

**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.**  
**September 25, 2009**

**MEMBERS PRESENT**

Maggie LaMont, Chair  
Scott Cooper  
John Epstein  
Stuart Liebowitz  
Francisco López  
Jeana Woolley

**MEMBERS ABSENT**

**GUESTS**

Nancy McLaughlin (via phone)  
Cyndy Cook, Executive Director,  
Housing Works  
Keith Wood, Housing Works  
Amanda Saul, Human Solutions, Inc.  
Sarah Zahn, Human Solutions, Inc.  
Dahe Goode, Guardian  
Dan Steffey, US Bank  
Doug Chrisman, Chrisman Development  
Dee Luckenbill  
Ross Cornelius, Guardian Management  
Dorinda Schubert  
Bonnie Johnson, NOHA

**STAFF PRESENT**

Victor Merced, Director  
Rick Crager, Deputy Director  
Nancy Cain, Chief Financial Officer  
Bob Gillespie, Housing Division Administrator  
Pegge McGuire, Community Resource Division  
Administrator  
Dave Summers, Multi-Family Section Manager  
Lisa Joyce, Policy & Communications Manager  
Floyd Smith, Senior Communication Advisor  
Vince Chiotti, Regional Advisor to the Department  
Deb Price, Regional Advisor to the Department  
Karen Clearwater, Regional Advisor to the Department  
Craig Tillotson, Loan Officer  
Diana Koppes, Acting Asset and Property Management Division  
Administrator  
Carole Dicksa, HOME Program Coordinator  
Tony Penrose, Resource Coordinator  
Roberto Franco, Director's Office Liaison  
Margaret McDowell, Chief Audit Executive  
Shelly Cullin, Senior Loan Officer  
Jack Duncan, Housing Division Liaison  
Roseanne Ward, Financial Services Section Manager  
John Fletcher, Financial Management Policy Advisor  
Roz Barnes, Loan Officer  
Betty Markey, Policy Advisor  
Matthew Perry, Quality Assurance Advisor  
Mariana Negoita, Tax Credits Program Coordinator  
Jo Rawlins, Recorder

- I. CALL TO ORDER: Chair Maggie LaMont calls the September 25, 2009 meeting to order at 9:05 a.m.**
- II. ROLL CALL: Chair LaMont asks for roll call. Present: Scott Cooper, John Epstein, Francisco López, Stuart Liebowitz, Jeana Woolley and Chair Maggie LaMont. Chair LaMont**

announces that Nancy McLaughlin, the soon to be new Council member, is listening to the meeting via telephone.

**III. PUBLIC COMMENT:** None.

**IV. APPROVAL OF MINUTES:** **Chair LaMont** asks if there are any corrections to the August 28, 2009 Minutes. **Woolley** says that on the Motion for Pearl Family Housing, she thought she made the motion, not John Epstein. (Note: In checking the minute notes and voting roll call, it appears that Epstein did make the motion.) **Epstein** says he left the meeting around noon for a conference call, and thought that should be noted.

**MOTION: Woolley moves that the Housing Council approve the Minutes of the August 28, 2009 Council meeting, as amended.**

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

**V. RESIDENTIAL CONSENT CALENDAR:** **Craig Tillotson**, Loan Officer, distributes copies of the Residential Consent Calendar and states that there is nothing unusual about any of the loans, and that they all have basements.

**MOTION: Woolley moves that the Oregon State Housing Council approve the Consent Calendar.**

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

**VI. SINGLE FAMILY REPORT:** **Craig Tillotson**, Loan Officer, reports that in August, 21 loans were purchased for a little over \$4M, bringing the total for the year to 319 loans. There are still 75 active reservations with funds committed, and there are 40 on the waiting list. He says there is still some talk of the US Treasury becoming involved with bonds in various states, and market rates have dropped again. **Merced** adds that at the upcoming NCSHA conference in San Antonio there is going to be some agreement with regard to bond purchases. **Cooper** says that, despite the dramatic drop off in volume, he is doing a great job of ensuring geographic coverage, and thanks him for his attention to that.

