OREGON STATE HOUSING COUNCIL
Minutes of Meeting

Oregon Housing & Community Services
Large Conference Room, 124 A/B, First Floor
725 Summer Street N.E., Suite B, Salem, OR 97301

9:00 a.m.

May 2, 2008

MEMBERS PRESENT
Larry Medinger, Chair
John Epstein
Stuart Liebowitz
Maggie LaMont
Jeana Woolley

MEMBERS ABSENT
Scott Cooper
Francisco López

GUESTS
Tim McCabe, Governor's Policy Advisor
Kim Mani-Oskoii, Housing Works
Patricia TenEyck, Oregon Habitat for Humanity
Anna Geller, Geller Silvis & Associates
Nikki Cortez, Geller Silvis & Associates
Danielle Quade, Hawley Troxell
Betty McRoberts, Housing Authority of Jackson County
Raquel Gugliemetti, VP, NWRECC
Tom Clancey-Burns, CAPO
Loren Clark, US Bank
Kennya Marzano
Kathy Blodgett
Rita Grady, Polk CDC
Jason Butler, Oregon Audits Division
Bob Belcher, St. Philip's the Deacon Episcopal Church
Mother Alcena Boozer, St. Philip's the Deacon Episcopal Church
Michelle Haynes, REACH

STAFF PRESENT
Victor Merced, Director
Rick Crager, Deputy Director
Nancy Cain, Chief Financial Officer
Bob Gillespie, Housing Division Administrator
Floyd Smith, Agency Affairs Director
Karen Clearwater, LIHTC Representative/Regional Advisor to the Department
Vince Chiotti, Regional Advisor to the Department
Jack Duncan, Regional Advisor to the Department
Lynn Schoessler, Housing Finance Section Manager
Betty Markey, Housing Resources Section Manager
Shelly Cullin, Loan Officer
Debie Zitzelberger, Loan Officer
Becky Baxter, Loan Officer
Larry Dillenbeck, Communications Manager
Bob Larson, Debt Management Manager
John Fletcher, Senior Policy Analyst
Natasha Detweiler, Research Analyst
Rainy Gauvain, Homeless Program Coordinator
Roz Barnes, Housing Program Rep.
Heather Pate, Housing Program Rep.
Vicki Massey, CFC Application Process Manager
Jo Rawlins, Recorder

I. **CALL TO ORDER**: **Chair Larry Medinger** calls the May 2, 2008 meeting to order at 9:05 a.m. and asks for roll call. **Present: John Epstein, Maggie LaMont, Stuart Liebowitz, Jeana Woolley and Chair Larry Medinger. Absent: Scott Cooper and Francisco López.**

II. **PUBLIC COMMENT**: **LaMont** explains that the National Association of Housing and Redevelopment Officials (NAHRO) has a campaign called Housing America, and they are looking at their partners to help promote the campaign. The Governor of Washington has issued a proclamation that April be declared Housing America Month. Since the department's conference is being held in October, she thought it would be good if the department could have a proclamation from the Governor declaring the month of October Housing America Month. **McCabe** said he thought it was a great idea. (Staff are following up with the Governor's office to make an official request.)

III. **APPROVAL OF MINUTES**: **Chair Medinger** asks if there are any corrections to the April 4, 2008 Minutes. There being no corrections, the Motion was read:

> **MOTION: LaMont moves that the Housing Council approve the minutes of the April 4, 2008 Council meeting.**
>
> **VOTE: In a roll call vote the motion passed. Members Present: Epstein, LaMont, Liebowitz, Woolley, and Chair Medinger. Members Absent: Cooper and López.**

IV. **CONSENT CALENDAR**: **Craig Tillotson,** Single Family Program Loan Specialist, reports that four of the loans are from the Portland area, two are from Salem, and one is from Klamath Falls, for a total of $1.7M. Two items to take note of are loan number 3 and loan number 7, which both have a square foot cost exceeding $200/square feet. Both of those have a basement; number 3 has a 572 square foot basement, and number 7 has a 720 square foot basement.

> **MOTION: Wooley moves that the Oregon State Housing Council approve the Consent Calendar.**
>
> **VOTE: In a roll call vote the motion passed. Members Present: Epstein, LaMont, Liebowitz, Wooley, and Chair Medinger. Absent: Cooper and López.**

V. **SINGLE FAMILY REPORT**: **Craig Tillotson,** Single Family Program Loan Specialist, reports that March was a good month for the department, with 147 loans purchased for $26M. He points out counties that are noteworthy that do not normally have a lot of activity: Baker, Columbia, Hood River, Lincoln, Malheur, Umatilla, Union, and Wasco County. In mid-April the department's outstanding loan balance exceeded $1B. As of May 1, the loan principal balance was $1,002,000,000. The number of loans that encompasses is 8,313. Just as recently as December of 2005, there were close to 7,000 loans and a portfolio of around $660,000,000. **LaMont** states that it looks like the average loan amount is still increasing, and asks if that is an indication that we are not seeing the devaluation of property. **Tillotson** explains that one answer to that is even though private mortgage insurers are cutting down on the maximum loan-to-value that they will insure and approve for financing, because the department is a housing finance agency, the pool insurance for conventional insured loans continues to insure loans in the department's programs up to 97% loan-to-value. **Epstein** asks about defaults. **Tillotson** says that 98% of the department's loans are paying on time; there are currently 89 loans in foreclosure; and there are 8 acquired properties. **Epstein** asks how that compares to historic levels. **Tillotson** states that they are running about the same. **Wooley** asks if there is any concentration in those delinquencies and the acquired properties. **Tillotson** explains that he does not have the breakdown on location or age of the loans. **Chair Medinger** adds that it would be helpful next month if he could provide Council with that information. **Merced** asks if he knows where the department stands with respect to the rest of the country around delinquencies. **Tillotson** explains that he does not have a specific report on that, but he believes Oregon is performing better than other states. **Epstein** asks if the department has a potential risk on any of the ones that go into default or foreclosure, and asks if they are fully insured. **Tillotson** states that on the FHA loans, the properties wind up getting turned over to HUD. The conventional insured loans have primary insurance coverage, and it would be very rare that the department would have such a loss on a particular loan that would cause it to even file a claim in the pool coverage. Guaranteed rural loans take longer to work through and there is little equity that the borrower has because typically those loans are 100% financed. **Epstein** asks that if the department has an REO (real estate owned) and sells it at a loss, does it ask the agencies to short the difference. **Tillotson** states that the mortgage insurer will reimburse us for any loss we suffer up to their levels of coverage.

