OREGON STATE HOUSING COUNCIL PUBLIC MEETING

MEETING DATE: April 5, 2013

MEETING LOCATION:

725 Summer Street NE, Conference Room 124b
Salem, OR 97301

CALL IN PHONE NUMBER:

Call in Number: 1-877-273-4202
Room Number: 4978330

Oregon State Housing Council
725 Summer St NE, Suite B
Salem, OR 97301-1266
Phone: 503.986.2000
Fax: 503.986.2132
TTY: 503.986.2100
www.ohcs.oregon.gov/OHCS/OSHC

Council Members:
Jeana Woolley, Chair
Mayra Arreola
Tammy Baney
Aubre L. Dickson
Michael C. Fieldman
Zee D. Koza
Adolph "Val" Valfre, Jr.

OREGON STATE HOUSING COUNCIL MEETING

April 5, 2013 Meeting Agenda

MEETING TIME:

9:00 A.M.- 12:00 P.M.

MEETING LOCATION:

COUNCIL MEMBERS WILL PARTICIPATE BY PHONE CONFERENCE in lieu of physical meeting

Phone Conference will held in conference room 124b of the North Mall Office Building, 725 Summer Street NE, Salem, OR 97301

Call in Number: 1-877-273-4202

Room Number: 4978330

1.	CALL TO ORDER	Jeana Woolley, Chair
2.	ROLL CALL	Jeana Woolley, Chair
3.	APPROVAL OF MEETING MINUTES a. February 1, 2013 b. March 1, 2013	Housing Council
4.	STAFF UPDATES (QAP and NOFA Updates)	OHCS Staff
5.	REPORT OF THE DIRECTOR a. Legislative Session Update b. Review and debrief of OHCS Ways and Means Subcommittee Presentation c. Agency transition planning update	Margaret Van Vliet, OHCS Director
6.	Other	
7.	Report of the Chair	Jeana Woolley, Chair
8.	Adjourn State Housing Council Meeting	Jeana Woolley, Chair

EQUAL HOUSING OPPORTUNITY

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OREGON STATE HOUSING COUNCIL

March 1, 2013 Meeting Minutes

MEETING TIME: 9:00 A.M.- 12:00 P.M.
MEETING LOCATION:
Downtown Athletic Club and Conference Center
Ballroom A/B
999 Willamette Street
Eugene, OR 97401

HOUSING COUNCIL

MEMBERS PRESENT
Jeana Woolley, Chair
Mike Fieldman
Zee Koza
Val Valfre

MEMBERS NOT PRESENT
Mayra Arreola
Tammy Baney
Aubre Dickson

GUESTS

NAME, ORGANIZATION	NAME, ORGANIZATION
Riley Pierce, Jackson County Housing Authority	Becky Wheeler, City of Eugene
Stephanie Jennings, City of Eugene	Betsy Hunter, HACSA
Molly Markarian, City of Springfield	Richard Herman, Metro
Kristen Karle, SVDP Lane County	Shelly Cullin, Chrisman Development
John Wright, Daczewitz LP	Karen Reed, Neighbor Works Umpqua
Norton Cabell, Housing Policy Board	Christin Laney, City of Springfield
Jeremy Leckie, Daczewitz LP	Jeff Towery, City of Springfield
Lisa Rogers, CASA	Greg Pitts, Pitts Development
Jim Morefield, WNHS	Don Griffith, Habitat for Humanity
John VanLandingham, Legal Aid	Claire Seguin, NEDCO
Tom Cusack, Oregon Housing Blog	Pegge McGuire, Fair Housing Council of Oregon
Keith Wooden, Housing Works	Anne Williams, SVDP
Martha McLennan, NHA	
Michael Wish, City of Eugene	

OHCS STAFF PRESENT

Margaret S. Van Vliet, Director	Karen Chase, Regional Advisor to the Dept.	Carol Kowash, Program Coordinator
Dave Castricano, Operations and Policy Analyst	Karen Clearwater, Regional Advisor to the Dept.	Julie Cody, Administrator, Program Delivery Division
Katherine Silva, Executive Assistant to the Director	Karen Tolvstad, Administrator, Policy, Strategy & Community Engagement	Kim Travis, Community Engagement Manager

EQUAL HOUSING OPPORTUNITY

1. CALL TO ORDER: Chair Woolley called the March 1, 2013 meeting to order at 9:13 a.m.

2. ROLL CALL: **Chair Woolley** asked for roll call. **Present: Zee Koza, Val Valfre. Mike Fieldman; Mike** arrived late prior to the Public Hearing portion of the meeting. **Absent: Mayra Arreola, Tammy Baney, and Aubre Dickson.**

3. PUBLIC COMMENT:

Jim Morefield, executive director Willamette Neighborhood Housing Services (serving Linn and Benton Counties), also Chair of the Board of the Oregon Opportunity Network, in attendance and speaking at the meeting representing ONN. Morefield spoke specifically about the department's transition project and the planning that is underway. He wanted to say something that frames the position and enthusiasm that OON has with regard to the transition, stating: "ONN is looking forward to a restructuring of housing finance and services administration in the state creating more efficiency at the government level and ultimately stronger and healthier families and communities in the state of Oregon."

OON has created a working-group focused solely on the OHCS transition, incorporating other community organizations and interested parties from the private sector so that they are prepared to participate in a meaningful way. ONN has created guiding principles with the hope that as programs are restructured in the state that we don't also have a disconnect between service delivery and housing policy. OON will provide electronic copies of their guiding principles after the meeting. Morefield expressed OON's continuing interest in the OHCS transition process and encouraged taking the time to do things well by being careful about unintended consequences/impacts during the decision-making process, in addition to considering what other states are doing and how issues are being managed at the national level.

4. LOCAL REPRESENTATIVES: Director VanVliet requested that Karen Clearwater, regional advisor to the department (RAD) for Mid-Willamette Valley, introduce the local representatives in attendance.
   a. John VanLandingham, lawyer for Lane County Legal Aid and Norton Cabell , private market landlord in attendance and representing the Local Intergovernmental Housing Policy Board presented an overview of Housing Policy Board from its inception to the current work being undertaken.
   b. Stephanie Jennings, grants manager for the City of Eugene, gave a presentation on the City of Eugene Housing Plan and the Lane Livability Consortium. Copies of the accompanying PowerPoint presentation for this portion of the meeting are available on the State Housing Council website.
   c. Molly Markarian, from City of Springfield, provided information and PowerPoint presentation on the status of the Glenwood Refinement Project Plan. Copies of PowerPoint presentation for this portion of the meeting are available on the State Housing Council website.

THE MEETING WAS RECESSED FOR A SHORT BREAK AND SET TO RECONVENE FOR THE PUBLIC HEARING ON THE REVISED QUALIFIED ALLOCATION PLAN AND STAFF UPDATE TO THE NOTICE OF FUNDING AVAILABILITY

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5. Qualified Allocation Plan (QAP) Public Hearing **Estimated Start Time 10:15 a.m.**

PUBLIC HEARING ATTENDEES

NAME	ORGANIZATION	TESTIFYING
Tom Cusack	Oregon Housing Blog	Yes
Pegge McGuire	Fair Housing Council of Oregon	Yes
Don Griffin	Habitat for Humanity	No
Richard Henman	Metropolitan Aff Housing	No
Shelly Cullin	Chrisman Development	Yes
Martha McLennan	OON	Yes
Lisa Rogers	OON	Yes
Keith Wooden	Housing Works	No
Anna Geller via Phone (written comments also attached		Yes
Portland Housing Bureau (written comments attached)		

PUBLIC HEARING MINUTES:

Dave Castricano, OHCS Project manager for the NOFA, began with a status update. OHCS staff is currently trying to gavel down on the QAP as the guidebook with the NOFA as the "how to" book. Castricano apologized for multiple versions of the document.

BRIEF OVERVIEW OF WHAT THE NOFA IS AND WHAT WE THINK WE CAN ACCOMPLISH IN IT:

The NOFA is a targeted notice of funding availability. There have been talks of having upwards of 6 NOFAs to as few as 2 NOFAs and as of right now staff have settled (tentatively) on 2 core NOFAS. There will be one for LIHTC funds and one for HOME, GHAP and other funds. There is potential for a 3rd NOFA for smaller projects. The new version of the NOFA features a different way of applying than previously used, which speaks to core principles. New concepts of community need are used integrating multiple factors and regional solutions definition of the word need.

An important distinction for the new NOFA is that in order to submit an application one must meet one of four threshold criteria allowing more focus on policy initiatives. In the past focus was more on financial feasibility. These threshold items will no longer be a part of scoring. Historically, the process has been a beauty contest of feasibility. Threshold feasibility was scored; this has now been changed to a pass fail test (because, most of the time, projects are either feasible or they are not). Focus has now turned to projects that demonstrate the highest need and those that meet the policy criteria with feasibility as a pass/fail test.

Something that came from work session discussions is that there is no one-size fits all model for identifying needs and developing affordable housing, because it does not work in practice across regions. The narrative section is in the process of being developed. The NOFA continues to evolve as a stand-alone document separate from the QAP and it is not being voted on. Over the next 30-days, staff will be continuing work on developing the NOFA sections, in

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addition to developing the guidebook, core application, changing the narrative sections to address issues raised with the hope that everything will flow logically.

LIST OF DECISIONS/MODIFICATIONS MADE SINCE THE LAST PARTNER WORK SESSION:
ISSUE: Limiting the number of applications a sponsor may make in a given year.
Answer: Decided against prescribing this, if it becomes an issue this proposal may come back.

