OREGON STATE HOUSING COUNCIL

April 15, 2011

Roosevelt Crossing, Eugene, OR
(New Construction; 45 Units Transitional Housing)

Meeting held at:
Oregon Housing and Community Services
725 Summer Street NE, Room 124A/B
Salem, OR 97301
503.986.2005

OREGON STATE HOUSING COUNCIL

April 15, 2011

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Oregon State Housing Council

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What We Do Matters!

Council Members

Maggie LaMont, Chair
Tammy Baney
John Epstein
Michael C. Fieldman
Francisco López
Nancy McLaughlin
Jeana Woolley

STATE HOUSING COUNCIL MEETING

April 15, 2011

9:00 a.m.

Meeting Location:
Oregon Housing and Community Services
725 Summer Street NE, Room 124A/B
Salem, OR 97301
(503.986.2005)

AGENDA

I.	**CALL TO ORDER**	**M. LaMont**
II.	**ROLL CALL**	**M. LaMont**
III.	**PUBLIC COMMENTS**	**M. LaMont**
IV.	**APPROVAL OF MINUTES**	**M. LaMont**
	A. Minutes of February 18, 2011; March 31, 2011 Meetings	
V.	**RESIDENTIAL CONSENT CALENDAR**	
	A. 37300 Block Highway 228, Brownsville, OR	**K. Cleveland**
VI.	**NEW BUSINESS**	
	A. *WyEast Vista Apartments* (Hood River, OR), Housing Development Grant Program (Trust Fund) and Housing Preservation Funds Request	**S. Cullin**
VII.	**SPECIAL REPORTS**	
	A. Manufactured Dwelling Park Preservation Update	**D. Zitzelberger** **T. Wingard**
VIII.	**OLD BUSINESS -- None**	
IX.	**REPORTS**	
	A. NSP Update	**R. Malloy**
	B. Legislative Update	**L. Joyce**
	C. Oregon Homeownership Stabilization Initiative (OHSI) Update	**N. Cain**

D.	Report of the Chief Financial Officer	**N. Cain**
E.	Report of the Acting Director	**R. Crager**
F.	Report of the Chair	**M. LaMont**

X. FUTURE AGENDA ITEMS **R. Crager**

OREGON STATE HOUSING COUNCIL
Minutes of Meeting

Meeting Location:
Kroc Community Center
1865 Bill Frey Drive NE
Salem, OR 97301

9:00 a.m.
February 18, 2011

MEMBERS PRESENT
Maggie LaMont, Chair
John Epstein
Mike Fieldman
Jeana Woolley

MEMBERS ABSENT
Tammy Baney
Francisco López
Nancy McLaughlin

GUESTS
Cathey Briggs, Oregon ON
Leon Laptook, CASA
Kate Rambo, Anchor Mobile Home Park
Rose Ojada, CASA
Bruce Newman, RCAC
Chelsea Catto, CASA
Tamie Kaufman
Keith Wooden, Housing Works

STAFF PRESENT
Victor Merced, Director
Rick Crager, Deputy Director
Nancy Cain, Chief Financial Officer
Debie Zitzelberger, Loan Officer
Mary Carroll, Program Analyst
Betty Markey, Senior Policy Advisor
Lisa Joyce, Policy and Communication Unit Manager
Mike Kaplan, OHSI Administrator
Karen Clearwater, Regional Advisor to the Department
Debbie Price, Regional Advisor to the Department
Dave Summers, Multifamily Housing Section Manager
Aria Seligmann, Senior Communication Advisor
Janna Graham, Loan Specialist
Jo Rawlins, Recorder

I. **CALL TO ORDER: Chair LaMont** calls the February 18, 2011 meeting to order at 9:15 a.m.

II. **ROLL CALL: Chair LaMont** asks for roll call. **Present: John Epstein, Mike Fieldman, Jeana Woolley and Chair LaMont. Absent: Tammy Baney, Francisco López and Nancy McLaughlin.**

III. **PUBLIC COMMENT: Cathey Briggs** and **Leon Laptook** from Oregon ON.
Laptook thanks Council for its work on the long-term affordability policy. He says he thinks this is a major step forward in the development of housing policy in the state of Oregon. It demonstrates the state's commitment to effective use of public funds over the longest term possible. He says they support the policy as drafted by staff and, in addition to the policy, the process whereby the policy was developed was fabulous and may serve as the model for Housing Council in the future. It really did involve the staff being very proactive in gathering a group of stakeholders together. It reached out to private and public sector, as well as non-profits on the issue.

Briggs says they want to publicly convey to Council and to Victor their appreciation for the leadership and creating the opportunities for partnership and good work. Oregon ON shares the department's goals and they will miss Victor. **Epstein** thanks them and says they more often hear about complaints versus compliments. It does set the tone of a model for Council going forward. He says that Council's current leadership encouraged them to be more open on their decision-making process. **LaMont** says it has been a good process and the Council is far more educated and involved in the issues.

IV. APPROVAL OF MINUTES

A. Chair LaMont asks if there are any corrections to the January 21, 2011 Minutes. There being no corrections, the Motion was read:

> **MOTION: Epstein moves that the Housing Council approve the Minutes of the January 21, 2011 Council meeting.**
>
> **VOTE: In a roll call vote the motion passes. Members Present: John Epstein, Mike Fieldman, Jeana Woolley and Chair LaMont. Absent: Tammy Baney, Francisco López and Nancy McLaughlin.**

V. RESIDENTIAL CONSENT CALENDAR: None.

VI. NEW BUSINESS:

A. *Anchor Mobile Home Park* (Gold Beach, OR), Manufactured Dwelling Park Preservation Program Grant Request. **Debie Zitzelberger,** Loan Officer, introduces **Chelsea Catto,** CASA of Oregon, **Bruce Newman**, Rural Community Assistance Corporation (RCAC), and **Karen Clearwater**, Regional Advisor to the Department. **Zitzelberger** states that she is presenting a funding request from Saunders Creek Homeowners Cooperative for a $600,000 grant of Manufactured Dwelling Park Preservation resources. The funds will be used in conjunction with the primary loan from CASA of Oregon and a subordinate loan from RCAC to purchase and renovate the manufactured dwelling park known as Anchor Mobile Home Park in Gold Beach, Oregon. She gives an overview of the write-up contained in Council's packet. **Fieldman** asks her to detail the $76,650 for expenses that is listed under the project cash-flow, debt-service. **Catto** explains that it is for operating expenses -- electricity, garbage, and the property management company. **Fieldman** asks if there are also reserves. **Catto** states that they have operating reserves, maintenance reserves, and project cash flow. **Fieldman** asks what levels those reserves are at. **Catto** says there is $10,000 in operating reserves, and $100,000 in maintenance reserves. Their debt-coverage ratio is 1:1, and there is a positive cash flow as well. **Fieldman** compliments the owners for going this route. He says he was involved in an attempt to do this in Roseburg, so he knows the work that goes into it and what a challenge it is. **Epstein** asks about the 27% of the cooperative that are not part of the decision-making process, but still make the required lease payments to the cooperative. **Catto** states that those 27% just do not have a say in helping create the community rules. **Epstein** asks if that 27% would be required to participate financially if the park needed to raise money to accomplish a certain goal. **Catto** explains that they would sign the same lease, and they would have to follow the community rules. There is an incentive for them to participate, and non-members could be charged higher space rent. **Epstein** asks if CASA's primary loan is from CFI Funding. **Crager** comments that if there were some major issue that occurred in the park, it ultimately would fall on the responsibility of the ownership and they would have to figure out ways to manage that. **Catto** says yes. **Crager** asks if they could make

adjustments in their budget by raising rents. **Catto** says that is why they do a lot of due diligence ahead of time. **Epstein** asks if this is the second one the department is doing through this program. **Crager** states yes. In April, there will be a more comprehensive report given to the Council of all the activity the park preservation money has been used for. **Epstein** asks how long their arrangement for technical assistance is for. **Catto** replies that it is for the life of the loan. **Epstein** asks what the technical assistance includes. **Catto** explains that it is for capacity building, financial training of the board, answering day-to-day calls, assisting the property management company, and assisting the CPA. **Epstein** comments that 60% of the spaces must be rented to those 80% or less of AMI, and asks how they monitor eligibility if someone wants to sell. **Catto** explains that they start out with an income survey on the cost certification. They need to certify on an annual basis to make sure that they are still within that percentage. They do not want to limit their ability to fill the park, but at the same they want to make sure they are targeting the lower-income people. **Woolley** asks if there is any programmatic element from CASA that tries to target the vacant spaces to families, and if that is part of the technical assistance. **Catto** states that they work with them on a marketing plan, so they can target it that way. They also have the ability to make low-interest loans, and are also able to source donated mobile homes that are of better quality and of lower cost. They also do energy efficient upgrades and make those available at an affordable price for residents. **Epstein** asks what happens if they are at 100% AMI and someone wants to leave. **Catto** says there would be enough room to sell that one to someone who is 100% AMI, because the rest of the park would still be meeting the qualifications. **Crager** adds that at some point they could bump up against that, and then they would be in a situation where the buyer would have to be limited to the income. **Woolley** asks if the long-term affordability policy would be applied to this as well. **Crager** says yes it would going forward. The Council will have some discretion. **Woolley** asks if they would sign a covenant that it would need to be affordable for 60 years. **Catto** states that under this limited equity, cooperatives cannot be sold to a developer. It has to stay as a park. It could be sold to another non-profit. **LaMont** comments that she supports this and is impressed that they kept the rents reasonable and were able to meet the needs of upgrading the park for 30 years. **Merced** asks how many parks have been done since the department started this. **Zitzelberger** says that two have been funded with other funds, this is the second one funded with this program, and there is one more in the pipeline. **Crager** adds that this will be the last with the current preservation money.

