

Oregon State Housing Council Public Meeting
August 2, 2013; 9:00 a.m.



*6808 Cooper Spur Rd.
Parkdale, Oregon*

Location:
725 Summer Street NE, Salem, OR 97301
Conference Room, 124 (a/b)

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

August 2, 2013 Meeting Agenda

MEETING TIME: 9:00 A.M

MEETING LOCATION:

Conference Room 124a/b of the North Mall Office Building
725 Summer Street NE,
Salem, OR 97301

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

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|-----|--|---|
| 1. | CALL TO ORDER | Jeana Woolley, Chair |
| 2. | ROLL CALL | Jeana Woolley, Chair |
| 3. | Approval of Housing Council Meeting Minutes
a. May 17, 2013 (revised)
b. June 7, 2013 (deferred)
c. July 17, 2013 | Jeana Woolley, Chair |
| 4. | Public Comment | Jeana Woolley, Chair |
| 5. | Residential Loan Program – Consent Calendar Approval
400 Upper La Vista Court NW, Salem, OR 97304 | Alycia Howell, OHCS |
| 6. | Old Business
a. Program related charges:
Bond/4% Charges Approval Request | Julie Cody, OHCS
Teresa Pumala, OHCS |
| 7. | Report of the Director
a. NOFA Scoring Committee Update
b. Department Transition Discussion and Update
c. 2013 Legislative Session Wrap-up | Margaret Van Vliet, OHCS Director |
| 8. | Report of the Chair | Jeana Woolley, Chair |
| 9. | Other | Jeana Woolley, Chair |
| 10. | Adjourn State Housing Council Meeting | Jeana Woolley, Chair |

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OREGON STATE HOUSING COUNCIL MEETING May 17, 2013 Meeting Minutes

MEETING TIME:

9:00 A.M

MEETING LOCATION:

Conference room 124a/b of the North Mall Office Building,
725 Summer Street NE
Salem, OR 97301

HOUSING COUNCIL

MEMBERS PRESENT

Jeana Woolley, Chair
Tammy Baney
Aubre Dickson
Mike Fieldman
Zee Koza

Member's Not Present

Mayra Arreola
Val Valfre

GUESTS

NAME, ORGANIZATION

TOM CUSACK, OR HOUSING BLOG
SUSAN LIND, OHA AMH
JONATHAN TRUTT, NHA
JOHN MILLER, OREGON ON
JEFF PUTERBAUGH, DHS-OCCPC (MFP)
SHELLY CULLIN, CHRISMAN DEV.
SAJ Jivanjee, DEVELOPER
ED FRANKS, IQ CREDIT UNION
CRAIG STARKEY, IQ CREDIT UNION
SHARON NIELSON, THE NIELSON GROUP
ROSS CORNELIUS, GUARDIAN

OHCS STAFF PRESENT

Margaret S. Van Vliet, Director
Julie Cody, Administrator, Program Delivery Division
Karen Tolvstad, PSCE Division Administrator
Heather Pate, Multi-family Section Manager
Katherine Silva, Executive Assistant to the Director
Natasha Detweiler, Research Analyst
Danny Gette, Senior Loan Officer

May 17, 2013 - Housing Council Meeting Minutes

1. **CALL TO ORDER:** Chair Woolley calls the May 3, 2013 meeting to order at 9:04 a.m.
2. **ROLL CALL:** Chair Woolley asks for roll call. Present: Aubre Dickson, Mike Fieldman, Zee Koza, and Chair Jeana Woolley. Tammy Baney joined the meeting in progress. Members not present, Mayra Arreola and Adolph Val Valfre, Jr.

3. **APPROVAL OF MEETING MINUTES**
 - a. **March 1, 2013 (Revised)**

Chair Woolley asked if there are any corrections to the March 1st, 2013 meeting minutes. There being no corrections the motion was read:

Motion: Mike Fieldman moves that the Housing Council approve the March 1st, 2013 meeting minutes as revised. Zee Koza seconded.

Vote: In a roll call vote the motion fails. With one abstention, a quorum could not be established. Members present: Aubre Dickson, Mike Fieldman, Zee Koza, and Chair Jeana Woolley. Members not present: Tammy Baney, Mayra Arreola, Adolph Val Valfre, Jr.

Chair Woolley requested that staff follow-up with Tammy Baney, as she joined the meeting in progress after the roll call vote was taken.

- b. **May 03, 2013**

Chair Woolley asked if there are any corrections to the May 3rd, 2013 meeting minutes. There being no corrections the motion was read:

Motion: Aubre Dickson moves that the Housing Council approve the May 3rd, 2013 meeting minutes as written. Zee Koza seconded.

Vote: In a roll call vote the motion passes. Members present: Tammy Baney, Aubre Dickson, Mike Fieldman and Chair Jeana Woolley. Members not present: Tammy Baney, Mayra Arreola, Adolph Val Valfre, Jr.

4. **Public Comment**

Chair Woolley called for members of the public wishing to provide public comment to come forward indicated that time would be allocated for those in the audience intending to speak about the QAP and NOFA after the staff presentation and recommendations had been made. She encouraged anyone who could not stay until that point to come forward.

John Miller of Oregon Opportunity came forward, introduced himself and his colleague Jonathan Trutt and expressed that their comments would be in advance of the staff presentation, barring objection of the council. No objections were stated. Miller started by stating that he will make general remarks, allowing Trutt to speak to more specific comments. Miller started by thanking council members for their service. He recognized the difficulty of creating a redesigned process that works well and equitably, particularly in a fiscally challenging environment, with scarce resources and great need in all areas of the state; and, on behalf of OON and its members, Miller voiced appreciation for the efforts of the Department to work closely with OON and its members at each point of this process.

Trutt advised council members that he was a member of a CFC Redesign Work Group established by OON in February of 2012. The work group worked with OHCS staff, which provided a lot of opportunity for input. He stated that overall OON members were pleased with the Department's choice to streamline and shorten the QAP to a policy focused document and recognized that further-revisions will be made in future cycles. Trutt asserted that the draft program manual had incorporated good changes, but that there were still some outstanding concerns with it and he expressed his hope that there would be further opportunity for input before the final version of the program manual is published. Mr. Trutt then shifted focus to the NOFA, advising the council that significant concerns existed with provisions in the document as it appeared in the housing council packet. The first of those concerns was the lack of predictability and transparency within the proposed scoring criteria. Trutt stated that there is a level of comfort with the inherent subjectivity of this process, but the lack of information about how points will be awarded within each category provides little-to-no guidance about which areas should be addressed by sponsors in a more in-depth way. Trutt pointed out that this NOFA relies heavily on data, noting that this is not negative per se, but data sources can provide conflicting or skewed information making it difficult for the scoring teams to make objective comparisons.

John Miller added an additional serious concern stems from the reliance on a regional framework that is currently not in existence. OON do not see Regional Solutions Teams as reliable solution because they do not necessarily have housing on their radar and that ultimately the RST membership on whole lacks housing expertise. This leads to a level of anxiety about how applicants will understand the new process. Miller and Trutt both look forward to clarification on how the new plan will work and how the regional scoring teams will come together. Acknowledging that the process must move forward and despite any stated concerns, Miller wished for the best going forward and reaffirmed that he and OON members are committed to a continued partnership with OHCS working toward shared goals.

Chair Woolley thanked Miller and Trutt for their comments and participation. She then called for questions from council members.

Tammy Baney, stated that she was concerned about the statement John Miller made, with regard to RSTs not having housing on their radar. She asked Miller if he thinks this is because there is a lack of education or a lack of interest.

Miller responded that he feels it is due to their charge, their focus on economic development and the lack of housing expertise that exists among RST members.

Baney encouraged Miller and others to reach out and engage RSTs and make them more aware. Baney stated that although RSTs may be focused on economic development, housing is a critical component of economic development.