VI. SPECIAL REPORTS:

A. ***Rural Oregon Homeless Presentation.*** **Rainy Gauvain,** Homeless Program Coordinator, explains that as part of the department's efforts to draft a 10-Year Plan to End Homelessness, she travelled through 15 rural counties in Oregon, interviewing approximately 55 homeless people to find about gaps in services, needs for accessing shelter, community coordination, how services are accessed, how they are treated when they do access services, and areas for improvement. She said everyone she spoke to was incredibly kind, and grateful that our department was taking the initiative to ask them how they felt and getting their perspective. Through that effort the department put together a presentation that addresses some of the myths around homelessness. *(DVD Presented)*

Chair Medinger comments that the presentation was very good. **Wooley** comments that it was very helpful in exploring and demystifying homelessness. **McCabe** agrees that it was very good and says he is going to make sure a copy of the presentation is delivered to the Governor that night.

B. ***Price of Dignity: A Permanent Solution to Homelessness, State of Connecticut.*** **Rick Crager** refers to the homeless presentation and states that one of the statistics that really jumps out is that 60% of the homeless population are families. There is a stigma that the majority of homeless are single men, but that is not the reality. EHAC (Ending Homelessness Advisory Committee) has been working extremely hard, and he is happy to say that on June 19 the Governor is going to release his 10-Year Plan to End Homelessness at the Oregon Leadership Homeless Summit that will be held in Salem, and he encourages all Council to attend. One of the key strategies that will be seen in that plan is permanent solutions, and he introduces a video from the Corporation for Supportive Housing, explaining that Connecticut has changed their systems to work toward permanent solutions. *(DVD Presented)* **Crager** states that with today's presentations he hopes Council has a better idea of what we see in this state now and what we see as the future. He says that thanks to the Governor and the legislature, the department has $16M to create 150 units of permanent supportive housing, and points out that the state does see a cost savings with this type of housing. **LaMont** asks what the department intends to do with the video on rural homelessness, and asks if it could be posted on the internet. **Crager** explains that the intent is to use it as part of the 10-Year Plan, and to be able to educate and make people more aware. **Merced** indicates he thinks posting it on the internet is a good idea.

C. ***GIS Software Demonstration.*** **Natasha Detweiler,** Research Analyst, explains that the Geographic Information System (GIS), is a way to combine maps and data, and gives a demonstration of some of its capabilities. One of the most critical things that the department needs to know, in order to identify current resources and needs, is the location of current affordable housing. For the CFC needs analysis, she put together a housing inventory which combines information from all of the different OHCS programs, as well as other community resources. This allows the department to store its own information, as well as information from other agencies, and allows the department to combine the information, maintain that information, and do audited updates. The department will also be able to include the latitude and longitude of those projects, which allows the projects to be placed onto maps. The software also allows generalizing those units by different geographic boundaries, such as by senate district. In the case of Vernonia and the recent flooding, it allowed the department to identify where affordable housing units were that could serve as a resource for those residents. This program will be useful in the terms of emergency response, as well as providing the department with another resource for identifying resources. The GIS system was recently used to research and locate affordable housing along the coast with the recent shutdown of the commercial salmon season. **Wooley** asks about the ability to overlay the poverty with the housing availability. **Detweiler** says they can currently overlay the poverty rates and various data variables that are available with the location of affordable housing units. One of the things that is challenging is vacancy and availability. **Wooley** asks if there is a way for the projects the department funds to be polled on a regular basis (perhaps by e-mail) about vacancy. **Detweiler** says that is a good idea, and she knows there is a type of program in the Portland area where landlords can self-report what their availability is. **Wooley** states that it could help the affordable housing projects stay full, and it would serve as a referral system as well.

D. ***Discussion/Guarantees.*** **Lynn Schoessler,** Housing Finance Section Manager, explains that a topic was brought up just prior to the last Housing Council meeting that related to the department's predevelopment loan, and the interest on one council member's part of having those loans guaranteed in some fashion. After the last Council meeting the Finance Committee did meet and discussed the program policies as they presently exist and confirmed that the program intent was being met, that the department was adequately secured, and there was no interest in creating a mandatory guarantee. The department has retained that as an option and has exercised that option in the past, but does not recommend that it be a uniform requirement for every predevelopment loan. In the last ten years the department has done about $15M in predevelopment loans, and has experienced no losses. The department feels fairly comfortable that it has many of the practices in place that protect the department. The department is always in a first position on the collateral and the terms for the loans call for pay off of the loans as the first money comes into the project; whether it is a construction loan, tax credit equity, or some other party that is making a contribution. The department receives monthly reports on how the project is doing or how the property that was used as collateral is performing. In every loan, one of the options in the security agreement is the opportunity for a loan guarantee, personal or corporate, if the department believes it is necessary. In the post maturity of a loan, should it exceed the term that is specified, interest rate increases to 12%, which generally gets the attention of everyone. From the department's perspective, it issues the loans for the development of affordable housing, and that is the exclusive purpose of the loans. In general, the department is the source of the resources that go into affordable housing projects, so it has a very good sense of the likelihood of the developer or borrower in their success in developing that project, and that is reflected in the department's underwriting and track record. The Consolidated Funding Cycle (CFC) has been changed and is more statistical in creating the priorities, which will affect the predictability of the success of any predevelopment loan, and that is being factored into the underwriting. If the CFC is cited as the primary source of repayment, the department would clearly judge on practical success; if the department does not think they will be successful in the CFC, it would look for additional collateral. The Finance Committee believes the department has a strong sense of the success of a borrower on the predevelopment loan side, and it does not see the need to have a guarantee on every loan. The department would entertain that option if it deemed it to be necessary and appropriate.

Epstein comments that he is the main driver behind the policy review and says the agency has a public policy mission to promote affordable housing. The predevelopment loan will secure sites until other funding comes into place. The program has been very successful to date. The program does allow for the agency to get up to 100% loan-to-value on pieces of property. His position is that the program has a favorable interest rate, and favorable terms. His belief is that there should be some sort of guarantee level on these loans. The department is giving them 100% loan-to-value, it is doing appraisals, there has never been a loss, but he still thinks that properties can devalue. The way the department is structuring, the agency would eat the loss if the collateral was worth less if they had to sell the property. He says he thinks it would be prudent for the department to top-end the guarantee, guaranteeing them to a reasonable loan-to-value for some depreciation in the property. The way many of these deals are structured right now, the borrowing entity is really a shell entity. **Schoessler** adds that even though the department may not come to the Council with a recommendation for a guarantee, that does not mean that in Council's estimation and approval of that loan, it is not entitled to request a guarantee. The department will come to Council with best judgment regarding the circumstances.