MOTION: Epstein moves that the Housing Council approve a grant award of up to $600,000 from Manufactured Dwelling Park Preservation resources to Saunders Creek Homeowners Cooperative to acquire and renovate Anchor Mobile Home Park in Gold Beach, Oregon.

VOTE: In a roll call vote the motion passes. Members Present: John Epstein, Mike Fieldman, Jeana Woolley and Chair LaMont. Absent: Tammy Baney, Francisco López and Nancy McLaughlin.

VII. SPECIAL REPORTS:

A. *Ending Homelessness Advisory Council (EHAC) Report.* **Mary Carroll**, Homeless Prevention and Rapid Re-housing Program Analyst, distributes a copy of a PowerPoint presentation and reports that EHAC was created by an Executive Order and is charged with developing strategies and making policy recommendations to end homelessness in Oregon. EHAC developed the state's 10 Year Plan to End Homelessness and they follow SB200, which is the state policy that

focuses on permanent versus temporary housing solutions. EHAC members meet quarterly and provide support for local efforts to end homelessness. EHAC is working on its second annual report on the status of the 10-year plan for the Legislature. She gives an overview of the work they will be doing with the 18 counties that have not developed or may just be starting to develop their local 10-year plans. EHAC has funded a contract with the Corporation for Supportive Housing, and Heather Lyons will be working with all of those counties over the next few months. She says that in these times of budget cuts and increased demands, it is more critical than ever to have a plan to know what is working, and to know what the outcomes are when making the tough decisions. **Fieldman** states that part of the reason community action agencies can be so active in the process is because they receive Community Service Block Grant (CSBG) dollars, which is what really funds their ability to go out and do this kind of development work and community advocacy. CSBG was singled out in the President's State of the Union address as one of the programs that could be cut. The President's budget gives it a 50% cut. The House may zero funding out for the rest of this year. If CSBG funding ends, we will have a very difficult time going forward. It is a critical issue for community action agencies. **Carroll** adds that these agencies are key players in their communities. EHAC is able to provide the technical assistance to improve outcomes. **Fieldman** says that CSBG supports case management, which would also be impacted. **Carroll** talks about how the Homeless Management Information System (HMIS) for gathering data works, and the HEARTH Act, which is the newest amendment on McKinney-Vento performance driven data. She says that EHAC is discussing the need for a statewide homeless conference. In 2013, EHAC will co-sponsor a regional conference in Portland with the state of Washington, and they expect 800 people. As to affordable housing development, she reports that 330 units were project based; 26 units of the 913 total CFC funded units were permanent supportive housing; and 29 units of permanent supportive housing will be funded through the NSP program. **Crager** adds that a key part of the Governor's 10 Year plan is: How do you start implementing permanent solutions to homelessness? The department has been a leader in putting this forward and he is hopeful that it will continue to work towards that. The VA has a lot of interest and they are now talking about permanent supportive housing, as opposed to shelters. **Carroll** says she also administers the Homeless Prevention, Rapid Re-housing program (HPRP), which is a one time only ARRA-funded program. They are taking the lessons learned from that program and applying them now to new programs, one of which is aimed at homeless Veterans. The Supportive Services for Homeless Veterans grant is a brand new VA program ($50M for one year; year two will be $100M). Because it is similar to HPRP, she attended a grant writing workshop and learned a lot about the program. She has done two webinars to showcase this as a transition, as HPRP is ending. **Fieldman** said his organization sent staff down to one of the trainings and it seems like a good program that can work. **Carroll** added that it is a VA funded and monitored program. Grant writing webinars are being provided to the people who are interested in applying for the grant.

EHAC is now working on leadership messaging training to improve communication around the issue of homelessness in the state. Neighborhood Partnerships has stepped up and has taken a leadership role. They work with a group called Demos, which is a nonpartisan, public-policy research and advocacy organization. They have done a series of workshops to talk about the role of government. They are just beginning discussions with EHAC members if the advisory council model is the right one for them, knowing all the work that needs to be done. They are exploring joining with other organizations that do work around homelessness, or perhaps a coalition model. **Crager** states that the Washington coalition has been very effective and they are a stand-alone, not connected to state government nonprofit. They want to be forward thinking as they begin their conversations with Governor Kitzhaber on exactly what the model looks like going forward, and the

most effective way to do that. Their biggest struggle is funding, and they are fortunate to get state agency support for EHAC; however, he does not expect that funding to continue. Having a group outside state government with the ability to leverage other private resources and possibly more potential resources, will be helpful. **Fieldman** asks how the Washington coalition is funded. **Carroll** explains that they are partially funded with their document recording fee, and that members from every county pay dues. The yearly conference also makes money for them. **Woolley** asks how they protect the integrity of the data from those out in the field that are inputting data and if there are any safeguards that would prevent abuse. **Carroll** says she does not know how you would guard against that 100%. The kinds of data that they would track is not just numbers of people served; they will also be documenting systems outcomes as well. It is almost a higher level documentation of an entire system versus one program. **Epstein** points out that the department did fund the tax credit VA model in Roseburg, so that could provide some modeling. **Carroll** says that having the partnership with the VA will be a required part of the application.

Merced asks about the point-in-time count, and whether they are seeing any trends, and noticing any changes from the last count. **Carroll** answers that at this point, the priority is to get all data entered. They will then look at anomalies. So no trends have been established at this point, but in a few weeks they will start looking for those. **LaMont** points out that there are a lot of different homeless areas, like domestic violence and unaccompanied homeless teenagers, and asks if they work with those groups in providing information. **Carroll** says the local 10-year plans and the state 10-year plans are really around a Housing First model and ending all homelessness. In the beginning of the plan process the exclusive focus was on chronic homelessness. Communities quickly realized that they did not want a plan that did not include families or youth, so plans began to address those as well, but not enough. In the last national homeless count, chronic homelessness declined, but homeless family populations exploded. Nationally, the focus is changing to families, unaccompanied youth and the efforts around Veterans and their families. The Housing First model works for everyone. **Crager** says that one of the things EHAC is tasked with is how to work more collaboratively together. Local plans have really demonstrated that collaboration, but there is room for improvement on the state level. He and Mary have worked with the VA and are excited that the federal VA is engaged. They also work closely with the Department of Human Services. He says he is hopeful that the new split on that department might provide them with some opportunities to re-engage with DHS. **LaMont** says that with all the different programs it would be great to be able to be talking and working together. **Fieldman** says that kind of coordination does happen, at least at the local level in rural areas. **Crager** says that is where you see the value of the local plans. These plans are active and, in the communities where it does facilitate the collaboration, that is necessary. **LaMont** says the technical assistance to the rural communities that the state is providing is crucial.

VIII. OLD BUSINESS:

A. *Period of Housing Affordability.* **Betty Markey**, Senior Policy Advisor, reports that last month she gave an overview of the policy which proposed a 60-year period of affordability. Council discussed the ability to buy out at year 40 or 50 years. A way to incentivize sponsors to maintain affordability would be interest rates that would reduce over time. Policy would apply to all grants receiving grant loan subsidies, primarily projects through the CFC or bond projects that received other gap financing through the department. It does not include those projects receiving bonds and four-percent credits. The proposal was put out for public comment to all partners, and the public comment period closed on January 31. She refers to the summary in Council's packet of the ten comments received, pointing out that there were several recurring themes. Overwhelmingly, everyone liked the 60-year affordability period. There were a few comments about giving a

preference for projects that will commit to an even longer term. A lot wanted to see it applied to the bonds and four percent projects. Others want to eliminate the automatic 40 and 50-year buy-outs. She gives an overview of the information contained in Council's packet on the background, summary of comments, evaluation of comments and recommended revisions, and implementation of affordability policy. She says OHCS took all of the comments into consideration and revised the policy. What they have come up with is that the department will require the 60-year term. Since the year 2000 the department is already getting an average commitment of 50 years, so they chose to eliminate the automatic 40 or 50-year buy-out. If the physical condition of a property, or the market conditions, prohibit it from maintaining affordability, the director will have discretion to modify the terms. **Crager** says the contract language going forward would be broad enough to where the director would have the discretion to include, but not be limited to, getting some form of recapture. So while they are getting rid of the 40 or 50-year opt-outs, it does not eliminate the ability of the director to recapture funds at some point in the future. That is similar to some of the agreements currently in place that were done in the early 80s with the prepayment policy. **Markey** says OHCS likes the idea of requiring the owners to apply for the project-based assistance when their contract expires. They also feel there is a need to modify the tax credit projects on subordinate debt. They did not incorporate applying this policy to the projects that solely receive bonds and four percents. These are normally higher income projects. Many of those projects that are serving a lower-income population are receiving some other gap subsidy from the department. This will not apply to existing applications that are currently under review and underwriting. For CFC projects, it would start in the 2012 round. It will not apply to certain types of projects that have more short-range goals, such as predevelopment loans. There is currently an RFA out for projects that are currently in our portfolio that have some type of life/health/safety issues, and policy won't apply to those projects. The department will provide Housing Council, on an annual basis, a list of projects to which there was a modification.