Chair Woolley called for final questions, there being none, and she thanked Miller and Trutt for their continued input and participation in this process.

5. New Business

a. Tutuilla Road Housing Project Phase I Pendleton

Tutuilla Road Housing Project, Phase I Pendleton Loan Guarantee Trust Fund Request. Julie Cody, Division Administrator and Danny Gette, Loan Officer and Project Manager from the Multifamily Finance and Resource Section presented this request before the council.

Gette spoke to this project stipulating that the request is to utilize \$387,500 of Loan Guarantee Trust Fund to guarantee a loan by iQ Credit Union to a soon to be formed LLC whose members will be Saj Jivanjee (Managing Member and Architect) and Richard (Dick) Krueger. The two men have partnered on several multi-family projects in Oregon. This is the first project they have proposed to OHCS but Saj has specialized (as architect and developer) in "Workforce (Affordable) Housing" projects for the past 20+ years. The LLC will be a "For Profit" venture targeted to "Low Income" families in Pendleton, OR.

The Tutuilla Road Housing Project, Phase I, Pendleton will be a 22 unit (10 duplexes and 2 detached homes; all single-story) built on one tax lot in Pendleton, OR. 14 units will be 2 bedroom/2 bath each with 996 square feet. 8 units will be 3 bedroom/2 bath each with 1,210 square feet. This will be the first of three phases totaling 72 total units at completion. iQ is seeking a guarantee only for Ph I at this time. Phases II & III will not begin until Ph I is complete. Ph I is 2.07 acres taken from the total 7.02 acres for all three phases.

The lender is iQ Credit Union is a small Vancouver, WA based Credit Union with a \$300M loan portfolio. The following notes are taken from proposals by the lender: Although the underwriting meets iQCU requirements, iQCU cannot justify financing a residential rental construction project in Pendleton, OR using the same underwriting guidelines that are applicable in the larger populated Portland/Vancouver market. The risk associated with a smaller population base is not equal. The 25% Loan Guarantee mitigates the risk differential such that iQCU can provide the indicated loan amount. After approval from the State of Oregon for the 25% Guarantee, a formal request will be submitted for iQCU Loan approval in the amount of \$1,550,000.

In the subject project, the City of Pendleton will deed the land to Saj and then subordinate their mortgage claim to the developer's lender. This equates to \$240,000 of equity. The City of Pendleton loaned Saj (Developer) \$50,000 to pay for the initial project due diligence and investigative work. In addition, the City of Pendleton will build the frontage access road including the all of the utility stubs to the subject site. The associated costs for the frontage road and utility stubs are estimated at \$662,000. These expenses are often required off-site improvement for the developer. In order to attract a lender for the project, Saj arranged for the State of Oregon to provide a 25% loan guarantee.

Gette requested that the Housing Council approve the motion on page 21 of the housing council packet, requesting a Loan Guarantee not to exceed \$387,500 (25% of loan) to iQ Credit Union for

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the funding of New Construction of proposed project currently known as Tutuilla Road Housing Project Phase I Pendleton.

Chair Woolley asked that staff advise the council about the Loan Guarantee Program itself and the risks that this kind of transaction pose to the Department.

Julie Cody informed council members that if the project were to foreclose and experience a loss then the Department would reimburse, but that there are several safeguards in place to prevent that from happening. The Department would guarantee the loan amount during construction and then it would roll into a 3 year mini-perm.

Aubre Dickson asked what the credit union's conversion requirements?

Craig Starkey answered that the project is 22 units of duplex style apartments, once the project is stable that they would roll this into 3 year mini perm. The city is doing the off-site improvements and there is a 1:2 debt service cover then they will flip into a mini perm.

Mike Fieldman asked what the total cost of the project is?

Ed Franks answered \$1.8 million; the city is donating the land and doing the off-site improvements so the real cost of the project is \$2.7 million. The loan amount is \$1.55 million.

Zee Koza asked where the project is located?

Franks answered, South Hill in Pendleton.

Tammy Baney asked since the LLC is not yet formed who would we be contracting with?

Saj Jivanjee answered that the LLC will be formed as soon as the transaction is approved. He reiterated that he is personally guaranteeing the loan.

Mike Fieldman asked what the Loan Guarantee Program required in terms of affordability?

Gette answered that the Loan Guarantee Program requires 80% AMI for 5 years.

Dickson asked if the credit union has a DCR requirement? He stated that he is concerned that with 2 units vacant, this will negatively impact the DCR.

Franks answered that a covenant have not been set but he imagines there will be a 1:1 cover. He stated that he anticipated demand, but that they can still go to a term loan with a pay down.

Chair Woolley asked for any further questions, there being none, a motion was read.

Motion: Tammy Baney moves that the housing council approve motion on page 21 of their packet. Zee Koza seconded.

Vote: In a roll call vote the motion passes. Members present: Tammy Baney, Aubre Dickson, Mike Fieldman, Zee Koza and Chair Jeana Woolley.

b. 2013 Qualified Allocation Plan (QAP):

Presentation and Staff Recommendations

Julie Cody thanked all of the staff who have worked on the documents before the council for review. She commented that this was a long process, but felt that it was worth it for the resulting quality of the refreshed and rewritten plan. Cody moved on to advise the council that the Department was seeking council approval of the 2013 Qualified Allocation Plan as provided to them in the housing council packet. Cody provided a high level overview of the proposed qualified allocation plan explaining that a QAP is required for all state Housing Finance Agencies and that staff have streamlined and simplified the proposed QAP to meet the requirements set by the IRS. Cody referred council members to the public comments matrix provided to them containing all of the public comments received regarding the QAP and the Department's responses. She noted that many of the comments received were incorporated. Cody advised that the QAP provides information on how the Department allocate the tax credits and the Program Manual will provide all of the specifics about how OHCS will administer the program, evaluation information, developer fee information and forms.

Cody informed the council that because of the nature of the changes made to the process a formal rule-making process will need to take place. Because there is not enough time to engage in that formal rule-making process, Margaret will be using her authority as the Director of OHCS to adopt temporary rules so that OHCS may proceed with issuing the NOFA on June 17th. Cody underscored that to the best of her knowledge there were no surprises in the documents and she believes that partners and stakeholders will not object.

Karen Tolvstad then provided a brief update on the status of the NOFA. Tolvstad started by stating that the NOFA and scoring criteria have are more focused on long-term, big picture outcomes and that the evaluations will be based on local and regional priorities. Tolvstad acknowledge that without the state being so prescriptive in allocating a certain number of points for each enumerated criteria there is less predictability, but she feels as though the uncertainty can be eradicated with the right training and good clear data. The Department has been working on creating a webpage that will be very simple to use and which will contain helpful, clear data.

The rationale behind not allocating specific points for each evaluation criteria, is that need is so high across regions; the Department is taking a broader view and focusing in on what additional needs are being met by the project. There will be regional scoring teams which will vary across communities; some will be the RSTs while others are Affordable Housing Councils. The overarching goal is to be more holistic in connection with Governor Kitzhaber's objectives for

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outcome focused decision-making. The first step in the process is data collection. Once we have the data then we will focus on training and setting up the scoring teams.

Mike Fieldman interjected asking if this meant that the Department was moving away from utilizing specifically RSTs?

Tolvstad answered, yes OHCS will move away from using RSTs exclusively and will incorporate additional individuals on the scoring teams.

Fieldman, followed up by asking who would make up the teams or if there was a process set-up for member selection?

Tolvstad answered that they are currently working on this. She indicated that they are first coming up with categories of people needed, then they will look to fill the categories.

Tammy Baney asked Tolvstad was incorporating any data from communities with 10-year plans to end homelessness.

Tolvstad answered yes. Data from several sources will be compiled and easily accessible so that applicants can input supporting data into their applications.

