural communities. He asked the presenters if they think people are pushing back on the DEI agreement, because they are opposed to this or if it is related to the agency’s difficulty in operationalizing this policy. Director Salazar explained that OHCS is trying to understand that, and there is an inherent tension around OHCS policy goals and requirements. She explained that some of this feedback may be a reflexive pushback about additional requirements from the state, or that it could also be related to rural partners feeling as if the equity and racial justice goals don’t apply to them since they do not have large minority populations. Director Salazar further explained that there needs to be education about what we are trying to do here in rural communities to make sure that community members that reside in those areas are getting access to the resources.

Councilmember Geller asked Ms. Detweiler-Daby if the developer roundtable date could be shared with her along with the survey, but was surprised by some of the survey’s content. She explained that the survey is helpful, and that the results may indicate a level of anticipation that respondents feel about the difficulty of integrating new requirements. Councilmember Geller shared her interest in bringing certain
developers to the developer roundtable so that their feedback can be heard. Councilmember Geller moved on to the topic of 4% applications and asked AD Cody if there is a consideration to score the 4% applications differently. AD Cody responded and stated that the intent is not to have 4% applications scored differently, and that they are still non-competitive at this time. Councilmember Geller then asked AD Cody if there is a consideration for income averaging, and AD Cody confirmed that this information is correct. Councilmember Geller added that she hopes this serves as an opportunity to make as many projects as possible eligible for income averaging, because it can really help the tenants prosper in their future. Lastly, she added that it may help to consider Opportunity Zone Funding as well, particularly to avoid further separation of low-income communities from middle and high-income communities.

Councilmember Wilhoite wanted to add on to Councilmember Li’s and Councilmember Sandoval’s comments and explained that achieving diversity and equity goals throughout the state has a lot to do with the way those goals and terms are defined for specific areas. He proposed that OHCS be very clear about the direction they are heading in, and that they provide help to their partners understand so that everyone is on the same page. Councilmember Wilhoite added that our partners should not be led to believe that OHCS is not serious about their equity mission, and that it is incumbent on the agency to be clear about this. Councilmember Geller added that her experience in working outside of the metro area has helped her understand that this change needs to happen in a determined way, and offered support for this work.

Councilmember DeVries contributed to this discussion by adding that our partners may not know how to comply with these terms, because they don’t have additional material outside of the statewide housing plan to consume. She explained that our partners would benefit from having more understanding of this. Councilmember Geller provided additional commentary on this topic and voiced her opinion on the difficult process of registering minority or women owned businesses in her experience. She added that the agency should recognize that there are certain problems with the registration system, because it may benefit OHCS to know what they are.

Councilmember DeVries explained that she wanted clarification on the timelines, and asked if there is a firm date for when the QAP needs to be in place and which NOFA timing it will be applied to. AD Cody answered that the NOFA timing will be for January 2020, so this needs to be in place by the end of the year. She added that she and her team are pushing for August, though. Councilmember DeVries asked if this is also corresponding with the change in the application or if that’s coming at a later date. AD Cody explained that the scoring has to be placed in the QAP and that she and her team will be signaling what that is going to look like. Councilmember DeVries and AD Cody both affirmed that the sooner this happens, the better it will be.

Councilmember DeVries asked if the application is moving to the electronic application this year, and AD Cody confirmed that it will be. Councilmember Geller asked if this is where the process goes back to the consolidated application and AD Cody responded that OHCS is moving towards that. She added that they’re hoping it will be completely consolidated by January 2020. Director Salazar interjected to express that it would be an extremely heavy lift to get to that point by January 2020, but affirmed that this is what the agency is moving towards.
Chair Valfre expressed his appreciation for this survey, because it provides a plan for how to move forward. He added that it shows an overview of where the issues are and where to direct the focus at. Chair Valfre referenced Councilmember Sandoval’s comment about operationalizing the equity and racial justice priority, and added that this is vital for developers to see how the equity and racial justice priorities and goals can align with their mission. He further explained that seeing these goals as a tool that will contribute to their longevity and sustainability as developers, rather than barriers, is key to helping them understand the significance of these goals along with providing adequate education. Chair Valfre ended his comment by asking the presenters to send out the developer roundtable dates to everyone in the council, and thanked the staff for their work.

AD Cody thanked Chair Valfre and Councilmember DeVries for assisting her team with completing some of this work.

City of Portland North/NE Preference Policy, Matthew Tschabold, Portland Housing Bureau; Dr. Lisa Bates, N/NE Oversight Committee Member; Leslie Goodlow, Portland Housing Bureau

Before the presentation, Director Salazar stated that the councilmembers previously indicated that they would like more understanding about Northeast Portland Preference policies, and that this presentation will assist with providing more background information about that topic.

More information about this subject can be found here.

Councilmember Hall asked if this projected effort has an end date, if it is open ended, and what the long-term vision or goal is. Mr. Tschabold answered and shared that there is no end date, and that they are at a pause point in their resources. He added that the homeownership and rental buildings are getting towards the end of their current TIF (Tax Increment Financing-Set Aside) resources, but that there are conversations about applying this to other resources used in the area and local conversations about maximizing the indebtedness in the area which would provide more resources. Mr. Tschabold explained that if those resources were actualized, then the preference-policy would be utilized to prioritize applicants. He added that, for the rental, the policy isn’t until lease-up but would be for vacancies that occur into the life of the building.

Councilmember Wilhoite asked if there’s anything other organizations can do to identify and bring people forward. He also asked what the most significant challenges have been thus far. Dr. Bates responded and explained that about 1,000 people applied for 65 homeownership spots in the first round, which shows that there are a lot of people who are interested in buying a house and/or moving back into Northeast Portland. She went on to explain that in round 4 almost 1,000 people applied for 35 spots, and that she is not sure of the exact reason. She contemplated if it’s, because affordable housing was being offered, if some households wanted to move back into Northeast Portland, or if it’s a combination of the two reasons, but she does realize that there is significant interest. Dr. Bates shared that they have done outreach across the tri-county area into Vancouver. She went on to explain that one of the greatest challenges for homeownership is informing the constituents interested in single-family homes that homeownership is better than being a renter. Dr. Bates stated that she really hopes people will begin taking advantage of these opportunities more. Mr. Tschabold added that their programs aren’t always
designed perfectly for the families and individuals who qualify for the highest level of preference. He offered further explanation by explaining that this may be related to the amount of assistance offered for the homeownership, the time provided for them to obtain homeownership, or the screened criteria may not match as well with their lived experience. Dr. Bates explained that a lot of people haven’t been identified through outreach yet, possibly due to the lack of publicity, but this has been holding providers accountable for adjusting their programs so that they are sufficiently serving people. She continued to explain that program staff should be able to understand issues such as intergenerational forced displacement, so that they can have more discussions about opportunities that are available to the individuals and families.

Councilmember Li thanked Director Salazar for adding this presentation to the agenda and the presenters for coming to the council to speak about this. She expressed appreciation for the perspective offered during the presentation, which highlighted the fact that the economic disparities in homeownership aren’t only in the past, but are happening in the present. She further commented that it is sometimes easy to think of this issue as strictly an urban issue, because of the lack of people of color in rural Oregon, but that the system which perpetuates this issue is geographically based.

Councilmember Li asked what the total amount in TIF financing is, and Mr. Tschabold answered that it is close to a commitment of $70 million, not including leverage, but would have to follow up on that question. Councilmember Li clarified that she is looking for the sum of all the financing that goes into that, and the presenters informed her that they would have to get back to her on that. Councilmember Li explained that this is the type of work that OHCS should be supporting, and asked if there could be a discussion or consideration at the staff level of what it would mean if OHCS became a financial partner to this initiative.

Councilmember Sandoval asked if there has been a local economic development component to this, because of urban renewal and because businesses were also targeted for displacement. He emphasized that gentrification and businesses often influence the level of displacement and asked if the economic development aspect of this has been addressed by the presenters’ agency or other agencies. Ms. Goodlow responded and explained that Prosper Portland followed their lead and worked with their oversight committee to make a plan for the remaining TIF dollars, and did the same thing with their remaining interstate TIF dollars where they put together a plan for community development initiative for North and Northeast Portland. She added that they set goals around small business and community, and have community members that are doing something for economic development. Ms. Goodlow added that they gave 5 million dollars to support families that are making between 80% - 120% of AMI (Area Median Income) to support home repair, anti-displacement and homeownership. She added that they also received an additional component, but aren’t sure how those dollars will be used yet. Dr. Bates added that the oversight committee has found that Prosper Portland’s standardized operation procedures aren’t meeting people where they are at, in terms of small business development, and they may be going back to the drawing board. She went on to add that the Housing Bureau has been trying to figure out how to address these challenges.

Councilmember Geller wanted to discuss the phrase “correct historic wrongs,” because those wrongs have had lasting impacts. She expressed gratitude to Councilmember Li for touching on this topic.
earlier, and for being able to have this discussion. Councilmember Geller asked the presenters how many people have obtained and are living in housing, because of their program and Mr. Tschabold responded that probably around 150-170 families have either closed on a home or are living in a rental unit. He added that this amount does not include families or individuals who have received home repairs. Ms. Goodlow explained that there have been around 280 homes that have received anti-displacement funds, and Mr. Tschabold added the sum of both to around 380-400 participants who received services. He added that they will have another 400 units coming along over the next 18 months, and anywhere between another 40-80 homeownership program slots depending on how the program plays out.

Councilmember DeVries recalled the three policy options that the presenters were looking at, and asked why they did not look at the community preference option since it is predominantly used in cities around the country. She then asked if there is a community preference for people they’re serving. Mr. Tschabold explained that there is not a community preference at this time, but if they are currently living in the red shaded area on the map in the presentation then they will automatically receive 3 additional points. He further clarified that they will not get preference over someone who used to live in that area, but now lives outside of that area. Dr. Bates explained that the question Councilmember DeVries asked was one of the most discussed questions in the subcommittee about this policy. She added that the group consensus was that the people who have stayed and the people who have left should be weighed equally.

Chair Valfre noted the difference being made by the presenters’ work and expressed appreciation for Councilmember Sandoval’s comment about economic development in specific communities. He noted the need for people to thrive in the communities they’re in, and re-establishing the social networks that were destabilized in the past. Chair Valfre asked the presenters what they would have done differently in the beginning, if they knew as much then as they do now. Mr. Tschabold responded and stated that he would have restructured some programs on the front end, so that they would have better matched the applicants’ experience with displacement and disenfranchisement.

Chair Valfre brought up the presentation by Metro Bond at a previous council meeting, and asked the presenters if they have worked with them. Mr. Tschabold responded and explained that his agency is responsible for developing the local implementation plan and engage with local Portland communities and organizations to help drive the implementation plan for the Metro bond.

Chair Valfre thanked the presenters for their time.

**Report of the Director:**

Director Salazar began her report by calling up Ryan Vogt, Chief Operating Officer, to talk about the SWHP (statewide housing plan). Before Mr. Vogt began his presentation, he introduced Sup Thanasombat, Senior Advisor for Strategic Planning and Business Operations.

More information about this subject can be found [here](#).
Director Salazar discussed the retreat and what types of discussions they have on the agenda. She then asked them to complete the grid that was passed out to them, and informed the council that materials will be sent out to them Monday morning. Director Salazar then called up Ariel Nelson, Government Relations and Communications Liaison, to provide a brief legislative update.

Ms. Nelson informed the council that the focus has been moved to key budget decisions and that they recently passed out a revenue package that came out of the joint committee on student success. She added that the next key milestone will be the state revenue forecast on May 15th. Ms. Nelson went on to explain that all of the OHCS budget bills and legislative priority goals have made their way to the Ways & Means Committee, along with HB 2006, which incorporates the rental market resources package from our budget into a bill form. She explained that OHCS is currently in a series of meetings with key decision makers and have an opportunity the next Monday to talk about their budget priorities, so OHCS will be focusing on addressing children experiencing homelessness policy package with the Department of Human Services, permanent supportive housing with Oregon Health Authority, and an update on the budget note.

Director Salazar mentioned the Philanthropy forum, which Councilmember Wilhoite helped pull together, and that OHCS did a briefing on the SWHP. She explained that this started a conversation on how philanthropic organizations can contribute to this and leverage funding with the agency. Director Salazar expressed her gratitude at being joined by Councilmember Li at the Governors Equity Stakeholder Round Table, where equity stakeholders from around the state are gathered to raise issues and advise Governor Brown’s office on the concerns and needs from their community. She added that this was the second gathering for this event, and that the focus on housing led to a great conversation.