ISSUE: Applying for scattered sites across regions in one application.
Answer: Clarified that sponsors can then you would need to win in all regions and have the highest score otherwise sponsors will lose all regions. In this way applying for scattered sites can be limiting. (This was corrected

ISSUE: Project Phases
Answer: only accept an application for one phase per funding cycle.

ISSUE: Ownership integrity
Answer: Added customary requirements (e.g. sponsor should not be filing for bankruptcy at the same time as applying for funds).

ISSUE: Financial capacity
Answer: Added in that it taken under consideration that if a factor exists which constitutes a "material impairment of applicant's ability to perform" during construction then funding award may be reevaluated.

ISSUE: Competitive Scoring
DECISION: NOFA (not being voted on today, only on the QAP) the portion of the NOFA that deals with competitive scoring is still evolving.

Karen Tolvstad

The QAP is a high level umbrella document and the stakeholders are ultimately interested in the competitive scoring piece of the NOFA. Staff members are ultimately looking for an applicant pool of financially feasible projects with adequate sponsor capacity, ready to proceed and then score. There have been several discussions about how weight is distributed between "best use of funds" and "need." Looking at past applications, going through each one and trying to find the right balance, has revealed that it is an art not a science. The policy guidance that staff would like to give is that best use of funds should outweigh need, not because need is not critical, but because need is so strong everywhere. It's splitting hairs when differentiating the amount of need among regions. Therefore the focus will not be a statewide look but rather a look at the distribution of need within a region from one population to another. It is our goal to publish 5-6 data sources so that sponsors can draw from the same resources with the idea being that if everyone is working with the same information there will be a form of verifiable/quantifiable data.

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The department's goal is to fund projects that meet multiple policy objectives. We are identifying benefits to community that are in most regional policy objectives, in addition to identifying benefits that are within the governor's 10-year plan . This is to give sponsor's an idea what objectives would lead to a finding of best use of funds. The problem has become, how to leave it open-ended, allowing people to be creative as to how to put a forth a project that meets multiple needs, and provide guidance without having the guidance be limiting or prescriptive. Work sessions have led to some discussions about categorizing policy objectives and giving weight to them in that way.

CAROL KOWASH

The QAP has been significantly updated to more closely align with the new notice of funding availability (NOFA) application delivery system and the related processes and selection criteria within the application. It also has been and will continue to be, if changes are minor, modified to comply with changes to requirements mandated by Sec. 42 of the Internal Revenue Code and Sec 142 of Federal Treasury Regulation in addition to any other regulations that affect funding tied to projects.

Key changes within the document include:

- Page 9: Capital needs assessment
- Page 23: Threshold Requirements
- Page 24e-f: Financial feasibility
- Page 26-27: Ability to recapture credits as absolutely necessary.

Additions to the document include:

- Material adverse change to the proposed project and the end project- it reserves the ability for review of those projects and evaluation to determine whether project is still eligible for funds
- Scattered sites- all sites within application don't have to win in all regions, but all must be in scoring position. If there are two or three awards in that region your project has to be one of the awarded projects in each region for your scatter-site project.
- Multi-phase projects will only be considered for one property per NOFA per CFC per general partner. Reason for change is the limited resources and desire to be able to fund for all.

JULIE CODY

After the last housing council meeting we had an excellent discussion on the developer fee during which key concepts and concerns were highlighted: simplify, make it clear, have a cash fee cap on larger projects, reduced funding awards based on savings or higher than anticipated tax equity, etc… All of those things were taken into consideration as well as looking at the practices in other states to avoid reinventing the wheel.

The previous approach utilized a matrix encompassing the complexity of the project. The matrix required a lot of analysis, which caused concern. So we've moved to a set "up to 15% of total project costs" developer fee and we've defined what that means. The set developer fee will

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be calculated at the time of equity closing, not at the time of application or award. The question around receiving donations is still under review.

If between application and closing there's a shift that allows more deferred developer fee etc... Staff will evaluate prior to having funds revert back to the state. We are working hard to address all the issues that have come up with regard to having any amount of the developer fee split back to the state; staff also want to give an incentive for substantial rehabilitation. The decision was made to not add a cap on cash developer fee at this time, will continue to take it under advisement. It really wouldn't apply in the 9% NOFA. Language about deferred developer fees was added in an attempt to be fiscally prudent; we would like to see 50% of developer fee saved at closing.

Public Comments

Tom Cusack: Lake Oswego, OR

Having written the first FHA insured tax credit project in the country, in 1989, Mr. Cusack has a long familiarity with the QAP program. Cusack was very appreciative of the efforts OHCS staff has put forth; he compared these efforts to attempting to change tires on a car that is moving down the road. He urged more focus on incorporating Fair Housing best practice principles into the whole process. He stated that he feels the NOFA provides equity and social justice, de-concentrating poverty. In looking at other QAPs in the country he could start to identify practices that should be included and by his view there needs to be additional work done in the future to get a real analysis of the data and policy areas of opportunity. Mr. Cusack complimented the staff once more and asserted that he will make more detailed comments about the scoring criteria once they are released. Tom requested concrete details as to when we can expect the draft of the criteria.

Peggy McGuire: Director of the Fair Housing Council of Oregon

While there is a general provision requiring that projects meet all applicable laws, there is nothing specifically included about the requirements of the Fair Housing Act. 4,000 calls a year are received by the Fair Housing Council of Oregon from people who believe that they are victims of illegal discrimination. The Fair Housing Council would like to see a provision added that would require certification that project developments are compliant. McGuire recommended that the department require disclosure of any HUD/BOLI complaints because of the broader impacts of complaints triggering a recapture of allocated tax credits. She noticed that the basis boost did not include de-concentration of poverty and thought it might be something the department might want to add.

Lastly, McGuire commented that it would be helpful if the department could provide clarity as to what qualifications the review team will have; this will provide developers with a level of comfort that the reviewers are knowledgeable about the industry and standards.

Shelly Cullin with Chrisman Development

Cullin gave kudos to the department for revising the developer fee policy so that the fee will be set at construction loan closing. Her specific comments and questions stemming from the QAP document were as follows:

- On page 8, 4% tax credit allocation is mentioned however they are not subject to QAP.
- If allocating agency has until December 2013 to allocate to sponsors at the 9% rate, should everyone apply at the floating rate after that point?
- Is there a process for existing projects that want to take part in the extended period, which requires approval from the department, to apply for extension in the initial application?
- The QAP states that more favorable consideration will be given to projects with non-profit participation. This has never been done before. How does this factor in?As a tiebreaker?
- The document state that the minimum years for affordability will determined by SHC. The minimum has always been 60 years for affordable housing; will the additional favorable consideration be given to sponsors that go beyond 60 years? Bond program is 30, additional funds is 60, is there preference for more than 60?
- Page 20 mentions that a 10% developer fee will be allowed in eligible basis, but a fee up to 15% may be allowed. Is only 10% of that in eligible basis?
- Analysis section on page 21 requires that the market study be completed not more than 21 days prior to any submitted application. If the department is not requiring a market study at application then that language needs to be changed.
- Page 22 lists the requirement that all sponsors complete rehabilitation assessments as approved by the department and the bottom of page 44 states that the assessment must be done by an approved 3rd party. Will the department provide a list of approved 3rd parties?

Chair Woolley:

Thanked Ms. Cullin for her comments and stated that the housing council really appreciates the benefit of having the public present because having been through the process several times they catch the little things missed by staff.

Martha Mclennan, Executive Director of NW Housing Alternatives
Lisa Rogers Executive Director of CASA both representing (Oregon ON)

Mclennan started by stating that It is going to take OON a bit of time to have meaningful comments; but expressed that they really do want to take the time to be thorough both on small and large things. She cautioned that the council may receive substantive comments during the comment period, which might affect the timeline moving forward. One of the things that OON and its members have been thinking about in regards to the QAP is the level of detail, finding that the draft contains much more than in other states. McLennan expressed concern that this document has so much embedded in it at a detailed level then you may find that the QAP and the NOFA may not align. One example of this can be found among the listed selection criteria. The QAP has approximately 20 selection criteria which do not match the selection criteria set

forth in the NOFA. This creates questions: When do they both apply? Do they both apply? Does one or the other apply? Should the QAP be scaled back to be a higher level policy document?

Mike Fieldman:

Council Member posited as we go through this, developing a process that is really quite new, it is inevitable to have some bugs in it. But, wanting it to be as good as it can be, while also realizing that there are funds that need to be issued, what is your opinion as to the right balance with regard to the competing interests of producing a quality QAP and getting it done so that we can move forward to issuing funds?

Martha McLennan:

McLennan responded; if the process got delayed by 1 month it would probably not make a substantive difference to the projects. She recognized that there are some competing interests, but ultimately stated that pushing QAP completion out by one month will not have the preclusive effect that some think. Lisa Rogers iterated the importance of taking advantage of this opportunity to get the QAP as right as possible.

Chair Woolley:

Assured the public participants and audience that no matter what the housing council decides, they will receive any additional comments made during the comment period and take them into consideration. Chair Woolley stated, "if the comments we receive, once considered, require that we make a substantive change then, even if we approve the document today, we will have to come back together to re-approve the QAP." Everyone will have the opportunity to comment in the next 30-days to ensure that the input is there, so that we end up with a quality QAP and ultimately get everything aligned.

Anna Geller (please also see attached written comments submitted prior to the housing council meeting):

Recognized current leadership in the department and the housing council for the work they are doing. Stated some concerns about the mismatch between documents as well as some timing issues. Concerned about the fact that the QAP becomes a very counter-productive document when over-specific. She stated that the document seems to have two authors. One author concern with NOFA redesigned and one concerned with the old way.
She commented specifically that on page 19 debt service ratio and the cap on the DCR; Geller feels that the cap is arbitrary and is an impediment to the selection process.