Tolvstad, concluded by stating that there has been a lot of engagement in this process and that the aim is to alleviate costly and burdensome application processes, while taking a more holistic approach to housing. Tolvstad acknowledged that not everyone will be happy with the finished product, but that staff have tried to balance the competing interests and trade-offs.

Public Comment

Chair Woolley called for anyone intending to give public comment to come forward.

Tom Cusack from Lake Oswego, Or Housing Blog and Housing Development Board member along with council member Aubre Dickson. Cusack noted that he has provided a lot of feedback to the department throughout this process and that he felt that he would be remiss if he did not take the opportunity to point out the very positive changes to the QAP. He also wanted to point out very specifically the change made which provides a discretionary basis boost for projects in areas of low poverty areas as this was a recommendation he and Fair Housing Council of Oregon made to the Department. Related to transparency, Cusack flagged the issue of waivers granted related to the QAP. Cusack stated that historically there has been very limited information or understanding about the circumstances that would warrant the use of discretion in granting a waiver. The QAP now contains a provision committing the Department to publishing information regarding the rationale for any waivers granted. Cusack concluded by expressing that he was happy to see that OHCS has made a commitment to take a closer look over the next six months at incorporating fair housing principles into the evaluations. Once this is all said and done, in his view, Oregon may be setting the stage for national best practices for Fair Housing. Cusack complimented the Council and the staff for their hard work.

Chair Woolley called for any questions of Tom Cusack, there being none, and she thanked him for his comments. The Chair then called for anyone else who would like to make comments on the QAP or any of the other aspect of the NOFA discussed.

Ross Cornelius, of Guardian Real Estate Services, stepped forward and complimented the Department for all of their great work, highlighting that this is the first time he has seen this much input and transparency. Cornelius went further to say that the transparency that has been created is a huge step from previous leadership. He reiterated the concern about setting up a regional framework as it can be difficult to do. It will be a new process for all involved to rationalize the regional priorities. Cornelius drew attention to the fact that the basis boost did not include financial feasibility and thought that it might be beneficial to add it, particularly for projects that are entirely tax credit projects.

Cornelius drew attention to the fact that LIHTC projects require sign offs from sponsors, attorneys and bankers, who are all making guarantees as to the content of their proposals. He posed the question for staff to consider about the trade-off between how much underwriting the Department should be doing on a project and how much the sponsors are doing with their guarantees. Cornelius suggested that more discussion be done around this issue and the trade-offs. Mr. Cornelius felt as though comprehensive community development was a concept missing from the published documents and expressed the desire to recognize that housing, being an important part of a community, is really powerful when it is in conjunction with other benefits (e.g. housing and reducing recidivism). Finally, he encouraged the council to look at social investment bonds

Chair Woolley asked for any questions or comments from council members for Cornelius.

Mike Fieldman echoed the comments on comprehensive community development for special needs communities.

Sharon Nielson, of the Nielson Group, stepped forward with a question for the council and staff. Nielson asked if the RADs would be the appropriate resource within the new NOFA process for getting information.

Director Van Vliet, answered yes, but deferred to Karen Tolvstad for further clarification. Karen said that they are working on designating the appropriate avenues for obtaining information so there will be more to come on that. For now the RADs are the resource.

Nielson commented that this process has been rigorous and that while she has concerns- she acknowledges that developers and staff alike are in the midst of a culture change and paradigm shift. Nielson recognized how uncomfortable the process is and she wanted to commend the staff for their tenacity, continued commitment and support of project sponsors.

Discussion and Vote

With their being no further public comment, Chair Woolley read the following recommended motion for Housing Council members:

Motion: State Housing Council approve s the final 2013 Qualified Allocation Plan as presented today. Chair Woolley reiterated that the council will only be approving the rewritten, streamlined plan so that the NOFA process can move forward. We are simply approving the streamlined plan and recommending that it be forwarded to the Governor for signature to enable us to move forward with issuing the NOFA in June and allocating funds.

Mike Fieldman commented for the record that he takes issue with “resident services” as criteria category that is simply evaluated with a yes or no response. Fieldman explained that the wrap around services that go along with special needs housing are critical to the success of that project actually serving the needs for which they are created. He suggested, as the process becomes more refined over the next several months, that resident service plans be evaluated more closely.

Tammy Baney commented that the QAP process has been an adventure and thanked all of the partners for doing the work on the ground because without their work needs would not be addressed. Baney stated that she is proud of the agency for taking and incorporating, to a large extent, the input from the partners because the unique aspects of individual communities are critical. Baney cautioned that we may not have gotten it right this time and just as partners are concerned, Housing Council members are equally concerned, but she feels that this is our best educated approach and that it must be tested in order to know whether or not it will work.

Aubre Dickson gave kudos to the staff as this was a big undertaking with everything else that is going on. He imparted his view that the review panel selection will be critical to the success of the new NOFA so he will be looking forward to seeing more information on that. Dickson also drew attention to the scoring criteria regarding energy efficiency requirements and green requirements. Dickson cautioned that this guideline be reviewed carefully as he is concerned that inconsistencies will be counter-productive to the aim of being green.

Chair Woolley advised that she and Margaret had a meeting with Val Valfre as he is out of the country, in order to ensure his concerns would be considered as part of the process. His concerns surround the selection of the individuals on the scoring teams. Chair Woolley expressed that she shared that same concern and acknowledged that others do as well; she reinforced that more clarity will be requested from staff on that topic specifically as the NOFA and supporting documents are refined.

Chair Woolley wanted to ensure that anyone with outstanding concerns knew that there will be additional opportunity for input, there will be a 30- public comment period related to all of the outstanding issues and concerns during the official rule making process. Chair Woolley stated that she and the rest of the Housing Council are committed to making this process more

equitable, more transparent –to address policy issues locally and at a statewide level and to shift the focus of the work toward comprehensive community development. She requested patience and trust that and assured everyone that council members and staff will continue to engage throughout the process because it is not done.

Vote: In a roll call vote the motion passes. Members present: Tammy Baney, Aubre Dickson, Mike Fieldman, Zee Koza and Chair Jeana Woolley.

6. REPORT OF THE DIRECTOR

Director Van Vliet started her report by thanking everyone for their patience and commitment to shared goals. She then thanked her staff for their hard work. VanVliet characterized this as a journey and a learning process for all involved; and stated that although the final version of the QAP might have elements that will need to change, this process has established the values of the Department and demonstrated to partners and stakeholders how staff will approach engaging them in this process moving forward.

- **Agency Transition Planning Updates**

Van Vliet advised the council that good work is being done with the transition planning and the Department intends to publish an in-depth update on Monday that will show the a timeline with the aim of presenting a plan for submission to the Governor and the Legislature in February of 2014. The department will be engaging in building scenarios, which will require three things: 1) baseline data, 2) national best practices data; and 3) creative ideas that just might work. The Director stated that at this point both internal data and external data gathering is in progress, with scenario building set to begin in the Fall. Van Vliet has been working on assembling an advisory committee to guide the work of the Department and to provide a high level look at the scenarios with a fresh perspective. An update on the Department's progress will be provided to the legislature in September with the goal of submitting proposals to the legislature in December for their consideration, which will be voted on in February. This timeline will be part of the update published on Monday so that it is clearly laid out.

- **Legislative Update**

Van Vliet reported that the Revenue forecast came out yesterday, and the headline gleaned from it was that the General Fund is up \$200 million, and although OHCS receives a small amount of funding from the General Fund this will affect other budget decisions which may have a positive impact on the Department. Now the Legislature will be moving toward adopting individual agency budgets; the OHCS budget will go to work session at the end of May. The work session will not require a presentation but the Director and key staff will be present and available to answer questions of committee members.