**VII. SPECIAL REPORTS:** None.

**VIII. NEW BUSINESS:**

**A. *Barbara's Place*** (Redmond, OR), Housing PLUS Allocation and Trust Fund Request. **Cooper** notes for the record that his wife is Chair of the Housing Works Board and, therefore, will not be participating in discussion or voting. **Roberto Franco**, Director's Office Liaison, distributes architectural drawings and introduces **Cyndy Cook**, Executive Director of

Housing Works, **Keith Wood** of Housing Works, and **Debbie Price**, Regional Advisor to the Department. **Franco** explains that Housing Works is one of the major players of providing affordable housing in Central Oregon, with more than 500 units in their inventory. Barbara's Place is new construction that will have six one-bedroom units for individuals who experience long-term homelessness with mental illness and addiction issues. He gives an overview of the write-up contained in Council's packet.

**Cook** says she appreciates the opportunity to bring this project forward and the work that the department has done. She explains that this development is the beginning of an overall master plan on a site that is an ideal location close to shopping and pharmacies, and is on a transportation corridor. Housing Works has partnered with Deschutes County Mental Health in the hopes of creating a mental health center, and the City of Redmond is supportive as well. **Crager** says he had the privilege of going to the Central Oregon Project Connect and was amazed by the amount of people. It was the biggest Project Homeless Connect in Oregon, with 2,200 attendees. He says this is a needed project. **Merced** asks who Barbara is. **Cook** explains that Barbara Stone was a commissioner on their board who served for over 20 years. She was a hard core advocate for vulnerable people in their region. **Woolley** says it looks like a great project that meets an important need. **Chair LaMont** says she thinks the Housing PLUS dollars have been great and that she would like to see more funding for this type of work. **Crager** says the department will go back to the Legislature for more funds. By then, there will be more results to show to make a case.

**MOTION: Woolley moves that the Oregon State Housing Council approve the allocation of \$540,000 in Housing PLUS and \$150,000 in Trust Fund for construction and development, plus \$156,000 for rental assistance and supportive services in Housing PLUS funds to the Barbara's Place housing project in Redmond, Oregon. This approval for funding is contingent upon Housing Works meeting all Housing PLUS and Trust Fund requirements and conditions of award.**

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

**Epstein** asks for clarification on affordability. **Negoita** explains that minimum affordability for low-income housing tax credit programs is 30 years. It starts out with 15 years of affordability, followed by another 15 years. Some projects have additional affordability because of requirements of other local agencies. The City of Portland, for example, requires 60 years of affordability. **Crager** states that there will be further discussion about this at Council's retreat in October.

**B. Rockwood Building** (Gresham, OR), TCAP (Tax Credit Assistance Program) Gap Financing Request. **Mariana Negoita**, Tax Credits Program Coordinator, explains that the group of projects being presented today are receiving funds made available through the American Recovery and Reinvestment Act (ARRA). The projects have experienced less than

expected per-credit pricing for the credits they were awarded. Of the 26 original applications, 24 are being presented to Council (last month and today). **Negoita** distributes a list of the applications received and the applications being presented to Housing Council, and says the first project is the Rockwood Building with 46 units of affordable housing of new construction.

**MOTION: López moves that the Oregon State Housing Council approve up to \$1,985,439 reservation of tax credit assistance program funds for the Rockwood Building. Reservation is contingent upon successful OHCS completion of NEPA review and any other HUD TCAP requirements, and is subject to all OHCS requirements.**

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

**C.** *Hood River Crossing* (Hood River, OR), TCAP (Tax Credit Assistance Program) Gap Financing Request. **Mariana Negoita**, Tax Credits Program Coordinator, states that the project will provide housing for families and farmworkers, with four units of new construction. **Epstein** announces that he needs to abstain due to possible Wells Fargo involvement.

**MOTION: Woolley moves that the Oregon State Housing Council approve up to \$1,885,502 reservation of tax credit assistance program funds for Hood River Crossing Apartments. Reservation is contingent upon successful OHCS completion of NEPA review and any other HUD TCAP requirements, and is subject to all OHCS requirements.**

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

**D.** *Iris Glen Townhomes* (Klamath Falls, OR), TCAP (Tax Credit Assistance Program) Gap Financing Request. **Mariana Negoita**, Tax Credits Program Coordinator, says this is a 36-unit project. **Epstein** says he will need to abstain on this one also due to possible Wells Fargo involvement.