Director Salazar updated the council on two LIFT (Local Innovation and Fast Track) groundbreakings in Sisters, Oregon and another groundbreaking in La Pine. She shared that she met families who were living in the woods outside of Sisters, Oregon and received housing through the LIFT properties in the area. Director Salazar shared that she attended the Gateway Hermiston groundbreaking event, and that there is another groundbreaking next week in Yachats, Oregon for Fisterra Gardens which she is planning on attending.

Director Salazar provided an update on the ADPC (Alcohol and Drug Policy Commission) strategic plan, informing the council that it kicked off this month and noted the great interagency presence and opportunity to understand how OHCS programs can help the state meet goals around addiction and recovery. She went on to add that Oregon Health Authority’s new iteration of CCO funding for state Medicaid programs has been rolled out, and has a provision in the RFP that specifically asks for details on how the CCO 2.0 will help support the goals of OHCS’ statewide housing plan. She mentioned the hard work completed by Kenny LaPoint to get to that point.

Lastly, Director Salazar mentioned the opportunity she had last week to travel to Ontario where she spent the day with the community action agency director, received a tour of what is happening in that community, and heard about some local community partners that are initiating homeownership development. She stated that the housing quality struggles were really eye opening, and then turned it over to Chair Valfre to provide his report.
Report of the Chair:
Chair Valfre expressed his gratitude to Councilmember Tillman, since she will no longer be part of the council. He went on to update the council on the Metro Bond plan for public comments in Washington County in the future, and the housing needs assessment briefing which will be occurring the following week. Chair Valfre added that he is interested in attaining more focus on the way the housing needs assessment information is used and how it is measured. Lastly, Chair Valfre extended sympathy on the recent loss for OHCS’ family and expressed gratitude for the councilmembers and staff.

Meeting Adjourned
The meeting was adjourned at 1:15 PM

Adolph Valfre, Chair 05/03/2019
Housing Stability Council

Margaret Salazar, Director 05/03/2019
Oregon Housing and Community Services
Date: June 7, 2019

To: Housing Stability Council
Margaret Solle Salazar, Director

From: Andrew Moran, Loan Officer
Casey Baumann, Underwriting Manager
Julie Cody, Assistant Director Housing Finance

RE: 85 Stories Group 6

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

Overview and Location:

This project is a scattered site, 315-unit Rental Assistance Demonstration (RAD) conversion and preservation project. The (RAD) is a voluntary program of the Department of Housing and Urban Development (HUD). RAD seeks to preserve public housing by providing Public Housing Agencies (PHAs) with access to more stable funding to make needed improvements to properties. Seven of the nine properties are located in east Portland and Gresham, two are located near downtown Portland. This unique mix of properties will have a mix of unit sizes to accommodate families of most sizes. The sponsor has identified roughly $32.5 million in needed repairs and/or updates to the properties that will ensure the longevity of these properties.

The total project will include 67 studios, 122 one-bedrooms, 47 two-bedrooms and 79 three-bedroom apartments. Detailed in the supplemental information near the end of this packet is an overview of the scope of work to be done at each site.

Given the size and amount of properties that are in this project, Home Forward has contracted with two general contractors and two lenders. The contractors will divide the work on a per property basis. Walsh Construction will handle the repairs and updates to the Medallion and Williams Plaza properties located near downtown Portland. LMC will provide work on the seven remaining properties located on the east side of Portland.
The lenders that were chosen for this project include JP Morgan Chase (Chase) and Wells Fargo. During construction Chase and Wells Fargo will share the total debt financed at 51% and 49% respectively. Post construction, Chase will solely provide permanent financing. All permanent financing will be subsidized using Oregon Affordable Housing Tax Credits, allowing the interest rate to be reduced by 3.28%, yielding a rate of 2.08%.

**Funding History:**

The 85 Stories Group 6 scattered site project was awarded a $525,000 Lottery Backed Bonds grant from OHCS in February 2019. The development will use 315 project-based vouchers issued by HUD as a part of the RAD conversion program. OHCS finance committee has approved the issuance of $2,857,334 in federal 4% LIHTCs and $12,451,611 in Oregon Affordable Housing Tax Credits (OAHTC) on May 28, 2019.

Today, staff is seeking approval of the $44,030,000 in tax-exempt bonds to be issued to the project to provide construction and permanent lending, on behalf of Home Forward.

**Funding Context:**

This project uses resources allocated to OHCS from the Oregon Legislature to preserve affordable housing with federal project-based rent assistance. This resource is used in conjunction with non-competitive 4% LIHTC resources and OAHTC that were allocated along with the Lottery Backed Bond Preservation resources. The framework adopted by the Housing Stability Council to commit these resources prioritized projects able to preserve federal rent assistance for Extremely Low Income households, defined as households earning 30% of area median income or less.

**Project Sponsor and Partnership:**

As the Housing Authority of Portland since 1941, the Home Forward team has demonstrated the ability to create and maintain successful affordable housing across the Portland metro area. OHCS has worked closely with the Home Forward team throughout the years on many occasions. Most recently, Group 5 which included seven properties and 350 units being converted from public housing to project-based vouchers. OHCS staff is currently working on several other projects sponsored by Home Forward in our pipeline and plans to continue having a productive and mutually beneficial relationship for many years to come.
Notable Features:

Typically competitors, Wells Fargo and Chase have teamed up to co-lend on this transaction. Due to the size of bond issuance, the two banks will share the risk associated with the $43MM total bond/debt issuance during construction. Wells Fargo has also chosen to purchase the federal tax credits allowing the partnership to inject nearly $30MM in equity into the deal. Post construction, Chase has agreed to use the Oregon Affordable Housing Tax Credits to offer a lower interest rate to Home Forward on the long term debt that will be issued for this project.

Other noteworthy collaborations for this project include the four architects and two general contractors that have been selected to complete the scope of work for all nine properties.

Commitment to Equity:

Affirmative Fair Housing Marketing Strategies and Resident Services: as a preservation project, the units are currently occupied and serving extremely low income households. In maintaining project wait lists, the Housing Authority uses Affirmative Fair Housing Marketing strategies to ensure equitable access to housing opportunities, including those least likely to have been served historically. Referral services are offered to tenants to enhance opportunity and access.

Contracting, Diversity, Equity & Inclusion: As a condition for funding consideration Home Forward has committed to utilizing their pre-existing MWESB utilization policy and has entered into our Diversity, Equity and Inclusion Agreement.

Home Forward established its MWESB utilization policy in 2006. The policy sets a goal of 20% participation of target businesses on professional services and construction contracts over $200,000. To achieve these participation goals, Home Forward staff regularly attends meetings of minority chambers, Oregon Association of Minority Enterprises (OAME), National Association of Minority Contractors of Oregon (NAMCO) and other project-specific outreach meetings and functions to present procurement opportunities and elicit bidding by target businesses. Last fiscal year 24% of Home Forward’s personal service and construction/maintenance contracts utilized MWESB vendors.

WALSH Construction has established a community participation plans that focuses on three major areas: Contracting, Hiring, and Apprenticeship. Each area of emphasis requires a unique
plan to provide the opportunities to those who need them most. The results of our Outreach Program include:

- Consistent high participation of minority and women-owned businesses who complete, on average, 26% of the subcontracted work on our publicly funded projects.
- HUD Section 3 hiring requirement results that consistently exceed targets - an average of 60% above goals.
- 40.5% of WALSH’s employees are women or minorities.

LMC Construction is taking the following steps to increase MWESB participation:

- Presented the project to various local and minority small business organizations;
- Broke apart selected bid packages to provide smaller chunks of work for MWESB and Section 3 subcontractors to bid;
- Determined certain bid packages that are suitable for a select bid for MWESB and Section 3 subcontractors only;
- Broadcasted project on the bid management software network Building Connected and developed very detailed bid worksheets outlining every individual scope item to eliminate overlooked scope.
- Bids were reviewed with consideration for price, completeness and accuracy; MWESB Status; Section 3 Status; and ability to comply with Workforce Training and Prevailing Wage requirements (with LMC providing assistance to contractors with limited experience).

LMC will balance lowest price with respondent’s capabilities and project history to determine the lowest price as delivered.

85 Stories Group 6 bidding has the following MWESB targets:

- Section 3 Certified Firms: 10%
- MBE/WBE/ESB Participation: 20%

Policy Priorities:
This project will help further multiple priorities outlined in the statewide housing plan. Namely Equity and Racial Justice and Affordable Rental Housing.

- **Equity and Racial Justice Priority**
  - Across all 9 properties, fair housing principles will be used to ensure the properties maintain an inclusive standard of tenant selection.
Marketing of available units will be done to ensure the least likely persons to apply, will have the opportunity to rent the available unit.

Historically, Home Forward has had success achieving a high standard of marketing principals and applying fair housing regulations to all of their portfolio properties.

The scattered site project has the following MWESB construction targets:
- MWESB Participation: 20%
- Section 3 Certified Firms: 10%

- **Homelessness Priority**
  - Many of the tenants have extremely low incomes and would otherwise be homeless without access to public housing.

- **Affordable Rental Housing Priority**
  - The renovation work included in the scope of work for each property will help ensure the supply of affordable housing will maintain these critical units for future families. Preservation like this is called out as a component of the Affordable Rental Housing Priority.
  - Affordable rental housing is in short supply in the Portland metro area. Though these units are currently in the total supply, completing the necessary work will increase the longevity of these properties and help maintain the supply.
  - All 315 units will carry project-based vouchers for 20 years, which allows the properties to rent to those in danger of being homeless based on their household income.

- **Rural Communities Priority**
  - Not applicable; This is an urban development

- **Permanent Supportive Housing**
  - No specific set asides

- **Homeownership**
  - Not applicable; This is a rental property development

**Risks and Mitigating Factors:**
This development conforms to OHCS underwriting standards. Risks and Mitigates have been reviewed by OHCS finance committee. Staff has identified a potential risk which has been appropriately mitigated as follows:
Risk: Due to the size and number of properties/buildings, using a single architect and general contractor poses capacity issues among the partners additionally it poses a concentration issue within their respective project pipelines.

First Mitigation: Home Forward has strategically chosen four separate architects to handle the nine properties. As shown in the architect section of this write up, the more complex scope of work properties will have different and dedicated architects. The smaller properties were divided by property/building type and two additional architects will be utilized to handle the planning of the narrower scopes of work.

Second Mitigation: Home Forward has also chosen to work with two separate general contractors to complete the work. Walsh construction will complete the work on the two main towers in this project that include a more in-depth scope of work and LMC was chosen to complete the work on the remaining seven properties.

The pages that follow will provide more technical details on the proposed project.
Project Detail: 85 Stories Group 6

Project Sponsor: Home Forward

Properties: Scattered-site (See attached “Exhibit A” for addresses)

Owner: East Group Limited Partnership

Description: 315 units of public housing converting through the RAD program to project based vouchers and providing much needed repairs to a total of nine properties.

Affordability:

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<th># Units</th>
<th>% Income</th>
<th>% Rents</th>
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Target Population: Families and individuals at or below 60% MFI

Environmental Review: Phase 1 environmental reports have been completed on all nine sites. Each site concluded “no recognized environmental concerns found”.

Finance Committee Approval: OHCS Finance Committee reviewed and approved this project to be recommended to the OHCS Director and the Housing Stability Council on May 28, 2019.

Summary:

85 Stories Group 6 is an acquisition/rehabilitation scattered-site project, consisting of 9 properties with 315 affordable units. The scope of work for the rehabilitation of key properties include major system(s) replacement and seismic upgrades. This project will utilize 4% low income housing tax credits (LIHTC) to generate equity, Lottery Backed Bond Preservation funds (LBB) and Oregon Affordable Housing Tax Credits (OAHTC).
Financing Structure:

**Construction Lenders:**  JP Morgan Chase Bank, N.A  
Wells Fargo Bank, N.A.  
Community Lending & Investment

**Permanent Lender:**  JP Morgan Chase Bank, N.A.

**General Contractors:**  Walsh (Medallion and Williams Plaza)  
LMC (remaining seven properties)

**Equity Investor:**  Wells Fargo Bank, N.A.  
Community Lending & Investment

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<tr>
<td>Deferred developer fee</td>
<td>$2,826,205</td>
</tr>
</tbody>
</table>

**TOTAL Sources and Uses:**  $79,925,245

**Bond Structure:**
The total tax-exempt conduit bond amount is $44,030,000, of which $19,530,000 will be short-term, used for the rehabilitation of the project and the remaining $24,500,000 will be long-term debt, fully supported with OAHTC. Wells Fargo and JP Morgan Chase will co-lend during the construction period. JP Morgan Chase will be the permanent lender.