The Director went on to say that there are several housing-related bills being considered that, if passed, will impact the Department. The first bill provides fixes to the foreclosure mediation program paving a clearer pathway to counseling services. There is a bill that would add a layer of protection for Section 8 voucher holders, making it illegal for landlords to deny applicants solely

for that reason. There is a proposed increase to the Document Recording Fee specifically for veteran housing; and there is a proposed increase to the Meter Charge which would allocate funds for additional energy assistance. Department staff are watching these bills very closely as they will bring more resources into OHCS.

- **Future Housing Council Meetings**

Van Vliet went on to report that the next housing council meeting is scheduled, 3 weeks out, on June 7th, at which, the Director will bring the updated transition framework, Housing Development Center will be doing a presentation and Michael Jordan, Chief Operating Officer will be present and talk to the council about transformation from the state government point of view. Van Vliet reiterated that the July 12th meeting is cancelled; however there are two transactions that will require approval in July so staff will work to schedule a phone conference with council members for these.

Mike Fieldman imparted his anticipation of Michael Jordan's attendance and presentation. He reminded the Director that this might be a good opportunity to have a joint CAPO meeting which had been previously discussed at council. Director Van Vliet thanked Fieldman for this reminder and agreed.

7. **Report of the Chair**

Chair Woolley, imparted her report when she spoke about the QAP, the process that has gotten the NOFA to its current status and what she anticipates going forward.

9. **Adjourn State Housing Council Meeting**

Chair Woolley called for any last comments or other business, there being none, she adjourned the meeting- offering as a final thought that the efficiency of this housing council meeting is a testament to the good work of the Department.

Adjourned at 10:45 a.m.

Jeana Woolley, Chair DATE
Oregon State Housing Council

Margaret S. Van Vliet, Director DATE
Oregon Housing and Community Services

2012 CFC HOUSING COUNCIL REPORT

Project Name:	Siuslaw Dunes Apts	No. of Units:	45
Project Address:	1750 W 43 rd Ave, Florence, OR 97439	Population (Svcs):	Family
Sponsor Name:	Northwest Housing Alternatives (NHA)	Construction Type:	Stick Built
Sponsor Contact:	Jodi Enos	Years Affordable:	60
Architect:	STACK Architecture	Contractor:	Walsh Construction

Rents:	Studio	1-Bedroom		2-Bedroom		3-Bedroom		4-Bedroom	
		6	\$709	31	\$767	7	\$880		
						1	Mgr		

Funds Reserved:	HOME - Grant	\$1,000,000	*LIHTC	\$445,000
	HPF Grant	\$500,000		
	HDGP – Trust Fund	\$200,000		
Other Sources:	LIHTC Equity	\$3,782,122		
	Def Dev Fee	\$200,000		
			Total Project Cost:	\$7,457,804

***This funding source does not require Housing Council approval**

Sponsor History:	NHA has extensive experience developing Section 8, Rural Development, LIHTC, Preservation, HOME and other OHCS funding. NHA has obtained seven new 20-year Section 8 contracts from HUD since 2009. NHA is particularly well-suited to serve as Siuslaw Dunes' sponsor and the general partner of its ultimate owner. In the last three years they have completed the rehabilitation of seven Section 8 Preservation projects, three of which were family buildings (Cottonwood I, Upshur House and Seneca Terrace). In recent years they have also rehabilitated two LIHTC Year 15 properties (Weidler Commons, Autumn Park) and a 90-unit Section 8 property in downtown Portland (333 SW Oak). Since 2009, they have also completed three new construction projects (Charleston, Creekside Woods, and Oakridge Park). Their experiences with Upshur House, which just completed its rehab in January 2011 are particularly relevant to Siuslaw Dunes because it is of similar era and design and will utilize the same general contractor. The owner/sponsor feels comfortable in managing financial control, oversight, maintaining properties and documents, and traversing rules and regulations.
Services:	Asset building opportunities, domestic violence and sexual assault services, asset building strategies, emergency basic needs assistance, rent and utility assistance, free clothing, monthly emergency food boxes and case management services
Proj. Description:	Siuslaw Dunes is a 45 unit family housing complex in downtown Florence. It has Project Based Rental Assistance, a community laundry room and an onsite Manager's office. Rehab will include systems replacement and addresses aging interior features that have outlived their useful lives which will include new windows, interior flooring, cabinetry replacement and other interior modernization elements. It is near commercial and residential areas and Lane Community College is easily accessed. Shopping and employers are nearby as well as civic services.
Conditions/Concerns:	None

Project Cash Flow/Debt Service: NHA proposed operating budget at stabilized occupancy as supported by the appraisal and comparisons.

Effective Gross Income	\$394,052
Vacancy (5%)	(\$20,740)
Expenses	\$237,539
Net Operating Income	\$156,513
Primary Debt	\$129,505
Net Cash Flow	\$27,008
Debt Service Coverage Ratio (DSCR)	1.21

Priority Population:	# of Units:	Priority Level:
Preservation	45	One

Sources & Uses

Sources		
OHCS HOME	\$1,000,000	
LIHTC	\$3,782,122	
HPF	\$500,000	
HDGP	\$200,000	
Other	\$1,975,682	
TOTAL	\$7,457,804	

Use of Funds shown below:

Uses	Cost
Purchase Price	\$2,500,000
Closing Costs/Title	\$9,391
Construction	\$4,148,413
Developer Fee	\$800,000
TOTALS	\$7,457,804

Recommended Motion:	To approve a grant award of up to \$1,000,000 from HOME Investment Partnership Program (HOME), \$500,000 from Housing Preservation Fund (HPF), and \$200,000 Housing Development Grant Program (HDGP) resources to acquire and renovate Siuslaw Dunes Apartments in Florence, Oregon.
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Oregon

Housing and Community Services

John A. Kitzhaber, MD, Governor

North Mall Office Building
725 Summer St NE, Suite B
Salem, OR 97301-1266
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Memo

To: State Housing Council
From: Tony Penrose, Loan Officer
Multifamily Finance and Resource Section
Date: July 17, 2013
Re: **Notice of Funds Availability #3002 for Manufactured Dwelling Park Preservation.**

Oakridge Mobile Home Park - \$600,000 GHAP Grant Request

Century Drive Mobile Home Park - \$600,000 GHAP Grant Request

MDPP Program Overview: In 2009 the Legislature passed Senate Bill 5535 enabling OHCS to administer the Manufactured Dwelling Parks Preservation Fund. The Department of Administrative Services is authorized to issue lottery bonds for OHCS to provide assistance to community organizations or tenant groups in acquiring manufactured dwelling parks to preserve the affordable housing and stabilize communities. The Program requires that 60% of the park spaces be occupied by residents at or below 80% of the area median income for a minimum affordability period of 20 years. The funding for this NOFA comes from the General Housing Account Program (GHAP) fund.

Project Name:	Oakridge Mobile Home Park	No. of Units:	63 improved spaces
Project Address:	47784 Berry St., Oakridge, OR	Population (Sves):	Family
Project County:	Lane	Construction Type:	Existing Park
Sponsor Name:	St. Vincent de Paul Society of Lane County, Inc. (SVDP)	Years Affordable:	20
Sponsor Contact:	Heather Buch	Architect:	N/A
Lender:	NOAH	Contractor:	Meili Construction
Lender Contact:	Susan Asam	Property Manager:	St. Vincent de Paul
GHAP Request:	\$600,000 grant	OAHTC Request:	\$550,000

Project Description

- Oakridge Mobile Home Park is a 6.55 acre manufactured home park located in Oakridge and was built in the 1950's.
- There are 63 spaces, with 8 new manufactured homes being added to replace degraded units and available for homeownership upon completion of the renovations. It currently has 2 vacant spaces, a laundry facility with two apartments above, and a house located on site. The house will become community space and the apartments will be office space.
- The park condition is poor with plans to update the laundry room, repave the road, upgrade apartments and house, add a garbage enclosure, and new sign.