**MOTION: Woolley moves that the Oregon State Housing Council approve up to \$770,000 reservation of tax credit assistance program funds for Iris Glen Townhomes. Reservation is contingent upon successful OHCS completion of NEPA review and any other HUD TCAP requirements, and is subject to all OHCS requirements.**

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

**E.** *The Knoll @ Tigard* (Tigard, OR), TCAP (Tax Credit Assistance Program) Gap Financing Request. **Mariana Negoita**, Tax Credits Program Coordinator, explains that this is a 48-unit new construction project serving seniors with less than 50% area median income.

**MOTION: López moves that the Oregon State Housing Council approve up to \$824,917 reservation of tax credit assistance program funds for The Knoll at Tigard. Reservation is contingent upon successful OHCS completion of NEPA review and any other HUD TCAP requirements, and is subject to all OHCS requirements.**

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

**F.** *Astoria Gateway II* (Astoria, OR), TCAP (Tax Credit Assistance Program) Gap Financing Request. **Mariana Negoita**, Tax Credits Program Coordinator, states that this is a 33-unit new construction serving work force families. **Cooper** says he recently had a conversation with individuals from Astoria about the lack of investment in their area, and he is glad to see this project.

**MOTION: Cooper moves that the Oregon State Housing Council approve up to \$1,170,000 reservation of tax credit assistance program funds for Astoria Gateway II Apartments. Reservation is contingent upon successful OHCS completion of NEPA review and any other HUD TCAP requirements, and is subject to all OHCS requirements.**

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

**G.** *Miracles Club* (Portland, OR), TCAP (Tax Credit Assistance Program) Gap Financing Request. **Mariana Negoita**, Tax Credits Program Coordinator, introduces **Ross Cornelius** of Guardian Management. **Negoita** explains that this is a 40-unit project for people coming out of recovery. **Woolley** asks if it will be targeted for families. **Cornelius** states that there are 40 units consisting of studios, one and two bedrooms, so there will be the capability to serve families. **Cooper** asks if the funding for the monthly rents is paid by the tenants or if there will be rental assistance. **Cornelius** answers that this is more focused for those employed and well on their way so they opted not to offer rental assistance.

**MOTION: Woolley moves that the Oregon State Housing Council approve up to \$882,656 reservation of tax credit assistance program funds for Miracles Club Mixed Use Building. Reservation is contingent upon successful OHCS completion of NEPA review and any other HUD TCAP requirements and is subject to all OHCS requirements.**

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

**H.** *Bridge Meadows* (Portland, OR), TCAP (Tax Credit Assistance Program) Gap Financing Request. **Mariana Negoita**, Tax Credits Program Coordinator, introduces **Ross Cornelius** of Guardian Management, and **Dorinda Schubert**. **Negoita** explains that this project is for seniors and adoptive families for hard to place foster children, consisting of 27 affordable units and nine market rate units. **Cooper** asks for an explanation of how the program/community works. **Cornelius** passes around a drawing of the proposed project site, explaining that the model started in Illinois, and includes seniors who commit to helping raise the children. The goal is to have the children adopted into a permanent home. There are nine senior units in three triplexes, and four duplexes and single family homes. **Schubert** adds that they have received inquiries from seniors around the country who want to live there. Most are retired teachers or social workers who want to continue working with children. She says this model has received national attention, and that the model in Illinois has been on 60 Minutes. **López** asks if placement will be done by DHS. **Schubert** says yes. The matching will be done in the typical way that all placements are accomplished. **Cooper** says this is so unique that it might be one to highlight for Representative Kotek, who is the chair of the House Human Services Committee. **Schubert** says they have done so. **Liebowitz** asks what the results have been and if it is conditional that the seniors live there. **Cornelius** answers that there are a number of other projects being contemplated around the country, and that the seniors are not obligated to be involved in the project, but they are encouraged to attend an intergenerational training offered by DHS. **Liebowitz** asks if they preference those that indicate an interest. **Cornelius** says they are focusing on building a large waiting list; however, if they do not express an interest they are still eligible to live there. **Liebowitz** asks about the results they are seeing. **Schubert** says they have seen children be adopted and they are graduating from high school and senior health issues are stabilizing. **Liebowitz** says he has heard in the past that this is a mix that does not work, and he is curious about outcomes.