**Scope of Work:**
As described in “Exhibit B”, the scope of work will vary by site. Extensive system components and seismic upgrades will be completed on the Medallion apartments and Williams plaza. The remaining properties have a primary focus on the envelope replacement of each building.
**Developer Fee:**
Total Developer fee: $9,353,692; Developer fee calculation equates to 16% and is within OHCS guidelines.
- Deferred Developer fees: $2,826,205; Deferred fee will be repaid within the first 11 years of operation
- Cash Developer fee: $6,527,487

**Tenant Relocation:**
A relocation plan that follows the Uniform Relocation Act was provided to OHCS by Home Forward. The plan was structured to ensure minimal impact to the effected tenants. The plan has been reviewed and accepted by OHCS staff.

**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>Studio</td>
<td>67</td>
<td>60%</td>
<td>60%</td>
</tr>
<tr>
<td>1 BR</td>
<td>122</td>
<td>60%</td>
<td>60%</td>
</tr>
<tr>
<td>2 BR</td>
<td>47</td>
<td>60%</td>
<td>60%</td>
</tr>
<tr>
<td>3 BR</td>
<td>79</td>
<td>60%</td>
<td>60%</td>
</tr>
</tbody>
</table>

- 4% LIHTC and LBB Preservation restrictions.

**Operating Budget:**
- **Income:** There will be a total of 315 units that will be restricted to 60% MFI for 30 years
  - Actual incomes of current residents are well below 60% MFI and are currently being supported with public housing funds. A newly signed HAP contract will convert these units from public housing to project based vouchers.

- **Expenses:** Operating expenses, although higher than OHCS standards, is supported with the appraisals supplied to OHCS. Additionally, HUD has reviewed the management agent packet and operating expenses. The combined annual operating expenses will be $2,292,093 yielding a $7,276 PUPY.
  - On-site property management accounts for $2,141 of the total PUPY expenses and
estimated repairs and maintenance accounts for $1,380.

**Debt:** Primary debt will come from JP Morgan Chase in the form of a $24,500,000 loan. OAHTC’s will be utilized for this portion of the total lending. OHCS Finance committee approved the issuing of $12,451,611 in OAHTC’s to JP Morgan Chase in exchange, the interest rate of the permanent loan will be reduced by 3.28%, yielding a rate of 2.08%.

- Annual debt service for this loan will be $986,026
- Secondary debt, to be paid with excess cash flow after expenses and primary debt service, will be the deferred developer fee of $2,826,205 and will be fully paid in the first 11 years of operation.
- Tertiary debt, paid after secondary debt, will be an Omnibus loan and seller purchase loan granted by Home Forward for the acquisition of the properties in the amount of $8,826,903 and $14,612,122 respectively.

**Primary Debt Service Coverage Ratio (with OAHTC):**

The DCR presented to OHCS is within OHCS guidelines and conforms with OHCS, lender and investor underwriting principles. OHCS anticipates Home Forward will refinance the debt after year 20, when OAHTCs have been fully exercised.

DCR at first full year of operations: 1.25
DCR at Year 15: 1.25
DCR at year 20: 1.20
DCR at year 30 (w/o OAHTC): 0.64

**Resident Services:**

Home Forward’s resident services staff conducted a needs assessment, which included several components: resident survey, property survey, interviews with resident services coordinators and interviews with community services partners. The following services will be provided:

- Employment and education information
- Financial Capabilities
- Health and wellness
- Housing Stability
- Youth services
### Exhibit A

<table>
<thead>
<tr>
<th>Development</th>
<th>Property Address</th>
<th>City</th>
<th>Total Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alderwood</td>
<td>17225 SE Alder</td>
<td>Portland</td>
<td>20</td>
</tr>
<tr>
<td>Floresta</td>
<td>12608 SE Foster Road</td>
<td>Portland</td>
<td>20</td>
</tr>
<tr>
<td>Harold Lee Village</td>
<td>4023-4031 SE 112th</td>
<td>Portland</td>
<td>10</td>
</tr>
<tr>
<td>Hunter’s Run</td>
<td>12725-12751 SE Powell Blvd</td>
<td>Portland</td>
<td>10</td>
</tr>
<tr>
<td>Medallion</td>
<td>1969 NW Johnson Street</td>
<td>Portland</td>
<td>90</td>
</tr>
<tr>
<td>Powellhurst Woods</td>
<td>11200 SE Holgate Boulevard</td>
<td>Portland</td>
<td>34</td>
</tr>
<tr>
<td>Tillicum North</td>
<td>3001 NE Division Street</td>
<td>Gresham</td>
<td>18</td>
</tr>
<tr>
<td>Tillicum South</td>
<td>3045 SE Powell Valley Road</td>
<td>Gresham</td>
<td>12</td>
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<tr>
<td>Williams Plaza</td>
<td>2041 NW Everett Street</td>
<td>Portland</td>
<td>101</td>
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<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>315</strong></td>
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</table>
Exhibit B

**Alderwood**
Merryman Barnes (Architect)
All city required site upgrades including garbage areas
Replace siding and windows
Replace gutters and downspouts
Rewire radon fans from unit power to house power

Cable TV wiring enclosed in rain screen
Replace window sill and window coverings
Repair pathways
Tree trimming and landscaping
Bathroom fan replacement
Reroute furnace condensate line to washer box
**Floresta**
Merryman Barnes (Architect)
All city required site upgrades
Asphalt paving & sealcoat
Drainage issues – grading & French drain
Accessibility to office – install ramp and regrade
Redesign entry driveway and trash areas
Add cover to mailboxes

Replace playground
Replace back doors
Add fresh air intake at laundry – make-up air
Tree trimming and landscaping
Exterior lighting improvements
Redesign office interior doe better accessibility

**Harold Lee Village**
Forensic (Architect)
All city required site upgrades
Install radon mitigation system
**Hunters Run**
Forensic (Architect)
All city required site upgrades including ADA garbage area
Replace roof, increase attic venting
Replace gutters & downspouts, adding cleanouts
Exterior fiberglass front & rear doors
Replace siding & windows
Replace window sill & coverings
Cable wiring to living room & bedrooms
Replace exterior lighting fixtures with LED
Sealcoating, pedestrian markers, pressure washing porches – flat work
Landscaping

**Powellhurst**
Merryman Barnes (Architect)
All city required site upgrades including garbage areas
Replace siding and windows and exterior paint
Replace gutters and downspouts
Cable TV wiring enclosed in rain screen
Replace window sills and window coverings
Repair pathways
Tree trimming and landscaping
Bathroom fan replacement
Reroute furnace condensate line to washer box
### Medallion Apts
Holst (Architect)
- Domestic water replacement
- Kitchen sink and countertop replacement
- Replace exterior cladding
- Upgrade bath fans and kitchen exhaust systems
- Make-up air to units – trickle vents
- New domestic water line and DC power to separate fire vault
- Balcony waterproofing
- Balcony rail replacement
- Basement wall waterproofing
- Seismic upgrades – exit path

- Cast iron horizontal piping replacement – basement
- Trash enclosure
- Roof replacement
- Site improvements
- Unit LED lighting – add fixtures at living room/bedroom
- Office & community room remodel
- Extend fire sprinklers into units
- Elevator upgrades
- Add security cameras
- Unit flooring abatement and replacement
- Replace kitchen cabinets
**Tillicum North**
Forensic (Architect)
- All City of Gresham required site upgrades
- Replace roof, increase attic venting
- Replace gutters and downspouts and add cleanouts
- Exterior fiberglass front & rear doors
- Replace siding & windows
- Replace window sills & window coverings
- Cable wiring to living room & bedrooms
- Jetter service to kitchen & bathrooms
- Replace exterior light fixtures with LED
- Replace stairwell flooring with rubber treads
- Sealcoating, pedestrian markers, pressure washing porches – flat work
- Landscaping

**Tillicum South**
Forensic (Architect)
- All City of Gresham required site upgrades
- Replace roof, increase attic venting
- Replace gutters and downspouts and add cleanouts
- Exterior fiberglass front & rear doors
- Replace siding & windows
- Replace window sills & window coverings
- Cable wiring to living room & bedrooms
- Jetter service to kitchen & bathrooms
- Replace exterior area light fixtures with LED floodlights
- New play area in side yard
- Sealcoating, pedestrian markers, pressure washing porches – flat work
- Landscaping
**Williams Plaza**
Salazar Architect
Domestic water replacement
Trash room, community kitchen & mailbox remodel
New roof
Generator replacement
Parking lot renovation
New corridor heating/cooling units (incl. make-up units)
Fire sprinkler upgrades
Fire alarm upgrades
Cast iron horizontal waste piping replacement
New unit doors and hardware

Elevator upgrades
Upgrade security cameras and door access control
Office, vestibule, maintenance, storage & community room remodel
Kitchen sink, countertop and range hood recirc. Replacement
Bathroom exhaust fan upgrade (with new rooftop fans)
New fire sprinkler air compressor
SE rain garden
Paint common areas
Common area flooring replacement
Landscaping
## Oregon Bond Residential Loan Activity

**Quarterly Report January-March 2019**

<table>
<thead>
<tr>
<th>COUNTY</th>
<th>TOTAL LOAN COUNT</th>
<th>TOTAL LOAN AMOUNT</th>
<th>% MINORITY HOUSEHOLD</th>
<th>TOTAL PURCHASED PRICE</th>
<th>PURCHASE PRICE LIMIT</th>
<th>AVERAGE PURCHASE PRICE</th>
<th>INCOME LIMIT</th>
<th>INCOME LIMIT</th>
<th>AVERAGE HOUSEHOLD INCOME</th>
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<td>189,000</td>
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<td>WASHINGTON</td>
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<td>255,460</td>
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</table>

### Cumulative Calendar Year YTD

- **CY Total Loan Count**: 254
- **CY Target Annual Goal**: 846

- **CY Total Loan Purchases**: $43,205,093
- **CY Total Dollar Annual Goal**: $200,000,000

- % of Loan YTD Count: 22.93%
- % of Loan YTD Goal: 21.60%

### Quarterly Activity

- 3 loans at or above 95% purchase price limit ***
- 33 loans at 75-95% purchase price limit
- 158 loans below 75% purchase price limit

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HSC Material Packet 37
About the Program

Oregon Housing and Community Services periodically issues tax exempt mortgage revenue bonds to be able to provide lower than market interest rate home loans to help first time homeowners in Oregon. The Oregon Bond Residential Loan Program provides below-market rates helping Oregon families achieve their home ownership goals while keeping their monthly payments affordable.

Property Purchase Price Limits

OHCS has established **Purchase Price Limits** (listed at right) which are governed by the Internal Revenue Service (IRS). Depending on the location of the home being purchased, the Purchase Price (acquisition cost) limits are effective April 2, 2019.

How to Qualify

To apply, simply contact one of our participating lenders and they will assist you in getting pre-qualified for one of our home loans.

Find a participating lender at:  
[http://o.hcs.state.or.us/lenders/lenderlocator.jsp](http://o.hcs.state.or.us/lenders/lenderlocator.jsp)

For more information, contact us at:  
**Oregon Housing and Community Services**

725 Summer St. NE, Suite B, Salem, OR 97301-1266  
PH (503) 986-2046  
In Oregon, 1-877-788-2663  
[www.ohcs.oregon.gov](http://www.ohcs.oregon.gov)

Revised 4/2019

<table>
<thead>
<tr>
<th>County</th>
<th>Non-Targeted Area</th>
<th>Targeted-Area</th>
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<tbody>
<tr>
<td>Benton</td>
<td>$346,730</td>
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<tr>
<td>Clackamas</td>
<td>$427,462</td>
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<td>Deschutes</td>
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</table>

*If the county is not specifically listed, use the "All Other Counties" figures.*

Targeted Areas

The first-time homebuyer requirement is waived and there are higher Purchase Price Limits if the property being purchased is in a Targeted Area, and the borrower transfers any residential property previously owned prior to closing the Program Loan. Targeted Areas include Counties: Baker, Clatsop, Coos, Crook, Harney, Jefferson, Josephine, Klamath, Lake, Malheur, Union, Wallowa, and Wheeler; and Cities: (within the city limits of) Ashland, Milton-Freewater, Myrtle Creek, Port Orford, Silverton, Turner, and Vernonia; and portions: of Albany, Corvallis, Eugene, Medford, Salem and Portland.
Date: May 28, 2019

To: Housing Stability Council Members
Margaret Solle Salazar, Director

From: Kim Freeman, Homeownership Section Manager
Emese Perfecto, Assistant Director – Homeownership

Re: Quarterly Report October – March 2019
Oregon Bond Residential Loan Program

Each quarter the homeownership division of OHCS will be presenting program information in reference to the number of loans, counties served, and how we are serving communities of color. Additionally, we will update our annual production goals and milestones. We have purchased 194 loans totaling $43,205,999. This represents 21.60% of goal amount and 22.93% of the goal for number of loan purchases.