Woolley asks why the projects, when there is an exception, wouldn't come back to the Council for approval, instead of the director having the discretion. She says she thinks it needs to be more than one person approving exceptions, and that it should come back to Council. **Crager** says they were just trying to keep the administrative component away from the Council. **Woolley** says if the notion is that these are the exceptions, the director should have the discretion to bring it to the Council. **Merced** suggests that they could add that the director bring his recommendations for final approval to the Council. **Woolley** says there needs to be some counter-balance, so final approval should lie with the Council. The department needs to raise Council's profile and take actions that would suggest that the Council is more than an advisory body. **Crager** states that, in looking at past contracts, it will be nice to have the Council weigh in. **Markey** suggests that it may also reduce the number of requests if they know they will have to come before the Council to defend their request. **LaMont** says she does not like letting anyone out of their agreement unless the proposal is a better deal, and she still does have a concern over being recapitalized on a 60-year old project. She asks if they want to say the "useful life of the project." **Crager** comments that if you sign for 60-year affordability, but then you get to a point where you do not want to reinvest, because whatever you did would not be able to last a long enough period, that is where the exception would come in. **Epstein** points out that there is also another option on this policy, so that if someone had an argument on a specific project, you could just make an exception to the policy. **Woolley** says she likes the idea of them making the argument up front, but it is all the more reason to amend the policy so that this comes to the Council. It takes pressure off the director by not allowing anyone to lobby for the exception. **Epstein** says it would create a check and balance

system. He states that staff did a great job reaching out to the community, and that the majority involved are pretty happy the way it concluded.

MOTION: Woolley moves that the Housing Council adopt the following long term affordability policy:

Owners of rental housing developments receiving OHCS grant or loan resources (excluding projects funded solely with bond/4% tax credits), will be required to maintain the property as affordable for a minimum of 60 years. Affordability terms will be secured by a deed restriction.

Owners of developments where rental assistance contracts are due to expire must apply for and if approved, accept rental assistance contract renewals.

On LIHTC projects with subordinate loans, OHCS will not unreasonably withhold adjustments to the affordability requirements as it relates to the term or rent levels in order to maintain status of such debt as a loan and avoid triggering such debt as a grant. Modifications will be allowed to the extent necessary such that all subordinate loans can demonstrate ability to be repaid or refinanced at maturity.

Other exceptions or modifications will be subject to review by the director, with approval by the Housing Council, and may include recapture of invested funding and appreciation.

VOTE: In a roll call vote the motion passes. Members Present: John Epstein, Mike Fieldman, Jeana Woolley and Chair LaMont. Absent: Tammy Baney, Francisco López and Nancy McLaughlin.

LaMont: "I just want to tell Victor publicly that we are so sorry to see you go and you have done a great job with the agency and we do appreciate everything that you have done and how hard you have worked. It is a much different, more engaging Council than when I first started eight years ago. We are going to miss you and I thank you for all you have done." **Fieldman**: "I would like to echo that, but on a broader context because we have seen that through OHCS on the community service side too. You have brought a sense of collegiality and partnership and realizing we are all in this together." **Merced**: "I got a heartfelt and heartwarming e-mail from Scott Cooper. This is a great business and a great place to be, I will miss it. I will return in another venue, though I am not sure what that is. It has been a great four years. I have no regrets. I will leave with my head held high. I am proud of the accomplishments and there are still some things I need to do in the agency. They have preliminarily approved that I will stay until the end of April as an advisor to the department. I will leave on the 28th as director and Rick will be acting director on March 1. I will stay on to make some transitional adjustments both personally and with the agency. Thank you for all that you have done." **Woolley**: "I am really disappointed in this decision, because I do not see the rationale for it at this point. I feel that if you are going to make these kinds of decisions with an agency that has as much span as we do and touches as many communities around the state every

day, that you ought to be present in front of the Council to talk about what your vision is going forward. This agency has done great work and that always has something to do with the leadership. I will miss you Victor. I think you have done a fabulous job. Sometimes politics gets in the way of good sense and this is one of those times."

IX. REPORTS:

A. *Legislative Update.* **Lisa Joyce**, Policy and Communication Manager, passes around the latest version of the Poverty Report, which will be a living document on-line, whereby information will be added from the local community action agencies to provide local perspective. She also passes around the Community Services Block Grant (CSBG) annual report, which highlights what the CSBG has done during 2009. The report is important because the President's budget proposes a significant reduction in this program. She distributes a copy of the department's legislative agenda, and gives an overview. She explains that a bill that is not on the agenda is a bill that proposes to extend the sunset on Oregon Affordable Housing Tax Credits. That bill had a hearing on Tuesday morning, which went well. The legislature is going through a new process in that they want to have more rigor around tax credits and they want to treat tax credits the way one might treat a budget expenditure. It is similar to the Ways & Means process. The committee that heard this was not familiar with OAHTCs and so there were many questions, and interest in the details was surprising. She believes the bill will move. As a state agency we have to be neutral on the extension of the sunsets. Some of the tax credits have an impact on the budget. SB 606 replaces the department's SB 152, which relates to the fact that under state law we are required to pay the administrative expenses of the Oregon Hunger Task Force. The department had originally proposed a policy option package that would fund that activity, as well as some other related work. The Governor's recommended budget backs out the other fund revenue to support this, but does not put anything in to support it. **Crager** explains that in 1999, Bob Repine was able to work a deal where dollars would be transferred from other state agencies to pay for the operating costs for the task force. With the current budget, state agencies no longer have the dollars to continue doing that. The department did put in the agency request budget to try and get it funded with General Funds, but the package was not approved. Therefore, it was backed out to make sure that it would be based on availability of funds. The department is working with Patti Whitney-Wise to see if there are opportunities in which to potentially get this restored in the budget. Lisa Joyce and Mike Kaplan have been doing a lot of outreach with legislators on the Hardest Hit Fund, and Crager says he appreciates their hard work.

Woolley asks if the agency is responding and making an argument to our legislators regarding the CSBG. **Joyce** says the department has been working with the Governor's office and they are still trying to get their arms around the President's budget. The department is awaiting some further guidance from them, as to what it can do. **Crager** adds that he thinks the Council can write a letter to the Governor to weigh in, and can also weigh in to the federal delegation. **Fieldman** comments that CAPO (Community Action Partnership of Oregon) is working to get the word out from the local agencies, as well as the state association, to the federal delegation. They are working on a request to the Governor for a letter to the delegation and the White House. They do not know where that is going to go at this point, and he thinks it would be helpful if the Council would be willing to weigh in on it. He said CAPO would be willing to send letters. **Crager** suggests working with Fieldman, since he is a part of CAPO, and to draft a letter and have Fieldman as the lead to review it. **Woolley** recommends highlighting the initiatives in this state that will be impacted by the loss of CSBG. **Crager** says that, as a state agency, we have to follow the Governor's lead, and Council members are appointed by the Governor. **LaMont** cautions that Council does not want to

come out against something that the Governor says he does not support. **Crager** says there is no problem with drafting a letter for Council to give to the Governor. **LaMont** points out that time is of the essence, as it affects the current year. **Joyce** asks if they want it broader than CSBG and energy assistance, but also what they are doing with HUD. **Epstein** indicates that the letter can emphasize that, and asks if there are other programs that should be included as well, that are more, or less, important than CSBG. **Crager** says Council could provide a letter to the Governor about the President's budget. **Woolley** agrees. **Crager** states that there are parts of the President's budget, as it relates to some of the HUD spending, that Council may want to say they favor. A broader letter could be drafted as it relates to the entire President's budget, but highlight the CSBG, as that is the most dramatic impact.

Woolley comments that, looking at the CSBG report and seeing how much leverage there is for every dollar spent, she thinks dollars that leverage other dollars is important in a time of scarce dollars. She asks if Council members are legally bound by the same rules and regulations as an appointed Council. **Crager** says that usually a council does have the flexibility to lobby to the federal delegation, to the extent that they are not going outside the boundaries. **LaMont** cautions that Council cannot publically criticize what the Governor is doing. **Woolley** clarifies that she is not trying to criticize, she is trying to advocate for something about which Council members have a direct perspective on the impact. Council needs to focus its leadership on the importance of these dollars. She says Council is advising the Governor and that is Council's role. **Crager** states that staff will draft a letter that is broader as it relates to the President's budget, and anything Council would like to advise the Governor on. **Fieldman** points out that the President's budget is recommending a $2B cut in the energy assistance program next year. **LaMont** says she thinks the main focus does need to be on the programs that affect the agency. **Epstein** asks who administers the fuel energy subsidies. **Crager** responds that it is the LIHEAP program, which the department administers. **Merced** comments that there is a position paper from NCSHA on the President's budget, primarily focusing on the HUD side, and there are some tax credit items that they have some concerns about that Council may want to also address. **Cathey Briggs** says that President Obama is in Oregon today, and that the only non-Intel visit he is making is with the Washington County Community Action agency. **Joyce** adds that there was also a CAUSA legislative briefing where they talked about their agenda for immigrants and farmworkers, and says farmworker housing is very high on their list. It was a great event at the Capitol with a lot of legislative support.