**MOTION: Cooper moves that the Oregon State Housing Council approve up to \$2,033,210 reservation of tax credit assistance program funds for Bridge Meadows Apartments. Reservation is contingent upon successful OHCS completion of NEPA review and any other HUD TCAP requirements, and is subject to all OHCS requirements.**

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

**Chair LaMont** says that once it is up and running Council would like a presentation on it. **López** asks if Council could get some data of what has happened with the other projects around the country. **Crager** answers yes, the department can help put that together. **Merced** adds that there is another one in southern Oregon, and they should look at these as pilot projects first.

**I. Uptown Tower** (Portland, OR), TCAP (Tax Credit Assistance Program) Gap Financing Request. **Mariana Negoita**, Tax Credits Program Coordinator, explains that this is a 72-unit building serving the elderly handicapped and disabled. **Cooper** points out that there are a noticeable absence of x's in the committed column in the write-up. **Cullin** explains that Uptown Tower was one that was included in the Section 8 portfolio brought to Council in September 2008. It did not get its bond award because that was the meeting that US Bank came to say the financial market had collapsed and they could not make the bond award. However, they did get their tax credit reservation and they are eligible for TCAP. Guardian is in the process of getting an equity investor, and the project has housing preservation funds committed to it. **Cooper** asks, given the "in progress" status of this, why they can't wait. **Negoita** says they are trying to determine the final balance on TCAP. **Cullin** adds that it will help attract an investor with the commitment. **Negoita** states that they have some projects with investors on the fence, and they are hoping that providing the gap financing will move them forward. **Cornelius** says that they have been working on this project for a long time, and if they are not successful on the 9% application they have submitted, then they will need to go forward on a 4% application. They are trying to look at all alternatives. **Negoita** adds that if they are successful in the 9% round, then the TCAP funding is not available, and it would come back to the pool. **Epstein** asks what the TCAP deadline is. **Negoita** answers that 75% has to be out by February 16, 2010. **Epstein** asks if they all have deadlines, and if they will come back if they don't get an investor. **Negoita** says they have a commitment deadline of February 16, 2010, and that the commitment happens when they sign. **Epstein** asks if the department has until 2011 to get the dollars out the door. **Negoita** says that if the money comes back, they department will have committed in excess of the 75% commitment. **Epstein** asks if the department does 75% and it comes back, can the money be reallocated again. **Negoita** says she does not believe that will be the case. **Cullin** adds that the only projects that are eligible for TCAP are those that have received a tax credit award or offer letter by September 30. Every project that is eligible has applied. There are only three new projects that are eligible for this funding.

**MOTION: Woolley moves that the Oregon State Housing Council approve up to \$1,304,222 reservation of tax credit assistance program funds for Uptown Tower. Reservation is contingent upon successful OHCS completion of NEPA review and any other HUD TCAP requirements, and is subject to all OHCS requirements.**