The first quarter of 2019 has seen a reduction in loan reservations along with loan purchases. This is in part due to the time of year and our interest rates have been close to market rates. We lowered our interest rates on April 1, 2019 and as a result, we have seen a steady reservation volume. We increased our program purchase price limits on April 2, 2019, which has also had a positive effect on our reservation volume.

At this time, we will be sharing the quarterly report as information only. We will be presenting the next production and demographic report in August, which include loan production information from January 1, 2019 through June 30, 2019. I would like to compare our demographic information to the 2018 Home Mortgage Disclosure Act (HMDA) data. The new HMDA data should be released in the next month. We continue to monitor the counties served along with the demographic information while working closely with our lenders, homeownership centers and other housing partners to promote our loan program.

As we continue to implement the data methodology for our division and refine the quarterly reports, we will focus on standardizing and implementing new demographic data collection models with the most recent data from American Community Survey (ACS) and HMDA data.
Date: June 7, 2019

To: Housing Stability Council Members
   Margaret Solle Salazar, Director

From: Claire Seguin, Assistant Director of Housing Stabilization
   Vicki Massey, Rent Assistance Programs Coordinator

Re: Homeless Services Section’s Real Estate Process and Pre-Application

Purpose: To present and request input from the Housing Stability Council members the proposed process and pre-application presented by Homeless Services Section for Community Action Agencies’ requests to use Emergency Housing Assistance (EHA) and State Homelessness Assistance (SHAP) for real estate activities. A final process and pre-application will be presented to Council for approval on July 12, 2019.

Need for Real Estate Process and Application

As a result of receiving substantially larger allocations from the state Legislature beginning in 2016, Community Action Agencies (CAAs) that use state funding from Homeless Services Section (HSS) have the opportunity to expand their communities’ shelter capacity by purchasing shelter and transitional housing properties, converting property to shelter or transitional housing, or rehabbing existing shelter or transitional housing.

The urgency of the homelessness crisis demands that the State’s stock of shelter and temporary housing be increased immediately. OHCS’s MultiFamily funds don’t support the type of development called for by this crisis. These are unique real estate challenges: small projects responsive to the communities’ current needs and available for occupancy quickly. EHA’s flexible nature, and SHAP’s required use for shelter activities, makes acquisition and development of real estate activities an effective use of both resources.

When HSS first prepared to offer funding for real estate, a business plan was developed for CAAs to comply with before their projects would be approved for funding. We soon determined a more comprehensive real estate application process was needed. Discussions about the process have taken place internally and with Housing Stability Council since 2016. The pre-application process presented today is the culmination of those discussions.

Request for Expansion of Activities Eligible for Funding

In 2016, the Department of Justice (DOJ) attorneys concluded purchase of unimproved land, new construction, and permanent housing were not eligible for funding through either program because EHA and SHAP funds are intended as emergency resources. Three years later, we have a more informed understanding of the types of projects subgrantees determine to be most beneficial for their communities. There is a need for increased development of small independent units which are quick to build and used to temporarily house persons experiencing homelessness. OHCS has asked DOJ to consider the use of EHA and SHAP programs to fund
purchase of land and new construction for use as shelter or transitional housing. We are waiting for their response. If legal counsel advises that this use is allowable without major risk to the Department, HSS will revise the policy recommendations and application for Council to consider, including funding for small, temporary, independent housing for homeless and at-risk persons.

**Background of Funding Sources Eligible for Real Estate Use**

**Emergency Housing Assistance Program (EHA)**
Since 1991, the EHA Program has funded assistance for low and very low-income persons who are homeless or at-risk of homelessness. EHA is OHCS’s most flexible homeless program because of the variety of services it can provide. Service components include outreach, shelter, rental assistance for transitional and permanent housing, supportive in-home services, community capacity building, and facility acquisition, rehab and conversion. In addition to being homeless or at-risk, a household’s gross income can be no more than 80% area median income (AMI).

**State Homeless Assistance Program (SHAP)**
SHAP was established by the Oregon Legislature in 1987. It pays for emergency shelter operations and service to shelter residents. SHAP components also include street outreach, acquisition, rehab and conversion of facilities for shelter use. To be eligible to stay in a SHAP-funded shelter, the household must be homeless or at-risk. There is no income limitation.

**Allocation of Funds**

EHA and SHAP funds are allocated by OHCS directly to Community Action agencies, using a set funding formula which considers the percentages of severe housing burden, poverty, and homelessness for the CAA’s service area. Oregon Human Development Corporation, a farmworker service agency, also receives a flat amount of EHA biennially.

**Housing Stability Council Discussions**

The HSS real estate process has been discussed at HSC three times in the past three years. During these discussions, HSC members voiced their preferences for some aspects of a real estate policy. Called out specifically were the following:

- Five-ten year commitment restricting use to homeless or at-risk of homelessness
- Additional 10 year commitment to affordability limited to 60% AMI
- Expenditures limited to purchase of buildings (bare land is not allowed)
- HMIS required and submittal of a year-end narrative report
- Signed and notarized covenant
- Submission of a business plan
- Program monitoring for eligibility of clients served
- Acquisition requirements monitored via an annual certification

The table below compares the above components to HSS’s proposed real estate program.

<table>
<thead>
<tr>
<th>HSC Discussions</th>
<th>OHCS Proposal</th>
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<tbody>
<tr>
<td>5-10 year restrictive use period</td>
<td>15 year restrictive use period</td>
</tr>
<tr>
<td>Additional 10 year commitment to affordability</td>
<td>No additional period of commitment</td>
</tr>
<tr>
<td>Expenditures limited to purchase of buildings</td>
<td>Expenditures cannot include bare land, new construction, or</td>
</tr>
</tbody>
</table>
permanent housing. These activities do not conform to the nature and constraints of emergency housing. Note: OHCS is asking DOJ to consider purchase of bare land and transitional new construction for shelter and temporary housing development only.

| HMIS and year-end narrative report required | No change. |
| Signed and notarized covenant | Property owner must agree to record OHCS’s Restrictive Use Agreement against the property title. Agreement will be signed by property owner, subgrantee, and OHCS. |
| Business Plan | HSS has developed a comprehensive real estate pre-application and formalized review process. |
| Monitoring for eligibility of clients served | To be determined. |
| Restrictive use monitored through annual certification | No change. |

**Development of HSS Real Estate Process**

Designing the HSS real estate process has been an effort shared by the OHCS Finance and Programmatic Policy Review Committees, the CAPO Housing and Homelessness Committee, and with the assistance of staff from Housing Finance Section. As a result, the pre-application has been developed with user input, departmental insight, and leveraging of all of OHCS’ division expertise.

HSS has created a flow chart and a written outline of the process steps. Criteria has been identified that would classify the project as high-risk, in which case HSS could transfer the project to the Multi Family Section for underwriting. Projects will be presented to HSC for approval if the total amount of EHA and SHAP requested is 50% or more of the annual allocation of those funds or if the total OHCS funding in the project is more than $500,000. Projects will remain with HSS for funding and annual compliance certification.

**Coordination with Statewide Housing Plan Priorities**

**Priority: Equity and Racial Justice**

All agencies are required to choose one component from each of the four EPIC Outcome Tool areas to report on for the 2019-21 biennium. Any real estate activities funded through HSS will also use the EPIC Outcome Tool. The real estate pre-application includes questions where the applicant must identify the four (or more) EPIC outcomes their agency chose, and describe how the real estate project will support each outcome goal.

Subgrantees will be required to enter data into HMIS for their shelter and transitional housing residents. This data is reported quarterly, with demographic information defined for race, ethnicity, veterans, households with children, and other categories. OHCS’s Research Team, led by Megan Bolton, will begin examining this data for each subgrantee in relation to the demographics for their communities’ whole populations to learn if there are underserved or under-represented populations in their service areas. The Research Team will work with subgrantees to identify these communities and address changes to bring greater equity of persons served. OHCS is prepared to provide subgrantees with training, data collection assistance and analysis, to help subgrantees build on their selected outcomes.

Beginning in 2019, the MGA signed by all subgrantees will include a statement of Diversity, Equity, and Inclusion (DEI). The subgrantee receiving funds for acquisition, rehab, or conversion will be under the same expectations of the DEI agreement as any subgranteed providing other services. By signing the MGA, the subgrantee confirms they will take steps to ensure their agency provides shelter and services in an equitable and culturally responsive way and their agency will set goals and adopt strategies to eliminate racial disparities. As the OHCS Research Team compares demographic data reported by each subgrantee to the community’s
population in general, the subgrantee’s success in following the tenets of the Agreement will be evident. HSS will work with subgrantees to identify areas where advancements could take place for improved results.

An important business objective of OHCS is to promote the economic enhancement of small, minority, disadvantaged, and women-owned businesses. The HSS real estate pre-application instructs subgrantees to hire these businesses and, as part of the real estate requirements, will require subgrantees to report back to OHCS at time of project completion the total dollars paid to eligible contractors.

Subgrantees shall not pursue projects that will involuntarily displace tenants. Subgrantee must indicate in the real estate pre-application if the project will cause any resident displacement. If so, subgrantee must provide OHCS with a detailed description of the actions subgrantee will take to minimize the impact of relocation to all affected households. If a subgrantee’s response is too limited or proposed actions don’t meet basic requirements, subgrantee will be asked to revise their relocation plan or provide additional documentation.

Instructions for the real estate pre-application state the following: “In alignment with the Statewide Housing Plan, subgrantees are encouraged to include homeless veterans and families with children in their populations served. OHCS reserves the right to review the proposed populations in comparison with demographics of the homeless in subgrantee’s service area and discuss with subgrantee their decision.” Staff will be looking for proposals that consider the emphasis on children with families and veterans, and in addition, will be considering the racial and ethnic demographics of the service area as part of the EPIC Outcomes Tool work.

**Priority: Homelessness**

OHCS has this opportunity to bring together a number of visionary and instructive resources available to us right now. The work completed for the Budget Note Report and the resulting EPIC Outcomes Tool, the comprehensive Statewide Housing Plan, the Shelter Study, and OHCS’s Finance Division’s new Fiscal Policies, work together to provide OHCS with direction to use its funds most efficiently and effectively to end homelessness in Oregon. The HSS Real Estate requirements provides HSS with a framework in which to work with subgrantees to develop shelters and transitional housing that align with the priorities we’ve identified.

OHCS has commissioned an inventory of the state’s shelters and recommendations for improvement across the state. OHCS will use this Shelter Study data as a resource to identify gaps in resources and evaluate the impact a proposed project will have for a community. If necessary, HSS will work with the subgrantee to strengthen their partnership with other providers in their service area.

**Priority: Permanent Supportive Housing**

A large number of persons experiencing homelessness also have one or more physical or mental health concerns or a disabling condition, which affects their ability to live independently. These persons can thrive in a supportive housing environment. Increasing the shelter opportunities in a community brings the homeless person into a location where the CAA can connect, assess, and develop a relationship; components necessary before the next steps of providing homeless individuals with supportive housing and services can occur.

**Priority: Affordable Rental Housing**

Oregon’s homeless include families and individuals who became homeless from one debilitating situation, such as a job loss or medical issue. These households can often recover quickly if provided with short-term assistance. Support from their CAA through shelter services or transitional housing can give them the boost needed to reclaim stability and move on to independent housing.

**Priority: Homeownership**

Homeownership is a step low- and moderate income households would not be able to achieve without the existence of homeownership programs and support from community agencies. Households entering the CAA’s realm of assistance at an earlier stage in the continuum are provided with skills needed to succeed. Connecting to the CAA in shelter or transitional housing can create the achievement of this goal.
Priority: Rural Communities

Many rural communities don’t have a shelter or temporary housing system. Instead, the CAA accesses emergency placement in hotels or motels when those units are available. Rural CAAs rarely have the financial options of larger CAAs and rely on funding received from OHCS for both agency operations and service provision. Being able to use EHA and SHAP funds to expand their communities’ ability to meet the needs of their residents fills a gap in resources which would otherwise be unmet.
Housing Stabilization/Housing Finance Work Flow Chart of EHA/SHAP Real Estate Process

Investment Proposal

Community Action Agency submits a pre-application for a real estate project using EHA and/or SHAP funds; including why this is the highest and best use to address the need.