Wooley points out that Epstein did raise the question and Council did request and get a guarantee on the Shaver Green project. She says it would become onerous for a number of our clients who are nonprofits because most of the time they do not have that kind of financial wherewithal. She asks if the land is generally used as collateral. **Schoessler** says that yes, generally the property is the collateral. Sometimes the predevelopment loan goes for property purchase, sometimes it goes for architectural engineering. Subsequent frequent collateral is a certificate of deposit which gets signed over to us and can be cashed. **Wooley** states that she tends to favor operating under the current policy and requesting guarantees only on certain transactions. She says she would be more concerned the larger the loan and when it is a private developer doing it to make a little money. The two areas she believes the department should pay attention to are size of loan, and loan-to-value. She says she believes it should be reviewed based on other criteria, not required as a standard practice. **Schoessler** comments that another standard that was part of the consideration on Shaver Green is that the developer was experienced, but had never developed affordable housing. The department looks at the character and its experience with a particular developer as well. One of the other more recent guarantees that the department required of a for-profit developer was one that did not have a stellar track record of performing on time. The department requested a guarantee and it proved to be useful as an incentive to get them to pay off the loan when it became due. **LaMont** says she is more inclined to agree with Ms. Wooley, that the department look at it on a case-by-case basis, rather than a blanket policy. She says she understands Mr. Epstein's concern, and she appreciates him being on the Council to make everyone aware of this. **Liebowitz** states that he would agree with Ms. Wooley as well, and that sometimes there are risks involved in what the department and Council is trying to accomplish. **Chair Medinger** comments that the only thing he would add is that he sees the department using this particular device to try and level the playing field between private development and public intent; especially nonprofits in competing with the development community as a whole for available land. Private development has many resources at its control. His view is to try and give our partners a chance to compete with them. He states that it sounds like, unless the Council specifically asks for or directs a policy change, the policy stays as it is now. **Epstein** says he just wanted this brought up for a discussion. He raised this issue and he applauds the Finance Committee for responding to his request. Based on that, he thought it was appropriate to have a Council mission-driven discussion. **Schoessler** states that he appreciates Mr. Epstein bringing the issue up, because he identified that, with declining land values, we need to look closely at collateral. It was a good exercise for the department.

Crager states that, as the Chair of the Finance Committee, he applauds Mr. Epstein's comments. It has allowed the department to look at its underwriting practices, and the department will be applying a lot of his thoughts as it goes through the underwriting practices. **Wooley** says that now that the department has been through the exercise, it probably is a consideration that should be looked at when evaluating each one of the loans, so that a recommendation can be brought to Council instead of relying on Mr. Epstein to bring it up. **Crager** assures Council that the department will be applying that. **Schoessler** points out that the process has already been altered and an addition has been made to the cover sheet for the predevelopment loan request that identifies if a guarantee is necessary.

McCabe says he needs to leave the meeting, and states that the department is doing spectacular work, and from the Governor's standpoint, he recognizes that. The Governor is excited about the June 19 Oregon Leadership Homeless Summit, and encourages everyone to attend, stating that it is very important.

VII. NEW BUSINESS:

A. ***Carriage Court Apartments; Park Avenue Apartments; Rosewood Terrace Apartments; West Devil's Lake Apartments,*** Pass-Through Revenue Bond Program Financing Request. **Shelly Cullin,** Loan Officer, introduces **Raquel Gugliemetti**, Northwest Real Estate Capital Corp. (NWRECC), and **Loren Clark**, US Bank. **Cullin** reports that Northwest Real Estate Capital Corp. is requesting an allocation of Pass-Through Revenue Bonds for a portfolio of four Section 8 properties. The total allocation is $9,745,000. The four properties currently have OHCS mortgages and project-based Section 8 contracts. They include: *Carriage Court Apartments*, a 30-unit senior complex located in Canby, which was constructed in 1983. The HAP contract expires in Feb. 2013. *Park Avenue Apartments*, a 26-unit family project located in Woodburn, which was constructed in 1981. The HAP contract expires in December 2011. *Rosewood Terrace Apartments*, a 38-unit family project located in Oregon City, which was constructed in 1983. The HAP contract expires July 2012. *West Devils Lake Apartments*, a 50-unit family project located in Lincoln City, which was constructed in 1983. The HAP contract expires in August 2012. All four projects are considered "new" reg projects, which means that their HAP Contracts DO NOT terminate with the prepayment of the department's mortgage. The borrower will assume the existing contract. HUD will provide a "comfort" letter indicating that when the original contract terminates, the borrower will get an extended HAP contract that would equal a 20-year contract. (For example, if there is three years left on the current contract, when it expires the new contract would be for 17 years.) The borrower has completed all due diligence for the lender, investor, and the department. The scope of rehab has been approved by all financing partners. Three of the properties have rehab costs of approximately $32,000 per unit; with *Carriage Court* at $21,000 per unit. The Development Team is the same as the team for the twelve properties that were financed last year. NWRECC owns and manages 27 projects, consisting of 705 units in Oregon, Idaho, Utah, and Alaska. Resident Services Plans for each of the properties have been approved and NWRECC has been approved as the management agent for the projects. Financing for the projects includes Tax Exempt Bonds, Oregon Affordable Housing Tax Credits, Low Income Housing Tax Credits, Housing Preservation Grants, excess cash flow during rehab, and a deferred developers fee. US Bank is the bond purchaser and permanent lender. Wells Fargo is the equity investor. Bond proceeds will be used during rehab, and then at time of permanent loan conversion the bonds will be paid off with a US Bank conventional loan, using the OAHTCs. The interest rate with the OAHTCs will be 3.50%. The LIHTCs and OAHTCs have been approved by the department's Finance Committee, and the Housing Preservation Funds have been recommended for approval by the CIF Advisory Board. **Cullin** recommends approval of a Pass-Through Revenue Bond allocation of $2,145,000 to Northwest Carriage Court LLC; $2,150,000 to Northwest Park Avenue LLC; $2,625,000 to Northwest Rosewood Terrace LLC; and $2,825,000 to Northwest Devil's Lake LLC.