Geller recommended that the developer fee not be diminished because donations are raised. Developers should not be discouraged from raising donations and should not be encouraged to develop projects that have low reserves and have to keep coming back to the department for more money because they have don't have high reserves to ensure that they receive higher developer fees.

She cautioned that the language about setting the developer fee at the time of equity closing is confusing. Overall Geller thinks it is a good idea to set the fee at closing because that is a real look from application to closing. She sees a problem with the "claw-back" of money

because it discourages developers from negotiating higher tax credit. Investors love this because they pay less knowing that any amount they pay in excess goes right back to the state.

Geller requested, if preference for tax exempt status is going to remain in the QAP then there should be an added provision providing for the business rationale for that preference. She concluded with a warning regarding the serious ramifications of the mismatch between the NOFA and the QAP and the over-arching policy reformation goals.

Chair Woolley:

Called for questions from audience for staff.

Tom Cusack:

Is there a known date for the publication of the scoring criteria?

Castricano:

The NOFA and scoring criteria are a work in progress, so currently staff cannot give a date. In the next 30 days, staff are tasked to develop the application and update exhibits and must complete all the background work for the scoring process. The goal is to have it completed by March 31st. Training should occur in April in order to keep with the current schedule.

Karen Reed from NeighborWorks Umpqua

Requested clarification on whether a market analysis will be required?

Cody:

A CNA will be required, not a market analysis/study.

Shelly Cullin:

In regards to CNA, can you give us any sense of you would require it to be approved?

Cody:

No, not approved.

Chair Woolley:

The housing council is thinking that they will open public comment period, then come back to approve the changes in April. Chair Woolley mentioned that she was getting the sense that people feel rushed. "We can spare 30 days to make everyone feel comfortable, so that everyone has seen it and knows what is in it, in order for the council to adopt it."

Fieldman:

Concurred.

Koza:

Agreed, based on the comments.

Valfre:

Thanked staff. Staff has worked extremely hard, under the deadlines while allowing for input. Valfre wanted to note that he thinks that the fair-housing piece should get in because it is an important piece.

Castricano:

Staff will make substantive changes to QAP and make progress on project application and scoring manual.

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Chair Woolley:

A new schedule will be published, which includes when the public can expect scoring criteria. She encouraged staff to try to align and clean up these documents, calling attention to those substantive policy issues that need to be re-evaluated in relation to the existing draft. I would expect before we come back here that we will have a modified version that everyone has a chance to look at that will incorporate public comments up to the point of the end of the public comment period.

VanVliet:

The department will speak with legal counsel to get crystal clear on whether or not we will need another 30-day comment period once the QAP is adopted, or voted on at the April meeting. Staff will set a time to have the document available for review with enough time for stakeholders to digest it.

Chair Woolley:

Staff need to make it clear when the scoring criteria and re-vamped document will be available for review and a we should be giving people the most amount of time possible.

Shelly Cullin:

Who should comments be sent to?

VanVliet:

Send comments to Susan Bailey directly or send by email to anyone on the executive team at the department.

MOTION: Mike Fieldman moves to officially open the public comment period. Seconded, Zee Koza. Motion passed.

Vote: In a roll call vote the motion passes. Members present: Chair Woolley: Yes; Mike Fieldman: Yes; Zee Koza: Yes; Adolph "Val" Valfre, Jr.: Yes.

Chair Woolley:

Thanked everyone for participating. Thanked staff for the hard work and effort and outstanding work that has been done to date. She imparted confidence that a better document will be produced, that everyone will be pleased with. Any last questions?

Anonymous:

Can we publish all comments so everyone can see what everyone is seeing?

VanVliet:

We can certainly publish any comments that are provided to us.

Anonymous:

Can policy issues be set out to clearly identify policy decisions?

Chair Woolley:

Yes.

Public hearing is adjourned and public meeting was resumed.

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6. Report of the Director

Director VanVliet discussed the status of the OHCS transition project, stating that staff continues to do a lot of listening and talking and that although not a lot of planning has taken place thus far, planning has begun. The decision has been made that OHCS would be well served to have a consultant team come in to guide us through this process. Therefore, OHCS engaged Coraggio Group to help us with change management. The first step of their work is an organizational assessment; they are taking an internal look to understand how OHCS operates, how we make decisions and what the culture looks like. The second step is a programmatic and fiscal analysis. They will be taking a look at how we receive money, what are the programmatic elements/impacts of our programs and the various work we do, and what our programs are intended to do versus how that actually plays out. Van Vliet asserted that the consultants do not stand in for her or the organization, although they may represent OHCS when appropriate, it is still very much the OHCS staff driving this initiative for the governor's office and the chief operator's office. The consultants will be reaching out to a variety of stakeholders in the near future, but she is not quite sure what that looks like yet.

Van Vliet then directed attention to the 3-month look ahead for council meeting agenda items reminding that at the April meeting, Michael Jordan, COO will be in attendance. She thinks it will be helpful to hear from him about where the OHCS transition fits in with broader transformation of state government depicted in the governor's 10-year plan. The May meeting will need to be moved from La Grande to Salem to accommodate for busy schedules surrounding legislative session. The director advised the housing council to think about scheduling the previously discussed joint meeting with CAPO and what time frame might be best suited for that opportunity to come together.

Van Vliet discussed how the sequester is going to impact housing in Oregon. Voucher program will have a big impact as well as clients they are trying to house. In terms of cuts to funds, the cuts will be felt by HOME and ESG funds. Partners out on the ground will feel more of the sharp impact in the short run.

7. Report of the Chair Jeana Woolley, Chair

Chair Woolley was asked to testify with several partners in front of House committee on Human Services and Housing. She commented that the OHCS agency review has been moved to a new committee this year. Chair Woolley posited that she was not well advised as to what the committee wanted to hear. The problem was that the committee members are not knowledgeable about what this agency does, who the players are and how those players interact.

Clear that we will have to work together to educate the committee so that they can understand what needs to happen this legislative session and so that they can weigh in on the changes needed. It was an interesting start to the season. Hope we will get better guidance on what they need so that we can make it a more meaningful process as we move forward.

Housing council members discussed approving the February meeting minutes and Chair Woolley accepted a motion from Zee Koza to table the approval until the April 5th meeting as the majority of members present for the meeting were not in attendance at the February 1st meeting and those who were listening by phone could not speak to the accuracy based on an

inability to clearly hear using the phone system. Director Van Vliet asserted that the phone system in the conference room at OHCS is being updated to eliminate this problem from happening in the future.

Motion: Zee Koza moves that the Housing Council table approving February meeting minutes. Seconded, Mike Fieldman. Motion passed.
Vote: In a roll call vote the motion passes. Members present: Chair Woolley: Yes; Mike Fieldman: Yes; Zee Koza: Yes; Adolph "Val" Valfre, Jr.: Yes.

9. Adjourn of State Housing Council Meeting Jeana Woolley, Chair

_____	_____
Jeana Woolley, Chair DATE	Margaret S. Van Vliet, Director DATE
Oregon State Housing Council	Oregon Housing and Community Services

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OREGON STATE HOUSING COUNCIL
Minutes of Meeting

Meeting Location
Oregon Housing and Community Services
725 Summer Street NE, Room 124 B
Salem, OR 97301

9:00 a.m.
February 1, 2013

DRAFT

MEMBERS PRESENT
Jeana Woolley, Chair
Aubre Dickson
Mike Fieldman
Mayra Arreola
Zee Koza
Adolph "Val" Valfre, Jr.
Tammy Baney (by phone)

MEMBERS ABSENT

GUESTS
Brendan Castricano, citizen
Rich Malley, Bienester
Tom Cuskack, OR Housing Blog
Shelly Cullin, Chrisman Dev
Shelly hack, Community Action Team
Rob Prasch, NOAH
Greg Pute, citizen
Richard Herman, Metro Alt. Housing
Keith Wooden, Hensly Works
Jonia Pierce, Hayc
Stephen McMurtrey, NW Housing Alliance
Franee Fitzpatrick, citizen
Sarah Zalm, HIS
Amanda Sail, Enterprise
Betty Dominguez, Home Forward
Chuck Fisher, SK CDC
Rita Grady, Polk CDC
Karen Reed, Housing Authority, Jackson City

STAFF PRESENT
Margaret S. Van Vliet, Director
Karen Tolvstad, Administrator, Policy, Strategy & Community Engagement (PSCE) Division
Dave Castricano, Consultant, Program Delivery Div.
Karen Chase, Regional Advisor to the Dept.
Karen Clearwater, Regional Advisor to the Dept.
Julie Cody, Program Delivery Div. Administrator
Jon Gail, Communication & Policy Analyst
Rebecca Gray, Human Resources Manager
Jan Klukis, Exec Assistant, Director's Office, Recorder
Bob Larson, Debt Manager
Robert Lee, Prosperity Initiative Coordinator
Betty Makey, Operations & Policy Analyst
Heather Pate, Program Manager
Kim Travis, Community Engagement Manager
Natasha Detwieler, Research Analyst
Don Herman, OHCS
Diana Koppes, Administrator, Business Operations Division

1. **CALL TO ORDER:** Chair Woolley in attendance by phone so **Val Valfre** called the Feb. 1, 2013 meeting to order at 9:07 a.m.

2. **ROLL CALL:** **Valfre** asked for roll call. **Present: Val Valfre, Aubre Dickson, Mayra Arreola, Jeana Woolley (by phone), Mike Fieldman (by phone), Zee Koza (by phone). Not present at roll call: Tammy Baney.** Tammy Baney arrived later.