Housing Stabilization evaluates proposal and identifies:
• Acceptable program expense
• Assess risk level

Determined to be more complex/higher risk

Criteria for high risk:
• Asbestos or lead-based paint removal required
• Other funders, lenders and/or tax credits
• Extensive underwriting requirements
• An environmental Phase I report indicting contaminants
• Total project cost exceeding $500,000
• Construction to build exterior: walls, windows, roof, decks, etc.
• Extensive construction, systems replacement, etc.

Housing Stabilization Funding Process

Joint with HSS Representative

Proposal transferred to designated Housing Finance underwriter to complete project underwriting.

No approval

Resolve Project issues and reengage in the process

No Approval

Approved

Housing Stability Council

Housing Stabilization funds and manages project to completion

Resolve Project issues and reengage in the process

HSC Material Packet 46
1. Subgrantee notifies HSS they have an acquisition, rehab or conversion project in mind.
2. HSS sends subgrantee a pre-application to complete and submit.
3. HSS reviews completed pre-application to confirm the real estate activity is an eligible cost of the funding program requested.
4. HSS completes a Pre-Application Threshold Checklist to determine the risk level of the proposed project. In general, HSS will manage low-risk applications and HFD will manage high-risk applications.

4A. If risk level (see Item #5) is low to moderate:
- HSS sends subgrantee a reservation letter that instructs subgrantee to provide specific items
- HSS oversees real estate application process
- HSS presents project to Finance Committee for approval
- HSS presents project to Housing Stability Council for approval if total EHA and/or SHAP funds are 1) 50% or more of total allocation or 2) $500,000 or more.
- HSS funds the project
- Monitoring is completed annually by HSS Monitor

4B. If risk level (see Item #5) is moderate to high:
- HSS transfers real estate project to HFD underwriter
- HSS notifies subgrantee of the change and provides subgrantee with contact information for HFD staff.
- HFD staff completes underwriting.
- HFD and HSS staff jointly present the project to Finance Committee for approval.
- If the project requires HSC approval, HSS staff presents the project to HSC. HFD stands by to answer underwriting questions. Requirements for HSC approval are if total EHA and/or SHAP funds are 1) 50% or more of total allocation or 2) $500,000 or more.
- HSS funds the project
- Monitoring is completed annually by HSS Monitor

5. Criteria leading to underwriting by Housing Finance Section includes but is not inclusive of:
- Asbestos or lead-based paint removal required
- Other funders, lenders and/or tax credits
- Extensive underwriting requirements
- An environmental Phase I report indicating contaminants
- Total project cost exceeding $500,000
- Construction to a building exterior: walls, windows, roof, decks, etc.
- Extensive construction, systems replacement, etc.
### One Time Only EHA and SHAP -- 2015-17 Biennium

**Total Allocation to CAAs:** $9.5 Million  
**Used for Real Estate:** $1,016,053

<table>
<thead>
<tr>
<th>Agency</th>
<th>Dollars Used and Program</th>
<th>Project</th>
<th>Use of Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>KLCAS</td>
<td>$111,975/EHA</td>
<td>Purchase of two houses</td>
<td>Family shelter</td>
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<tr>
<td>MWVCAA</td>
<td>$487,000/EHA and SHAP</td>
<td>Purchase of commercial building</td>
<td>Day shelter</td>
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<tr>
<td>ORCCA</td>
<td>$52,287/SHAP</td>
<td>Rehab of shelter</td>
<td>Family shelter</td>
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<tr>
<td>ORCCA</td>
<td>$217,152/EHA</td>
<td>Rehab of apartment complex</td>
<td>Transitional units</td>
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<tr>
<td>UCAN</td>
<td>$147,639/EHA</td>
<td>Purchase and siting of mobile homes</td>
<td>Transitional family shelter</td>
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</tbody>
</table>

### EHA and SHAP -- 2017-19 Biennium

**Total Allocation to CAAs:** $34,713,362  
**Used for Real Estate:** $825,800

<table>
<thead>
<tr>
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<th>Use of Project</th>
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<tr>
<td>KLCAS</td>
<td>$25,800/EHA</td>
<td>Shelter rehab</td>
<td>Family shelter</td>
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<td>MWVCAA</td>
<td>$500,000/EHA and SHAP</td>
<td>Shelter conversion</td>
<td>Day shelter</td>
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<tr>
<td>ORCCA</td>
<td>$300,000/EHA</td>
<td>Apartment rehab</td>
<td>Transitional units</td>
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</tbody>
</table>

### HB 5201 Shelter Expansion -- 2017-19 Biennium

**Total Allocation:** $5.2 million  
**Used for Real Estate:** $392,348

<table>
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<tr>
<th>Agency</th>
<th>Dollars used and Program</th>
<th>Project</th>
<th>Use of Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACCESS for Sub-recipient: Options</td>
<td>$35,000/EHA</td>
<td>Purchase portable shower/laundry trailer</td>
<td>Provide shower and laundry facilities to homeless persons</td>
</tr>
<tr>
<td>LCHHS</td>
<td>$157,378/EHA</td>
<td>Conversion of vacant church</td>
<td>Family shelter</td>
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<tr>
<td>United Way/ MWVCAA</td>
<td>$200,000/SHAP</td>
<td>Purchase home</td>
<td>Youth shelter</td>
</tr>
</tbody>
</table>
Date: June 7, 2019

To: Housing Stability Council Members
Margaret Solle Salazar, Director

From: Claire Seguin, Assistant Director of Housing Stabilization
Vicki Massey, Rent Assistance Programs Coordinator

Re: ACCESS Real Estate Acquisition at 6th and Ivy, Medford, OR

INFORMATIONAL ITEM. NO ACTION NEEDED

Purpose: To present to Housing Stability Council members an overview of ACCESS’s purchase of a building in Medford, OR to convert to a year-round shelter.

Approved by Homeless Services Section: May 15, 2019
Approved by Finance Committee: May 21, 2019

The 2018 Point-In-Time and Housing Inventory Counts indicate there were 732 homeless individuals in Jackson County but only 170 year-round shelter beds and 86 seasonal beds. The existing demand for emergency shelter and seasonal shelter beds far exceeds the county’s capacity to meet it. The community action agency (CAA) in Jackson County, ACCESS, has asked OHCS for EHA and SHAP funds through the Homeless Services Section real estate program to purchase a building to convert to a full-time 50 bed shelter.

Overview
The property consists of two commercial buildings with a common wall, built on three parcels of land, for a total of 8,000 square feet of space. Current zoning is Community Commercial, appropriate for a shelter. The facility is located in downtown Medford and is close to bus transportation and social services. ACCESS will buy the building for $465,000 plus closing costs. The appraised commercial value is between $470,000 and $510,000. The funds used for purchase and closing costs are:

    Emergency Housing Assistance (EHA) = $325,493
    State Homelessness Assistance (SHAP) = $172,503

ACCESS will own the facility and will lease it to Rogue Retreat, a Medford service provider who will operate the shelter.

The building is currently divided into three units. Unit 1 is occupied by an attorney. His office will move to another location in October 2019. Unit 2 is rented by Compass House, a recovery organization. They will move across the street in June 2019. Unit 3 is rented by Foundations for Recovery. Their lease runs until 2020. ACCESS has no plans to require them to move.

The shelter will be low-barrier and year-round overnight. Persons eligible to use the shelter must be homeless or at risk of homelessness. Annual income cannot be greater than 80% of the area median income (AMI), and the maximum stay is 60 days. The property owner will be required to record a fifteen year restrictive use covenant against the title.
Applicant has paid for tests and inspections including: asbestos, lead-based paint, and Phase 1 Environmental. None of the tests indicate any hazards on the property.

**EPIC Outcome Measures**
The real estate pre-application includes questions in which the applicant must describe how the real estate project will support each of the four EPIC Outcome goals chosen by the subgrantee: one goal from each category of Ending Homelessness, Preventing Homelessness, Inclusion and Diversity, and Community Capacity Building. ACCESS must answer each question as it relates to the 6th and Ivy Project.

Subgrantees are required to enter data into HMIS for their shelter and transitional housing residents. This data is reported quarterly, with demographic information defined for race, ethnicity, veterans, households with children, and other categories. ACCESS will use their data to calculate their success meeting each goal. Outcomes will be reported to OHCS and tracked by the OHCS Research Team.

**Priority: Equity and Racial Justice**

The OHCS Research Team will begin examining the demographic data ACCESS provides in relation to the demographics for ACCESS’s communities’ whole populations to learn if there are underserved or under-represented populations in their service areas. The Research Team will work with ACCESS to identify these communities and address changes to achieve greater equity of persons served.

ACCESS will be expected to hire small, minority, and women-owned businesses and to report to OHCS the total dollars spent on SBE/MBE/WBE contracts.

Beginning in 2019, the Master Grant Agreement (MGA) signed by all subgrantees will include a statement of Diversity, Equity, and Inclusion (DEI). The subgrantee receiving funds for acquisition, rehab, or conversion will be under the same expectations of the DEI agreement as any subgrantee providing other services. Should ACCESS request conversion or rehab funding for this shelter project, approval will be given according to the new real estate policy and MGA requirements, including the obligations of the DEI agreement.

**Priority: Homelessness**

All the persons served in ACCESS’s 6th and Ivy shelter must be homeless or at risk of homelessness.

**Priority: Permanent Supportive Housing**

Increasing the shelter opportunities in a community brings the homeless person into a location where the CAA can connect, assess, and develop a relationship; components necessary before the next steps of providing homeless individuals with supportive housing and services can occur. The year-round opening of the 6th and Ivy shelter will connect homeless persons to ACCESS’s services and create a relationship with Rogue Retreat and other community service providers.

**Priority: Affordable Rental Housing**

Oregon’s homeless include families and individuals who became homeless from one debilitating situation, such as a job loss or medical issue. These households can often recover quickly if provided with short-term assistance. Support from their CAA through shelter services or transitional housing can give them the boost needed to reclaim stability and move on to independent housing. The operations of the 6th and Ivy shelter will allow ACCESS and Rogue Retreat to identify these households and provide short-term services needed for the household to become self-sufficient again.
Priority: Homeownership
Homeownership is a step low- and moderate-income households would not be able to achieve without the existence of homeownership programs and support from community agencies. Households entering the CAA’s realm of assistance at an early stage in the continuum are introduced to the skills needed to succeed. Connecting to the CAA in shelter or transitional housing can create the achievement of this goal.

Priority: Rural Communities
Rural CAAs rarely have the financial options of larger CAAs and rely on funding received from OHCS for both agency operations and service provision. Being able to use EHA and SHAP funds to expand their communities’ ability to meet the needs of their residents fills a gap in resources which would otherwise be unmet. ACCESS has been striving to develop a shelter in Medford, this is their opportunity.

Conclusion
Homeless Services Section is pleased to be a part of this shelter development in Medford. The facility is well-located and close to services and transportation. Rogue Retreat is an experienced manager of housing for homeless persons. HSS looks forward to assisting ACCESS to add this shelter inventory to the Medford community.
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Date: June 7, 2019

To: Housing Stability Council
Margaret Solle Salazar, Director

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

Re: Qualified Allocation Plan (QAP) Engagement Update

Context:
This memo provides a summary of QAP feedback received through a series of roundtable conversations with partners. During Housing Stability Council (HSC), staff will be able to answer any questions about the information provided in this memo. Additionally, we include three policy questions (bolded) that we will be seeking HSC feedback. These policy questions are on the following topics:
- Current approach to MWESB incentives;
- Use of 4% LIHTC as a unit production tool; and
- Balance between incentivizing lower cost and prioritizing readiness to proceed considering the desire to get units placed on the ground.

Overview:
Public participation throughout our QAP update process is critical; OHCS has utilized a mix of engagement strategies to ensure that we provide all stakeholders a way to provide feedback and actively participate in this QAP update. It is our hope that the difficult policy trade off conversations related to any anticipated change be vetted through the public engagement effort. The QAP update creates a platform to allow for a changing of the tides in terms of looking closely at alternatives, methods, and solutions. As we know, no one solution will work across a state as diverse as ours.

OHCS has been working hard to build our presence in statewide and national conversations as a way to build support for our initiatives. Under HSC leadership, OHCS is actively reimagining the role we play in shaping as part of a holistic and coordinated system. We have an unprecedented
crisis but also an unprecedented opportunity to make an impact, with the scale of resources on the table here in Oregon. We need all hands on deck – developers, financial institutions, local governments, service providers, and others – to work in partnership to deliver the housing and services that Oregonians need and deserve.

The first goal of the engagement and outreach sessions scheduled throughout April, May, and June is to present OHCS’ plan for updating the QAP following three update objectives:

1. Alignment with the Statewide Housing Plan (SWHP),
2. Adoption of national best practices, and
3. Streamlining the project selection and funding process.