B. *Oregon Homeownership Stabilization Initiative (OHSI) Update.* **Mike Kaplan,** OHSI Administrator, reports that they have concluded the intake period. They initially targeted the $100M for the Mortgage Payment Assistance Program to 5,000 homeowners. There are nearly 6,000 homeowners that have been determined as eligible. Approximately 15,700 applicants completed the process; nearly 19,000 started the process. Based on the number of applicants and the average mortgage that applicant's have presented, and with the expected attrition for the year-long program, they will be able to fund every single eligible applicant in the state, which is very exciting news for them. **Merced** states that it means there will be no lottery process. **Kaplan** says those 6,000 applicants represent 12 counties that are currently over-subscribed, and 24 counties that are undersubscribed. He distributes a copy of the MPA Submissions by County and MPA Outreach Report, and gives an overview of each. He says the department's partners did an amazing job of getting the word out. In Klamath County, there was a letter sent to every single homeowner in the county about the program. In the undersubscribed counties they will be able to preserve the slots and the funding that was committed to each of those counties and re-launch the program sometime later in the spring or early summer. They will focus on the other programs and then work with the

partner agencies in the 24 counties to revisit what the outreach and strategies are. They went before Ways & Means and have done aggressive outreach to legislators. **Crager** comments that, unfortunately, Council member Baney was not able to be present today, and that in the past she had pointed out to him that she wanted the department to ensure that everything possible was done to preserve dollars for the county. Crook and Jefferson are under-subscribed and they will re-launch in those counties. At some point, they will need to evaluate to see if another program may be more effective for that particular community. **Kaplan** points out that Lake County has about 500 mortgages, and even if you assume 10% unemployment applies to those 500 homeowners, the 50 homeowners may not all be eligible for the program. **Woolley** asks if those slots are allocated by percentage of population. **Kaplan** explains that the slots are allocated based on five criteria: Unemployment; the change in unemployment rate over the course of the recession; current housing price; change in the current housing price decline over the course of the recession; and an index between severe delinquencies (90+ days) and foreclosure. According to those, they are ranked on financial distress. To ensure fairness and equitability, they did not use population to drive those numbers. **Crager** says there has been an area of scrutiny on those allocations. Many people thought the money should only have gone to certain parts of the state, and that has been addressed over time. At some point we may run into this again. He asks that as Council members have conversations, to please communicate what Mike has said today. **Woolley** comments that this is impressive. It would be hard for anyone to look at this and not say we have not made tremendous attempts to engage people in every single county. And this was announced in December. **Kaplan** says he is very proud of the team and proud of the agency. They are now entering the underwriting phase, and are doing a secondary review to make sure the determinations were correct, and the proper documentation is submitted. Once that is complete, the homeowner's lender and their financial institution servicer, also has a right to review and decide whether to accept the applicant. We have a high confidence level in the work that was done and are getting clear signals from the servicers that they will not reject a high number of people. There will be some fall out when dealing with 6,000 people. They anticipate starting to make payments in March, with the overwhelming majority of them made in April. One of the challenges that the team is dealing with is that among those 6,000, there are 190 different servicers. The majority are with the big lenders, but there are 185 others that they have to chase down one-by-one. The sophistication levels and their willingness to participate varies.

Kaplan announces that they have not closed, but Treasury approved the pilot project for Deschutes and Jackson Counties. He says to Treasury's credit, they have been willing to work with the department on this program the entire time. **Crager** says he spoke with Rep. Buckley yesterday and he was very happy. This is an innovative program, and we are the first to have something like this. He is confident that this will be an excellent model going forward. He compliments Mike for his hard work and patience on this. **Kaplan** offers the following explanation of the model: From the homeowners perspective, they bought a $300,000 house in Deschutes County, which is now worth $150,000. The Oregon Affordable Housing Assistance Corporation will approach that homeowner's lender and say that it will buy it for $120,000. At that point, if they sell to us, we will immediately refinance with the current homeowner for $150,000, the current appraised value, at a fixed interest rate loan. At that point we will rehabilitate the homeowner. In all likelihood, the loans that banks will be willing to sell us will be delinquent and not high performing with a risk of strategic default. We can get rid of all that at once, and then have a high performing, stable, consistent loan. Then we would like to sell the high performing asset, and recycle the funding. We recover the spread from what we purchased and what we sold it for, which can be reinvested in the program. The current pilot calls from a revolution of the funds four times. **Crager** says there is an

administrative component to doing all of that work. They are looking at going forward with some form of contract and hope to have that in place soon. **LaMont** states that at first look the funding available seemed high for the applications submitted for Baker, Grant, Union and Wallowa Counties, and she appreciates that they will go back and offer a second chance. They may get a few more applications, but she does not think it will be a whole lot different. **Kaplan** comments that he thinks there is a population of homeowners who were reluctant to come forward, and some were unwilling to say they needed help. As they are able to show success, he hopes they can get those homeowners to come forward.

Crager asks about the other programs that are coming up. **Kaplan** explains that there are three programs: the transition assistance, which is designed to help the homeowner leave their home short of foreclosure; loan preservation; and loan modification. The next program to be released will be transition assistance. The loan preservation program will, by and large, be a reinstatement of a principal reduction program that will require lender participation. They hope to have those launched within the next couple of months. The loan modification assistance will be the toughest sell, largely because it will be hard to get lenders and servicers to agree to participate due to the nature of the program, and the way the department envisions it.

C. *Report of the Chief Financial Officer.* **Nancy Cain** reports the following:

- As of Monday, the department has taken 275 reservations in the residential loan program, for a total of $49M, which is more than is available. They have begun a bond sale that appears will be $60M. They have had to raise the rate once and may have to raise it again. The reason they are able to open up the program and offer loans at an attractive rate is because they built up zeros as a cushion. By blending zero rates with a higher cost rate, they are able to lower the rate. They are getting purchases through, which is good because fees come through with those as well. They were fortunate to have entered into liquidity agreements right before the market collapsed. Liquidity allows them to do variable rate debt.
- The Financial Services Division received the gold star for financial reporting. Roger Schmidt, the reporting accountant, was specifically identified. Roger is a great resource and asset to the agency.
- The department came out better than expected on its budget. There was a reduction to our General Fund, but it was the lower amount of what we had anticipated, so an $800,000 cut as opposed to $2.5M.
- The economic forecast came out this week. For the current biennium that ends June 30, it was virtually flat. The lottery funds were down by about $11M, but they did have an ending balance, so we are still good on the lottery funds. That is important because we got a total of $19.1M in lottery-backed bonds, of which the last amount, $6.5M, will be issued in March.
- Going into our new budget, we were authorized $10M of lottery-backed bonds in the 11-13 budget. There was an additional $80M decrease in General Fund projections for 11-13. At this point, no decisions have been made about how that will impact the Governor's Balanced Budget. In that budget, the salary steps that staff have not received for several years, as well as furloughs, were renewed in the budget. So they increased the personal services expenditures, then took a 5.5% reduction to that. How that reduction will occur has not yet been determined. It will involve negotiations with the various unions. It could take the form of staff reductions, reduced benefits payments, and perhaps changes to PERS. We do show an increase in staff, largely because of the Hardest Hit Funds. **Woolley** asks if the department has any opponents. **Crager** states that, from a budgetary standpoint, the department is in a

good position. The budget will be heard by the same subcommittee that has heard it for several years. Legislative visits have been made to all of the members so far. He says he feels very good and optimistic. The department has an outstanding story to tell with preservation. They will have the point-in-time Count data available to demonstrate the high needs. The only General Fund cuts are to homeless programs and food assistance, which serve the most vulnerable populations. Advocacy-wise, the department is positioned extremely well. The Housing Alliance has been very active; Community Action has been active; Mike Kaplan and his colleagues have made visits to all the legislators, which was a success. Oregon ON has been very active. They have a hired lobbyist that we have been working with and that will be a great addition. Ryan Fisher with Northwest Public Affairs has been active. To the extent that Housing Council can begin weighing in on some things, that would be helpful. He says he has not heard of any negatives. The department's concern is fund sweeps. The department is in a better position to talk about what we trend towards from a revenue standpoint. **Cain** says it has been this Governor's position that he will not go to raids of other funds. He built his balanced budget with no other fund raids. **Crager** states that, as they go into the budget hearing, it is imperative that they talk at an outcome-based level. It appears that the legislative body is going to be disciplined on this and we will frame our presentation to focus on that. We will talk on a continuum level. **Woolley** asks what his early observations are. **Crager** says so far, so good. The Ways and Means hearing is scheduled for March 28 through 30.

- There are six audits going on at this time: the regular required Secretary of State audit; the OIG audit of NSP1; the OIG audit of NSP2; the Department of Energy audit; the US Treasury desk review of the Exchange program; the OIG audit of TCAP; and the homelessness prevention and rapid re-housing grant audit, which is a HUD audit.

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

- He feels confident with the department's relationships as they move forward into this budget period. There will be a lot of negotiation and the co-chairs budget will be out soon, which will give them more direction on where the differences between the Governor and the co-chairs lie.
- He has gone to a variety of different hearings. He testified on the OAHTC bill. There were a lot of questions and they are trying to get a better handle on how they are supposed to deal with all the tax credit extensions because they play a role in the bigger picture of budget reconciliation. The department has been working with legislative members on the Mortgage Payment Assistance program. He feels they are at a good place in discussing some of the concerns that were brought up around the implementation. They presented to the subcommittee an update on the Hardest Hit Fund. He says he will send a copy of the presentation to Council members in case they are asked questions.
- The CFC continues to move forward. He met with the Association of Housing Authorities and several other partners about some concerns related to this CFC application and some of the timelines and review requirements. The changes made were done in a way to eliminate risk and to make sure that they are evaluating the projects carefully. He says they probably could have done a better job in terms of communicating and preparing partners for that. He says that for 2012, the department will be looking at the CFC process now. He wants to make sure the partners clearly understand the process. He says he will update Council at each meeting with how that is going.

- He says he hopes Council was able to see the look on the tenant's face after the Anchor Mobile Home Park grant was approved and how much that meant to her. This is a model the department is very proud of and he hopes to be able to report results to Council at the next meeting.
- He asks Council to keep in mind that the work done on EHAC is unfunded and the work is done in our "spare time."
- He points out the great work done by Betty and John Epstein on the policy piece; Lisa on the phenomenal job she does over at the capitol; Mike and his $220M program, pointing out that Oregon is a leader in this nation as it relates to the implementation of the Hardest Hit Fund; Nancy and her staff for all the work that has been done on the budget; all that staff does behind the scenes that Council never hears about; they have all done a great job.

"All this demonstrates progress, great work and change, and all that starts at the top. As you hear things that are in the media related to the changes and progress in the department, Victor Merced has been behind all that. I appreciate all the hard work he has done. I assure all of you that as we move forward, you have my commitment going forward to continue that. We have been through this in the past and it is unfortunate that we have to go through it again. We are up for the challenge. We have a good staff here. When Victor and I first met, he talked about the book Good to Great. He made me read it. Victor, you can walk away knowing that you took this agency from good to great. You can be assured, Council members, that we are great now and we will continue to be great as we move forward."