Unit Type	Net Rent	% of Median Income	# of Units
RV	\$290	29%	1
RV	\$300	27%	1
RV	\$263	24%	1
Mobile	\$237	21%	6
Mobile	\$247	22%	1
Mobile	\$255	23%	36
Mobile	\$263	24%	7
New mobile	\$500	45%	8
Abandon	0	0	2

- MDPP income restrictions are 60% of the residents must be at or below 80% of Area Median Income (AMI)
- At purchase, SVDP has developed an acquisition and operating plan for the long-term feasibility in purchasing the park. The manufactured home spaces will remain available for individual homeowners and renters, with one set aside for an on-site manager.
- Included in the OHCS funding is \$550,000 in OAHTC but does not require Housing Council approval.

Sources & Uses

Sources		Uses	
OHCS MDPP Grant	\$600,000	Purchase	\$1,133,788
NOAH	\$550,000	Renovations	\$354,249
AHP	\$566,937	Soft Costs	\$228,900
TOTAL	\$1,716,937	TOTAL	\$1,716,937

Use of Funds shown below:

Uses	Cost
Purchase Price	\$1,125,000
Closing Costs/Title	\$1,500
Liens and Taxes	\$7,288
Mobile home purchases	\$204,937
Residential Building	\$50,000
Common Use/ Laundry/storage	\$14,312
Road Improvements	\$80,000
Appraisal	\$4,000
Developer Fee	\$67,000
Other Misc.	\$30,500
NOAH Loan Fee	\$7,400
Operating/Replacement reserves	\$125,000
TOTALS	\$1,716,937

Document Title

Date

Continued - Page 17

Project Cash Flow/Debt Service: SVDP proposed operating budget at stabilized occupancy as supported by the appraisal and comparisons.

Stabilized Occupancy Income	\$210,931
Vacancy (15%)	(\$14,765)
Effective Gross Income	\$196,166
Expenses	(\$127,039)
Net Operating Income	\$69,127
Primary Debt	\$44,008
Net Cash Flow	\$25,119
Debt Service Coverage Ratio (DSCR)	1.57

Sponsor Background

St. Vincent de Paul Society of Lane County, Inc. (SVDP) creates employment, housing, and multiple training opportunities for low-income people in order to provide avenues out of poverty for those in need. The organization has formed a sustainable community model that attacks the root causes of poverty and funds these activities with nonprofit entrepreneurial business ventures. This allows the organization to provide an effective and growing safety net of services ranging from emergency services though full participation in society by those in need.

St. Vincent focuses a great deal of energy on affordable housing. Their efforts have included both “Rent to Own” projects like the American Dream Home, as well as providing affordable rental units with income at or below 80% AMI. SVDP has been managing and developing affordable housing since 1989. They currently have a portfolio of over 800 rental units located in Eugene, Springfield, Cottage Grove, Salem, Jefferson, Mt. Angel, and Stayton. They have excellent marketing, selection, and certification processes, which meets all Section 42 and HOME requirements. Their property management department has six full-time staff members.

OHCS Comments

- SVDP will execute the GHAP Grant Agreement which will obligate them to a 20 year affordability period, which meets the Program restrictions. GHAP minimum affordability period is also 20 years.
- The existing tenant population must meet the MDPP restriction of 60% of the spaces be occupied by residents at or below 80% AMI; no tenant relocation will be necessary.

RECOMMENDED MOTION: To approve a grant award of up to \$600,000 from General Housing Account Program (GHAP) resources to St. Vincent de Paul Society of Lane County, Inc. to acquire and renovate Oakridge Mobile Manor in Oakridge, Oregon.

Project Name:	Century Drive Mobile Home Park	No. of Units:	71
Project Address:	141 SW 15 th St, Bend, OR 97709	Population (Svcs):	Family
Project County:	Deschutes	Construction Type:	Existing Park
Sponsor Name:	West-Side Pines Cooperative/ CASA of Oregon	Years Affordable:	20
Sponsor Contact:	Richard Day/Chelsea Catto	Architect:	N/A
Lender:	NOAH	Contractor:	West-Side Pines Cooperative
Lender Contact:	Susan Asam	Property Manager:	TBD
MDPP Request:	\$600,000 GHAP grant	OAHTC	\$2,600,000

Project Description

- Century Drive Mobile Home Park is a 10.71 acres manufactured home park located in Bend and was built in 1965.
- There are 71 platted spaces currently 100% occupied, with 11 of the manufactured homes owned by the park as rentals and will be transferred to the tenants. The property includes an RV/Boat storage area, oversized garage building for maintenance, office building and large green space. The park is predominantly single and double-wide homes with three RV spaces with residents who reside on a permanent basis.
- Located near a commercial district, the residents are within walking distance to grocery stores, banks, restaurants, coffee kiosk, and Mt. Bachelor ski area is a 20 minute drive.
- The Park is served by city water and sewer system and underground utilities.
- The current residents survey of Century Drive MHP (50 of 71 reporting) show 71% are fixed and low-incomes at or below 80% AML.
- The Park is approximately 25 years old with an estimated life of 40+ years assuming the upgrade and completion of deferred maintenance.
- Established in August of 2012, West-Side Pines Cooperative is owned by the residents with an interim Board of Directors consisting of 7 members. By purchasing their park, they will not only be able to control the site rents keeping them affordable but also ensure that Century Drive remains in perpetuity and serves as an ongoing affordable housing option.
- CASA of Oregon, a Certified Technical Assistance Provider (CTAP) will provide ongoing technical assistance to the cooperative for the life of the loan.

Rents

Unit Type	Net Rent	% of Median Income	# of Units
RV	\$375	37%	3
Single wide	\$460	35%	42
Double wide	\$475	45%	26

- MDPP income restrictions are 60% of the residents must be at or below 80% of Area Median Income (AMI), which limits rents to no more than
- At purchase, all residents will become cooperative owners of the spaces
- Included in the OHCS funding is \$2,600,000 in OAHTC but does not require Housing Council approval.

Sources & Uses

Sources		Uses	
OHCS MDPP GHAP Grant	\$600,000	Purchase	\$3,670,125
OAHTC w/NOAH	\$2,600,000	Renovations	\$53,760
CASA loan	\$631,390	Development	\$307,505
NON-OHCS Grant	\$200,000		
TOTAL	\$4,031,390	TOTAL	\$4,031,390

- The purchase price of \$3,650,000 is higher than the As-Is appraised value of \$3,530,000 due to the seller not agreeing with the As-Is value. The seller is not negotiating and if the project is not closed by July 24, 2013, it will be lost to another developer which may cause residents to relocate.
- Due to CASA's long-standing experience of managing stabilized affordable housing in the communities, CASA and West-Side Pines Cooperative plans to renovate the park.
- Included in the OHCS funding is \$2,600,000 in OAHTC but does not require Housing Council approval.

Use of MDPP and Umpqua funds shown below:

Uses	Cost
Purchase Price	\$3,650,000
Closing Costs	\$6,000
ROC USA TA fee	\$14,125
On-site work	\$53,760
Legal/Accounting	\$10,000
Appraisal	\$5,000
Environmental Report	\$13,500
Capital Needs Assessment	\$7,000
Developer Fee	\$73,000
Insurance	\$6,000
NOAH Loan/Closing Fee	\$46,005
Deposit to Replacement Reserve	\$50,000
Other Reserves	\$89,000
OHCS Reserv Fee	\$2,000
Other Misc.	\$6,000
TOTALS	\$4,031,390

Proposed Renovations: Below is a breakdown of the renovation costs based on a property condition assessment submitted by Randall Yamada Architect, after a site inspection of the property.