Our second goal is to learn more about opportunities and challenges from the stakeholder’s perspective on important policy topics such MWESB, cost containment, and readiness to proceed.

In April and May, we held roundtable conversations with lenders and investors, HUD HOME Participating Jurisdictions, and developers. In the coming weeks, we will have targeted conversations with both our culturally specific partners, and Tribes. In all of these conversations, we work to expand upon the baseline information captured in the survey results and will help us receive additional feedback on potential QAP implementation strategies.

In addition to soliciting feedback in person at these meetings, we are compiling feedback submitted via email to HCS.QAP@oregon.gov, and are planning to schedule additional conversations by phone as we move through this QAP update process. This memo goes on to detail key themes we would like to share with HSC. Below is a short summary of high level feedback from partners we received for each policy priority and a series of policy questions they asked us to consider as we move forward in our process.
Themes from engagement:

**1. Alignment of the QAP to reflect priorities in the five-year Statewide Housing Plan.**

**Rural Priority & Location Criteria:**

“Would like a deeper dive into the location-based scoring criteria—especially to what extent they inadvertently negatively impact equity goals, PSH priority goals, etc”

We asked our partners to share their concerns about the treatment of rural projects with the current QAP.

1. The QAP includes a cost containment measure which uses five years of project cost data to establish a threshold “Total Development Cost” by bedroom size.
   1.1. Stakeholders indicated that “Total Development Costs” are not that different between regions specifically when it comes to system development charges, site costs, and infrastructure.

2. The QAP includes preference points for projects based on a concept of “equitable distribution” of subsidized affordable housing. This concept establishes that, for example, if a city with 10 percent of the state’s low income and severely rent burdened households (“need”) should have 10 percent of the state’s subsidized affordable housing (“affordable housing”). In this example, if a city has 10 percent of the state’s need but 6 percent of the state’s affordable housing, then it would get more points than a city where they have 10 percent of the need and 12 percent of the affordable housing.
   2.1. Stakeholders indicated that OHCS’ inventory database does not reflect the actual need for rural community. There is significant interest in re-defining the way need is represented in the QAP.

3. The QAP includes point scoring incentives for several location factors such as: proximity to grocery stores and transit, community indicators of opportunity, and risk of gentrification. Each of these measures are scaled differently in rural communities.
   3.1. However, stakeholders expressed that the current OHCS location metrics are not well suited for rural geographies, specifically are vulnerable to gentrification, and require project be sited in areas with revitalization plans.
   3.2. There was mixed reaction to adding Opportunity Zones to the point incentive criteria for Vulnerable Gentrification Areas in all areas of the state.
3.3. Developer partners, even those in urban areas and our Participating Jurisdiction partners, expressed concern over our current QAP’s location efficiency metrics, mentioning the current state of affairs has produced some unintended consequences. One partner noted for example, that if OHCS prioritizes sites near transit, it may not produce the best outcome potential if there are better opportunities and access in low density areas which do not have the same level of transit infrastructure.

4. Lender and investor partners did acknowledge facing certain challenges in doing business in rural Oregon:

4.1. Lack of Community Reinvestment Act need in rural areas outside of large cities like Bend, Eugene, or Lincoln City;
4.2. Need for organizational liquidity and experience, which is often not present in small rural or even small culturally specific development partners;
4.3. Higher risk profile for 4% credits due to lower rents in rural areas.

“Simplifying projects to increase efficiency, sometimes bigger and more complicated is not better and should not be rewarded.”

Equity and Racial Justice Priority:

We asked our development stakeholders for their feedback on the implementation of equity and racial justice; specifically, our pursuit of a comprehensive MWESB strategy.

1. Stakeholders expressed an overarching concern over balancing project cost with limited MWESB contractor pool supply, supporting local hiring needs and having longer term partnerships rather than point chasing.
2. Several of our developer partners expressed concern over not being able to address competing priorities i.e. rural housing production versus MWESB contracting engagement.

“How is the state going to balance cost/complexity with new or expanded requirements? PSH, MWESB, etc.”
Permanent Supportive Housing Priority:

1. Many partners recognize the need for increased funding for Permanent Supportive Housing (PSH) and view using 9% LIHTC as a logical source of funding to accomplish this objective.

   1.1. In order to begin planning for PSH projects, several partners were interested in getting more clarity on the definition that OHCS will be using for “individuals and families currently experiencing homelessness” as this will have major implications for the entire project.
   1.2. Obtaining funding to support services and operation was mentioned as a challenge faced by many partners.
   1.3. Having an understanding of the difference between resident services and tenant support services was also mentioned as being very necessary in underwriting the viability of a PSH.

2. With respect to underwriting, lenders and investors posed the following questions for OHCS to considering:

   2.1. What is the experience of the partner with providing services to homeless population?
   2.2. What is the capacity of the partner to increase their service level for a new project? Are they at max capacity?
   2.3. Are there enough operating reserves to support the increased service level demands of this population?
   2.4. Given that rental subsidies are subject to appropriation, how long are these committed?

Policy Question for Housing Stability Council:

- MWESB: We are embarking upon the creation of a comprehensive MWESB strategy to expand the use of MWESB contractors in the development and operations of affordable housing. A consultant is expected to begin work to develop this strategy in July and complete the work by the end of the year. In advance of that strategy, we have given point preference to projects that identify plans to seek MWESB contractors and require that they report on outcomes at the end of the development process.
  
  o Is Housing Stability Council comfortable continuing to use this approach in awarding points for MWESB contracts, until we are further along in the development of a comprehensive MWESB strategy?
June 7th, 2019
QAP Stakeholder engagement update

2. Adoption of national best practices where possible and lessons learned to improve the timely delivery of housing to Oregonians and to ensure project viability.

Preservation Priority:

“9% Tax Credits should be for both new construction and preservation, but don’t lose sight of new construction.”

Wherever possible, we strive to align with national best practices as a key part of this QAP update. NCSHA’s Recommended Practices in Housing Administration #20 (https://ncsha.org/wp-content/uploads/2018/04/NCSHA-Recommended-Practices-in-Housing-Credit-Administration-Updated-Dec-2017.pdf) suggests that states develop separate policy for the use of 9% and 4% credits for preservation as well as policies on housing credit re-syndication.

1. Developer partners expressed concern for how smaller preservation deals would get done without 9% tax credits, especially in rural locations.
   1.1. If predictable gap sources were available for smaller preservation it could free up tax credit to be utilized for other types of projects.

2. Stakeholders and best practice notes that in order to encourage the use of 4% LIHTC for preservation are:
   2.1. To adjust underwriting standards to allow for increased maximization of 4% tax credits to the extent allowed possible under IRS section 42.

3. Participants noted that OHCS must be mindful of any impact of 2017’s HB 2002 which established regulations for publicly supported housing in order to ensure, as best as possible, there is opportunity to engage in the preservation of publicly supported housing.

4. Stakeholders indicated a need for capacity building for smaller Public Housing Authorities, especially around HUDs Rental Assistance Demonstration effort and the project-basing of section 8 vouchers.

Income Averaging:
In 2018, the federal government announced an update to the IRS code that dictates parameters over the Low Income Housing Tax Credit Program (LIHTC). This created a new opportunity, called Income Averaging, in LIHTC projects. It allows the inclusion of 80% AMI units in LIHTC projects (an increase from the former cap of 60% AMI), in cases where the project units as a whole have an “average” restriction of 60% AMI or below. The IRS left it to individual states to
determine whether and how any corresponding Income Averaging approach would be implemented. OHCS sought input from partners on how this policy should be structured in Oregon.

1. The overwhelming majority of developer partners cautioned OHCS against setting an average-to-target threshold below what is allowable under IRS code.

1.1. Instead, we should defer to the investor community as they have more financial risk if units are deemed non-compliant.

2. Partners also advise that both OHCS Multi-Family Finance Division sections - Asset Management and Finance work in tandem in shaping whatever parameters are put in place from the outset.

“It feels like we’re continuing to make developing affordable housing complicated—it should get easier because we need quantity.”

Policy Question for Housing Stability Council:

- The 4% LIHTC Program is designed as a production tool for those projects that are large enough in scale to be able to leverage substantial resources through debt, attract a wide pool of investors, and in many cases not require additional sources of public subsidy. This program is operated as an open, non-competitive resource, and we anticipate that will remain the case as long as the availability of private activity bond allocation remains underutilized. OHCS has invested in streamlining this fund offering to be responsive to the market and to attract new developers to our space.

An open application structure allows this program to be driven by market factors and increases the ability to move on projects without waiting on NOFAs and other policy timelines. Further, it allows OHCS and other public funders to leverage the 4% tax credit investments into their own programmatic resources. For example: OHCS is currently working to develop a gap fund offering for large new construction projects to be paired with 4% LIHTC as a core piece of the production strategy to meet the SWHP goals. Metro jurisdictions have done extensive modeling of how to leverage non-competitive state resources with Metro Bond funds.

Core to this approach is maintaining minimal policy layers within the 4% LIHTC program. This approach will then focus our 9% program toward addressing those hard-to-develop, and therefore much costlier, policy-rich projects that serve the lower end of the economic spectrum – and especially those projects in smaller rural areas and those needing additional gap resources.
A caveat to this is that the LIFT program has been paired successfully with the 4% LIHTC. As Council is aware, LIFT brings its own policy priorities related to serving rural communities and communities of color, serving families with supportive services and other program components. In this construct, it is LIFT, not the 4% program, that creates these policy goals.

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

3. **Streamline project selection and funding process to take advantage of the new data system that we are in the process of adopting.**

New Data System:

> “Need some subjectivity in the application—give sponsors the opportunity to really deliver on some priorities if we can’t meet everything”

OHCS is in the process of adopting the ProLink data system which allows outside entities (i.e. developers, sponsors, and project funders) the ability to upload electronic applications. Thus, increasing transparency throughout the application and development process.

1. Overall, partners felt positive about the future possibilities of not having to submit paper applications. The current application format is a concern for a couple of partners and a new data system would allow for improved file transfers and consolidated forms.

2. There was mixed feedback on leveraging the system to be used for objective self-scoring of applications by developer sponsors. In contrast, the overwhelming majority of lenders and investors felt that adding self-scoring was very positive and in line with best practices across the nation.
The chart below provides a side-by-side comparison of views expressed by partners for moving toward a more objective application.

<table>
<thead>
<tr>
<th>Objective Self-Scoring Electronic Application</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pro’s</strong></td>
<td><strong>Con’s</strong></td>
</tr>
<tr>
<td>1. 100% objective will make simple self-scored application</td>
<td>1. Subjective is warranted</td>
</tr>
<tr>
<td>2. Increased Transparency</td>
<td>2. May diminish ability to innovative</td>
</tr>
<tr>
<td>3. Ease of use and increased consistency</td>
<td>3. Potentially puts smaller developers and culturally specific developer partners at a disadvantage</td>
</tr>
<tr>
<td>4. Faster turn-around time for scoring processes</td>
<td></td>
</tr>
<tr>
<td>5. Helpful in planning for future projects</td>
<td></td>
</tr>
</tbody>
</table>

**Readiness to Proceed:**

“Market rate projects plan for recapitalization close to year 8; this is just not our realities. We can’t even think about accessing more in most cases until past year 16.”

A core component in aligning the QAP with the SWHP is a project’s readiness to proceed. We explained to stakeholders how important readiness to proceed is to the agency in funding consideration and asked for their feedback on the most effective way to ensure project readiness at application. Specifically, barriers to providing readiness information upfront include:

1. An overarching concern was balancing cost to apply in addition to readiness factors (and fees) will increase costs.
2. Several of our developer partners expressed concern over making cost containment a part of scoring criteria.
   2.1 Unrealistic costs may be submitted early just to chase points
3. Stakeholders advised that OHCS needs to consider the long term operations and long term quality
   3.1 Cost of operations will increase over time
   3.2 OHCS needs to acknowledge that PSH will be different
4. Stakeholders indicated that OHCS should keep in mind there is an inherent tension between leveraging multiple funding sources and cost efficiency; layering resources
adds to project soft costs in terms of additional legal review, architectural review and compliance needs.

5. Partners also advise that OHCS should consider the negative cost impacts of the various fund requirements. There is significant interest in reviewing the way certain programmatic requirements, which may or may not be necessary, are adding cost to the project.

Taking a Balanced Approach to Cost Containment and Policy Objectives

“It is clear...that public funders need to “own” the additional development costs associated with policy requirements.”