Woolley: "The only silver lining in the disappointing news about the Governor not reappointing Victor, is I was grateful that he put you in the interim position, Rick. If the Governor does not see fit to leave Victor in that position, I am extremely grateful that we have somebody of your caliber who is in the agency and who understands, knows the staff. I do not feel bad about you being there. I just feel bad that Victor is being taken out." **Fieldman** says he can echo appreciation that Rick will be there to provide the continuity and leadership.

E. *Report of the Director.* **Victor Merced:** "I wasn't planning on saying anything more than that. Rick said it all, so I will try and lighten the mood a little bit. I did not know the meaning of the word stoic until law school when several of my classmates referred to me as that. Law school is very hard to get to the top of the class like I did. I never let any of the pressure get to me. So, thank you all. **Fieldman**: "We know you will resurface elsewhere in a really good place, I have no doubt." **Merced**: "There is no crying in baseball. While it appears that I am the only director that was dismissed, there are others and they decided to not have it made public the way I did. I was given the choice and I chose to make it public based on my principles. I feel I still have some unfinished business and I would have liked to have stayed another few years under his leadership. As for my future, I have some things that, if they come through, will put me in a much better position than I am now. This was the greatest job I ever had. I love philanthropy and it is something that I have always wanted to do. I have done it and I enjoyed it. Don't bid me farewell, just say bon voyage."

F. *Report of the Chair.* **Maggie LaMont**: "Victor, we appreciate all you have done. You have taken this agency so far. We are way better than where we were eight years ago, when I first started. Much more mature and considering of what partners want and more open to operating the different areas. We will certainly miss you and I know you will do well. It was a great meeting

and I think our meetings get better and better. I loved seeing the new innovative things coming out. I am amazed at staff. Mike Kaplan is so young and going to go so far. It was a difficult meeting, too." She reminds Council about a March 16th conference call at 2:00 with three projects they will be looking at; and another phone conference on March 31 at 10:00 on another project. **Fieldman** says he will not be able to be in on any of those calls, as he will be out of the country.

X. <u>FUTURE AGENDA ITEMS</u>. None mentioned.

Chair LaMont adjourns the meeting at 1:00 p.m.

Maggie LaMont, Chair **DATE**	**Rick Crager, Acting Director** **DATE**
Oregon State Housing Council	**Oregon Housing & Community Services**

OREGON STATE HOUSING COUNCIL
Minutes of Meeting

TELEPHONE CONFERENCE
Meeting Location:
Oregon Housing and Community Services
725 Summer Street NE, Room 336
Salem, OR 97301

2:00 p.m.
March 31, 2011

MEMBERS PRESENT
Maggie LaMont, Chair, via phone
John Epstein, via phone
Francisco López, via phone
Nancy McLaughlin, via phone
Jeana Woolley, via phone

MEMBERS ABSENT
Tammy Baney
Mike Fieldman

GUESTS
Michelle Haynes, REACH, via phone
Riad Sahli, REACH, via phone
Gina Leon, US Bank, via phone

STAFF PRESENT
Rick Crager, Acting Director
Roberto Franco, Single Family Section Manager
Kari Cleveland, Residential Loan Specialist
Shelly Cullin, Senior Loan Officer
Bob Gillespie, Housing Division Administrator
Bob Larson, Debt Manager
Janna Graham, Loan Officer
Betty Markey, Senior Policy Advisor
Vikki Pointer, Recorder

I. CALL TO ORDER: Chair LaMont calls the March 31, 2011 meeting to order at 2:03 p.m.

II. ROLL CALL: Chair LaMont asks for roll call. **Present: John Epstein, Francisco López, Nancy McLaughlin, Jeana Woolley and Chair LaMont. Absent: Tammy Baney and Mike Fieldman.**

III. PUBLIC COMMENT: None.

IV. RESIDENTIAL CONSENT CALENDAR: Kari Cleveland, Residential Loan Specialist, refers Council to the write-up contained in the Housing Council packet regarding the following single family loans, and asks if Council has any questions:

A. *15100 Block SE Natalya St., Happy Valley, OR,* $284,012
B. *700 Block NE Prescott St., Portland, OR,* $292,395
C. *400 Block E Evans Drive, Tidewater, OR,* $214,423

McLaughlin says that at some future date, she would like to have someone talk about the program and says she was surprised at some of the prices. **LaMont** says she was happy to see that the prices were well under the cost limit.

MOTION: López moves that the Housing Council approve the Consent Calendar.

VOTE: In a roll call vote the motion passes. Members Present: John Epstein, Francisco López, Nancy McLaughlin, Jeana Woolley and Chair LaMont. Absent: Tammy Baney and Mike Fieldman.

V. NEW BUSINESS:

A. Block 49 South Waterfront Apts. (Portland, OR), Pass-Through Revenue Bond Request. **Shelly Cullin,** Senior Loan Officer, reports that in May 2010, the City, through the Portland Housing Bureau and the Portland Development Commission, issued an RFP for a non-profit general partner owner/developer for the Block 49 South Waterfront Apartments. PDC purchased Block 49 in 2006 to facilitate the development of affordable housing in the area. It was the city's intention to utilize tax exempt bonds, low-income housing tax credits, along with the city's tax-increment financing. At the time of the RFP, the project was "shovel-ready," meaning that the plans and specs were completed and the permits were ready for "pick up." Prior to issuing the RFP, the development team consisted of Williams & Dame Development, Ankrom Moisan Architects and Walsh Construction. In January, of this year, REACH Community Development was awarded the development rights for Block 49, and will replace Williams & Dame Development. Block 49 is a 5-story wood frame building that will have 209 apartments over ground floor commercial and below grade parking. The unit mix consists of 56 studios, 123 1-bedroom, and 30 2-bedroom units. REACH will move their corporate offices to the ground floor commercial space of approx. 12,000 sq ft; leaving approx. 5,000 sq ft for a small corner retail space. The project will target households at or below 60% of AMI, with the exception of 42 units, or 21%, targeted to veterans at or below 30% of AMI. The 42 Veterans units will benefit from a 15-year Section 8 project-based voucher contract with the Housing Authority of Portland. Support services will be provided by the Veterans Administration Supportive Housing Program and the Housing Authority of Portland's Moving to Work Programs, which focuses on serving veterans experiencing homelessness. REACH has requested the following sources from the department: $23,488,000 in Pass-Through Revenue Bonds; 1,224,192 4% LIHTC annual allocation; up to $8.8 M in OAHTCs, and up to $200,000 is Weatherization funds. The LIHTC, OAHTC and weatherization funds have been approved by the department's Finance Committee. REACH has proposed a 60-year term of affordability. The lender and purchaser of the bonds is US Bank. **Cullin** gives an overview of the financial structure of the loan as outlined in Council's packet.

The borrower is proposing rents that are 32-45% below market. The first full year of operations, projected to be 2013-2014, indicates a debt coverage ratio of 1.21. All department reviews have been completed. The department's architectural review was deferred to the Portland Housing Bureau, as all design and city approvals were completed prior to issuing the RFP. Management Agent approval has been completed. The Resident Services Plan has been approved. The primary resident services focuses on housing success, budgeting skills, workforce training, access to emergency food and supplies through REACH's food closet, and access to other service agencies. There will be an on-site case manager for Veterans. Additional services indicated are: eviction prevention, YouthSave, Green and healthy living and employment resources. OHCS and the State of Oregon are protected from financial risk in a Pass-Through Revenue Bond Financing because the State does not credit enhance nor guarantee the bonds. The department's bond documents reflect the pass-through of financial responsibility and bond

liability to the lender, trustee and bondholder. **Cullin** recommends approval of the Pass-Through Revenue Bond request by REACH for the development of Block 49 South Waterfront Apartments.

Haynes points out that because it is such a large project, it not only represents much needed housing that the city will be benefitting from, but also over the next 20 months, a substantial number of living-wage construction jobs. The city was eager to get the project started so that those jobs could help to support the local economy. **Woolley** says there is an indication that the credit underwriting for US Bank and the construction and equity investor went to committee on the 21st, and asks if that happened. **Cullin** replies that yes, everyone is approved. **Woolley** states that it looks like the permits expire the middle of April and asks if they are ready to proceed. **Haynes** says yes, and they have created a contingency plan for that so that if the project does not absolutely close on time, they will still be able to pull the permit so that it stays in effect. **Cullin** adds that the write-up indicates an April 11 closing; however, they are targeting signing on April 14, and closing on April 18. REACH will be able to pull permits on the 15th with that schedule. Recording and disbursements can be done on the 18th. **LaMont** asks if the weatherization piece is settled. **Cullin** explains that is why the motion is worded with an "up to" amount, contingent on final approval with the department's review. REACH has submitted their calculator, which is quite extensive, and the program manager is still reviewing it. The project use agreement will be based on the actual amount approved.

> **MOTION: Woolley moves that the Housing Council approve Pass-through Bond Financing in an amount not to exceed $25,000,000 to REACH B49 Partners Limited Partnership for the new construction of Block 49 South Waterfront Apartments, subject to borrower meeting OHCS, US Bank, Portland Housing Bureau and Enterprise Community Investment, Inc. underwriting and closing criteria, documentation satisfactory to legal counsel and Treasurer for approval for the bond sale.**
>
> **VOTE: In a roll call vote the motion passes. Members Present: John Epstein, Francisco López, Nancy McLaughlin, Jeana Woolley and Chair LaMont. Absent: Tammy Baney and Mike Fieldman.**

Crager thanks Council for coming together for the telephone conference to approve this request. He says the budget hearings were concluded this morning and it could not have gone any better over the last four days. He compliments Jeana and says she did a fabulous job with her testimony to support the agency budget.