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

**J-L.** *Indian Creek Court* (Hood River, OR), TCAP (Tax Credit Assistance Program) Gap Financing Request. **Mariana Negoita**, Tax Credits Program Coordinator, introduces **Dahe Goode**, Development Consultant with Guardian, and **Shelly Cullin**, Senior Loan Officer, and states that this project is a 40-unit family project. **Cullin** explains that she will also be addressing the *Stewart Terrace* (Sherwood, OR) (29-unit, senior, very low income, Section 8), TCAP (Tax Credit Assistance Program) Gap Financing Request, and *Villa West* (McMinnville, OR) (48-unit, family, very low income, Section 8), TCAP (Tax Credit Assistance Program) Gap Financing Request. These are all the Section 8 projects that Guardian is proposing as a portfolio acquisition with bonds and 4%. All they are waiting for is an approval of the gap financing and then they will be good to proceed. US Bank is re-underwriting and they are hoping to close by the end of October. With regard to *Stewart Terrace*, more guidance has been received from HUD on using residual receipts. Not all Section 8 projects have Residual Receipts requirements. These funds are to be used only for hard rehab costs that benefit the project and/or tenant. If the Residual Receipts can be maximized, then other resources committed to the project could be returned and used for other preservation projects. Bond proceeds have eligible good and bad costs; the TCAP, while structured similar to a tax credit project, has some limitations for eligible uses. They were not able to return the Housing Preservation funds due to that structure. What they were able to do is to have appraisal updates, and when the market rents for Indian Creek went down, the debt went down. **Epstein** asks if they are paying back the TCAP. **Cullin** says the TCAP is filling the gap in the loss of equity. The TCAP is a loan and it is a creative way to keep a 4% allocation so the department can do bond deals. **Woolley** notes the complexity of the transaction. **Cullin** states that normally Council does not see tax credit projects, and she would be willing to do an update at the next meeting to outline the structure. **Epstein** points out that it looks like the rehab is \$27,000 per unit and asks if they are confident this will establish longevity. **Goode** states that she just completed the HUD determinative criteria on these and they have achieved high REAC scores and are very well maintained. **Epstein** asks, since these all have Section 8 projects expiring, if there is a risk with these coming in at lower rental rates. **Goode** explains that the market rates are all below Section 8s, and that HAP contracts will remain constant until they expire, and then revert to market rents. **Negoita** adds that TCAP does allow repayment, so they are structuring those as loans. **Epstein** states that, as part of the contract, the lender is establishing an amount in reserves and the lender might have a different time frame than ours. **Cullin** says the department reviews their underwriting and everyone is part of that discussion. **Chair LaMont** says the best way to proceed is to take all as one motion.

**MOTION: Cooper moves that the Oregon State Housing Council approve up to \$1,554,588 reservation of tax credit assistance program funds for Indian Creek Court. Reservation is contingent upon successful OHCS completion of NEPA review and any other HUD TCAP requirements, and is subject to all OHCS requirements.**

**MOTION: Cooper moves that the Oregon State Housing Council approve an increase of the Housing Preservation Fund grant in the amount of \$345,000 to Guardian Holding, Inc., for a total Housing Preservation Fund grant of \$630,000; for the**

**acquisition and rehabilitation of Indian Creek Court, in Hood River, Oregon.**

**MOTION: Cooper moves that the Oregon State Housing Council approve up to \$1,326,315 reservation of tax credit assistance program funds for Stewart Terrace Apartments. Reservation is contingent upon successful OHCS completion of NEPA review and any other HUD TCAP requirements, and is subject to all OHCS requirements.**

**MOTION: Cooper moves that the Oregon State Housing Council approve up to \$2,198,414 reservation of tax credit assistance program funds for Villa West Apartments. Reservation is contingent upon successful OHCS completion of NEPA review and any other HUD TCAP requirements, and is subject to all OHCS requirements.**

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

**M–O.** *Fairview Apartments* (Ontario, OR) (40-unit family), TCAP (Tax Credit Assistance Program) Gap Financing Request; *Buttercreek Apartments* (Hermiston, OR) (86-unit family), TCAP (Tax Credit Assistance Program) Gap Financing Request; and *Boardman Apartments* (Boardman, OR) (12-unit family), TCAP (Tax Credit Assistance Program) Gap Financing Request. **Cullin** explains that all of the due diligence and updated appraisals for these projects are being re-underwritten and that Chrisman Development will be purchasing the credits. Regarding *Boardman Apartments*, **Cullin** says the scope of rehab has been done. **Epstein** asks if the RD loan is a 40 year loan. **Cullin** states that it will be reamortized to 45 years. The goal is to have an RD mortgage so the rental assistance can be retained. **Woolley** asks if the construction company is large enough. **Chrisman** answers that two years ago they did four rehabs with WC Construction at the same time and they had no capacity issues. They were smaller projects, but he is not worried about the capacity. **Cullin** adds that the final inspections showed it was very well done. **Bob Gillespie** says they did a great job. **Woolley** says she is just worried about capacity issues. **Cullin** states that US Bank is underwriting and that they are very diligent. **Epstein** says that RD keeps these restricted at 60% area median income, and asks why the department wouldn't match its affordability with RD if they are longer. **Cullin** explains that there is also a monitoring and compliance issue for up to 30 years.