3. **APPROVAL OF MINUTES: Val Valfre,** presiding over the meeting asked if there were any corrections to the January 11, 2013 Minutes. There being no changes, a Motion was read:

   A. **MOTION: Aubre Dickson moved the Housing Council approve the minutes of the January 11, 2013 Council meeting as written.**

   VOTE: In a roll call vote the motion passes. Members Present: Mayra Arreola, Aubre Dickson, Zee Koza (by phone), Val Valfre, Jeana Woolley (by phone), Mike Fieldman (by phone). Not present: Tammy Baney.

4. **PUBLIC COMMENT:** None.

5. **HOMEOWNERSHIP POLICY DISCUSSION WITH PARTNERS: Representing the Homewonership Subcommittee of Oregon Opportunity Network: Jesse Beason** of Proud Ground, **Ralph Austin** of HomeStreet Bank, and **Emily Reiman** of NEDCO, together, gave a presentation about why homeownership is an important part of the affordable housing continuum; and, they described the impact it has on families, communities and the economy. The supporting PowerPoint presentation is posted on the Housing Council webpage.

6. **NOFA PROCESS and POLICY UPDATE: Karen Tolvstad, Dave Castricano, and Julie Cody** presented current updates to the Oregon Housing and Community Services (OHCS) NOFA process including:
   - The Screening and Minimum Qualifications - Ways to Apply
   - Geographic Priority Areas
   - Geographic Priority List & Proposed Methodology
   - Need-based Allocations by Region
   - Historic Percentage of Resources Allocated by Project Type
   - 2013 LIHTC NOFA and Home NOFA
   - 2013 GAP NOFA
   - Allocation Process
   - Draft OAHTC Policy
   - Best Practices Recommendations
   - Readiness to Proceed Issues & Questions
   - Scoring Concepts and Hierarchy
   - Best Use of Funds
   - Need for Project

**Please Note: the PowerPoint presentation of the NOFA process and policy update is posted on the Housing Council webpage.

7. **REPORT OF THE DIRECTOR: Margaret Van Vliet**, Director, reported the following:

   A. **Agency Transition Planning Update**. Margaret VanVliet, Director, reinforced that that the agency is still in the process of organizing, analyzing and planning for the work

ahead with regard to the transition. The agency is currently gathering baseline information on programs to ensure the analysis is conducted with consistent and reliable data. VanVliet added that throughout the process the agency is being ever mindful of the statutory requirements and potential impacts.

B. Other: There are two other areas of focus for Housing and Community Services. First, agency staff are focusing on finalizing NOFA design. Second, the Director advised that she and her team are also preparing for legislative session by engaging the community in listening sessions so they can get a sense of core principles and emerging areas of concern surrounding the transition.

The next Housing Council meeting will be held in Eugene, OR and the Qualified Allocation Plan (QAP) will be on the agenda.

8. **REPORT OF THE CHAIR:** No report given.

9. **ADJOURN: Val Valfre** adjourned the meeting at 10:35 a.m.

DRAFT

Jeana Woolley, Chair	**DATE**	**Margaret S. Van Vliet, Director**	**DATE**
Oregon State Housing Council		**Oregon Housing & Community Services**	

HISTORY/CONTEXT

- One of the first things that Margaret Van Vliet heard about, from stakeholder and staff, when she became the OHCS Executive Director in October 2011 was the need to take a good look at the department's Consolidated Funding Cycle (CFC) process.

- Shortly after the 2012 CFC round opened in January 2012, OHCS began stakeholder outreach "listening sessions" to get a clearer understanding what our partners liked and didn't like about the CFC process.

- It quickly became clear there was a consensus and opportunity to redesign our competitive multi-family resource allocation process.

- Guiding principles for the redesigned process included the following -
    - Streamline the application process in an effort to eliminate redundancy, reduce cost of applying, and determine appropriate level of information and materials needed based on the type of request for funds;
    - Evaluate like-kind projects against like-kind projects;
    - Focus on local community needs; and
    - Focus on policy objectives in determining awards.

- Mid-August 2012, OHCS kicked off the CFC Redesign project by developing a project schedule and setting up five cross-departmental teams to inform portions of the work that needed to be completed-
    - NOFA Team – Develop a draft notice of funding availability (NOFA), application, and instruction manual for a 9% low income housing tax credit (LIHTC) NOFA.
    - Needs Allocation Team – Develop and recommend a resource allocation methodology for all competitively allocated funds.
    - Scoring & Best Practices Team – Review and recommend the incorporation of best practices as published by the National Council of State Housing Agencies (NCSHA), and develop and recommend scoring methodology.
    - QAP Team – Revise the QAP taking into consideration all of the work products from the other teams.
    - Training and Education Team – Develop training materials for both internal and external audiences on how to apply for 9% LIHTCs and other OHCS resources through the NOFA vehicle.

- The original project and project schedule
    - Focused solely on a 9% LIHTC NOFA that included additional resources;
    - Included additional stakeholder output throughout the process redesign project; and
    - Anticipated the 9% NOFA would be issued by the end of March 2013, with awards announced in late summer 2013.

- Shifting the focus to place a greater emphasis in the awarding criteria on local community needs and policy objectives, from the current methodology turned out to be a larger body of work than originally anticipated. Additional time has been taken to develop local/regional needs assessments, and obtain additional input from stakeholders.

- In an attempt to try to keep to the original intent of awarding credits in late summer and before we had completely landed both the threshold and policy based scoring methodology, the team brought a draft QAP to the Housing Council in a public meeting on March 1, 2013. The Housing Council took action to open a 30-day public comment period and asked staff to take more time to complete the scoring methodology, review the comments received during public comment period and bring back a completed document as soon as possible.

QAP UPDATE

- The project team took a step back after the March 1, 2013 Public Hearing to take into consideration the public testimony provided and the direction of the Housing Council.

- It was determined that OHCS would redesign the QAP to focus on the regulatory requirements for QAPs as set forth in the Internal Revenue Code Section 42, which would reduce the volume of the document considerably and as a result would reduce the risk that the QAP would be the stumbling block for moving forward with any NOFAs, given that the document needs to be ratified by the Governor.

- While items that have historically been in the QAP would no longer be found there, a determination will be made as to what ancillary document the policies and procedures would be found in the future. All comments received during the public comment period on items that would be removed from the QAP would be taken into consideration when developing the ancillary documents.

- OHCS brought on Cathey Briggs to assist us with two things: the technical writing of the QAP and resolution of any open policy/process questions.

- The 30-day public comment period ended at the end of March. We received input from 10 sources. Later today the internal team will be meeting to continue to review the comments, edit the QAP, and begin to create the ancillary documents that will include the items that are being removed from the QAP. On or before the time that the updated QAP is posted for the May Housing Council Meeting, there will also be written responses to all of the comments provided to OHCS

- The revised schedule to complete the QAP has additional drafting and legal review during the month of April and a final document being brought to Housing Council in Mid-May 2013. Staff

will be seeking approval of the document and a recommendation to the Governor for his signature.

NOFA UPDATE

- The 9% LIHTC NOFA is close to final form. Other ancillary documents that are in various stages of development include:
  - Application
  - Application Instruction Manual
  - OHCS Multi-Family Resources Policy and Procedure Manual

- The HOME NOFA has not yet been started, but will utilize the framework of the 9% LIHTC NOFA documents. The current thinking is that the HOME NOFA will be issued on the same timeline as the 9% LIHTC NOFA.

- The revised schedule to complete the NOFA materials has all of this work being completed in the month of May.

- Training materials will be prepared to allow for two training sessions to be conducted at the end of May/early June to provide potential applicants with the information they will need when working through the application process.

- On a somewhat longer timeframe, a NOFA for Gap Funding will be developed and issued. Currently there isn't an estimated issuance date.

RESOURCE ALLOCATION UPDATE

- The allocation methodology outlined in the tables below was initially presented at the February 2013 Housing Council Meeting.

- Allocation methodology for distributing funds between the five regions is initially based on demographics of low income households and rent burden. There are adjustments to various funding sources based on limits per project, whether or not the region includes participating jurisdictions that receive HOME funds, and historic distribution of funds by project type.

Total 2013 Proposed Competitive OHCS Multi-family Resources

2013 Total Resources	LIHTC	HOME	GHAP	OAHTC	HELP	LIWP
	$8,000,000	$3,011,072	$4,500,000	$10,000,000	$300,000	$1,900,000

- The resource availability for LIHTC, HOME, Help, and Weatherization are tied down. There continues to be analysis around the GHAP and OAHTC resources, the estimates in the charts are conservative.

9% LIHTC NOFA Proposed Resource Allocation

2013 9% LIHTC NOFA	LIHTC	HOME	GHAP	OAHTC	HELP	LIWP
	$8,900,000*	**$1,011,072**	**$2,000,000**	**$8,500,000**	**$150,000**	**$1,000,000**
Central OR	$870,000	$185,026	$200,000	$578,000		$50,000
Eastern OR	$870,000	$101,107	$200,000	$314,500		$50,000
Metro OR	$3,608,000	N/A	$800,000	$3,833,500		$450,000
Southern OR	$992,000	$335,676	$200,000	$1,054,000		$120,000
Valley/ North Coast	$2,560,000	$389,263	$600,000	$2,720,000		$330,000

** Only $8,000,000 of LIHTC would be available for redistribution. A floor of $870,000 has been created in the Central and Eastern Oregon Regions. The difference between the floor and the equitable allocation would be redistributed in the case a project was not awarded LIHTCs in Central and/or Eastern Oregon.*

- Given the timeline of the 9% LIHTC NOFA awards we are looking at a potential request for applications (RFA) to allocate the remainder of the 2013 LIHTCs which equates to approximately $1.1 million. Reasoning behind this revolves around federal rules pertaining to "carry over." OHCS will need to award the remaining 2013 credits to project(s) that can meet carry over requirements by December 31, 2013, in order to preserve the credits. If this OHCS is not able accomplish this, the 2013 LIHTCs would be lost, which would represent approximately $11,000,000 in affordable housing development.