Clark comments that, from the bank's perspective, they are well into the first twelve loans that they accepted the responsibility for with NWRECC, and they could not be more pleased with the process and their experience with this sponsor. They are ahead of schedule, within budget, and the work being done is first class. **Cullin** states that Frank Silkey, the department's architect, has done the final inspection on five of the twelve and has reported that they look great. **Gugliemetti** thanks Housing Council and the department for the work they have put into these projects and asks for Council's approval, assuring Council that these projects will be handled in the same manner as the Oregon 12. Their rehab plans will be similar to the Oregon 12, allowing for an extended 30-year economic useful life. Plans are in place for resident services that will add value to the projects. She says Oregon Housing continues to be a very important business partner with them, and they are pleased with the work done on their behalf.

Epstein states that he will need to abstain from voting because Wells Fargo is a partner and 99% owner of this property.

Gugliemetti adds that they are adding handicap and audio visual accessibility to the project, as they were not built to the HUD specifications originally. **Liebowitz** asks if they are taking advantage of the opportunity to upgrade to modern conservation measures, including lighting and Energy Star appliances. **Gugliemetti** explains that they did not apply for weatherization grants; however, they do use Energy Star products. **Cullin** adds that it was not that they did not apply for weatherization grants, but there are no weatherization funds available for Housing Finance projects.

MOTION: Wooley moves that the Oregon State Housing Council approve a Pass-Through Revenue Bond in an amount not to exceed $2,145,000 to Northwest Carriage Court LLC for the acquisition and rehabilitation of Carriage Court Apartments in Canby, Oregon; subject to documentation satisfactory to legal counsel and Treasury approval for the bond sale.

MOTION: Wooley moves that the Oregon State Housing Council approve a Pass-Through Revenue Bond in an amount not to exceed $2,150,000 to Northwest Park Ave LLC for the acquisition and rehabilitation of Park Avenue Apartments in Woodburn, Oregon; subject to documentation satisfactory to legal counsel and Treasury approval for the bond sale.

MOTION: Wooley moves that the Oregon State Housing Council approve a Pass-Through Revenue Bond in an amount not to exceed $2,625,000 to Northwest Rosewood Terrace LLC for the acquisition and rehabilitation of Rosewood Terrace Apartments in Oregon City, Oregon; subject to documentation satisfactory to legal counsel and Treasury approval for the bond sale.

MOTION: Wooley moves that the Oregon State Housing Council approve a Pass-Through Revenue Bond in an amount not to exceed $2,825,000 to Northwest Devils Lake LLC for the acquisition and rehabilitation of West Devil's Lake Apartments in Lincoln City, Oregon; subject to documentation satisfactory to legal counsel and Treasury approval for the bond sale.

VOTE: In a roll call vote the motion passed. Members Present: LaMont, Liebowitz, Wooley, and Chair Medinger. Abstaining: Epstein. Absent: Cooper and López.

B. *Rogue River Estates,* Pass-Through Revenue Bond Program Financing Request. **Shelly Cullin,** Loan Officer, introduces **Betty McRoberts**, Director of Development for the Housing Authority of Jackson County, and **Loren Clark**, US Bank. **Cullin** reports that the Housing Authority of Jackson Co, on behalf of Rogue River Apartments LLC, is requesting an allocation of Pass-Through Revenue Bonds in the amount of $5,500,000 for the acquisition and rehabilitation of Rogue River Estates. Rogue River Estates is a 94-unit senior project located in Medford. The project is currently financed through OHCS with a project-based Section 8 rental assistance contract for 92 of the units. The current HAP contract expires in September 2010. With the new proposed financing, the prepayment of the department's mortgage terminates the existing HAP contract. The borrower has requested a continuation of the HAP contract for a term of 20 years. The department has received verbal approval from HUD at this time for this request. All due diligence has been completed and the scope of rehab has been approved by the department, lender, and equity investor. Rehab activities include exterior repairs; new windows, which ACCESS, the local community action agency, will be donating to the project; handicapped bathrooms; minor repairs to resident units; and common area upgrades. Rehab costs are approximately $16,000 per unit. The Housing Authority is a very experienced borrower, and they have extensive experience with all the department's financing programs. They currently own and manage approximately 780 units, with an additional 82 units that they manage for ACCESS. The Housing Authority's resident services plan has been approved by the department. They have also been approved as the management agent for Rogue River Estates. Financing for the project includes tax exempt bonds; Oregon Affordable Housing Tax Credits (3.00%); Tax Credit Equity (at .94); $35,000 in donated windows from ACCESS; and a Housing Preservation Fund grant. US Bank is the bond purchaser and permanent lender. They have completed their due diligence and we have a commitment for funding. Key Community Development Corp. is the equity investor, they have completed their approval process, and we have a commitment. The LIHTCs and OAHTCs have been approved by the department's Finance Committee, and the Housing Preservation Funds have been recommended for approval by the CIF Advisory Committee. **Cullin** recommends approval of the Pass-Through Revenue Bond request in the amount of $5,500,000 to Rogue River Apartments LLC.

McRoberts adds that if these 94 units were allowed to expire it would mean that the rents would convert to market and it would be tragic for the community because they do not have one-bedroom units in Medford. They will provide two meals a day for the tenants, which is unusual for a Section 8 project, using a local service provider that provides meals to the elderly in the Valley. **LaMont** says she is happy to see that these apartments are being preserved and that she appreciates the effort put into this project. **Crager** states that four projects in the Medford area have expired, and asks what has happened with those projects and what the impact has been on the community. **McRoberts** says they have given those tenants vouchers, and they are hearing that they are not happy with the rents they are having to charge. HUD rents were high, and now the owner is having to lower the rents and the units need work. That is the situation with a lot of them. Those were family units and not a lot are moving yet.