Annual Tree Trimming	\$7,800
AC Paving	\$24,500
Sidewalk	\$6,700
Fencing	\$1,800
Laundry/Office Roofing	\$3,500
Water Supply Repair	\$5,960
Sewer Line	\$3,500
TOTAL	\$53,760

Document Title

Date

Continued - Page 20

Project Cash Flow/Debt Service: CASA proposed operating budget at stabilized occupancy as supported by the appraisal and comparisons.

Stabilized Occupancy Income	\$389,988
Vacancy (5%)	(\$19,499)
Effective Gross Income	\$370,489
Annual Operating Expense	(\$166,410)
Net Operating Income	\$204,079
Primary Debt	\$127,371
Other Debt	\$38,390
Net Cash Flow	\$38,318
Debt Service Coverage Ratio (DSCR)	1.23

- The above Cash Flow/Debt Service is projected at a future stabilized occupancy level.
- NOAH Permanent Debt is \$2,600,000, 20 year term, 2.75% interest (W/ OAHTC, annual payments \$127,371).

Sponsor Background

Since its inception in 1988, CASA has focused on the development and rehabilitation of affordable housing for farmworkers and other low-income populations throughout Oregon. CASA's work in manufactured housing began with assistance to farmers and continued with inmate modular housing for farmworkers. In 2004 as the issues surrounding Oregon's manufactured housing parks arose, CASA has been involved in park preservation. In 2006 CASA was awarded a Corporation for Enterprise Development (CFED) with activities including MHP policy improvement, low-income cooperative ownership, education and information sharing, organization of cooperatives and capacity building, and creation of park conversion resource documents. In 2008 CASA became one of nine Certified Technical Assistance Providers (CTAPS) under the national ROC USA network. They continue to provide technical assistance and have converted five manufactured housing parks to resident-owned communities.

OHCS Comments

- CASA's goal is to preserve the park as a viable source of low income housing in the community.
- The existing tenant population must meet the MDPP restriction of 60% of the spaces be occupied by residents at or below 80% AMI; no tenant relocation will be necessary.
- The cooperative will execute the GHAP Grant Agreement which will obligate them to a 20 year affordability period, which meets the Program restrictions. GHAP minimum affordability period is also 20 years.
- The CASA proposed cash flow structure will ensure that West-Side Pines Cooperative will be able to adequately maintain the park, continue to make upgrades that are outside of the initial scope of work, continue the number of affordable rental or homeownership units in the park, and provide for long-term sustainability of the park physically, management, and appropriate service delivery.

RECOMMENDED MOTION: To approve a grant award of up to \$600,000 from General Housing Account Program (GHAP) resources to West-Side Pines Cooperative to acquire and renovate Century Drive Mobile Home Park in Bend, Oregon.

Oregon State Housing Council Public Meeting

Date: June 7, 2013

Location: Conference room 124a/b, North Mall Office Building
725 Summer Street NE
Salem, OR 9730

Housing Council Members Present:

Jeana Woolley, Chair
Mayra Arreola
Tammy Baney
Aubre Dickson
Mike Fieldman
Val Valfre

Housing Council Members Not Present:

Zee Koza

Guests-

<u>Name</u>	<u>Organization</u>
Tom Cusack,	OR Housing Blog
Shelly Cullins,	Chrisman Dev.
John Miller,	Oregon Opportunity Network
Robin Boyce,	Housing Development Center
Jim Moorefield,	Willamette Neighborhood Housing Services
Andy Wilch,	Salem Housing Authority
Gail Monahan,	Housing Development Center
Peter Hainley,	CASA of Oregon

OHCS Staff Present:

Margaret S. Van Vliet, Director
Karen Clearwater, Regional Advisor to the Department
Vince Chiotti, Regional Advisor to the Department
Julie Cody, Administrator, Program Delivery Division
Teresa Pumala, Loan Specialist
Katherine Silva, Executive Assistant to the Director
Kim Travis, Community Engagement Manager

Oregon State Housing Council Meeting Minutes:

1. CALL TO ORDER

Chair Woolley calls the May 3, 2013 meeting to order at 10:21 a.m.

2. ROLL CALL

Chair Woolley asks for roll call. **Present:** Mayra Arreola, Tammy Baney, Aubre Dickson, Mike Fieldman, Adolph Val Valfre Jr. and Chair Jeana Woolley.

3. APPROVAL OF MEETING MINUTES

a. March 1, 2013 (Revised)

Chair Woolley acknowledged that the March 1, 2013 minutes have been revised and asked that the council approve the revised minutes conditioned upon, additional, non-substantive edits being made. Chair Woolley and Val Valfre will work with OHCS staff to finalize the minutes for signature.

Motion: Val Valfre moves that the Housing Council conditionally approve March 1st, 2013 meeting minutes.

Vote: In a roll call vote the motion passes. Members present: Mayra Arreola Tammy Baney, Aubre Dickson, Mike Fieldman, Adolph Val Valfre Jr., and Chair Jeana Woolley.

b. May 17, 2013

Chair Woolley asks if there are any corrections to the May 17th, 2013 meeting minutes. There being several corrections noted by Aubre Dickson and Mike Fieldman, Chair Woolley and the council decided to defer the meeting minutes until the council convenes again, in-person, on August 2nd.

4. Public Comment

John Miller, Executive Director of Oregon Opportunity Network (OON), complimented OHCS for bringing Michael Jordan, COO to speak at the CAPO board meeting, held just before the council meeting; and stated that the COO's speech inspired him. Miller iterated his enthusiasm for continued work with OHCS in the coming months and challenged staff to create more engagement throughout the process. Miller posited that, although OON members have had ample opportunity for input, they have felt the need for more than just listening sessions. Miller and the OON constituency want to work in a more collaborative way with OHCS staff to ensure that the outcomes of the transition planning process are thoroughly supported by stakeholders and therefore will stand the test of time.

Chair Woolley thanked Miller for his continued efforts to work with the Department and for all his good input.

Peter Hainley, CASA of Oregon, cautioned that staff be considerate of unintended consequences as they undertake this important and arduous task on such a short time frame. Hainley stated

that the Governor's 10-year plan looks at the individual and that while we do not want to lose sight of that, it poses a challenge. He further advised that he has seen this process work within one agency, has not seen it work as a system due to a lack of collaboration. Hainley therefore, challenged staff to look across state agencies because solutions lie within the dealings between the different agencies. He warned that a huge opportunity to do this right could be missed if we do not acknowledge that this transition involves a lot more than just OHCS.

Mike Fieldman and echoed Peter Hainley's comments and Chair Woolley thanked Mr. Hainley for his input.

Chair Woolley called for any other public comment, there being none she welcomed the presenters for new business, Gail Monahan, Andy Wilch and Jim Moorefield.

5. New Business

a. Capacity Building Presentation

Presentation PowerPoint is posted on the housing council website for review.

b. 4% LIHTC Reservation Charge, Proposed Increase

Julie Cody, Administrator, Program Delivery Division and Teresa Pumala presented a proposal to the council to increase the 4% LIHTC reservation charge from 6.5% to 12%, the rationale for this request was stated simply that the Department used to be able to cover any deficit incurred by short term loans with long term bond yield, but the number of long term loans has decreased and the short-terms yield does creates an overall loss. This recommended change to the fees charged aligns more with the body of work currently being done. Cody went on to state that staff have been working on trying to shift the allocation of charges/fees and that this recommended motion will result in a cost savings. By recommending that this change apply only to those applications received after May 15th, the Department aimed to protect the existing projects in the pipeline.

Chair Woolley asked: how many deals will be affected by this?

T. Pumala answered: 6 projects are in the works. 5 will be affected; for the remaining 1 it will be too late.

Mike Fieldman asked: Is there a possibility that the increase to 12% will not be enough to cover the deficit?