- If a RFA is issued it will reduce the amount of resources referenced above by resource awarded during the RFA process.

- Any remaining funds that were not awarded from the 9% LIHTC NOFA could be added to the other NOFAs that were issued in the same year.

HOME NOFA Proposed Resource Allocation

2013 HOME NOFA	LIHTC	HOME	GHAP	OAHTC	HELP	LIWP
	$0	**$2,000,000**	**$1,500,000**	**$0**	**$150,000**	**$150,000**
Central OR	N/A	$366,000	$250,000	N/A		
Eastern OR	N/A	$200,000	$250,000	N/A		
Metro OR	N/A	N/A	N/A	N/A	N/A	N/A
Southern OR	N/A	$664,000	$500,000	N/A		
Valley/ North Coast	N/A	$770,000	$500,000	N/A		

- Any remaining funds that were not awarded from the HOME NOFA could be added to the other NOFAs that were issued in the same year.

Gap Financing NOFA Proposed Resource Allocation

2013 Gap NOFA	LIHTC	HOME	GHAP	OAHTC	HELP	LIWP
	$0	**$0**	**$1,000,000**	**$1,500,000**	**$100,000**	**$750,000**
Central OR	N/A	N/A				
Eastern OR	N/A	N/A				
Metro OR	N/A	N/A				
Southern OR	N/A	N/A				
Valley/ North Coast	N/A	N/A				

- At this time it has not been determined how or if funds will be allocated specifically to regions when issuing the Gap Financing NOFA. More to come on this as the NOFA itself is fleshed out.

SCHEDULE

- A revised schedule has been produced to see the QAP, 9% NOFA, and HOME NOFA through to completion, issuance and award. A copy of the visual representation of the schedule has been provided and is posted to the website.

SCORING METHODOLOGY WORK SESSION

- Additional work has been done on the competitive scoring methodology since the last Housing Council update.
- There will be a work session on this topic held directly after the Housing Council Meeting to review the latest thinking and obtain additional feedback from stakeholders.
- Landing on both the threshold and competitive scoring methodology is critical to completing the remaining NOFA work.

2013 LIHTC Qualified Allocation Plan

Index of Comments:

2/12/13	Ross Cornelius	Guardian Real Estate Services	QAP Input	1 page
3/5/13	Ross Cornelius	Guardian Real Estate Services	Developer Fee Policy	3 pages
3/7/13	Greg Pitts	Jennings Pitts Development LLC	3 points	1 page
3/7/13	Shelly Cullin	Chrisman Development Inc	13 separate points - testified at housing council	3 pages
3/28/13	Jonathan Trutt	Oregon On	Redlined copy of entire QAP	44 pages
3/1/13	Traci Manning	Portland Housing Bureau		2 pages
3/1/13	Anna Geller	Geller Silvis & Associates Inc	5 points – testified at housing council	5 pages
3/28/13	Tom Cusack	Oregon Housing Blog	4 points – testified at housing council	3 pages
3/29/13	Pegge McGuire	Fair Housing Council of Oregon	5 points – testified at housing council	2 pages
3/29/13	Michael Bodaken	National Housing Trust	7 points	3 pages
3/29/13	Rob Prasch	NOAH	Preservation qualification	2 pages

Suggested Changes / Questions:

3/5/13 Nicole Barrett When are comments due?

3/5/13 Susan Bailey Correct addresses on page 37

Need & Impact, Policy Scoring Framework

The State of Oregon is committed to investing taxpayers' dollars in a way that makes best use of the funds considering all benefits to the community. It is also committed to ensuring that resources are invested in a way that is geographically equitable, and responsive to the diversity of low-income housing needs around the state.

Projects that meet the Financial Feasibility, Sponsor Capacity, and Readiness to Proceed thresholds will be competitively scored by regional review committees based on the following elements:

Need for Project: 25 points

- **In the context of the Region, 10 points**
  the city or county as it relates to the funding Region
  (Central, Eastern, Southern, Valley/North Coast, and Metro Regional Solutions Centers)
- **In the context of the Community, 15, points**
  the relative needs of the populations served in the community
  (defined by the applicant, the community could be the project neighborhood, city, or county)

Impact of Project: 50 points

- **Population/Type, 15 points**
- **Location & Building, 10 points**
- **Comprehensive Community Development, 25 points**

Cost to Impact Assessment: 25 points

- **Total Project Cost / Unit as it compares to the Impact of Project, 25 points**

Additional detail of the specific elements that, if applicable, will be evaluated for each proposed project are included in the Scoring Framework and Score Sheets that follow.

A proposed framework for the evaluation process is as follows:

Competitive Need & Impact scores will be developed and assigned by region-specific evaluation committees. These committees will be presented with each project's response to the competitively scored questions, the full project application, and contextual information about the region.

Regional Evaluation Process:

First Step: Project Presentation:

The evaluation committee will convene, and be presented with:

- Each project summary questions
- Regional Housing Profiles (OHCS)
- Regional Poverty Profiles (OHCS & DHS)
- Regional Economic Profiles (OED)

As well as

- Project presentations by sponsors

Second Step: Individual Review:

Each committee member will review their region's project applications, in consideration of all information submitted, and complete a project Need & Impact score sheet.

Third Step: Group Review Conference:

All members of the evaluation committee will meet together again, to review and discuss regional prioritization, and make final recommendations. Individual score sheets will be summarized in detail and narrative, and returned to the group for review and agreement before finalizing.

Evaluation Committee:

A committee will be developed, for each Region, and comprised of: Oregon Housing and Community Services leadership, Housing Council members, industry professionals, and regional experts (where possible this will tie to regional solutions center teams). All review team members will need to disclose any ties to project fund requests and no member of a region's review team is eligible to participate if they have ties to a project that has submitted a funding request in the region.

Need for Project Scoring — 25 Points

	max
in context of the Region	**10**

The state of Oregon has a vested interest in targeting affordable housing equitably and to those areas of each region with the most need. There are two primary elements of examining Need within the context of the region.

First, it is important that each community in the region get their fair share of housing; based on analysis of the numbers of low income and extremely burdened renter households as well as the location of existing affordable housing state and region-wide.

Secondly is an examination of where the needs in an individual community rest in relationship to those in the region as a whole; assessing relative rates of housing burden and elements of change within the community.

examples (unless shaded, only those aspects relevant to the specific project/community should be included in scoring):
Need Distribution vs Recently Funded Affordable Housing / 5 Year CFC funded list (percentage of the OHCS calculated Need Distribution which is based on the number of low income and extreme rent burdened households, as it compares to the percentage of the states or regions recently funded affordable housing. This evaluation element aims to assess the equitable distribution, not the numeric need (this is covered in the Need in context of the Community below))
Need Distribution vs Affordable Housing Supply / Entire Affordable Housing Inventory (percentage of the OHCS calculated Need Distribution which is based on the number of low income and extreme rent burdened households, as it compares to the percentage of the affordable housing (any corrections or changes to the existing inventory are welcome). This evaluation element aims to assess the equitable distribution, not the numeric need (this is covered in the Need in context of the Community below))
Housing Burden (rent burden and/or extreme rent burden in the county or city as it compares to the rate in the region)
Relevant Population growth/demand (rate of growth/decline in the community population (as applicable to the project), low income population, renter households etc as it compares to same in the region)
Relevant Job growth / demand (rate of growth/decline in the community employment, low wage jobs, or other economic activity as it compares to the region)
Housing Types / Condition / Age (rates of old housing stock, deteriorated housing stock, manufactured housing stock, as it compares to the region)
Demand for Affordable Housing (project and voucher wait lists as they compare to other areas in the region; using data on populations that are most relevant to the populations to be served by the proposed project)
Other as applicable:
If there is a component of a project relevant to Need in the Context of the Region beyond what is in the above list, the project applicant should include it in the application and the review team will consider it in the process of assigning points.

Need for Project Scoring — 25 Points

	max
in context of the Community	**15**

The state of Oregon has a vested interest in targeting affordable housing that is most relevant and critical within a community.

In addition to assessing need for project as it relates to the needs throughout the region, it is important to evaluate the need for the project within the community as it relates to needs for different populations and/or other areas within the region.

examples (unless shaded, only those aspects relevant to the specific project/community should be included in scoring):
Need versus Supply of Affordable Housing / Affordable Housing Inventory within Community (The number of affordable housing units that are needed in the community, as it compares to the existing affordable housing supply; using the Need Distribution (which is based on the number of low income and extreme rent burdened households), or another calculation that is applicable to the proposed population, to be served, to identify what the total community affordable housing gap is.
Targeted households Need for Housing (what is the nature of the need for housing for the targeted population; how does it compare to other population groups; what is the number and percentage of low income, or other relevant, households that would be eligible for affordable housing in the city or neighborhood, as it compares to other areas or population needs within the community)
Relevant Population growth/demand (rate of growth/decline in the communities low income, renter or other applicable population group, as it compares to other populations or areas within the region)
Community Housing Condition / Needs (rates of old housing stock, deteriorated housing stock, manufactured housing stock, that represent a need for housing, as it compares to other needs or areas within the region)
Demand for Affordable Housing (project and voucher wait lists as they compare to other areas or populations within the regions; using data on populations that are most relevant to the populations to be served by the proposed project)
Other as applicable:
If there is a component of a project relevant to Need in the Context of the Community beyond what is in the above list, the project applicant should include it in the application and the review team will consider it in the process of assigning points.