Chair LaMont adjourns the meeting at 2:26 p.m.

Maggie LaMont, Chair **DATE**	**Rick Crager, Acting Director** **DATE**
Oregon State Housing Council	**Oregon Housing & Community Services**

Oregon Housing and Community Services

What We Do Matters!

Date: 4/7/2011

To: State Housing Council

From: Roberto Franco, Manager
Homeownership Section

Re: Residential Loan Program - purchase of loans equal to or greater than 75% of the local area Acquisition Cost Limit, or $190,000, whichever is greater.

Background: State statutes require the State Housing Council to establish a single family loan threshold for loans to be reviewed and approved prior to purchase. The current threshold for single family loans includes all loans equal to or greater than 75% of the applicable area program purchase price limit, or $190,000, whichever is greater.

Considerations: Staff has reviewed all of the following loan files and concluded that the borrowers and properties meet all relevant program guidelines for the Residential Loan Program. All required documents have been properly executed, received, and the loans have been approved for purchase. In addition to being approved by staff, the loan files have been underwritten by the applicable lenders and are insured by either FHA (FB), Rural Development (RG), or Uninsured (U) with a loan-to-value of 80% or less.

1 Borrower		Lender	UMPQUA BANK		
Co-Borrower					
		Purchase Price	$ 215,000	Note Amount	$ 191,900
Property Address	37300 BLOCK HIGHWAY 228	Cost Limit	$ 243,945	Principal Balance	$ 191,900
	BROWNSVILLE OR 97327	Appr. Value	$ 225,000		
		Year Built	1996		
Hshld. Income	$ 55,488	Living Area (Sq. Ft.)	2,156	Loan-to-Value	89%
Income Limit	$ 74,418	Lot Size (Sq. Ft.)	143,758	Insurance Type	FB
% of Income Limit	74.56%	Cost per Sq. Ft.	$ 99.72	Rate	4.250%
Prior Ownership Yes (Y) or No (N)	N	New (N) or Existing (E)	E		
		Construction Style	Manufactured		

Recommended Motion: That the Oregon State Housing Council approve the Consent Calendar.

2011 CFC HOUSING COUNCIL REPORT

Project Name:	WyEast Vista	No. of Units:	25
Project Address:	1800 8th Street	County:	Hood River
Project City/St/Zip:	Hood River, OR 97031	US House Dist:	0S2
Sponsor Name:	Columbia Cascade Housing Corp	State Senate Dist:	026
Consultant:	CASA of Oregon	State House Dist:	052
Architect:	Carleton Hart Architects	Affordability:	40 Years
Contractor:	LMC Construction Inc.	Target Population:	Farmworker Families
Property Mgmt:	Cascade Management Inc		

Project Description (brief narrative):

WyEast Vista Apartments is an existing 25 unit RD farm labor housing project located in Hood River, Oregon. Twelve of the 24 tenant units have RD project-based rental assistance ("RA"), and an additional 12 RA units as have been requested.

WyEast Vista was constructed in 1994, with principal funding coming from a loan and grant from Rural Development's 514/516 labor housing program. It consists of 8 buildings in total, including six 4-plex buildings that house 8 2BR units, 8 3BR units and 8 4BR units, one building that houses a manager's unit (3BR) and office, and a community building with a laundry room and tenant meeting room. There is also a basketball court and a covered picnic area. WyEast Vista is located within the city limits of Hood River, close to shopping and adjacent to La Clinica del Cariño, the local migrant health clinic.

Transfer of WyEast Vista is necessitated by the impending dissolution of the current owner, HOPE. The proposed transferee is Columbia Cascade Housing Corp. (CCHC), which already owns another farmworker housing project in The Dalles, Oregon. Under the terms of the Option and Purchase Agreement, HOPE will transfer the property to CCHC for the amount of the existing RD loan, even though the loan balance is far less than the property's appraised value.

As part of the transfer, CCHC will be addressing about $525,000 in work identified in the CNA. The total development cost is anticipated to be $1,998,568, which includes acquisition costs of $527,630. It also includes as upfront deposit of $635,000 to the replacement reserves, as required by RD. The frontloading of the reserves helps to ensure that rents will remain reasonable in the coming years. The total "hard cost" of the rehab is $573,455, which includes a 10% contingency of approximately $52,000 ($22,938 per unit).

Project and Unit Information: ("X" all boxes which apply)

____	New Construction	X	Multi-Family Rental Housing	____	Elderly/Disabled
X	Acquisition	____	Single-Family Housing	____	Independent Living
X	Rehabilitation	____	Homeless Shelter	____	Modular Units
____	Vacant	____	Transitional Housing	____	Congregate/Assisted Living
X	Occupied	____	Group Home: ____ (# units)	____	SRO
If rehabilitation, year built:		1994			

X	Family	____	Persons with HIV/AIDS	____	Alcohol/Drug Recovery
____	Elderly	____	Psychiatrically Disabled (CMI)	____	Ex-Offenders

X	Physically Disabled		Developmentally Disabled		Homeless
X	Farmworkers		Permanent Supportive Hsg.	Other:	
	Transitional housing		Victims of Domestic Violence	Other:	

2	Number of units accessible to the disabled	2	Number of units that will be visitable
	Number of transitional housing units		Number of beds, i.e., group home or dormitory
	Number of internet stations in community building		Number of units with high speed internet

Proposed Sources and Uses

Uses:	$ Amount	Sources:	$ Amount
Acquisition	521,000	Trust Fund	500,000
Construction/Rehab	573,455	Housing Preservation	440,072
Development	904,113	Owner Contribution	40,093
		Other: RD 514 Assump.	521,000
		Other: New RD 514 Loan	225,000
		Other: New RD 516 Grant	272,403
Total:	1,998,568	**Total:**	1,998,568

Use	Total Cost	Cost per Unit	Cost per S.F.
Total Cost	$ 1,998,568	$ 79,942	$ 75.96 (approx)

Provide a brief description of improvements :

Proposed Improvements	Description	Comments
Exterior:	Roof Replacement	All roofs, except one that was recently replaced
	Roof Flashing	Install new w/roof replacement; install new where eave adjoins rear deck privacy wall.
	Attic/crawlspace Insulation	Install insulation baffles at all eave vents; selective crawlspace repairs and debris clearing
	Exterior Painting	Painting all buildings is highly needed
	Trash Enclosure/access	Rebuild w/steel post and gate; pour new concrete access to existing sidewalk
	Playground	New equipment for safety/code upgrades
	Landscape	Includes fixing irrigation/sprinkler system
	Irrigation	Repair existing system
	Sealcoat and Stripping	Fill cracks, sealcoat and re-stripe parking lot and concrete curb repairs
	Chain link Fence repairs	Repair/replace damaged privacy slats
	Upper landings	Repair at side egress stairs with PT framing & Trex decking
	Concrete Treads	Repair selective damaged pre-cast stair treads (25)

	Steel Railings	Repair/replace existing front and side railings with new powder coated steel
	Deck Coating	Seal cracks and apply coating to all upper concrete decks and landings
	Dry Rot	Framing repairs at three units
	Storage Doors	Repair/replace door/hardware with fiberglass (25 units)
	Window Surrounds	Allowance for selective repairs (25)
	Windows Screens	Replace all
	Front/Patio Doors	Replace (7) front doors; replace (7) rear patio doors
	Concrete Flatwork	Repair selective concrete walkways for trip hazards
	Exterior signage	Replace all building/unit/site signage w/new
Interior:	Refrigerators	Replace with Energy Star (15)
	Range/Range Hoods	Replace 13 units
	Cabinets	Selective repairs in all 25 units and Community Room
	Window Coverings	Replace with new vertical PVC blinds
	Countertops	Replace bath (1); Kitchen (12); and laundry room countertops w/Wilsonart post-form laminate
	Medicine Cabinets	Replace all units
	Sink/Faucet	Replace all bath, kitchen and community room
	Bath Exhaust	Replace all exhaust fans with continuous Panasonic Whispergreen connected to existing ductwork
	Attic Ductwork	Repair/replace strap and insulate all attic exhaust ductwork and connect each to a designated through-roof vent
	Kitchen Lights	Replace existing with new fluorescent
	Smoke Detectors	Hardwire with new (25 units)
	GFCI	2 per kitchen, 1 bath, and 1 patio for each unit (100)
General:	Accessibility updates	For two units
	Concrete work	Repair/replace concrete walk and pour new access point at ADA parking stall

	Yes (x)	No (x)	N/A (x)
For Acquisition/Rehabilitation Projects: The scope of rehabilitation meets or exceeds the department's 30-year sustainability requirement.	X	☐	☐

Relocation Plan: During interior rehab, there is a possibility that three units will need to be temporarily relocated for up to three days. The carpets in these units will need to be replaced. Tenants may be required to be temporarily relocated during that period. If required, CCHC will provide the technical assistance on relocation, working with tenants that either require normal relocation (stays in local motels) or specialized housing (other units in the area owned by CCHC that can fulfill specialized needs).

The general contractor will provide the labor to move tenant's possessions to temporary storage and then back when those units are completed.

The relocation allowance in the budget is $10,000. This allows for $3,334 per family to cover up to three nights of hotel expenses, temporary storage for each unit, food and travel expenses.

CCHC owns over 200 units. If any units are available during the rehabilitation these units will be made available to use for temporary relocation.

Proposed Rents:

Unit Size(s)	# of Units	% Area Median Income	Proposed Rent
1-Bedroom	8	53%	$580
2-Bedroom	8	55%	$700
3-Bedroom	8	56%	$800
-Bedroom (Mgrs)	1		$

NOTE: This project currently has a subsidy of 12 units of USDA RD Rental Assistance, which ensures that tenants in those units never pay more than 30% of their income on rent.