**MOTION: Epstein moves that the Oregon State Housing Council approve up to \$1,830,759 reservation of tax credit assistance program funds for Fairview Apartments. Reservation is contingent upon successful OHCS completion of NEPA review and any other HUD TCAP requirements, and is subject to all OHCS requirements.**

**MOTION:** Epstein moves that the Oregon State Housing Council approve up to \$2,726,079 reservation of tax credit assistance program funds for Buttercreek Apartments. Reservation is contingent upon successful OHCS completion of NEPA review and any other HUD TCAP requirements, and is subject to all OHCS requirements.

**MOTION:** Epstein moves that the Oregon State Housing Council approve up to \$758,840 reservation of tax credit assistance program funds for Boardman Apartments. Reservation is contingent upon successful OHCS completion of NEPA review and any other HUD TCAP requirements, and is subject to all OHCS requirements.

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

**P.** *Cedar Grove* (North Bend, OR) (42-unit family), Tax Credit Exchange Gap Financing Request. **Mariana Negoita**, Tax Credits Program Coordinator, introduces **Karen Clearwater**, Regional Advisor to the Department. **Woolley** asks if this is one where Council's commitment could encourage the bank. **Clearwater** says the bank is finishing up the documents and will be signing soon. **Chair LaMont** asks if the contractor, property management and developer are all the same. **Clearwater** says yes, and they have done many projects with the department in all of these roles.

**MOTION:** Cooper moves that the Oregon State Housing Council approve up to \$1,989,157 reservation of future tax credit proceeds for Cedar Grove Apartments. Proceeds will be generated from the exchange of tax credits for cash between OHCS and US Treasury. Reservation is contingent upon successful receipt of funds by OHCS from US Treasury.

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

**Q.** *Hewitt Place* (Troutdale, OR) (44-unit family at or below 50% & 60% AMI), Tax Credit Exchange Gap Financing Request. **Cooper** asks what the percent of area median income served is. **Negoita** explains that most of the projects focus on 60%. **Cullin** adds that it is linked to rents.

**MOTION:** Woolley moves that the Oregon State Housing Council approve up to \$2,794,664 reservation of future tax credit proceeds for Cedar Grove Apartments. Proceeds will be generated from the exchange of tax credits for cash between

**OHCS and US Treasury. Reservation is contingent upon successful receipt of funds by OHCS from US Treasury.**

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

**R.** *Sandhill Apartments* (Seaside, OR) (32-unit family, 60% AMI), Tax Credit Exchange Gap Financing Request. **Mariana Negoita**, Tax Credits Program Coordinator, introduces Bonnie Johnson, Consultant for Northwest Oregon Housing Authority. **Johnson** points out that they have removed the deferred developer fee from the project and will take a \$50,000 total developer fee. **Negoita** states that there are two motions for this project. **Chiotti** explains that the Finance Committee wanted to make sure this project had solid asset management so they will have five years of asset management with a third party asset manager, and the project did not have the money to pay for that. **Woolley** asks if that is paying the fee each year. **Chiotti** says yes. The fee was not in the initial budget, but the staff fee is in the budget.

**MOTION: Liebowitz moves that the Oregon State Housing Council approve up to \$2,502,406 reservation of future tax credit proceeds for Sandhill Apartments. Proceeds will be generated from the exchange of tax credits for cash between OHCS and US Treasury. Reservation is contingent upon successful receipt of funds by OHCS from US Treasury.**

**MOTION: Liebowitz moves that the Oregon State Housing Council approve up to \$110,000 additional Trust Fund award to assist Sandhill Apartments in the completion of the development in Seaside. Trust Funds are to be used to provide third party development and asset management oversight that will extend to five years after rehabilitation of the property.**