Need for Project Score Sheet — 25 Points

Project Name:

in context of the Region — max 10

awarded:

relevant review elements:	Low	→	Mid	→	High
Equity of the Distribution of Affordable Housing and/or Recently funded Affordable Housing (higher ranking where the community has been underfunded or undersupplied in the context of the region)	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐

in context of the Community — 15

awarded:

relevant review elements:	Low	→	Mid	→	High
Existing supply of Affordable Housing to serve the target population in the target area (defined by applicant) (higher ranking where the population hasn't been served as greatly as other communities or other populations in the target area)	☐	☐		☐	☐
	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐

4/4/2013 DRAFT for DISCUSSION

Impact of Project Scoring — 50 Points

Project Type and Population Served	max 15

The population served in a project is critical in assessing the impact of the project.

Priority Projects will do one or more of the following: serve lower and/or diverse incomes; create larger units for families with children; create smaller units dedicated to elderly populations; are dedicated to serving difficult to serve special needs populations; have established connections to workforce needs; integrate market or retail services; include deliberate mechanisms to support resident health and stability.

examples (unless shaded, only those aspects relevant to the specific project/community should be included in scoring):
Incomes Served (units under 30%/50%/60%; to be evaluated in the context of income limits for Low and High Income counties; 2013 Oregon High Income Counties are Benton, Clackamas, Columbia, Multnomah, Washington & Yamhill)
Affordability Duration (term of affordability)
Supports Resident Health and Stability (incorporates measures to support or improve resident health, and maintain housing stability of population served)
Family Units (30% of project or more with 3+ bedroom sizes)
Special Needs Units (service enriched housing for a difficult to serve special needs population; addresses homelessness or allows age-in-place, etc)
Workforce Units (housing in response to an identified workforce housing need)
Elderly Units (100% of project reserved for senior housing, not to exceed 2 bedroom sized units)
Mixed Income (able to contribute both market and affordable housing supply into the community)
Mixed Use (able to contribute both retail or recreational use opportunities as well as affordable housing supply into the community)
Other as applicable:
If there is a component of a project relevant to Population Served beyond what is in the above list, the project applicant should include it in the application and the review team will consider it in the process of assigning points.

Impact of Project Scoring — 50 Points

Location & Building — max 10

The location and design of a building can affect the impact on both the residents as well as the community. Reviewers should evaluate projects in the context of their potential to incorporate location and design factors; acknowledging that new construction projects have different ability to meet these criteria in comparison to acquisition/rehabilitation projects.

Priority projects will be sited in Areas of Opportunity with one or more of the following characteristics: in close proximity to transit (where applicable); in close proximity to schools for family housing; in close proximity to amenities like a grocery store, hospital, and bank; serve to deconcentrate poverty by being in a higher income neighborhood; are in a HUD difficult to develop area or qualified Census Tract.

Priority projects will incorporate green and energy efficient design; conform to any historic or other design features of the neighborhood and/or include design elements that address needs of the target residents.

examples (unless shaded, only those aspects relevant to the specific project/community should be included in scoring):
Location Accessibility (within proximity to transit, schools, grocery stores, health care; urban versus rural)
Deconcentrate Poverty (in a neighborhood/Census Tract previously unserved with affordable housing or having lower poverty rates and higher homeownership rates)
HUD Difficult to Develop Area or Qualified Census Tract (HUD published criteria identifying difficult and poverty areas)
Complementary and/or Responsive Building Design (incorporates design features that are consistent with the location, including any historic nature of the building or community, consistent with department guidelines and / or incorporates features that are responsive to the needs of the target residents)
Green / Energy Efficiency (incorporates a number of green or energy efficiency measures to reduce costs to residents, consistent with department guidelines)
Other as applicable:
If there is a component of a project relevant to Location & Design beyond what is in the above list, the project applicant should include it in the application and the review team will consider it in the process of assigning points.

Impact of Project Scoring — 50 Points

Comprehensive Community Development — max 25

While the opportunities and challenges may vary from Portland to Bend or Pendleton to Ashland, every community strives to be a place where people choose to live, work, and play. Comprehensive development means that a community's potential lies in the identification and creation of a shared vision, planned by local leadership, and carried out by an array of partners. When successful, it yields results beyond what can be achieved by individual organizations or disparate programs because of the unique synergy they generate. A thriving community is a community with job opportunities, strong schools, safe neighborhoods, a full range of housing choices, and a vibrant culture. Comprehensive development marshals resources and deploys coordinated strategies in a concentrated area to create opportunities for others in the community to take prudent risks and reap the rewards. The demolition of blighted structures, the rehabilitation of long-vacant housing and the creation of new community amenities and retail opportunities serve as a tipping point for future development through market forces.

examples (unless shaded, only those aspects relevant to the specific project/community should be included in scoring):
Identified as a community catalyst (indicated as a key component to neighborhood revitalization efforts that includes non-housing elements like economic or workforce development, public transportation or community health and safety measures.
Responsive to an Urgent Community Need (responds to an active and ongoing community need identified on a local or regional level; documentation of issue and it's severity is required)
Responsive to the State 10 Year Plan (includes deliberate elements that respond to statewide guidance for progress as outlined in the state 10 year plan)
Furthers Equity / Social Justice (purposeful efforts in project design, market, or location that works to address inequities)
Responsive to an Identified Policy Issue (responds to an identified and active policy issue within the community or state; documentation of the policy and its intent is required)
Multiple Agency partnerships (includes multiple state, or other, agencies involvement in the design and/or financing of the project; documentation of the type of involvement is required)
Local Partnerships (includes multiple local or regional organizations involvement in the design, outreach, and/or financing of the project; documentation of the type of involvement is required)
Future Public Cost reduction (includes calculated elements to increase resident stability and reduce future public costs: including preventing recidivism, hospital use, and emergency housing)
Leverage (in context of the ability to leverage from project jurisdictions, assess whether and to what extent the proposed project leverages existing resources to further the investment of the department)
Federal Rent Subsidy (specific to projects that are preserving, or creating new, federal subsidy; assess the financial impact of the gain or loss of federal dollars to support affordability for low-income households to the state of Oregon).
Innovation to Overcome Obstacles or Solve Community Issue (innovative solutions to address community issue and overcome obstacles of project feasibility, from NIMBY to land conditions)
Promotes neighborhood stabilization (is designed to improve a blighted community, due to foreclosures, abandonment, or deteriorated conditions)
Other as applicable:
If there is a component of a project relevant to Comprehensive Community Development beyond what is in the above list, the project applicant should include it in the application and the review team will consider it in the process of assigning points.

Impact of Project Score Sheet — 50 Points

Project Name:

Project Type and Population Served — max 15

awarded:

relevant review elements:	Low	→	Mid	→	High
Incomes Served (in the context of the area income limit)	☐	☐	☐	☐	☐
Affordability Duration (term of affordability)	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐

Location & Building — 10

awarded:

relevant review elements:	Low	→	Mid	→	High
	☐	☐		☐	☐
	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐

4/4/2013 DRAFT for DISCUSSION

Impact of Project Score Sheet — 50 Points

Project Name:

max

Comprehensive Community Development	25
awarded:	

relevant review elements:	Low	→	Mid	→	High
	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐

Cost / Impact Assessment and Scoring — 25 Points

Cost / Impact Assessment	max 25

In order to identify the best use of public funds, a key component is assessing the cost of individual projects as they relate to the estimated impact to communities and low-income Oregonians. While there is a critical interest in containing costs of development, it is also widely understood that there are often increased costs associated with implementing thorough and innovative solutions that address community or population issues. As such, fund decisions and judgment of costs can not be based solely on the dollar investment of a project. This measure aims to identify how the Total Per Unit Cost of a proposed project relates to the Total Identified Impact of the project.

Priority projects will have costs commensurate with the Impact of a project.

examples
(unless shaded, only those aspects relevant to the specific project/community should be included in scoring):

Cost per Unit - Cost Category
(the total project cost per unit, including acquisition, development, and construction costs. Each project will be classified as Highest/High/Mid/Low/Lowest, according to the specified ranges)

Impact Score
(based on the project score for the Impact of Project; a maximum of 50 points)

DRAFT figures based on the distribution of the 9% LIHTC projects in urban versus rural that have certificates of occupancy during the previous 5 fiscal years*

Cost per Unit Categories:

Urban LIHTC

(within Clackamas, Multnomah, or Washington Counties or in the cities of Salem, Keizer, Corvallis, Eugene, Springfield, Medford, Ashland or Bend)

Cost Category	Cost per Unit
Lowest	$145,000 or less
Low	$145,001 - $175,000
Mid	$175,001 - $205,000
High	$205,001-235,000
Highest	$235,001 or more

Rural LIHTC

(balance of state not considered Urban)

Cost Category	Cost per Unit
Lowest	$125,000 or less
Low	$125,001 - $155,000
Mid	$155,001 - $185,000
High	$185,001-215,000
Highest	$215,001 or more

Cost / Impact Assessment Score Sheet — 25 points

Project Name:

awarded:

established review elements	$/#	Category
Cost per Unit		
Impact Score		

Scoring Guidance: Enter values into the matrix below and identify which point category the project is eligible. Assign points within the specified allowable range.