Proposed Annual Operating Budget: (Year 1)

Rental Income	$ 199,680
Other Revenue	$ 7,395
Gross Potential Income	$ 207,075
Vacancy: 3% (RD approved)	(5,990)
Effective Gross Income	$ 201,085
Operating Expenses	$ 168,401
Net Operating Income	$ 32,684
Debt Service/Loan Amt.	$ 746,000
Rate: 1.00% Term: 33 years	
Annual Payment:	$ 28,793
Annual Cash Flow	$ 3,890 (1st year)
DCR	1.14

Market Demographics:

Economy:	In 2009, Hood River had a population estimate of 6,945. Hood River County has a 2009 population estimate of 21,883. The City of Hood River has a total area of 2.9 square miles. Because the City of Hood River is also the county seat, area services are plentiful and include a variety of employment centers, shopping, K-12 public schools, medical facilities, city services, library, post office, local parks and state parks. Moreover, the City of Hood River has become a center of recreational activity derived primarily from its location on the Columbia River, thus increasing tourism to the City and demand for housing. A representative from Gorge Property Rentals in Hood River Oregon confirms the rental market in Hood River is very tight, with a vacancy rate of less than 3%.
Job Growth:	Employment in Hood River County increased an average of 1.5% annually from 2000 to 2009. From 2000 through 2008, employment in the county increased 2.2% per year, followed by a decrease of 2.9% through 2009. Due to its small size, employment data for the city of Hood River was unavailable from the Bureau of Labor Statistics. However, employment is on the rise. The county's January 2010 employment level (12,920 including the agriculture industry) increased 10.6% from its January 2009 level (11,550). In February 2011 the unemployment rate was 8.3% in the County, 10.2% in the state

	and 8.9% in the U.S. The Oregon Employment Department projects that employment in Hood River County will recover and increase 0.95% per year through 2018. Moreover, Hood River experiences seasonal fluctuations in employment. The agricultural harvest typically takes place starting in the mid to late summer and continues through the start of winter. Because agriculture and specifically the harvest, is highly labor-intensive, this cycle produces an increased need for workers during this time period.
Supply:	There has been very little new rental construction in Hood River County in recent years. WyEast should not be significantly impacted by any new multifamily housing development, as it is the only project that targets farmworkers and it has been able to maintain on average a high occupancy rate of 95%-100%
Demand:	- *Vacancy* – In Hood River County, affordable and deep-subsidy projects are at occupancy levels near 100% with very low turnover. The vacancy rate in March 2010 was 2% - *Rental Concessions* – Because occupancy levels are tight, rental concessions are not being offered t WyEast Vista (nor at multi family rental housing in the City of Hood River - *Wait Lists* - Most apartment communities surveyed maintained a waiting list ranging from a low of five applicants to a high of 25 applicants (a project with rental subsidy), and reported vacancy rates ranging from a low of 0% to a high of 7% with an average of 2.6% average vacancies or 6 units out of a total of 244 comparable rental units. The comparable apartments ranged in size from 10 units to 56 units.

Sponsor Experience:	Columbia Cascade Housing Corporation (CCHC) was founded in 1990 as a 501 (c) 3 affiliate of Mid-Columbia Housing Authority. The organization is a Community and Housing Development Organization (CHDO), with at least 30% of their board members either low-income individuals or representing low-income communities. Over the past 20 years, CCHC has developed 264 units of affordable housing, in both Oregon and Washington, and gained experience working with a variety of funding sources such as LIHTC, HOME, OR, WA and State Trust Funds, OAHTC, Elderly Bonds, RD and private lenders. CCHC already owns and successfully operates Casa Lomas, a 25 unit farmworker housing complex in The Dalles, Oregon. Out of the 264 units owned by CCHC, 47 units are specifically for farmworkers and 217 units are for the elderly (of which 30 are assisted living). Within the next year, CCHC plans to commence construction of Hood River Crossing, a 40 unit affordable housing complex in Hood River; 25 of these units will have a preference for farmworkers and their families. CCHC is also proposing to acquire Bella Vista and Riverside Apartments in Hood River, which are also part of HOPE's portfolio (Housing Development Center is helping with this acquisition). In 2008, CCHC was the recipient of a $100,000 capacity building grant from Meyer Memorial Foundation. These investments resulted in greater clarity about staff roles, changes in staff, job descriptions and the development of new internal systems to improve asset management. In addition to its own experience, CCHC has hired CASA of Oregon (CASA) as the project's Development Consultant. CASA is a private non-profit organization dedicated to develop affordable housing for farmworkers and low-income populations in Oregon. Since 1988, CASA has developed and/or rehabilitated

	affordable housing for farmworkers and their families. CASA has successfully developed over 930 units of affordable housing using LIHTC, HOME, HTF, OAHTC, Weatherization, Farmworker Tax Credits, USDA Rural Development, FHLB AHP, CDBG and other local and private funds.

Proposed Resident Services:	CCHC will provide service-enriched housing that will enhance the lives of Wyeast Vista residents. The Resident Services programs offered are designed to maximize residents' quality of life by addressing their most pressing needs i.e. access to affordable child care, health care, transportation, workforce training and development, and housing services. CCHC will meet with the Resident Manager and identify what services the tenants need. Partnerships with local and area agencies will continue to promote self-sufficiency by providing outreach, support and expansion of needed services for the farmworker families residing in Wyeast Vista Apartments.

Conditions for Funding:	Identify the source of the owner's contribution in the amount of $40,093. Meet program requirements as outlined in the CFC Reservation Letter.

Recommended Motion:	Housing Council approve a grant reservation of $500,000 Housing Development Grant Program (Trust Fund), and $440,072 of Housing Preservation Funds (HPF) to Columbia Cascade Housing Corp., for the acquisition and rehabilitation of WyEast Vista Apartments, in Hood River, Oregon, contingent upon meeting all program requirements and conditions of award.

Oregon
John A. Kitzhaber, MD, Governor

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Memo

To: State Housing Council

From: Debie Zitzelberger, Loan Officer
Multifamily Housing Section

Date: April 5, 2011

Re: **Manufactured Dwelling Park Preservation Update**

In 2009 the Legislature passed Senate Bill 5535 enabling OHCS to administer the Manufactured Dwelling Parks Preservation Fund (MDPP Program). The Department of Administrative Services is authorized to issue lottery bonds for OHCS to provide grant or loan assistance to qualified resident groups or nonprofit organizations to acquire manufactured dwelling parks in order to preserve the affordable housing and stabilize those communities. The MDPP Program was designed to enable resident groups and nonprofit organizations gain control over rising rents in manufactured dwelling park communities and to provide a way for park residents to take control of their community when park owners are considering closure of their parks.

In the table below are Parks that have applied and are receiving assistance through the MDPP Program There is currently no further funds available in the MDPP account unless the 2011 Legislature authorizes the Department of Administrative Services to issue additional bond sales for the purpose of park preservation.

Harwood Mobile Manor	Junction City	30 spaces	$600,000	Nonprofit owned
Anchor Mobile Home Park	Gold Beach	43 spaces	$600,000	Resident owned
Monte Vista Mobile Manor	Oakridge	42 spaces	$600,000	Nonprofit owned

Prior to the 2009 Legislature enabling the MDPP Program, the Department assisted residents in the parks identified below. There is currently no funds available in the referenced accounts to assist with additional park preservation.

Horizon Homeowners (Victor Manor)	McMinnville	30 spaces	$600,000 CIF	Resident owned
Green Pastures Mobile Home Park	Redmond	51 spaces	$1,050,000 OAHTC (Perm lender-NOAH) $100,000 CIF	Resident owned

In 1990 the Department established the Mobile Home Park Purchase (MHPP) Program designed to assist residents who are purchasing their Park through private financing with predevelopment expenses. The MHPP Program is designed for short-term financing of up to $100,000 in loan funds for predevelopment activities as residents are working with private lending institutions to purchase their park. This is not a very active program due to the limited amount of funds available. The table below shows the last 5 years of application activity in this program. The Program is projected to have approximately $219,000 of available loan resources for qualified resident groups as of June 2011.

Hanna Del (2008)	Eugene	66 spaces	$100,000	Perm Loan Application Unsuccessful
Spring Lake (2006)	Scappoose	124 spaces	$100,000	Resident owned
Lake Shore (2006)	Corvallis	46 spaces	$100,000	Resident owned

The Department has submitted a policy package to the Governor that proposes an increase to preservation resources, a part of which the Department could dedicate to future Park preservation. The Department is also considering possible other funding sources such as the document recording fees in order to expand resources for preservation activities; including Park preservation.

Oregon Housing and Community Services Department

Manufactured Communities Resource Center (MCRC)

(Program Factsheet)

For More Information
Salem: 503.986.2145
Toll Free: 1.800.453.5511
Email: mcrc@hcs.state.or.us

Mission Statement
To provide services and information to residents and landlords of manufactured dwelling parks to promote cooperative relationships and positive alternatives to the court system.

Funding
The MCRC program is funded through an annual assessment of $6 for each manufactured home on rented or leased land as well as a $25 annual park registration fee paid by landlords of Oregon manufactured home parks.

Program Overview
The MCRC program was created in 1989 by the Legislature (ORS 446.543) with three main purposes: to provide services and activities to support the improvement of manufactured dwelling park landlord and tenant relationships, to develop and implement a centralized resource referral program for tenants and landlords to encourage voluntary dispute resolution, and to maintain a directory of manufactured dwelling parks.