T. Pumala answered: OHCS is looking at making processes more efficient and less costly overall.

Tammy Baney: Thanked staff for bringing this forward and inquired as to whether or not this would come as a surprise to developers?

T. Pumala answered: Staff have been communicating out about realignment of budget and that conversations had occurred with 12% as the cornerstone.

Chair Woolley asked: How did this issue come to light? Trying to work in a paradigm, how can you know this is the solution without any vetting?

Vince Chiotti, Regional Advisor to the Department: advised the council that he was aware of an additional 4 large, 4% projects that utilize private activity bonds.

Mike Fieldman added that there would be a benefit to some developers to do this.

Aubre Dickson agreed with Mike Fieldman, but asked whether the change would have the same effect on private activity bonds?

Val Valfre asked: Will some developers benefit? Will there be unintended consequences?

Tammy Baney asked: Has there been any dialogue about this? We cannot surprise people with something like this. She stated that although she is supportive of the change and increase based on the staff presentation she wondered if this change could be phased in. The council agreed that the change in fees made good business sense, but decided that a phased approach would be the best course of action moving forward.

Motion: Tammy Baney moved that the Housing Council approve the change of the 4% LIHTC reservation charge be increased from 6.5% to 12% on all existing and future applications for OHCS Bonds.

Vote: In a roll call vote the motion passes. Members present: Tammy Baney, Aubre Dickson, Mike Fieldman, Zee Koza, Val Valfre, Chair Jeana Woolley. Members not present: Mayra Arreola. The 4% LIHTC transactions using private activity bonds will not be affected until staff have done more public outreach and notice. The council will revisit that issue on August 2, 2013.

6. NOFA Scoring and Evaluation Update

Director Van Vliet deferred the NOFA scoring update stating that there will be a discussion and update with council members before a final decision is made and that an additional update will be provided at the next in person meeting on August 2nd, 2013.

7. Adjourn State Housing Council Meeting

Chair Jeana Woolley, deferred the report of the chair until the next in person meeting and called for any additional comments, questions or business from council members, there being none she adjourned the meeting

Oregon State Housing Council

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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 July 17, 2013 Meeting Agenda

MEETING TIME: 10:30 A.M

MEETING LOCATION:

COUNCIL MEMBERS WILL PARTICIPATE BY PHONE CONFERENCE

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

Conference Room 124b of the North Mall Office Building, 725 Summer Street NE, Salem, OR 97301

Housing Council Members Present:

Jeana Woolley, Chair
Aubre Dickson
Mike Fieldman
Val Valfre

Housing Council Members Not Present:

Mayra Arreola
Tammy Baney
Zee Koza

Guests-

<u>Name</u>	<u>Organization</u>
Heather Buch	SVDP
Chelsea Catto	CASA
Lisa Rogers	CASA
Ruth	CASA
Jodi Enos	NHA

OHCS Staff Present:

Karen Clearwater, Regional Advisor to the Department
Vince Chiotti, Regional Advisor to the Department
Julie Cody, Administrator, Program Delivery Division
Teresa Pumala, Loan Specialist
Katherine Silva, Executive Assistant to the Director
Kim Travis, Community Engagement Manager
Tony Penrose, Loan Officer, Multifamily Finance and Resources Section
Diana Koppes, Administrator, Business Operations Division
Heather Pate, Program Manager Multifamily Finance and Resources Section

July 17th Housing Council Meeting Minutes

1. CALL TO ORDER

Chair Woolley called the meeting to order at 10:35 a.m.

2. ROLL CALL

Chair Woolley asks for roll call. Present: Aubre Dickson, Mike Fieldman, Adolph Val Valfre Jr. and Chair Jeana Woolley. Members not present: Mayra Arreola, Tammy Baney, Zee Koza.

3. Public Comment

Chair Woolley called for any public comment, there being none, she proceeded to the next item on the agenda.

4. Residential Loan Program – Consent Calendar Approval

Kim Freeman, OHCS Section Manager, Single Family/Weatherization Unit, Program Delivery Division and Alycia Howell, OHCS, Residential Loan Program Specialist, Single Family/Weatherization Program Delivery Division introduced themselves. Kim Freeman noted for the council that there were 5 properties for the residential loan program consent calendar needing their approval. She indicated that in addition to

- 20400 SW Christensen Rd
- 24200 Siletz Hwy
- 900 Sunmist Court SE
- 300 W Anchor Ave

That there was an additional property not listed on the agenda, but included in their packet of **18400 Indian Creek Drive**. The council members acknowledged the additional property.

Chair Woolley asked for any council member questions or concerns with regard to the consent calendar.

Val Valfre asked what the Loan-to-Value percentage was based on?

Alycia Howell answered that the Loan-to-Value was based on the note amount and the appraisal value.

Chair Woolley called for any additional questions, there being none, a motion to vote was requested.

Motion: Val Valfre moved that the housing council approve the Single Family Residential Loan Program Consent Calendar as presented.

Vote: In a roll call vote the motion passes. Members present- Aubre Dickson, Mike Fieldman, Val Valfre and Chair Jeana Woolley. Members not present, Mayra Arreola, Tammy Baney and Zee Koza.

5. New Business

a. Mobile Home Park Preservation

Oakridge Mobile Home Park; \$600,000 GHAP Grant Request

Tony Penrose presented the following:

- SVDP will execute the GHAP Grant Agreement which will obligate them to a 20 year affordability period, which meets the Program restrictions. GHAP minimum affordability period is also 20 years.

July 17th Housing Council Meeting Minutes

- The existing tenant population must meet the MDPP restriction of 60% of the spaces be occupied by residents at or below 80% AMI; no tenant relocation will be necessary.

Mike Fieldman asked who is responsible for maintaining water and sewer?

Heather Buch from St. Vincent De Paul stated that the sewer and water would be maintained and that there was a 30 year replacement reserve schedule to maintain the sewer. She stated that SVDP has another park very similar to this one and that the city is responsible for the water and sewer. She indicated that for this project there is a sewer scoping scheduled for the end of the month.

Mike Fieldman followed up by asking if the two parks owned by SVDP were roughly the same age? **Buch** responded that yes they were, but that the other park was much smaller.

MOTION: To approve a grant award of up to \$600,000 from General Housing Account Program (GHAP) resources to St. Vincent de Paul Society of Lane County, Inc. to acquire and renovate Oakridge Mobile Manor in Oakridge, Oregon.

VOTE: In a roll call vote the motion passes.

Century Drive Mobile Home Park; \$600,000 GHAP Grant Request

Tony Penrose presented the following:

- CASA's goal is to preserve the park as a viable source of low income housing in the community.
- The existing tenant population must meet the MDPP restriction of 60% of the spaces be occupied by residents at or below 80% AMI; no tenant relocation will be necessary.
- The cooperative will execute the GHAP Grant Agreement which will obligate them to a 20 year affordability period, which meets the Program restrictions. GHAP minimum affordability period is also 20 years.
- The CASA proposed cash flow structure will ensure that West-Side Pines Cooperative will be able to adequately maintain the park, continue to make upgrades that are outside of the initial scope of work, continue the number of affordable rental or homeownership units in the park, and provide for long-term sustainability of the park physically, management, and appropriate service delivery.

MOTION: To approve a grant award of up to \$600,000 from General Housing Account Program (GHAP) resources to West-Side Pines Cooperative to acquire and renovate Century Drive Mobile Home Park in Bend, Oregon.

VOTE: In a roll call vote the motion passes.

b. ***Siuslaw Dunes Apartments, Grant Award Approval Request***

Penrose spoke to this project, stipulating that Siuslaw Dunes is a 45 unit family housing complex in downtown Florence. It has Project Based Rental Assistance, a community laundry room and an onsite Manager's office. Rehab will include systems replacement and addresses aging interior features that have outlived their useful lives which will include new windows, interior flooring, cabinetry replacement and other interior modernization elements. It is near commercial and residential areas and Lane Community College is easily accessed. Shopping and employers are nearby as well as civic services.