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

**IX. OLD BUSINESS:** None.

**Victor leaves the meeting at 11:20 due to illness.**

**X. REPORTS:**

**A.** *Community Resources Division Quarterly Report.* **Pegge McGuire**, Community Resources Division Administrator, states that at the last meeting Council member Woolley asked what percentage of the federal dollars on the federal programs actually goes out to the communities. She says it varies according to the program. For some, the department does not

get any admin dollars and 93% - 100% goes out to the communities. She gives an overview of her division:

- They are very busy with the ARRA funding and stimulus dollars.
- On the Community Services Block grant funding, the community action agencies are spending their dollars. The programs receiving the most funding are around food collection, buying freezers, refrigerated vehicles, food donation solicitations, and homeless program support. Some are focusing on homeless and runaway youth. Still others are targeting financial counseling or employment related activities.
- The weatherization program just received its final allocation of funds. There was quite a hold up and at the last minute the Department of Labor wanted some different categories of workers, in which Davis Bacon processes would apply.
- The department had identified Tier I and Tier II preservation, multi-family affordable housing projects that we asked our partners to prioritize. We asked that 25% of the projects be multi-family. Approximately 500 projects were identified, and 75 of those are in the pipeline. Some of the reasons for delay included developers who do not want to use ARRA funds because of the Davis Bacon attachment spreading to the entire project and making the project too expensive. Some want to use the funds, but some uses are not allowed. The federal program requires that there be a specific savings ratio, which some of the projects cannot meet.
- We were just notified that the Department of Energy will be sending someone out to monitor the weatherization funding, and additional attention is anticipated on a quarterly basis for some monitoring.
- The Emergency Food Program received some ARRA funds to draw down some commodities within the food bank network statewide. These items are perishable and are drawn down as needed. The USDA recently conducted an audit and they decided we need to be monitored twice a year. We are finding that an extremely high level of monitoring is now required and this is more than we had anticipated.
- The work plans for Homeless Prevention Rapid Rehousing program have been received, but HUD has not yet finalized what they would like the department to report on.
- Regarding Emergency Housing Account (EHA) funds, the department receives continuum of care funds for those experiencing chronic homelessness. The funds used to be used for services, but now the focus is re-housing programs and they are adding more and more housing components to those funds. We were hopeful that we could serve more, but are finding that the funding has dropped. 10% of the Housing Opportunity Bill funds will be used for these housing programs.
- Her division is currently working on the analysis of impediments to housing, which is done every five years in order to receive federal funding.
- The Energy Assistance Program is gearing up for heating season.
- She gives special thanks to Council member López for his work in guiding the reformation of the farmworker facilitation team, which the department is required by statute to have in place. The first meeting will be in November.

**Woolley** asks where to go for information about the energy audits being conducted in the Portland area and the grant available to homeowners. **McGuire** says it is through the Energy Trust for the Portland program. **Woolley** asks if it is related to individual homeowners. **McGuire** explains that specific communities will be targeted in larger urban areas and then replicate and scaled to smaller communities. **Liebowitz** states that they are looking for a rural

pilot program as well, but one of the difficulties is the cities need to come up with funding to supplement. **McGuire** says a five-to-one match will likely be required.

**B. Federal Stimulus Plan Update.** **John Fletcher**, Financial Management Policy Advisor and ARRA Coordinator, distributes the ARRA Report dated September 25, 2009, and gives an overview.

**C. Report of the Chief Financial Officer.** **Nancy Cain** reports that the department is starting to close bond deals; she and Rick will be attending the NCSHA national conference next month; and this last month the department has been getting ready to submit the required reporting for ARRA.