A message expressed throughout all conversations with developers, was the intersection of policy objectives with cost containment. Increasing a project’s need to engage in broad outreach, serve Extremely Low Income households, contract with MWESB firms, serve rural areas, work with Rural Development, and become more ready to proceed at the time of application – all have the impact of increasing project costs. We heard loud and clear that we must consider these impacts when factoring in subsidy limits and cost containment metrics.
Policy Question for Housing Stability Council:
- If we dedicate points to projects that are demonstrating readiness to proceed, we are effectively increasing the use of pre-development resources in the marketplace. Small, rural, and culturally specific developers often lack access to funding that can be used to fund substantial pre-development activities. At the same time, without a lens on readiness to proceed, we see long development timelines that substantially delay the ability of these resources to serve Oregonians in a time of great housing need.
  o How should we approach the balance between wanting to ensure that small rural and culturally specific partners have access to our funding resources factors and the desire to get units placed on the ground quickly which increases pre-development investment needs?

Next Steps in the Engagement Process

Conversation with Tribes will occur before Housing Stability Council meeting and a Culturally Specific Organization Roundtable will be scheduled to take place mid-June.

QAP Redlines: In June, we plan to begin drafting revisions to the QAP informed by the feedback received in consultation with Housing Stability Council. These will be published on our QAP outreach website for public review.

“It seems like there is a lot of work to do on the QAP, I hope you can use the input well to inform the QAP”.

Phone Meeting: After a redlined version of a QAP is published online later this month, we will schedule a webinar/phone meeting to continue our dialogue and solicit feedback from partners across the state. We will use this conversation to further refine and define our QAP revisions.
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Date: June 7, 2019

To: Housing Stability Council
    Margaret Solle Salazar, Director

From: Edward Brown, GHAP / HDGP Program Manager
    Tai Dunson-Strane, Tax Credit Program Manager
    Mitch Hannoosh, Housing Finance Policy Analyst
    Natasha Detweiler-Daby, Senior Housing Finance Policy Analyst
    Julie V. Cody, Assistant Director Housing Finance

Re: Framework for Commitment of $19 million in Large Scale New Development, Small Project, and Veterans Gap Funds

At the June 2019 Housing Stability Council (HSC) meeting, we will be introducing framework for $5 million in gap resources for Large-Scale new construction, $10 million in gap resources for Small Project development, $4 million in gap resources for Veterans units, and corresponding Oregon Affordable Housing Tax Credits (OAHTC) available for applications. We are looking for HSC feedback on this framework, which we plan to bring back in July 2019 for HSC approval prior to opening the offering in late July / early August 2019.

In addition to looking for general feedback on the frameworks presented, we are looking for specific feedback on a few policy questions.

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

   *Context: To-date our preservation / rehab offerings have not been designed to work well for smaller affordable housing projects in need of rehabilitation; allowing such projects to compete for resources in the small project offering would provide an opportunity to preserve these vulnerable housing resources. The downside to such an allowance would be that the resources would limit the number of new units produced. Historically, the small project NOFAs have been used for preservation / construction defect repair; group homes, and new construction – not always during the same NOFA cycle. Note: the funding caps recommended in this framework are based on the new construction of units; if we include acquisition/rehab and preservation we would expect to establish lower funding caps than those for new construction.*
2. Should we prioritize putting resources to develop units set-aside for Veterans into all projects, or should we restrict those resources to just the small project offering?

Context: As you’ll read in this framework, our large scale new development gap offering, which is intended to be paired with 4% LIHTC, emphasizes low subsidy and economies of scale in order deliver a large number of units to serve low income Oregonians. The Veterans Gap resources could be used to set-aside units within these larger projects to serve Veterans. However, given the production model, these projects are far less likely to have supportive resources for a more vulnerable Veteran population. On the other hand, the small project offering may be a mechanism for creating specifically dedicated Veteran housing with a sense of community.

3. Our current framework includes preference points for projects connected to several state agency capacity building efforts; do we want to expand this point incentive to projects participating in other, external, capacity building efforts?

Context: In order to build upon OHCS related investments in capacity building, we have proposed preference points for those projects that have ties to specific capacity efforts including: Veterans “Operation Welcome Home” initiative, Rural Peer Network, Rent Burdened Community technical assistance investments made through 2018 Legislative efforts (HB 4006), and previous OHCS and Meyer Memorial Trust capacity building investments. The intention of the proposed preference points is to leverage these capacity investments that further Statewide Housing Plan goals. Should HSC agree this is an appropriate concept to preference in these offerings, we would also ask whether this preference should be expanded to include other capacity investments that we are not aware of and are not directly connected to these efforts?

Background:
HSC members approved the 2019 funding calendar on October 5, 2018. Part of the 2019 funding calendar is the use of gap funding resources to be used for:

- **Large Scale New Developments to be paired with 4% LIHTCs ($5 million);**
  The intent of this large scale new development offering is to engage high capacity developers in producing units where they can respond to market opportunity and achieve economies of scale using the 4% tax credit along with modest additional subsidy. Executing such a production strategy will be a fundamental piece of our Statewide Housing Plan goal of increasing our production pipeline to 25,000 units.

- **Smaller Scale Projects with Gap ($10 million);**
  The intent of this smaller scale gap fund offering is to give opportunity to those projects that are not large enough to use the 9% tax credit but are meeting core affordable
housing needs in the state. Since the 4% tax credit tends to work better in urban areas, this resource allows us to more heavily target production in rural Oregon, which is another core deliverable of our Statewide Housing Plan.

- **Veteran Gap resources to create set-aside units ($4 million).**
  The intent of these resources is to serve veterans in communities across the state; increasing affordable housing opportunities that are set-aside to serve veterans is a need identified in the Statewide Housing Plan Needs Analysis. In addition, addressing veterans homelessness is a key strategy in the Homelessness Policy Priority of the Statewide Housing Plan. For context – the Document Recording Fee includes a set aside of funding for veterans within the rental housing program.

In order to deploy these resources, OHCS has developed a funding framework based on internal analysis of need, alignment with the statewide housing plan priorities, and stakeholder feedback from prior rounds.

There are two specific qualifying categories under this NOFA:

- **Large Scale New Development.** A new development project of at least 80 units in urban areas and at least 60 units in rural areas.
- **Small Project Development.** A development project of at least 5 and at most 35 units.

Based on Housing Stability Council feedback, the Veterans offering will either be split between the large and small development set-asides or put solely into the Small Project Development offering.

**Alignment with the SWHP:** This NOFA offers many opportunities to align with and further the goals of the Statewide Housing Plan.

1. **Equity and Racial Justice Priority**
   This framework will work to increase equity and promote racial justice through its offerings in the following ways:

   a. **Diversity, Equity, and Inclusion agreement**
      All small and large project applicants will be required to execute OHCS’s standard agreement that commits them to furthering a wide range of equity priorities in both hiring, partnerships, outreach, and accountability.

   b. **Culturally Specific / Responsive Partnerships**
      Applicants for the small project offering will be required to submit MOUs from culturally specific or responsive organizations and/or demonstrate how their
organization is able to incorporate those perspectives (board representation, staff diversity, etc.).

c. **Minority-owned, Woman-owned, or Emerging Small Businesses (MWESB)**
   All small and large applicants will be required to submit a plan for how they will engage and contract with MWESB firms in the construction of their proposed projects. (As Council is aware, OHCS does not yet have an agency wide policy on MWESB engagement.)

d. **Opportunity Areas Criteria**
   All projects will receive point preference based on criteria that have been identified as providing greater opportunity to residents of that geographic region. This will be scored differently for Portland metro areas than the balance of state.

e. **Tribal-Sponsored Projects in Rural Oregon**
   Small projects will receive point preference if they are sponsored by one of Oregon’s sovereign Tribes and will be sited in a rural area.

f. **Asset Building Opportunity**
   All small and large projects will receive point preference if they have a demonstrable, trackable, and/or measurable program, partnership, or initiative that will provide tenants with asset building opportunities (IDAs, CDAs, lease-to-own, etc.).

2. **Homelessness Priority**

   a. **Veterans Unit Production**
      In addition to offering resources dedicated to developing units set-aside for Veterans, point preference will be given for developing units set-aside for Veterans experiencing homelessness.

   b. **Extremely Low-Income Units**
      Projects will receive point preference for units tied to rent assistance or otherwise accessible to extremely low-income individuals and families, those households earning 30% area median income or less.

   c. **Collaboration**
      Projects will receive point preference for connections with existing efforts to house homeless Veterans, including Veterans “Operation Welcome Home” initiative.

3. **Affordable Rental Housing Priority**

   a. **Transit Oriented Developments**
      Projects will receive point preference for being sited in areas with accessible public transit options. This will be scored differently for urban and rural areas.
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b. **Family / Large Size Units**
   Projects will receive point preference for including a larger number of bedrooms per unit; subsidy limits will be scaled by bedroom size.

c. **Subsidy Leverage**
   Projects will receive point preference for requiring less OHCS subsidy per unit.

d. **Capacity Building Collaboration**
   Projects will receive point preference for connections with existing efforts to build capacity, including Veterans “*Operation Welcome Home*” initiative, Rural Peer Network, Rent Burdened Community technical assistance investments made through 2018 Legislative efforts (*HB 4006*), and previous OHCS and Meyer Memorial Trust capacity building investments.

4. **Rural Priority**

   a. **Rural Set-Aside**
      We’re proposing a 70% set-aside for projects in rural areas in the small project offering; projects in the rural set-aside will only compete against each other.

   b. **Agriculture Workers**
      Projects will receive point preference for incorporating units set aside for agriculture workers and their families.

   c. **Rent Burden Community Collaboration**
      Projects will receive point preference for participation in the Rural Peer Network, and Rent Burdened Community technical assistance investments made through 2018 Legislative efforts (*HB 4006*).

5. **Homeownership Priority**

   a. **Asset Building Opportunity**
      Projects will receive point preference if they have a demonstrable, trackable, and/or measurable program, partnership, or initiative that will provide tenants with asset building opportunities (IDAs, CDAs, lease-to-own, etc.).

**Funding Framework Processes:**
A major theme from OHCS stakeholder input was to provide more clarity on project selection. Stakeholders have also asked the department to move away from the first-come first-served selections while also maintaining a simple application process. OHCS staff have developed and propose for Council consideration the following process framework elements:

   - A streamlined, mostly self-scored, competitive NOFA that will be open for 60 days, the combination of which will allow for a faster turnaround to funding recommendations,
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provide greater clarity to applicant selection, and avoid “the rush” of a first-come, first-serve solicitation.

- Scattered site projects will be scored collectively as a single project. If scattered site projects are over both urban and rural areas the project will be scored within the set-aside where the majority of the units reside.

- In the event of a tie and there are not enough available funds to fund both projects; reservations will be prioritized based on four tiebreakers and in the following order:
  a) The project with the greater number of units will be selected and break the tie.
  b) If a tie remains; the project with a lower subsidy per unit will be selected and break the tie.
  c) If a tie remains; the project located in Census Tracts with highest severe housing cost burden will be selected and break the tie.
  d) If a tie remains; the project located in a geographic area that has not received GHAP resources in the prior two years will be prioritized. Which geography depends on the region the project will be sited in:
     - If Portland Metro: Project located in municipality that has not received GHAP resources in prior two years.
     - If Balance of State: Project located in county that has not received GHAP resources in prior two years.

General Framework Timing and Resources:

Application Timing:
• July/August 2019 – Streamline Application formal announcement
• October 2019 – Application Due
• December 2019 – Housing Stability Council Presentation

Resources:
• Large Scale New Development
  o $5 million
  o $10 million OAHTCs
• Small Projects; $10 million
  o $7 million – Rural
  o $3 million – Urban
  o $5 million OAHTCs
• Veterans Funds; $4 million total
  o To be determined based on Housing Stability Council feedback
Per unit subsidy maximum caps are recommended as follows (Veterans unit subsidy boost in parentheses):

<table>
<thead>
<tr>
<th>2019 Subsidy Caps / Unit</th>
<th>Studio</th>
<th>1 Bedroom</th>
<th>2 Bedroom</th>
<th>3 Bedroom</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large Scale Projects</td>
<td>$25,000</td>
<td>$35,000</td>
<td>$40,000</td>
<td>$50,000</td>
</tr>
<tr>
<td>(Veterans subsidy boost)</td>
<td>(+$25,000)</td>
<td>(+$35,000)</td>
<td>(+$40,000)</td>
<td>(+$50,000)</td>
</tr>
<tr>
<td>Small Projects</td>
<td>$125,000</td>
<td>$175,000</td>
<td>$225,000</td>
<td>$275,000</td>
</tr>
<tr>
<td>(Veterans subsidy boost)</td>
<td>(+$25,000)</td>
<td>(+$35,000)</td>
<td>(+$40,000)</td>
<td>(+$50,000)</td>
</tr>
</tbody>
</table>

Large Scale Project limits: these are based on leverage of 4% LIHTC and are drafted based on limited subsidy level at rates below what we saw as feasible with the policy rich LIFT program.