July 17th Housing Council Meeting Minutes

NHA has extensive experience developing Section 8, Rural Development, LIHTC, Preservation, HOME and other OHCS funding. NHA has obtained seven new 20-year Section 8 contracts from HUD since 2009. NHA is particularly well-suited to serve as Siuslaw Dunes' sponsor and the general partner of its ultimate owner. In the last three years they have completed the rehabilitation of seven Section 8 Preservation projects, three of which were family buildings (Cottonwood I, Upshur House and Seneca Terrace). In recent years they have also rehabilitated two LIHTC Year 15 properties (Weidler Commons, Autumn Park) and a 90-unit Section 8 property in downtown Portland (333 SW Oak). Since 2009, they have also completed three new construction projects (Charleston, Creekside Woods, and Oakridge Park). Their experiences with Upshur House, which just completed its rehab in January 2011 are particularly relevant to Siuslaw Dunes because it is of similar era and design and will utilize the same general contractor. The owner/sponsor feels comfortable in managing financial control, oversight, maintaining properties and documents, and traversing rules and regulations.

MOTION: To approve a grant award of up to \$1,000,000 from HOME Investment Partnership Program (HOME), \$500,000 from Housing Preservation Fund (HPF), and \$200,000 Housing Development Grant Program (HDGP) resources to acquire and renovate Siuslaw Dunes Apartments in Florence, Oregon.

VOTE: In a roll call vote the motion passed.

The council provided several comments regarding the content and presentation of the data for these requests, which staff will incorporate into future presentations. They also pointed out 2 typos within the requests. Staff have fixed those problems and have attached corrected requests to these minutes for incorporation.

6. **Other** Jeana Woolley, Chair

7. **Report of the Chair** Jeana Woolley, Chair
Chair Woolley, began her report by stating that staff have been looking into how to develop the scoring committees and that she felt as though this needed to be discussed by the council therefore she added this item to the agenda specifically to that end.

The council members discussed the current proposed make-up which included:

John Mullin, Oregon Law Center

Roberta Ondo; and potentially

Carmen Rubio, Executive Director of the Oregon Latino Network (not confirmed).

** See Scoring Committee Memo, posted to housing council website for more detail on the Scoring Committee make-up.

The Regional Scoring Teams would also include Regional Solutions Coordinators.

Chair Woolley commented that this prospect was not greatly pleasing to her as she feels as though the RSTs are not great resources to draw from.

Val Valfre stated his concerns that the RSTs are not involved in the statewide housing agenda.

Aubre Dickson also expressed his concern that the RST Coordinators are not a good source.

Mike Fieldman stated, on a positive note, that this forces the Housing Agenda to the forefront.

July 17th Housing Council Meeting Minutes

Val Valfre thought the Department would benefit from more process and would like to know more about how process would be occurring going forward with the formal rule-making.

Chair Woolley expressed her additional concern that diversity is not heavily represented here and that with the amount of subjectivity this make-up may create more angst.

Julie Cody took note of the concerns and stated that these are volunteers who will make a recommendation to the Director, and that the Director will make the ultimate decision within her discretionary power.

Kim Travis provided additional context to the framework of the regional scoring committee by adding that they will receive regional training and that the RADs will be involved in that training. She also advised the council that she and Director Van Vliet attended a recent RST event where they both felt as though this scoring committee framework would allow the Department to gain an asset by engaging RSTs and creating greater intergration.

Julie Cody and Diana Koppes discussed that the potential liability for volunteers made the selection pool smaller, excluding individuals like Doug Carlson, of HUD.

Mike Fieldman asked if the legislation covering volunteers from liability would apply here?

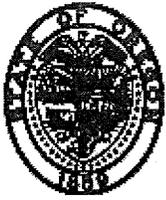
Diana Koppes answered that she did not think so, and even if it did this would have to be something contested in order to determine the depth of liability, which is a risk most volunteers would not be willing to take.

Val Valfre understood the delicate time frame staff were facing and offered any additional input.

Julie Cody welcomed an recommendations that the council would like to make offline for staff to work on.

8. **Adjourn State Housing Council Meeting**

Chair Woolley asked for any additional comments or questions, there being none, the meeting was adjourned at 11:58 a.m.



Oregon

John A. Kitzhaber, MD, Governor

Date: 7/24/2013

To: State Housing Council

From: Kimberley Freeman, 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	<u>Borrower</u>		<u>Lender</u>	PACIFIC RESIDENTIAL MORTGAGE	
	<u>Co-Borrower</u>				
			<u>Purchase Price</u>	\$208,000	<u>Note Amount</u> \$204,232
			<u>Cost Limit</u>	\$268,860	<u>Principal Balance</u> \$204,232
<u>Property Address</u>	400 BLOCK UPPER LAVISTA CT NW		<u>Appr. Value</u>	\$208,000	
	SALEM	OR 97304	<u>Year Built</u>	1996	
	<u>Hshld. Income</u> \$47,828		<u>Living Area (Sq. Ft.)</u>	1,276	<u>Loan-to-Value</u> 97%
	<u>Income Limit</u> \$82,880		<u>Lot Size (Sq. Ft.)</u>	5,103	<u>Insurance Type</u> FB
	<u>% of Income Limit</u> 57.71%		<u>Cost per Sq. Ft.</u>	\$163.01	<u>Rate</u> 3.125%
<u>Prior Ownership Yes (Y) or No (N)</u>	N		<u>New (N) or Existing (E)</u>	E	
			<u>Construction Style</u>	One Story	

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

Proposed Changes to Structure of Bond Charges
(FC and HC approval)

Executive Summary

Introduction: In an effort to become more market driven and due to changes in the market, OHCS has undertaken an analysis of our current charges for our bond/4% transactions. Our goals are to develop best practices that allow us to be more responsive to the market while aligning our charges with our costs based on each programs body of work. Due to the results of that analysis, on June 7th, 2013 Housing Council moved to approve the change of the 4% LIHTC reservation charge from 6.5% to 12%. By increasing our 4% charges to cover the cost of producing the 4% LIHTC's, we are aligning our charges with our costs which allows us to lower our bond transaction charges. The following chart summarizes these changes:

Bond Charges	Current	New
Application:	\$1,500	\$1,500
Issuance:	1% long term 1% + 2% short term	< \$10,000,000 = 1.5% issuance charge ≥ \$10,000,000 = 1.0% issuance charge Issuance charge not to exceed \$100,000
Draw Down of Funds:	n/a	Allowed on exception basis (\$10,000,000 minimum, additional 0.5% issuance charge)
DOJ:	\$10,000	Included in issuance
Treasury:	\$10,000-\$20,000	Included in issuance
Application:	\$25 per unit	\$25 per unit + \$1,500 per additional site (scattered site properties)
Recipient :	\$2,500	\$2,500
Reservation:	6.5%	12%

Part of this analysis included applying the new charges to transactions currently in our pipeline as well as transactions closed within the last 3 years. The results were a savings to the developer in all but 1

transaction even after consideration of the reduction to eligible basis due to the reduction in short term bond charges.

Conclusion: By increasing our 4% charges to cover the cost of producing the 4% bonds, we have aligned our charges with our costs. This allows us to lower our bond transaction charges and become more responsive to the market. While continuing analysis of our costs and charges for other funding sources is still required, this motion creates a cohesive policy for bond/4% transactions.

RECOMMENDED MOTION: Motion to approve the charge structure outlined above for all OHCS bond applications received on or after August 2, 2013. This change will also apply retroactively to certain applications received between May 15, 2013 and August 2, 2013 that are subject to the 12% LIHTC reservation charge.

** This motion was approved as written by Finance Committee on 07/23/13