**D. Report of the Deputy Director.** **Rick Crager** reports the following:

- The department is in the process of trying to implement legislation.
- He recognizes Diana Koppes, the acting administrator for Asset and Property Management during the time Marlys McNeill is out on medial leave.
- APM is working on implementation of more compliance pieces of the new funding.
- He recognizes Lisa Joyce for all her help and asks her to touch on some items that Scott Cooper raised with regard to the Earned Income Tax Credits. **Joyce** reports:
  - House Bill 2970, a piece of legislation passed last session that related to expanding outreach and knowledge of the Earned Income Tax Credit (EITC), gave the Director the task to convene an interdepartmental workgroup within the Interagency Council on Hunger and Homelessness (ICHH) to identify and implement methods to expand the number of eligible taxpayers who take advantage of EITC. ICHH has not met since January, but will meet in November, and at that point the topic of developing the task force will be on the agenda.
  - Oregon is 46<sup>th</sup> in homeownership, and when you look at people of color the number drops more dramatically. Representative Nathanson was concerned that the agencies were not coordinated in information or sending people to the same places to get the information. Under the Assets and Opportunitites Score Card Oregon scored a C. She says we were dinged in two areas around housing: independent oversight of the Housing Trust Fund. She comments that apparently Council was missed when they did their review, as this is what the Housing Council does. The other area was around homeownership. She says that the department does have opportunities with the document recording fee and other items that will help it look better on the next go around. **Cooper** states that the report card is filled with holes. It is missing state policies that are in place, and asks if someone from the agency is going to educate them before the next round. **Joyce** answers that Victor did go to the event and clarified that the Housing Council does provide oversight, but the media did not pay any attention to those nuances. **Cooper** states that there are a number of things that Oregon does right that they just missed. **Joyce** says the report was done by the Center for Asset Development, which is very big in the asset building arena. **Crager** adds that the department needs to see what opportunities there are to educate and at least get correct information provided. **Joyce** explains that there is also a lag time on the information they are getting to put into the scorecard. The purpose is advocacy to move certain agendas.
- **Crager** distributes copies of the Document Recording Fee Fact Sheet and says the document recording fee goes into effect on Monday, and that the department has put together the Fact Sheet for clerks to distribute to help people understand the fee increase. Clerks

are set up, they know where to send the money, and systems are in place to receive the first quarterly portion of these funds in January.

- Several from the department have been on the road conducting forums regarding the Housing Opportunity Bill -- Roseburg on Monday; Bend on Wednesday; and Pendleton on Thursday. He says the meetings have all been fantastic, and his goal is to have the program strategies out by the end of October, and the rules and policies out by the first of January. Commissioner Elliott mentioned taking a portion of the fee and pledging it to bond issuance, which would mean pledging resources for a period of time, with the security of the revenue stream. The last two forums will be in Portland on Tuesday and Salem on the 9<sup>th</sup>.

- He congratulates Scott Cooper. He says he has been to a lot of Project Homeless Connects, and the Central Oregon one was by far the most organized. He applauds Cooper's efforts and says his staff and volunteers were all terrific.

- Umatilla County's Project Connect is coming up soon and he says there is real momentum building east of the mountains.

- **Crager** distributes copies of the Preservation Forum Agenda for the September 4 meeting. He says it was a great meeting and they are trying to get policy direction on the money and where to target it. The goal is to have something that will hold the owner to continuing affordability.

- The Manufactured Dwelling Parks work group will meet next week.

- Last Friday he attended a County College and met some of the new incoming commissioners to educate them about the department.

**Liebowitz** states that he wants to acknowledge Rick and the rest of OHCS for doing a great job at the Roseburg meeting. **Woolley** says she wants to say that she knows everyone is working overtime, and as a Council member she appreciates the spirit that exists and the dedication that everyone has. **Cooper** thanks Jo for taking care of Council.

**E. Report of the Chair.** **Chair Maggie LaMont** reports that she appreciates the travel by members of the Executive Team and the forums they have conducted for the Housing Opportunity Bill. She says they did an excellent job.

**XI. FUTURE AGENDA ITEMS.** **Rick Crager** announces the following:

- The Housing Council Retreat will be October 29.
- Victor Merced will give his year-end report in December.
- Paul Carlson, USICH, will give a presentation at the December Housing Council meeting.

**Chair LaMont** adjourns the meeting at 12:30 p.m.

/s/ Maggie LaMont                      11/6/09  
**Maggie LaMont, Chair**                      **DATE**  
**Oregon State Housing Council**

/s/ Victor Merced                      11/6/09  
**Victor Merced, Director**                      **DATE**  
**Oregon Housing & Community Services.**