> **MOTION: LaMont moves that the Oregon State Housing Council approve a Pass-Through Revenue Bond Financing in an amount not to exceed $5,500,000 to Rogue River Apartments LLC subject to bond transaction documentation satisfactory to legal counsel and Treasury approval for the bond sale.**
>
> **VOTE: In a roll call vote the motion passed. Members Present: Epstein, LaMont, Liebowitz, Wooley, and Chair Medinger. Absent: Cooper and López**

C. ***The Deacon's Place,*** Predevelopment Loan Request. **Becky Baxter,** Loan Officer, introduces **Bob Belcher** and **Mother Alcena Boozer**, of St Philip's the Deacon Episcopal Church, and **Michelle Haynes**, with REACH. **Baxter** reports that The Deacon's Place is a proposed 22 one-bedroom unit elderly project for very low income individuals. It would be located approximately one block west of Martin Luther King Jr. Boulevard, and is within walking distance to a major transit for access to health, recreation and shopping facilities, including Legacy Emanuel Medical Center and

Lloyd Center Mall. The proposed project will be a four-story building with four units on the first floor, along with community space, laundry room and support areas. The remaining three floors will be comprised of six units per floor for an additional 18 units. The building will be serviced with an elevator. In January of this year, REACH and the church signed a Memorandum of Understanding. REACH reviewed several financing scenarios and found that developing the project as a Section 202 Mixed-Finance project for elderly and disabled residents is the best financing option. Both the REACH board and the church board have formally approved the proposal. REACH will be submitting a CFC application and will own and develop the project. They will directly provide property management, asset management, and resident services to the project and operate it permanently as affordable housing. The church's responsibility will be to assist with some resident services, which they are already providing and are well known for within the community.

The church is requesting a predevelopment loan in the amount of $268,750 to pay off a current higher interest loan to Homestead Capital. The current payoff amount is approximately $257,000. With the remaining balance of funds, the borrower would pay for other predevelopment activities, architectural design, CFC application fees, and other incidental predevelopment activities. Part of the security for the loan is the land. A broker's opinion of value was provided with an estimated value of $268,750. With the value of the land being lower than the loan request, the borrower is also pledging as additional security a Certificate of Deposit valued at $30,000, bringing the loan-to-value to 95%. Confirmation of the account and its value has been obtained from the bank. At closing the borrower will be signing an Assignment of Account and a Security Agreement for the CD. A Trust Deed will be recorded against the property with the department in first lien position. A preliminary market assessment was provided by Ferrarini & Associates. The report reflected that overall the market for affordable senior housing currently has very low vacancy rates and turnover is also very low. With no senior housing projects in planning or development in this area, the report reflected a need for affordable senior housing.

The total project cost is estimated at $5,941,983; approximately $180,000 per unit. REACH will be applying for 9% Low Income Housing Tax Credits, Trust and Weatherization Funds through the Consolidated Funding Cycle. REACH will also be applying for a HUD 202 Grant. REACH has already been in contact with HUD and was encouraged to apply for the 202 Grant, as there were more than adequate funds allocated for this type of project. The loan will be repaid with the first available funding sources obtained for the project. Should project funding not be obtained, REACH and the church are willing and understand that the property will be placed on the market and the predevelopment loan would be paid in full, including interest, from the proceeds of the sale of the property and, if necessary, the funds from the CD. With the loan secured by a recorded Trust Deed, with the department in first lien position, and a security agreement and the assignment of the account for the certificate of deposit, the risk to the department is minimal and, therefore, no loan guarantee is being recommended.

As to the Development Team, the church has been working with REACH for several months. Michelle Silver has also been working with the church from the beginning and will continue to work with them. William Wilson Architects has provided some preliminary plans and will continue to work with REACH and the church. Walsh Construction is the proposed contractor and has worked with the other parties on the Development Team on other projects. **Baxter** recommends approval of a predevelopment loan in the amount not to exceed $268,750 to St. Philip's the Deacon Episcopal Church.

Boozer and **Haynes** each thank Council and make comments about the project. **Wooley** says she wants to recognize Mother Boozer, and says she has known her for many years and says she has been a force in the northeast community for decades, doing good work. She says she is sure that if she is at the helm of driving this, we will end up with a good project. She says the only question she has is that since most of the predevelopment money is going to pay off the land loan, where will the resources come from to do the rest of the predevelopment feasibility? **Haynes** explains that REACH does have working capital, and they have agreed to take on expenses from this point forward to get through the 202 and CFC application processes. **Wooley** asks if she has an estimate of how much that work will cost to get to that interim point. **Haynes** states that it is very preliminary, but $60,000 to $70,000, depending on the what they negotiate with the architect with regard to the design fees. **Wooley** says that was her only concern, because she did not see any money to do predevelopment work. **Haynes** says their Board of Directors is strongly supportive of this project. They do have working capital funds, thanks to Wells Fargo and US Bank, and some of the other lenders. **Wooley** says she applauds Mother Boozer and Mr. Belcher for understanding that if you are going to do this and you have a mission and vision that you need someone who knows the territory. It is a mistake that many nonprofits make to try to implement their vision themselves in territory they know nothing about, and it generally ends up being a bad and sometimes failed experience. She says it is great that they partnered with REACH, and that REACH has done great work throughout the City of Portland.

> **MOTION: Wooley moves that the Oregon State Housing Council approve a Predevelopment Loan in the amount not to exceed $285,000, at a current interest rate of 4.95% per annum for a maximum of two years to St. Philip the Deacon Episcopal Church to pay off maturing predevelopment loan and pay other predevelopment activities for the development of The Deacon's Place in Portland, Oregon.**
>
> **VOTE: In a roll call vote the motion passed. Members Present: Epstein, LaMont, Liebowitz, Wooley, and Chair Medinger. Absent: Cooper and López.**

VIII. <u>OLD BUSINESS</u>: None.

IX. <u>REPORTS:</u>

A. ***Alternate Council Role in Loan Approval.*** **Lynn Schoessler,** Housing Finance Section Manager, reports that he wanted to get back to the Council on a topic from the last Council meeting. In Mr. Crager's report at the last meeting, he mentioned that he and Victor had been meeting with lenders, particularly relating to the department's Pass-Through Revenue Bond Program, also known as the Conduit Program, and that there were some suggestions from them on how the department might modify its process to be more compatible with how the lending industry works. Ms. Wooley requested this update and something more specific for Council's consideration. He says these are concepts in the very broadest of terms, and he does not expect any resolution or commitment on Council's part today. He points out that times are changing dramatically in the housing market. In the past when deals were brought to Council they were pretty much "cooked." Commitment letters and contracts were signed related to the pay-in rate from the equity investor, the loan interest rate, and the construction costs. With conduits, in today's financing markets things are fluid until the closing date and signing of the documents. The department has had the Pass-Through Revenue Bond Program about seven years. Prior to that time the department was doing its own loans for its own portfolio, and it was dominated by the Elderly and Disabled Program, which was not as rushed, and the markets did not fluctuate broadly. The borrowers were willing to wait and comply with any requirement we imposed in order for them to get the money. The conduit program is not the department's loan. It passes the proceeds along; it is the lender that is purchasing or selling the bonds, and it becomes a loan in their portfolio. That does not mean that the department is not responsible, because even though it is not the department's loan, the Treasurer wants the assurance that it is a good loan and that it does not reflect on the State in a poor fashion. Some of the broad concepts the lenders were hoping the department could give consideration to are:

- Relaxing its rigid requirement to have the private financing commitments in place and signed prior to a Finance Committee presentation or Housing Council presentation. We know what the projected interest rate is going to be; and what the equity investor's pay-in rate is going to be. The equity investors are very reluctant to sign anything until the very last minute. With the timing of Finance Committee being two weeks before a Housing Council meeting, it is difficult for them to sign and commit knowing that the bond sale will not happen for three or four weeks later.
- Another circumstance is that with the fluctuation of construction contracts due to building materials prices, to get a contractor to sign a construction contract three to four weeks, or in some cases months in advance of the actual closing of the loan, is difficult. They have asked for a relaxation on our requirement that the construction contract be signed prior to the Finance Committee or Housing Council meeting.
- Another request that he does not endorse, but thinks a compromise could be reached, is that they would prefer the Housing Council consider the loan before the Finance Committee finalizes the loan. The initiative is that they would prefer the Finance Committee provide the final approval of the loan based upon the circumstances of the moment. It is a matter of timing. The Finance Committee meets every week, and the bond sale can be scheduled the Wednesday after the Tuesday the Finance Committee meets. The Housing Council meets monthly, and if they miss the key and critical Finance Committee they will be looking at four weeks later before they can actually close the deal because of the timing of the Housing Council's approval. He suggests that, if we can finally get to the structure that is contemplated, that the Finance Committee look at the general concepts, have the assurance that the numbers make sense, the equity investors are committed, and a lender is signed up and on board for the deal, then bring that deal to the Housing Council, recognizing that everything is not "cooked" to the final dollar. We know that even after the loan is signed, things change. Construction contracts get modified with change orders, and there are delays in pay-ins based upon performance. He suggests coming to the Housing Council, with a very close to being completed deal with everyone on-board, figures identified, but no contracts signed, for approval of the loan with certain parameters, such as a 5% variation, and giving staff some flexibility to go back to the Finance Committee with specific line items and identified costs. He also suggests giving Finance Committee the authority to make the final decision, so long as it is within the parameters of what the Housing Council has seen and approved as to both broad financial considerations and public policy considerations.

- Lenders and sponsors would also prefer that we not require a trustee, but that is not going to happen because the Treasurer's office very clearly wants a trustee on every deal.

This would only be for the Conduit or Pass-Through Revenue Bond Program. The Elderly and Disabled Program, and the Risk-Sharing Program that we do with HUD, would remain the same.

Wooley asks what he is expecting from Council. **Schoessler** says that if they are receptive to that change, he will progress with more refinement and identify some parameters of what are ranges that he thinks are reasonable for Council to approve within. **Wooley** asks if there is anything legally that would prevent Council from doing that. **Schoessler** says no, the statutes give Council definitive responsibilities, but they are not elaborate in the specifics of those responsibilities. **Wooley** asks if this is being brought up partly because of feedback from our partners. **Schoessler** says yes, that is right. **Wooley** asks if the real issue is the close and what the difference is. **Schoessler** explains that on the investment side, the bonds are privately placed, so it is sort of the whim of the market that day. For the traditional risk-sharing and elderly and disabled it is a public offering, and there is more predictability. The department's current practice makes projects more expensive because it is asking the construction contractor three to four weeks in advance of the loan closing to make a commitment, and the contractor is going to hedge and make sure he is covered for whatever contingency may occur in the next three to four weeks.

Wooley says she is open to looking at the options. **Epstein** says he supports this option, with more specifics, for a couple of reasons. One, for conduits, it is not direct debt from our agency and we are not guaranteeing it. Finance Committee gets behind the numbers and they do due diligence for Council and the underwriters at the agency. He says he sees Council's mission as looking at the affordability, who the project is serving, what community it is in, and what feedback is being received. It is more the public policy side. It does not matter if it is finalized or not. Council wants to know the bond amount and the leeway for some movement --- the interest rate and other basic things. He says he is confident that the Finance Committee would stop the deal if the numbers changed dramatically. If it did not go through in a six month time frame, then Council would need to review it. What is happening at his own institution is that it creates hurdles and is backing things up. This option would make the department more service friendly to its clients, and he thinks it is great. It could also potentially save some money.

Schoessler adds that another consideration is that OHCS recognizes that the first time through with a new set of partners takes a lot of negotiation to get everyone comfortable with the documents. They spend a lot of time with the department's attorney, and the bond counsel spends time crafting the new deal from scratch. When working with the same partners, the documents are the same every time and the department is trying to craft a fee structure that reflects an established set of partners, because it saves time and money. **Merced** states that there is a pragmatic point of view also. He agrees with Mr. Epstein in that there is a comfort level with the quality of the work that is presented by staff, and there are different and varying levels of review that occur within the agency. **Epstein** says he would like to examine the department's conduit program fee structure. **Crager** explains that the department's fee structure states that 20 basis points will be paid on the original issuance of bonds for a period of 30 years. One of the concerns that was brought up was if the bonds that were used in the course of construction were called out, you would have bonds that have gone away and you are still paying a fee for those bonds. Mr. Epstein suggested that perhaps we front-load some of that, and so the department has made some changes as it relates to the burning of bonds. Now there will not be an on-going fee on those bonds over their life. Another question was, what happens in year 15 when the tax credits go away and they are looking at refinancing? The bonds are essentially called out at year 15. The way it is calculated now is that once those bonds do disappear, the 20 basis points goes with it. **Schoessler** states that if you looked at the fee we had associated with that versus the fee we had previously imposed if the bonds were left in for 30 years, no one would leave the bonds in for that long, because the fees were not comparable. The department reduced the time period to 15 years, which makes the fees on a 15-year bond, versus burning the cap, very comparable. **Epstein** explains that most bonds have 30-year amortizations, and the agency collects a fee for monitoring that bond for the 30 years. The annual fee covers the overhead on that monitoring and the department collects 20 basis points for 30 years. Many bonds have a 15-year maturity date. According to the department's rules, if the bond paid off in year 15, we were still telling borrowers they owed the fee for years 16 through 30. In some cases, like during construction, bonds are used for a short period of time and it was the same issue. There is a large amount of front-end work on the bonds and we have to do more than cover overhead, because money we make from these programs also services other programs we do, like homelessness, social service, and food programs. Fee schedules are to come before Council for approval.