Since its inception, MCRC has continued to evolve and improve. Further legislation added new responsibilities to the program including assuring compliance with landlord continuing education and park registration as well as monitoring the park closure notification process and providing additional assistance for residents of manufactured home parks in the process of closing. Most recently, 2009 legislation added the requirement that landlords register their parks annually and pay a $25 registration fee.

Services Provided: The MCRC provides neutral, confidential services to landlords and tenants of manufactured dwelling park communities, helping community members understand their rights and responsibilities under Oregon's landlord and tenant law as well as fair housing laws. The program offers no cost mediation services and communication skills training for landlords and tenants alike.

The MCRC monitors and enforces landlord continuing education as well as the annual park registration and fee requirements for landlords of manufactured home parks.

Through the website, the MCRC provides access to a variety of resources including Oregon statutes and administrative rules related to manufactured home parks, links to landlord and tenant associations in Oregon, a comprehensive directory showing all manufactured home parks in Oregon including space vacancies, contact information and training and registration status.

The MCRC monitors the park closure process helping landlords and tenants understand their rights and responsibilities under Oregon's park closure laws as well as those local park closure ordinances that apply. Further the MCRC provides tenant counseling and service referrals for residents of manufactured home parks through the course of the park closure activity.

The MCRC works in cooperation with the OHCS park preservation program to help facilitate resident owned co-operative ownership of parks that might otherwise close in order to support the preservation of manufactured dwelling park communities in Oregon.

OREGON HOUSING AND COMMUNITY SERVICES
NEIGHBORHOOD STABILIZATION PROGRAM (NSP)
REPORT TO HOUSING COUNCIL

April 15, 2011

NSP 1 - $19,600,000 – Summary of Activities and Progress

Nearly 100% of initial NSP-1 acquisitions have closed. There are about 20 units in the rehabilitation phase and will be completed within the next six months and about 90 units that will be constructed in the next two to five years. Overall, OHCS is on target to meet HUD's March 16, 2013 program deadline for expenditure of funds and achieving the primary national objective of the program to provide affordable housing for low and middle income households. To date, 90% of NSP-1 funds have been drawn from HUD and disbursed to Subrecipients and Subgrantees.

Although most of the funds have been disbursed, OHCS staff must continue to track and monitor program compliance, expenditures, verification of occupancy and program income. The main administrative activity that must be closely monitored until the end of the grant contract period on March 16, 2013, is documentation of occupancy of NSP assisted housing units.

Progress of Entitlement Cities and Counties (aka Subrecipients)

The Cities of Bend, Salem and Springfield have expended their balance of NSP funds. The Cities of Eugene, Medford, Gresham and Portland have a few projects that are in the rehabilitation phase but should be completed and all funds expended by the end of the third quarter of 2011. Clackamas County still has funds available, because they have Subgrantees that have sold homes and generated program income from these sales. As a result, the County must spend its program income before it draws down their remaining balance of NSP funds.

Progress of Non-Profit CDCs & Housing Authorities (aka Subgrantees)

All Subgrantees have completed their first round of acquisitions and few of them have sold units, received program income and are planning to purchase additional units. All Subgrantees have homes undergoing rehabilitation. New homes are predominately developed by the various chapters of Habitat for Humanity across the state.

Audit of NSP-1 by HUD Office of the Inspector General (OIG)

During October, November and December of 2010, the OIG conducted an audit of NSP-1. The final audit reported stated that "OHCS generally obligated NSP funds in a timely manner, adequately monitored Subgrantee and contractor performance, properly maintained NSP records, and reasonably ensured that NSP funds were spent for eligible activities. However, the audit found that OHCS allowed a developer to use funds for an ineligible activity and recommended the HUD Field Office to instruct OHCS about correcting the finding. Despite OHCS's argument against the finding, mainly that OHCS staff followed HUD guidance, the OIG found that those directions do not follow federal Office and Budget Management Circulars. We are awaiting HUD instructions on how to correct the finding. Correcting the finding should not have significant adverse impact on the developer.

NSP-1 Budget, Disbursements and number of housing units to date are listed in the table below.

NSP-1 Budget and Disbursements: 4-5-11			
Subrecipient & Subgantees	**Budget**	**Disbursed**	**Number of Units**
City of Bend	$407,851.00	$407,851.00	15
City of Eugene	563,468.5	545,636.3	10
City of Medford	426,452.89	286,625.89	12
City of Salem	1,074,500.06	1,074,500.06	19
City of Springfield	327,119.00	327,119.00	12
City of Gresham	580,875.00	401,055.78	23
City of Portland	3,255,159.00	3,033,488.43	70
Clackamas County	1,847,546.84	1,531,035.24	17
Washington County	2,292,771.00	2,190,025.74	19
Umpqua CDC	1,022,717.00	922,245.52	7
Housing Works	600,000.00	571,301.62	4
Community Connections	373,961.00	249,574.13	2
Community Services Consortium	600,000.00	600,000.00	4
Housing Authority of Yamhill County	500,000.00	254,805.53	4
Housing Authority of Jackson County*	$1,000,000.00	$1,000,000.00	60
Habitat for Humanity of Oregon	900,000.00	798,710.47	20
Oregon State Loan Program	1,867,201.67	1,865,496.35	53
Administration	$1,960,000.00	$1,689,760.91	
Residual to Reprogram	$377.04	$0.00	
	$19,600,000.00	$17,749,231.98	351
*land banking for rental housing			
Percent Disbursed	**91%**		
Balance to be Disbursed		1,850,768.02	

Note: The table below shows the projected housing unit for NSP-1. About 60% of these housing units are completed and occupied. About 10% are undergoing rehabilitation and the remaining 30% will be constructed over the next one to five years.

NSP 2 - $6,829,635

NSP-2 is structured as a Consortium with OHCS as the lead member and administrator. The other members include Clackamas County, City of Bend (representing areas in Crook, Deschutes and Jefferson Counties), City of Medford (representing areas in Jackson County), and Washington County. The City of Salem (representing areas in Marion County) was a member but forfeited its very limited funding allocation of about $70,000 to other members of the consortium in January of 2011.

The table below shows the progress of NSP-2 disbursements to date. Nationally, Oregon ranks high in its rate of progress. OHCS anticipates that at least 80% of the funds will be disbursed before the end of the year.

NSP 2 Progress 4-6-11 Consortium Member	Budget	Obligated	Disbursed	Percent Disbursed
City of Bend (Deschutes, Crook, Jefferson)	2,515,747	2,334,199	1,742,238	69%
Clackamas County	958,932	197,932	14,460	2%
City of Medford (Jackson County)	852,936	593,597		0%
Oregon Housing	1,589,731	1,589,731	532,262	33%
City of Salem (Cancelled Program *)	0	0		N/A
Washington County	912,289	513,546	880,866	97%
TOTAL	**6,829,635**	**5,229,005**	**3,169,826**	46%

The table below shows the projected (about 50% completed) housing unit count for NSP-2. The HUD minimum requirement for the program is 100 units. OHCS and its consortium members will easily exceed this minimum requirement.

NSP-2 Housing Unit Count (Completed & Projected) Grantees	Housing Units
State of Oregon (Prime Grantee)	20
City of Bend	80
City of Medford	12
Clackamas County	13
Washington County	8
TOTAL UNITS	**133**

Audit of NSP-2 by HUD Office of the Inspector General (OIG)

During February 2011, the OIG conducted an audit of NSP-2. The final audit reported stated that "OHCS ensured that the NSP-2 properties were eligible, generally had adequate supporting documentation for its NSP-2 expenditures, and generally procured goods and services properly. This report contains no recommendations, and no further action is necessary with respect to this report." In effect, there were no audit findings on NSP-2.

OHCS RFA for Permanent Supportive Housing for Homeless Persons

OHCS staff have been administering an allocation of NSP-2 funds budgeted specifically for permanent supportive housing for homeless persons. Since many of these projects involve properties with four or less housing units, the timeframe for acquisition of foreclosed homes is very compressed, usually 60 days or less. Because of this short timeframe, OHCS requested and received approval from the Housing Council to move forward with approval of these proposals via the internal Finance Committee. A Housing Council condition of this abbreviated or expedited approval process was that OHCS staff provide a report on transactions approved. To date, funding has been approved and committed for ten housing units. A summary of these projects is listed below:

NSP Permanent Supportive Housing Projects. Total Funding for this Initiative $3,434,655

Developer	Project Location (Addresses not shown for privacy)	Amount of FUNDS Committed	Number of Units
Housing Works	City of Bend	$399,950	4
Housing Works	City of Redmond	$233,600	2
Central Oregon Veterans Outreach	City of Bend	$437,343	4
Housing Authority of Jackson County	City of Medford	$1,753,680	20
SUBTOTALS		$2,824,573	28

Note: Approximate fund balance of $610,000 reserved for cost overruns or reallocation to other program activities. Also funds committed is a combination of NSP, Trust Fund and GHAP.

NSP 3 - $5,000,000

On March 1, 2011 OHCS submitted an application for NSP-3 funds (aka Substantial Amendment or Action Plan). The application is essentially a plan of action for implementing NSP-3 yet must meet HUD approval. HUD has generally approved the plan however, funding from HUD is not secured due to the current budget debates taking place in the U.S. Congress. The HUD Field Office has instructed OHCS to put the implementation on NSP-3 on hold until further notice.

FYI: Background on NSP-3

On October 19, 2010, the U.S. Department of Housing and Urban Development (HUD) announced that Oregon will receive a third round of federal Neighborhood Stabilization Program funds pending submission of an application. NSP-3 funds are tied to the Dodd-Frank Wall Street Reform and Consumer Protection Act. Oregon like many states will receive $5,000,000. NSP-3 is essentially an augmentation of NSP-1 and NSP-2 with the same objectives and activities and similar timeframe for performance.