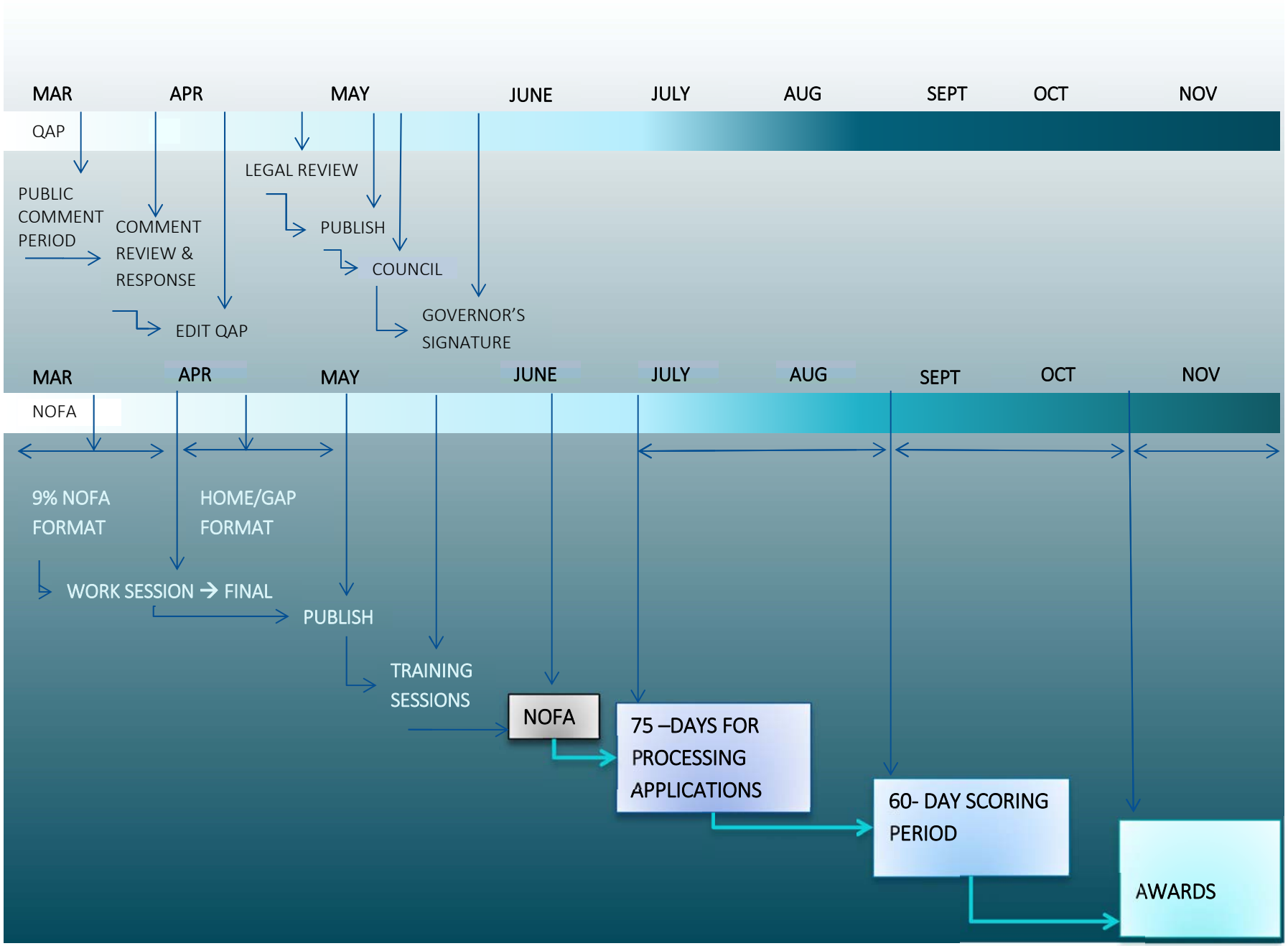
- 0-5 points
- 6-10 points
- 11-15 points
- 16-20 points
- 21-25 points

Total Cost / Unit

Impact Score

	Highest Cost	High Cost	Mid Cost	Low Cost	Lowest Cost
1-10					
11-20					
21-30					
31-40					
41-50					

NOFA/QAP SCHEDULE
MARCH TO NOVEMBER



Need & Impact, Policy Scoring Framework

The State of Oregon is committed to investing taxpayers' dollars in a way that makes best use of the funds considering all benefits to the community. It is also committed to ensuring that resources are invested in a way that is geographically equitable, and responsive to the diversity of low-income housing needs around the state.

Projects that meet the Financial Feasibility, Sponsor Capacity, and Readiness to Proceed thresholds will be competitively scored by regional review committees based on the following elements:

Need for Project:	**25 points**
- In the context of the Region, 10 points	
- In the context of the Community, 15, points	
Impact of Project:	**50 points**
- Population/Type, 15 points	
- Location & Building, 10 points	
- Comprehensive Community Development, 25 points	
Cost to Impact Assessment:	**25 points**
- Total Project Cost / Unit as it compares to the Impact of Project, 25 points	

Additional detail of the specific elements that, if applicable, will be evaluated for each proposed project are included in the Scoring Framework and Score Sheets that follow.

The framework for the evaluation process is as follows:

Competitive Need & Impact policy scores will be developed and assigned by region-specific evaluation committees. These committees will be presented with each project's response to the competitively scored questions, the full project application, and contextual information about the region.

Regional Evaluation Process:

First Step: Project Presentation:

The evaluation committee will convene, and be presented with:

- Each project summary questions
- Regional Housing Profiles (OHCS)
- Regional Poverty Profiles (OHCS & DHS)
- Regional Economic Profiles (OED)

As well as

- Project presentations by sponsors

Second Step: Individual Review:

Each committee member will review their region's project applications, in consideration of all information submitted, and complete a project Need & Impact score sheet.

Third Step: Group Review Conference:

All members of the evaluation committee will meet together again, to review and discuss regional prioritization, and make final recommendations. Individual score sheets will be summarized in detail and narrative by OHCS staff, and returned to the group for review and agreement before finalizing.

Evaluation Committee:

A committee will be developed, for each Region, and comprised of: Oregon Housing and Community Services leadership, Housing Council members, industry professionals, and regional experts (where possible this will tie to regional solutions center teams). All review team members will need to disclose any ties to project fund requests and no member of a region's review team is eligible to participate if they have ties to a project that has submitted a funding request in the region.

Need for Project Scoring — 25 Points

	max
in context of the Region	**10**

The state of Oregon has a vested interest in targeting affordable housing equitably and to those areas of each region with the most need. There are two primary elements of examining Need within the context of the region.

First, it is important that each community in the region get their fair share of housing; based on analysis of the numbers of low income and extremely burdened renter households as well as the location of existing affordable housing state and region-wide.

Secondly is an examination of where the needs in an individual community rest in relationship to those in the region as a whole; assessing relative rates of housing burden and elements of change within the community.

examples (unless shaded, only those aspects relevant to the specific project/community should be included in scoring):
Need Distribution vs Recently Funded Affordable Housing (percentage of the OHCS calculated Need Distribution which is based on the number of low income and extreme rent burdened households, as it compares to the percentage of the states or regions recently funded affordable housing. This evaluation element aims to assess the equitable distribution, not the numeric need (this is covered in the Need in context of the Community below))
Need Distribution vs Affordable Housing Supply (percentage of the OHCS calculated Need Distribution which is based on the number of low income and extreme rent burdened households, as it compares to the percentage of the affordable housing (any corrections or changes to the existing inventory are welcome). This evaluation element aims to assess the equitable distribution, not the numeric need (this is covered in the Need in context of the Community below))
Housing Burden (rent burden and/or extreme rent burden in the county or city as it compares to the rate in the region)
Relevant Population growth/demand (rate of growth/decline in the community population (as applicable to the project), low income population, renter households etc as it compares to same in the region)
Relevant Job growth / demand (rate of growth/decline in the community employment, low wage jobs, or other economic activity as it compares to the region)
Housing Types / Condition / Age (rates of old housing stock, deteriorated housing stock, manufactured housing stock, as it compares to the region)
Demand for Affordable Housing (project and voucher wait lists as they compare to other areas in the region; using data on populations that are most relevant to the populations to be served by the proposed project)
Other as applicable:
If there is a component of a project relevant to Need in the Context of the Region beyond what is in the above list, the project applicant should include it in the application and the review team will consider it in the process of assigning points.

Need for Project Scoring — 25 Points

	max
in context of the Community	**15**

The state of Oregon has a vested interest in targeting affordable housing that is most relevant and critical within a community.

In addition to assessing need for project as it relates to the needs throughout the region, it is important to evaluate the need for the project within the community as it relates to needs for different populations and/or other areas within the region.

examples (unless shaded, only those aspects relevant to the specific project/community should be included in scoring):
Need versus Supply of Affordable Housing (The number of affordable housing units that are needed in the community, as it compares to the existing affordable housing supply; using the Need Distribution (which is based on the number of low income and extreme rent burdened households), or another calculation that is applicable to the proposed population, to be served, to identify what the total community affordable housing gap is.
Targeted households Need for Housing (what is the nature of the need for housing for the targeted population; how does it compare to other population groups; what is the number and percentage of low income, or other relevant, households that would be eligible for affordable housing in the city or neighborhood, as it compares to other areas or population needs within the community)
Relevant Population growth/demand (rate of growth/decline in the communities low income, renter or other applicable population group, as it compares to other populations or areas within the region)
Community Housing Condition / Needs (rates of old housing stock, deteriorated housing stock, manufactured housing stock, that represent a need for housing, as it compares to other needs or areas within the region)
Demand for Affordable Housing (project and voucher wait lists as they compare to other areas or populations within the regions; using data on populations that are most relevant to the populations to be served by the proposed project)
Other as applicable:
If there is a component of a project relevant to Need in the Context of the Community beyond what is in the above list, the project applicant should include it in the application and the review team will consider it in the process of assigning points.