Chair Medinger comments that Council's job is much more of a general role, and he agrees that they can see numbers before they are "cooked." **Crager** says that the Council's authority is to approve requests to raise fees. In this particular structure, the fee itself has not changed. We just deviated that it was not based on a 30-year period, but is based on the life of the bonds. We have also made a tweak on the two year piece on any burning. **Epstein** states that he thinks the fee structure should be part of that, so Council knows what it is doing on a program-basis.

B. ***Web-Based Tool Kit for Communities.*** **Larry Dillenbeck**, Communications Manager, and **Floyd Smith,** Agency Affairs Director, report that following the Seaside Council meeting last Fall, at the suggestion of Judge Cooper, Larry developed the on-line housing resource center to have more resources available on the department's website for local communities to address their affordable housing needs and issues. **Dillenbeck** explains that the first five or so links have to do with workforce housing. Other links include The Guidebook for Employers, a comprehensive link to a resource for communities and employer's around workforce housing; housing, economic and community development resources, which include some of the agency's resources – the Housing Needs Model and the Housing as an Economic Stimulus Report, as well as some additional resources from the Oregon Benchmarks; local and national affordable housing organizations and the resources they offer on their sites -- some are statistical reports, some are more strategic; and general web search links for information around affordable housing and finance. **Smith** asks if having a broader delivery system for news articles has been helpful for Council members. They all agreed that it has been helpful. **Dillenbeck** says there will also be a series of articles that Mr. Merced has been working on for the *El Hispanic News*, including a general overview of the agency and homeownership, as well and how it relates to the Latino population.

C. ***Developer Fee Report.*** **Bob Gillespie,** Housing Division Administrator, reports that this is an update from a previous request from Mr. López. There are developer fees that go to our applicants, particularly with the CFC. It is known that sometimes there are consultants that work on the project. His question was about concern for the nonprofits that need the developer fees to do their business, and how much of the developer fee was going to the consultant, as compared to how much was actually going to the nonprofit or applicant. He refers to a spreadsheet he distributed that helps answer the question, pointing out two columns: one is "Consultant," one is "Developer." Consultant means the person who is writing the application, or who writes the application and helps with the development. In some instances, there was just a developer. The "percentage of developer fee" column is percentage of the total project cost. He explains that as he went through the data, the first thing he noticed was that there were 50 projects in the CFC (2006-2007), and of those 22 did not have any consultant fees. Not all CFC projects or applicants are actually paying for consultive services. 28 of them did actually pay for development or consultant services. There is a total of $10,818,000 in developer fees that went out to those 28 projects. $6M went to the applicant, and $4,818,000 went for consultive services. Roughly 55.5% went to owner applicant, and 45.5% went to the consultive services. He did some averaging on the total development fee, on what percent of it is the project cost, and if it is different for those that are sharing their fees with a consultant. The results are very close. Those that are sharing development fees are hiring consultant and development services.

Wooley asks which of these deals are private developer deals and which are nonprofit developer deals? She says that some of the unsophisticated nonprofits need a developer partner and often that is in the form of a consultant. **Gillespie** says that the for-profits might argue that they need a higher developer fee because they are actually paying taxes on fees earned. He says he would be happy to split this information apart based on those categories. **Chair Medinger** comments that one of his biggest concerns has been how hard it is to spend the HOME funds to make things work, and he worries about overpaying some of the developer fees. He says it would be interesting to know why somebody can put together a project for 3% to 8%, as opposed to 9%, 15%, or 20%. He recognizes that there are some difference in organizations and projects, but wonders if there is any pattern where we can question ourselves productively. **Gillespie** explains that the department does look at this when evaluating the CFC, and he will bring back more information to the next Council meeting to answer those questions. There are three different categories in the department's policy on developer fees, and in large part that explains the variations. The funding is for everything from a group home to a large development on a flat piece of land. In the CFC there are three different boxes and they have variables in each box. One example is a project for a special needs population that is very low income, that is on a difficult site, with many funding sources. Another example is, if it is a bond and 4%, and those are the only funding sources, the plans being used have been used before, it is easily developable property, and it is a large project, you would be getting a smaller percentage on a much bigger number.

Chair Medinger says he is questioning if the department has the correct policy, and if it is allowing too much, and where is it going? **Gillespie** says that where it is going is not a simple answer. The department makes the assumption that the nonprofit's doors will remain open. If they are lucky, at the end of the day, they get the funds. They are also making guarantees with those developer fees. If they are not performing as we thought they would, they may not get all of those fees. They may be deferred over a 12-year timeframe as part of the cash flow of the project. He says he does not think that the department is overspending on developer fees. **Chair Medinger** states that every time he has questioned it, Bob has convinced him that the department is not, but he would like to keep the question open, so the department does not end up overpaying. **Gillespie** says he will bring the policy back to Council so they can look at it again. **Wooley** says it would be helpful to understand the difference between private deals and nonprofit development, and that it would be interesting to see what is factored in during underwriting to warrant higher developer fees.

Markey comments that, with regard to the deferred developer fee, a lot of times with tax credit projects they will maximize the developer and defer a large part of it because it increases basis and allows them to get more tax credits on the project, so the amount of developer fee that is really being seen is less. Then on some of the other projects where it is really low, some of them have the funding source that dictates a maximum amount that we can put in, so the sponsor cannot get the developer fee they deserve on a project. **Wooley** comments that it would be good to have perspective on all of the dynamics that go into the developer fee. **Liebowitz** explains that sometimes the limiting factors on how much he would normally ask depends upon how much the project is going to cost. If he is looking at how much funding he is going to get he may be eligible for more than 9% or 10%, but he can't ask for more because his funding is limited. Sometimes he has cost overruns and the developer fee is the first thing to go. There is a lot of variation and it is very hard to pin down. **Wooley** states that in this particular set of data, of the 20 deals that had above 10%, there was a deferred developer fee to leverage up the tax credit, and it would be helpful to have a better understanding of that. **Epstein** explains that we are trying to get equity, and we are not saying one is good or one is bad. When you look at consultant splits there are good and bad consultants. There are so many moving parts that it is hard to draw conclusions by looking at absolute numbers. **Gillespie** says he was only addressing the one question, and he would be happy to look further with more data to answer the other questions. Next month we will review the department's policy, how we evaluate them as we look at them, and provide a little more information on what the for-profits take and what the non-profits take. **Wooley** suggests adding to the existing list which are for-profit and which are non-profit, and then have a discussion about what factors go into a higher development fee, from an underwriting standpoint.

