

**OREGON STATE HOUSING COUNCIL  
TELEPHONE CONFERENCE  
Minutes of Meeting**

Oregon Housing & Community Services  
Conference Room B322  
725 Summer Street N.E., Suite B, Salem, OR 97301

**3:00 p.m.**

**June 24, 2009**

**MEMBERS PRESENT**

Scott Cooper  
John Epstein  
Maggie LaMont  
Jeana Woolley

**MEMBERS ABSENT**

Larry Medinger, Chair  
Stuart Liebowitz  
Francisco López

**STAFF PRESENT**

Victor Merced, Director  
Rick Crager, Deputy Director  
Roberto Franco, Director's Office Liaison  
Karen Clearwater, Regional Advisor to the  
Department  
Roz Barnes, Loan Officer  
Jo Rawlins, Recorder

**GUESTS**

None

**I. CALL TO ORDER: Vice-Chair Maggie LaMont** calls the June 24, 2009 meeting to order at 3:10 p.m.

**II. ROLL CALL: Vice-Chair LaMont** asks for roll call. **Present:** Scott Cooper, John Epstein, Maggie LaMont, and Jeana Woolley. **Absent:** Chair Larry Medinger, Stuart Liebowitz, and Francisco López,

**III. NEW BUSINESS:**

**A. *Moving Forward*,** Approval of transfer of OHCS funding award from Interfaith Care Community to Rogue Retreat for the acquisition of eight units of housing in a project to be known now as *Grape Street* (Medford, OR). **Roberto Franco**, Director's Office Liaison, gives an overview of the write-up he had previously provided Council, explaining that on May 29, 2009 Housing Council approved funding to the Interfaith Care Community to acquire eight new units to create permanent supportive housing for homeless people in Medford. Unfortunately, the sale did not go through during the process of closing the transaction and they have returned the award to the department. The Rogue Retreat in the Medford area has expressed an interest in assuming the grant with all of the conditions and requirements as originally awarded to Interfaith Care Community. The seller is willing to work with the

department and with the Rogue Retreat under the same terms. There are families ready to move into the project and there is no need for further construction, improvements, or rehabilitation.

**Woolley** asks that he explain to Council why Interfaith Care Community (ICC) dropped out, and asks if he has received answers to the questions discussed at the May 29 meeting. **Clearwater** says yes, they did get the letter that Council requested from the Rogue Valley CDC stating that they were actually very happy to be working with Rogue Retreat. ICC backed out of the deal because they could not secure a \$100,000 loan from their bank on a fixed rate. The bank that they went to wanted a floating rate loan for a 20-year term and they did not have enough other operating capital to pick up a balance of payments if the rate went too high or whatever else might happen, so they decided that at this point and time they needed to back out of the deal. **Woolley** asks if it is correct that originally when they came to Council they had a fixed rate loan and when they went back to consummate the loan the bank said that they were not willing to do the fixed rate and wanted a floating rate \$100,000 loan. **Clearwater** says that is correct. **Franco** says that the original rate quoted was 6.88%, and now with the new terms, the bank was going to give them an 8.5% variable rate, which would be a financial risk that they did not want to take on. **Woolley** asks if in the letter they said they would sell at the same price. **Clearwater** says yes. **Woolley** asks if they said they would work with the department for whatever period of time it takes and under the same terms and conditions. **Franco** says yes, in their letter they say the terms of the agreement are exactly the same as it was with ICC. The letter states: "We believe that we have everything in place for the transaction to proceed successfully. We agreed to keep the same purchase price and terms in place through July 31, 2009, and with no changes." The Rogue Retreat (the new interested applicant) has secured their own \$100,000 loan that the other group was getting. It is not through a bank, but through connections in the community. They have talked with a local title and escrow company to set up an account. **Clearwater** adds that the seller has agreed to pay the closing costs. **Woolley** asks if they are confident that the deal can be closed by the 31<sup>st</sup>, which is only 30 days away. **Franco** says yes. He says that if Council approves the transfer of awards to the Rogue Retreat, the department will issue a letter of award, followed by the Grant Agreement that they would have to sign, and it will be reviewed by legal counsel, which will take about a week to turn around. **Woolley** says it makes her nervous because that is such a short time to accomplish everything. **Franco** says they honestly believe they can do it by that date. **Woolley** asks where the \$100,000 is coming from. **Clearwater** says it is coming from a private party within the community for 40 years at 7%.

**Roz Barnes** says she has been working with the Rogue Retreat on another Housing PLUS project and they are doing a really great job. Even though they are pretty new to the department's processes, they are very willing to do whatever it takes to adhere to our rules and regulations, and she has been very impressed with them. **Lamont** asks if they have the financial means to continue to handle this project as well. **Clearwater** says yes, she believes that they do. They will operate both projects very similarly and it will actually reduce the operating expenses that were originally budgeted on this project because they can get some economy of scale out of it. **Woolley** says she is supportive of this if everything can move forward without changing terms and conditions. They have already gone through a lot in getting the appraisal for these units to justify the purchase price, so if everybody is willing to stay in place and they have a more experienced operator that is willing to step in and take this on and provide the same type of housing so that the department is getting the capacity built in that community, she is supportive of the transfer of the award to the Rogue Retreat.

**MOTION:** Woolley moves that the Oregon State Housing Council approve the transfer of the Housing PLUS fund award of \$720,000, \$150,000 in Trust Fund for the acquisition, plus \$208,000 for rental assistance and supportive services in Housing PLUS funds from Interfaith Care Community to Rogue Retreat for the acquisition of 8 units of housing in a project to be known now as Grape Street in Medford, Oregon. This approval for transferring and funding is contingent upon Rogue Retreat meeting all Housing PLUS and Trust Fund requirements and conditions of award.

**VOTE:** In a roll call vote the motion passed. Members Present: Scott Cooper, John Epstein, Maggie LaMont, and Jeana Woolley. Absent: Chair Larry Medinger, Stuart Liebowitz, and Francisco López,

Vice-Chair LaMont adjourns the meeting at 3:30 p.m.

/s/ Maggie LaMont                      7/24/09  
Maggie LaMont, Vice-Chair    DATE  
Oregon State Housing Council

/s/ Victor Merced                      7/24/09  
Victor Merced, Director              DATE  
Oregon Housing & Community Services.