Need for Project Score Sheet — 25 Points

Project Name:

in context of the Region — max 10

awarded:

relevant review elements:	Low	→	Mid	→	High
Equity of the Distribution of Affordable Housing and/or Recently funded Affordable Housing (higher ranking where the community has been underfunded or undersupplied in the context of the region)	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐

in context of the Community — 15

awarded:

relevant review elements:	Low	→	Mid	→	High
Existing supply of Affordable Housing to serve the target population in the target area (defined by applicant) (higher ranking where the population hasn't been served as greatly as other communities or other populations in the target area)	☐	☐		☐	☐
	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐

4/3/2013 DRAFT for DISCUSSION

Impact of Project Scoring — 50 Points

Project Type and Population Served	max 15

The population served in a project is critical in assessing the impact of the project.

Priority Projects will do one or more of the following: serve lower and/or diverse incomes; create larger units for families with children; create smaller units dedicated to elderly populations; are dedicated to serving difficult to serve special needs populations; have established connections to workforce needs; integrate market or retail services; include deliberate mechanisms to support resident health and stability.

examples (unless shaded, only those aspects relevant to the specific project/community should be included in scoring):
Incomes Served (units under 30%/50%/60%; to be evaluated in the context of income limits for Low and High Income counties; 2013 Oregon High Income Counties are Benton, Clackamas, Columbia, Multnomah, Washington & Yamhill)
Affordability Duration (term of affordability)
Supports Resident Health and Stability (incorporates measures to support or improve resident health, and maintain housing stability of population served)
Family Units (30% of project or more with 3+ bedroom sizes)
Special Needs Units (service enriched housing for a difficult to serve special needs population; addresses homelessness or allows age-in-place, etc)
Workforce Units (housing in response to an identified workforce housing need)
Elderly Units (100% of project reserved for senior housing, not to exceed 2 bedroom sized units)
Mixed Income (able to contribute both market and affordable housing supply into the community)
Mixed Use (able to contribute both retail or recreational use opportunities as well as affordable housing supply into the community)
Other as applicable:
If there is a component of a project relevant to Population Served beyond what is in the above list, the project applicant should include it in the application and the review team will consider it in the process of assigning points.

Impact of Project Scoring — 50 Points

Location & Building	max 10

The location and design of a building can affect the impact on both the residents as well as the community. Reviewers should evaluate projects in the context of their potential to incorporate location and design factors; acknowledging that new construction projects have different ability to meet these criteria in comparison to acquisition/rehabilitation projects.

Priority projects will be sited in Areas of Opportunity with one or more of the following characteristics: in close proximity to transit (where applicable); in close proximity to schools for family housing; in close proximity to amenities like a grocery store, hospital, and bank; serve to deconcentrate poverty by being in a higher income neighborhood; are in a HUD difficult to develop area or qualified Census Tract.

Priority projects will incorporate green and energy efficient design; conform to any historic or other design features of the neighborhood and/or include design elements that address needs of the target residents.

examples (unless shaded, only those aspects relevant to the specific project/community should be included in scoring):
Location Accessibility (within proximity to transit, schools, grocery stores, health care; urban versus rural)
Deconcentrate Poverty (in a neighborhood/Census Tract previously unserved with affordable housing or having lower poverty rates and higher homeownership rates)
HUD Difficult to Develop Area or Qualified Census Tract (HUD published criteria identifying difficult and poverty areas)
Complementary and/or Responsive Building Design (incorporates design features that are consistent with the location, including any historic nature of the building or community, consistent with department guidelines and / or incorporates features that are responsive to the needs of the target residents)
Green / Energy Efficiency (incorporates a number of green or energy efficiency measures to reduce costs to residents, consistent with department guidelines)
Other as applicable:
If there is a component of a project relevant to Location & Design beyond what is in the above list, the project applicant should include it in the application and the review team will consider it in the process of assigning points.

Impact of Project Scoring — 50 Points

Comprehensive Community Development	max 25

While the opportunities and challenges may vary from Portland to Bend or Pendleton to Ashland, every community strives to be a place where people choose to live, work, and play. Comprehensive development means that a community's potential lies in the identification and creation of a shared vision, planned by local leadership, and carried out by an array of partners. When successful, it yields results beyond what can be achieved by individual organizations or disparate programs because of the unique synergy they generate. A thriving community is a community with job opportunities, strong schools, safe neighborhoods, a full range of housing choices, and a vibrant culture. Comprehensive development marshals resources and deploys coordinated strategies in a concentrated area to create opportunities for others in the community to take prudent risks and reap the rewards. The demolition of blighted structures, the rehabilitation of long-vacant housing and the creation of new community amenities and retail opportunities serve as a tipping point for future development through market forces.

examples (unless shaded, only those aspects relevant to the specific project/community should be included in scoring):
Identified as a community catalyst (indicated as a key component to neighborhood revitalization efforts that includes non-housing elements like economic or workforce development, public transportation or community health and safety measures.
Responsive to an Urgent Community Need (responds to an active and ongoing community need identified on a local or regional level; documentation of issue and it's severity is required)
Responsive to the State 10 Year Plan (includes deliberate elements that respond to statewide guidance for progress as outlined in either the state 10 year plan)
Furthers Equity / Social Justice (purposeful efforts in project design, market, or location that works to address inequities)
Responsive to an Identified Policy Issue (responds to an identified and active policy issue within the community or state; documentation of the policy and its intent is required)
Multiple Agency partnerships (includes multiple state, or other, agencies involvement in the design and/or financing of the project; documentation of the type of involvement is required)
Local Partnerships (includes multiple local or regional organizations involvement in the design, outreach, and/or financing of the project; documentation of the type of involvement is required)
Future Public Cost reduction (includes calculated elements to increase resident stability and reduce future public costs: including preventing recidivism, hospital use, and emergency housing)
Leverage (in context of the ability to leverage from project jurisdictions, assess whether and to what extent the proposed project leverages existing resources to further the investment of the department)
Federal Rent Subsidy (specific to projects that are preserving, or creating new, federal subsidy; assess the financial impact of the gain or loss of federal dollars to support affordability for low-income households to the state of Oregon).
Innovation to Overcome Obstacles or Solve Community Issue (innovative solutions to address community issue and overcome obstacles of project feasibility, from NIMBY to land conditions)
Promotes neighborhood stabilization (is designed to improve a blighted community, due to foreclosures, abandonment, or deteriorated conditions)
Other as applicable:
If there is a component of a project relevant to Comprehensive Community Development beyond what is in the above list, the project applicant should include it in the application and the review team will consider it in the process of assigning points.

Impact of Project Score Sheet — 50 Points

Project Name:

Project Type and Population Served — max 15

awarded:

relevant review elements:	Low	→	Mid	→	High
Incomes Served (in the context of the area income limit)	☐	☐	☐	☐	☐
Affordability Duration (term of affordability)	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐

Location & Building — 10

awarded:

relevant review elements:	Low	→	Mid	→	High
	☐	☐		☐	☐
	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐

4/3/2013 DRAFT for DISCUSSION

Impact of Project Score Sheet — 50 Points

Project Name:

max

Comprehensive Community Development	25
awarded:	

relevant review elements:	Low	→	Mid	→	High
	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐
	☐	☐	☐	☐	☐

Cost / Impact Assessment and Scoring — 25 Points

Cost / Impact Assessment	max 25

In order to identify the best use of public funds, a key component is assessing the cost of individual projects as they relate to the estimated impact to communities and low-income Oregonians. While there is a critical interest in containing costs of development, it is also widely understood that there are often increased costs associated with implementing thorough and innovative solutions that address community or population issues. As such, fund decisions and judgment of costs can not be based solely on the dollar investment of a project. This measure aims to identify how the Total Per Unit Cost of a proposed project relates to the Total Identified Impact of the project.

Priority projects will have costs commensurate with the Impact of a project.

examples (unless shaded, only those aspects relevant to the specific project/community should be included in scoring):
Cost per Unit - Cost Category (the total project cost per unit, including acquisition, development, and construction costs. Each project will be classified as Highest/High/Mid/Low/Lowest, according to the specified ranges)
Impact Score (based on the project score for the Impact of Project; a maximum of 50 points)

DRAFT figures based on the distribution of the 9% LIHTC projects in urban versus rural that have certificates of occupancy during the previous 5 fiscal years*

Cost per Unit Categories:

Urban LIHTC

(within Clackamas, Multnomah, or Washington Counties or in the cities of Salem, Keizer, Corvallis, Eugene, Springfield, Medford, Ashland or Bend)

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Mid	$175,001 - $205,000
High	$205,001-235,000
Highest	$235,001 or more

Rural LIHTC

(balance of state not considered Urban)

Cost Category	Cost per Unit
Lowest	$125,000 or less
Low	$125,001 - $155,000
Mid	$155,001 - $185,000
High	$185,001-215,000
Highest	$215,001 or more

Cost / Impact Assessment Score Sheet — 25 points

Project Name:

awarded:

established review elements	$/#	Category
Cost per Unit		
Impact Score		

Scoring Guidance: Enter values into the matrix below and identify which point category the project is eligible. Assign points within the specified allowable range.

- 0-5 points
- 6-10 points
- 11-15 points
- 16-20 points
- 21-25 points

Total Cost / Unit

Impact Score	**Highest Cost**	**High Cost**	**Mid Cost**	**Low Cost**	**Lowest Cost**
1-10					
11-20					
21-30					
31-40					
41-50					