D. *Report of the Chief Financial Officer,* **Nancy Cain.**

- The department was able to issue Premium PAC bonds, which allows it to fund the down payment assistance for its CashAdvantage Program. It does not mean that we can reestablish the CashAdvantage program, but it does mean that the department can fund the down payment assistance that it had previously committed to. The department ended up with about a 5.6% average mortgage rate for this issue. The total issue was $105M of par, with just a little over $1.3M in premium. The senior underwriter on this deal started out to be Bear Stearns; however there were some developments on Monday morning where Bear Stearns felt the timing was such that they would not be in a position to do their very best work for the department, and they wanted the first deal they did in conjunction with JP Morgan to be a good one. So the department switched its underwriter to Merrill Lynch, and they did a phenomenal job, stepping in at a moment's notice.
- The department's mortgage loan rates were raised to 5-5/8% on the RateAdvantage.

Merced comments that it is important to emphasize that there was concern when Bear Stearns went over to JP Morgan that JP might not keep the underwriting team in tact that has been working with the department on all these deals, and we are pleased that they decided to keep the entire housing group intact.

E. ***Report of the Deputy Director,* Rick Crager.**

- The Housing Council meeting scheduled for August 29 is the Friday of Labor Day weekend, and he recommends the meeting be changed to August 22. Council members all agreed.
- At the next meeting, Council will be looking at projects that have been recommended through the Consolidated Funding Cycle (CFC). The question was raised last fall as to why Council couldn't see applications that were not approved for funding. That question was forwarded to the Attorney General's Office and the advice that they have given is that we should not have those kinds of discussions in a public meeting because it exposes the department to risk and potential litigation. In addition, from a statutory standpoint, it appears to be outside the purview of the Housing Council. If a Housing Council member is interested in information on why a project did not get funded, they should deal one-on-one with the department and work through the Regional Advisor to the Department. **Markey** explains that they will be sending spreadsheets to Housing Council, and any questions can be directed to her or the appropriate RAD on a one-on-one basis. **Crager** says this was something Judge Cooper brought up, and he will make sure this information is passed on to him.
- The budget process is in the development stages, with the deadline for submitting the policy packages of June 16. Approximately $75M will be on the agenda for next session, and includes the document recording fee. The estimates on the document recording fee are down to $20M from the $36M proposed last session. It would also include some general fund requests and lottery-backed bonds. Our plan is to get the numbers finalized between June 1 and June 15 and then we want to have partner meetings. One of those meetings is scheduled for May 28. The department wants partners' input of what is going into the budget and if there are things it needs to change.
- Last month he and Victor met with several bankers in light of the current market. The department is evaluating projects that have been funded through the CFC, and the RADs are currently working with those projects to determine their status, and whether gaps were created through some of the changes in the tax credit yields.

F. ***Report of the Director.*** **Victor Merced** reports that this has been a busy month for the department, and staff have been working very hard on a variety of issues.

- Next month he will ask staff to talk about some other major things that are happening in the department, particularly work that is being done on the ex-offender Re-Entry Council with the Governor. That Council is looking at options for individuals leaving prison and re-entering the community, and what the department's role is on that task force in terms of providing affordable housing options for that population.
- The Veterans' Services Task Force, another Governor appointed task force, is looking at veterans who are returning from the gulf war and other wars who live in the community that are looking for housing options, and ways that we can work together in providing not only housing, but also the social services component that other agencies provide.
- The work on the disaster recovery relief efforts in Vernonia and other parts of that region is wrapping up. He hopes to be able to present an update on the department's work in that area at the next Housing Council meeting, which would include the department's post recovery efforts and where we are in terms of helping put that community back together. He says it is important to recognize that there is another piece the department does that is also very important.
- He recently returned from a trip to Chicago to meet with the MacArthur Foundation. The department is one of 20 finalists in the country for a grant application of about $5M for the preservation fund. This is collaboration that we have with NOAH, the Meyer Memorial Trust, the Collins Foundation, and other investors in that pool of preservation dollars. One thing he noted in

his trip is that among the 20 finalists (of those, 10 will receive funding), a lot of the communities, cities, states, and counties, are facing the same issues that the department is around preservation. He feels the department is the most competitive among the applicants because it emphasizes green building, and he feels that should be emphasized in the final application.

- He and others are preparing to meet with community partners about the department's budget and legislative concepts.
- He and Rick met with delegations from Spain and China, which was fun and great to meet housing colleagues from other countries. **Crager** adds that it was a good learning experience, particularly with the people from China, to hear about how their government works. You learn to appreciate the world in which we live, and says we are blessed with a lot of benefits that others do not have. **Merced** said they were told there was a lot of corruption around housing availability, which was interesting.
- He will be giving a keynote speech on May 8, at the Miller Nash Affordable Housing Conference, talking about what is in store for affordable housing, and highlighting the department's work around preservation, the homeless initiative, and some of the legislative concepts that are in the works for the 09-11 session.
- He and Rick are also considering attending more investor conferences with the department's banking partners to try and get more of a feel for what the investment community is looking for in terms of investments.
- He and Rick will also be attending the NCSHA training conference in Tucson, and will give Council an update next month.

Crager encourages Council to attend the June 19th Oregon Leadership Homeless Summit. The Governor will be there to kick off the state's 10-Year Plan to End Homelessness. The focus will be homelessness in communities and how it is different from community to community. There is a need for community leaders to step up and do a lot of the planning and initiating, and he encourages Council to use their influence in each of their communities, particularly with leadership, and encourage them to attend. There are ten counties that have developed or are in the process of developing their plans.

- **Merced** says that former Governor Barbara Roberts has agreed to be the keynote speaker for the Housing Conference in October, and asks Chair Medinger if he would be the one to introduce her at the Conference. **Chair Medinger** agrees. **LaMont** says the regional chapter of NAHRO is considering having a booth and a presence at the conference. She will also be attending a meeting of the Association of Oregon Housing Authorities and will try and push hard for more housing authority presence at the conference.

G. ***Report of the Chair*, Larry Medinger.** Nothing reported.

XI. <u>FUTURE AGENDA ITEMS</u>. None reported.

Chair Medinger adjourns the meeting at 1:10 p.m.

June 6, 2008	6-6-08
Larry Medinger, Chair DATE	**Victor Merced, Director DATE**
Oregon State Housing Council	**Oregon Housing & Community Services**