Small Project limits: these are based generally on historic total development cost limits with the assumption that most of these projects will be unable to leverage tax credits and that there will be limited ability of these projects to take on debt. The per unit limits here are higher because, based on OHCS experience, often these developments are using GHAP as the only funding source. These projects will be smaller than LIFT developments, for example, which are leveraging multiple funding sources even in rural areas.

Veterans subsidy boost: this is provided to allow for projects to incentivize unit set-asides for Veterans populations; additionally, our point incentives for small projects prioritizing serving homeless veterans where you would have reduced ability to take on debt.

By including strong point preference for projects seeking general gap resources in all of these we anticipate driving toward lower subsidy requests than these caps currently allow.

Regions:
- Rural Areas are defined as:
  - All Oregon communities within the Portland Urban Growth Boundary are considered urban and not considered rural regardless of size.
  - Oregon communities with population of 15,000 or less within counties that are considered Metropolitan Statistical Areas (MSA) and outside of the Portland Urban Growth Boundary (see subsection a. above). MSA Counties include Benton, Clackamas, Columbia, Deschutes, Jackson, Marion,
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Multnomah, Polk, Washington, and Yamhill.
c. Communities with population of 40,000 or less in the balance of the state (not defined in parts a or b in this subsection).

Note: A community may be considered rural if it had been under the population threshold within the past 3 years of published data, and if their current population is within 5 percentage points of eligibility.

- Urban Areas are all parts of the State of Oregon that do not meet the definition of rural, above.

Application Thresholds and Scoring Criteria

Large Scale New Development Application Submission:

- Limit 1 application per sponsor
- Must be new construction
- Application to include the 4% LIHTC Pre-Application Materials
- Investor Letter of Intent
- Construction and Permanent Lender Term Sheet
- Multifamily Energy Program (OR-MEP) reservation letter (if applicable)
- Other soft funding reservation letters (if applicable)

Projects that receive a funding reservation will be expected to proceed to construction close within 285 days.

Scoring Criteria – Large Scale Projects:

<table>
<thead>
<tr>
<th>Production Criteria</th>
<th>Points</th>
<th>Rationale</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Project Size:</td>
<td>Up to fifteen (15) points to any proposed project based on total number of affordable units</td>
<td>Effective use of resources based on 2018 offering.</td>
</tr>
<tr>
<td>15 points</td>
<td>151 or more units</td>
<td>10 points</td>
</tr>
<tr>
<td>10 points</td>
<td>150 to 131 units</td>
<td>5 points</td>
</tr>
<tr>
<td>5 points</td>
<td>130 to 100 units</td>
<td>0 points</td>
</tr>
<tr>
<td>0 points</td>
<td>99 to 80 units</td>
<td></td>
</tr>
</tbody>
</table>

2. Subsidy Leveraging:                 | Up to fifteen (15) points                                          | Preference projects                                  |

1 https://www.oregon.gov/ohcs/Pages/multifamily-housing-four-percent-application.aspx
Points will be awarded to projects that require lower subsidy per unit. Calculated by dividing the total grant amount requested by the total number of affordable units. Veterans units receive additional allowable subsidy within each point category.

| to any proposed project based on the grant requested per affordable unit: |
|---|---|
| **15 points** | 50% below per unit subsidy caps |
| **10 points** | 30% - 49% below per unit subsidy caps |
| **5 points** | 10% - 29% below per unit subsidy caps |
| **0 points** | 0% - 9% below per unit subsidy caps |

that require less grant funds to proceed.

3. **Severe Housing Cost Burden:** Points will be awarded to projects located in a census tract where the rate of severe rent burdened households is 1.2 times that of the state rate.

4 points

Provide housing in areas with the greatest need for housing affordability.

4. **MWESB:** Points will be awarded to projects that commit to tangible and evidenced engagement and/or contracting with Minority-owned, Women-owned, and Emerging Small Businesses registered with Business Oregon as an MWESB business.

Supporting these businesses helps promote equity through job opportunities and investment for disadvantaged people and businesses.

Reporting on results of this will be required at the time of construction close.

2 points

5. **Large Family Units:** Points will be awarded to projects with an average unit size that contains enough bedrooms to support larger families. Studio units will be counted as 0.5 bedrooms.

Encourage larger units that can support families with children.

5 points

Average bedroom size is 2 or greater.

3 points
To receive any points, projects must apply Project Development Manual (PDM) standards and include at least 10% three-bedroom units.  

<table>
<thead>
<tr>
<th>To receive any points, projects must apply Project Development Manual (PDM) standards and include at least 10% three-bedroom units.</th>
<th>Average bedroom size is greater than or equal to 1.5 and less than 2.</th>
</tr>
</thead>
</table>

6. **Asset Building Opportunities:**  
Points will be awarded to projects committed to supporting asset-building opportunities for their tenants. Opportunities can include individual development accounts (IDAs), child development accounts (CDAs), lease-to-own pathways, financial support for continuing education, or other demonstrable and measurable initiatives approved by OHCS.  

<table>
<thead>
<tr>
<th><strong>Asset Building Opportunities:</strong> Points will be awarded to projects committed to supporting asset-building opportunities for their tenants. Opportunities can include individual development accounts (IDAs), child development accounts (CDAs), lease-to-own pathways, financial support for continuing education, or other demonstrable and measurable initiatives approved by OHCS.</th>
<th>2 points</th>
<th>Building wealth is a proven strategy for combating intergenerational cycles of poverty.</th>
</tr>
</thead>
</table>

7. **Ties to Existing Efforts:**  
Points will be awarded to projects that are or will be working with existing efforts, programs, and/or initiatives such as Veterans Capacity, Meyer Memorial Trust Capacity, rent burdened community assistance, or other demonstrable initiatives approved by OHCS.  

<table>
<thead>
<tr>
<th><strong>Ties to Existing Efforts:</strong> Points will be awarded to projects that are or will be working with existing efforts, programs, and/or initiatives such as Veterans Capacity, Meyer Memorial Trust Capacity, rent burdened community assistance, or other demonstrable initiatives approved by OHCS.</th>
<th>2 points</th>
<th>Other programs, initiatives, and agencies are working towards similar goals to OHCS and joining efforts avoids redundancies and builds overall capacity.</th>
</tr>
</thead>
</table>

8. **Transit Oriented Development:**  
**IF URBAN:** Points will be awarded to projects located in Transit Oriented Development Districts (TODD).  

**IF RURAL:** Points will be awarded to projects located within close proximity (5 miles) of public transit options.  

<table>
<thead>
<tr>
<th><strong>Transit Oriented Development:</strong> Points will be awarded to projects located in Transit Oriented Development Districts (TODD).</th>
<th>5 points</th>
<th>Provide housing in areas near transit to connect tenants to employment, amenities, and cultural centers.</th>
</tr>
</thead>
</table>

9. **High Opportunity:**  
**If in Portland Metro (METRO):** Points will be awarded to projects located in areas of low poverty and high employment opportunity when compared to comparable census tracts. Defined by ACS data on poverty rates and  

<table>
<thead>
<tr>
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<th>5 points</th>
<th>Desegregating poverty is an important equity goal of the agency that can be worked towards through the siting of affordable</th>
</tr>
</thead>
</table>
unemployment rates, and AFFH data on Labor Market Engagement. Project located near high performing elementary school, defined by the Oregon Department of Education as achieving Level 4 or Level 5 on the school’s report card for Math Achievement for 4th grade.

**If in Balance of State (BALANCE):** Points will be awarded to projects located in area of low poverty when compared to comparable census tracts.

**BALANCE:** Project location has lower poverty rate than comparable Census Tracts

3 points

**METRO:** Project location meets 1 Opportunity Area criterion.

**BALANCE:** Project location has same poverty rate as comparable Census Tracts

| Housing in locations with low poverty, jobs, and access to high quality schools. |
Small Project Application Submission:

- Limit 1 application per sponsor
- Investor Letter of Intent (if applicable)
- Construction and Permanent Lender Term Sheet
- Multifamily Energy Program (OR-MEP) reservation letter (if applicable)
- Other soft funding reservation letters (if applicable)

Scoring Criteria – Small Projects:

<table>
<thead>
<tr>
<th>Production Criteria</th>
<th>Points</th>
<th>Rationale</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Subsidy Leveraging: Points will be awarded to projects that require lower subsidy per unit. Calculated by dividing the total grant amount requested by the total number of affordable units. Veterans units receive additional allowable subsidy within each point category.</td>
<td>Up to fifteen (15) points to any proposed project based on the grant requested per affordable unit:</td>
<td>Preference projects that require less grant funds to proceed.</td>
</tr>
<tr>
<td></td>
<td>15 points</td>
<td>50% below per unit subsidy caps</td>
</tr>
<tr>
<td></td>
<td>10 points</td>
<td>30% - 49% below per unit subsidy caps</td>
</tr>
<tr>
<td></td>
<td>5 points</td>
<td>10% - 29% below per unit subsidy caps</td>
</tr>
<tr>
<td></td>
<td>0 points</td>
<td>0% - 9% below per unit subsidy caps</td>
</tr>
<tr>
<td>2. Severe Housing Cost Burden: Points will be awarded to projects located in a census tract where the rate of severe rent burdened households is 1.2 times that of the state rate.</td>
<td>5 points</td>
<td>Provide housing in areas with the greatest need for housing affordability</td>
</tr>
</tbody>
</table>
### Priority Populations:
Points will be awarded to projects with at least five (5) units set aside for either homeless veterans or agriculture workers, **OR**
Projects with an average unit size that contains enough bedrooms to support larger families (studio units will be counted as 0.5 bedrooms).

To receive any points, projects must apply Project Development Manual (PDM) standards and include at least 10% three-bedroom units. **8 points**

- At least 20% units for homeless veterans or ag workers (at least 2) **OR**
- Average bedroom size is 2 or greater. **4 points**

Provide housing to populations prioritized by funding source and OHCS’s Statewide Housing Plan.

### MWESP:
Points will be awarded to projects that commit to tangible and evidenced engagement and/or contracting with Minority-owned, Women-owned, and Emerging Small Businesses registered with Business Oregon as an MWESP business. **2 points**

Supporting these businesses helps promote equity through job opportunities and investment for disadvantaged people and businesses.

### Tribal Sponsored Project:
Points will be awarded to projects sponsored by one or more of Oregon’s sovereign Tribes. **2 points**

Tribes have a high need for, and unique challenges surrounding, the development of affordable housing for their communities.

### Asset Building Opportunities:
**2 points**

Building wealth is a proven strategy for
Points will be awarded to projects committed to supporting asset-building opportunities for their tenants. Opportunities can include individual development accounts (IDAs), child development accounts (CDAs), lease-to-own pathways, financial support for continuing education, or other demonstrable and measurable initiatives approved by OHCS.

<table>
<thead>
<tr>
<th>Points</th>
<th>2 points</th>
<th>Other programs, initiatives, and agencies are working towards similar goals to OHCS and joining efforts avoids redundancies and builds overall capacity.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>7.</strong></td>
<td><strong>Ties to Existing Efforts:</strong></td>
<td>Points will be awarded to projects that are or will be working with existing efforts, programs, and/or initiatives such as Veterans Capacity, Meyer Memorial Trust Capacity, rent burdened community assistance, or other demonstrable initiatives approved by OHCS.</td>
</tr>
<tr>
<td><strong>8.</strong></td>
<td><strong>High Opportunity:</strong></td>
<td>Points will be awarded to projects located in area of low poverty when compared to comparable census tracts.</td>
</tr>
<tr>
<td><strong>9.</strong></td>
<td><strong>Extremely Low Income (ELI):</strong></td>
<td>Points will be awarded to projects with units accessible to households with extremely low income (&lt; 30% AMI) through either rent restrictions on the units, rent assistance, or the leveraging of the Oregon Affordable Housing Tax Credit (OAHTC).</td>
</tr>
</tbody>
</table>

Provide housing for those individuals and families with the greatest need.
## 10. Culturally Specific Partnerships

Points will be awarded to projects with a demonstrable (signed letter of intent, memorandum of understanding, etc.) partnership with one or more culturally specific organizations.

| 10% to 24% of units accessible to ELI households | 5 points | Engaging culturally specific organizations in the development process helps to ensure that the interests of the populations they represent will not be neglected or overlooked. |
Members:
Chair, Adolph “Val” Valfre, Jr.
Sarah DeVries
Claire Hall
Anna Geller
Mary Li
Gerardo F. Sandoval, PhD
Charles Wilhoite

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