Housing Stability Council

MEETING MATERIALS PACKET

Sunset Village Apartments
Albany, Oregon

December 4, 2020

9:00 a.m. – 12:15 p.m.

Oregon Housing & Community Services

Webinar

Council Members:
Claire Hall, Chair
Sarah DeVries
Sami Jo Difuntorum
Mary Ferrell
Barbara Higinbotham
Candace Jamison
Mary Li
Gerardo F. Sandoval, PhD
Charles Wilhoite

AGENDA

December 4, 2020 9:00 a.m.-12:15p.m.
Oregon Housing and Community Services
725 Summer St NE, Salem OR 97301

Webinar Mtg Only
Public register in advance for this webinar:
https://zoom.us/webinar/register/WN_uowii8KdRFyNz5LTR9jucQ

OREGON HOUSING & COMMUNITY SERVICES
HOUSING STABILITY COUNCIL

TIME	TOPIC	SWHP Priority	ACTION
9:00	**Meeting Called to Order** *Roll Call*		Call Roll
9:05	**Public Comment**		Discussion
9:15	**Meeting Minutes Approval:** November 6, 2020		Decision
9:25	**Homeownership Division (pg. 07)** ***Emese Perfecto, Director,*** *Homeownership Division* • **Oregon Bond Loan Approvals:** *Kim Freeman, Single Family Program Manager*		Decision
9:35	**Affordable Rental Housing Division (pg. 09)** ***Julie Cody, Director****, Affordable Rental Housing* • **MF Housing Transactions:** ○ **Albertina Kerr Workforce and Inclusive Housing:** *Alan Borges, Production Analyst; Casey Baummann Production Manager* ○ **Riverplace Phase 2:** *Andrew Moran, Production Analyst; Casey Baumann, Production Manager* ○ **Twin Oaks Manufactured Home Park:** *Edward Brown, Program Analyst; Amy Cole, Manager of State Development Resources* • **2021 Amended Funding Calendar:** *Natasha Detweiler-Daby, Assistant Director of Planning and Policy; Roberto Franco Assistant Director of Development Resources and Production* • **Loan Guarantee Program:** *Mitch Hannoosh, Operations and Policy Analyst; Natasha Detweiler-Daby Assistant Director of Planning and Policy*		Decision
11:15	**Report of the Director:** • **Legislative and Governor's Budget Update** • **Wildfire Response and Recovery Update** • **Coronavirus Relief Fund Spend Down**		Update
12:00	**Report of the Chair**		Briefing
12:15	**Meeting Adjourned**		

All times listed on this agenda are approximate and subject to change. Agenda items may also be taken out of order and addressed at different times than listed. The agenda may be amended by the Council at the time of the meeting.

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OREGON HOUSING & COMMUNITY SERVICES
HOUSING STABILITY COUNCIL

The Housing Stability Council helps to lead OHCS to meet the housing and services needs of low- and moderate-income Oregonians. The Housing Stability Council works to establish and support OHCS' strategic direction, foster constructive partnerships across the state, set policy and issue funding decisions, and overall lend their unique expertise to the policy and program development of the agency.

The 2019-2023 Statewide Housing Plan outlines six policy priorities that focuses OHCS' investments to ensure all Oregonians have the opportunity to pursue prosperity and live from poverty.

For more information about the Housing Stability Council or the Statewide Housing Plan, please visit Oregon Housing and Community Services online at https://www.oregon.gov/ohcs/OSHC/Pages/index.aspx

Statewide Housing Plan Policy Priorities

Equity & Racial Justice

Homelessness

Permanent Supportive Housing

Affordable Rental Housing

Homeownership

Rural Communities

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OREGON HOUSING & COMMUNITY SERVICES
HOUSING STABILITY COUNCIL

November 6, 2020

Oregon Housing Stability Council Meeting Minutes

Chair Hall called the meeting to order at approximately 9:00 am, and then asked for the roll call:

Agenda Item: Roll Call

Councilmember	Present	Excused	Absent	By phone
DeVries, Sarah	X			
Difuntorum, Sami Jo	X			
Ferrell, Mary	X			
Chair Hall, Claire	X			
Higinbotham, Barb	X			
Jamison, Candace	X			
Li, Mary	X			
Sandoval, Gerardo		X		
Wilhoite, Charles	X			

**With at least six members in attendance, we have reached a quorum for voting purposes*

<u>**Public Comment**</u>:

Rob Prasch, Preservation Director NOAH:
Compliments and thanks staff for putting out updated calendar. States it's critical that everybody knows what's available. "Regarding the two preservation NOFA's which essentially were cancelled because of declining lottery resources so obviously the sales were declining in the $25,000,000 the legislature had approved in 2019 would no longer be available. Backfilling the loss of $25,000,000 isn't possible in the current environment but the need to preserve federally subsidized properties, public housing and manufactured dwelling parks are still very important policy and priority not to be forgotten. I wanted to add that last week the Treasury released a revised lottery revenue forecast which indicated there may be around $90,000,000 in lottery debt capacity which potentially could make a bond sale of a reduced amount possible in the spring. If that forecast calls the decision whether to proceed with the 2021 bond sale would be made by the legislature early next year. If the legislature does decide to authorize that 2021 bond sale and includes funds for preservation I would just hope that the council would be prepared to move very quickly to deploy those funds for preservation of publicly supported housing and manufactured dwelling parks thank you."

Erin Dey, Director of Real Estate for Dev NW. "We develop affordable housing in Linn, Benton, Marion and Clackamas counties. OHCS is identified several major shifts in funding for 2021 including the removal of the ability to apply and access for HOME funds within the 9% LIHTC process and a shift of these funds towards rural and preservation projects. It is our understanding that these changes would go into effect in a way that would affect the application round opening in this January. While we understand OHCS's dilemma with the limited HOME funding and their rationale behind the change, we respectfully request that the change occur in 2022 not 2021 to allow the projects organizations in jurisdictions that have already made significant investments to get projects application ready for this upcoming cycle and who were counting on those HOME funds to still apply for those resources in the next 9% of rounds. Implementing this change in 2022 will also allow time for developer's local jurisdictions and funders to adequately adjust their own development and funding pipelines to accommodate the global shifts in needs and funding allocations. It will also give jurisdictions like Corvallis, which only recently deferred their HOME funds into the balance of state pool on the assumption that Corvallis is housing projects could compete for those funds to make decisions about whether to change back to a direct HOME allocation. As an organization with several predevelopment projects already underway within the balance of state urban allocation pool a sudden change to HOME funds of this nature and magnitude would have substantial financial consequences to our predevelopment projects currently in progress within those areas. Removing HOME funds from the 9% application as early as the next round will create a significant unexpected funding gap in application ready projects that will be impossible to fill within a few short months between now and the application deadline. Especially given all of the other uncertainty in the current COVID &economic climate. There's no doubt that this has been a difficult year for everyone, DEV Northwest recognizes as well as respects the need for periodic reallocation of resources towards its highest invest that said, we're all stronger and can do more for these communities if we make these adjustments strategically and in partnership with one another and with time to adjust in a way that doesn't jeopardize projects ready to move forward in the 2021 rounds. Thank you for your time.

Garrick Harmel, RECD Director at CASA of Oregon:
"Thank you for taking the time to hear our comments this morning and I'd like to comment today about the elimination of funding for the MHPP program. CASA is asking the Housing Stability Council to reconsider the elimination of grant funding for the MHPP program as well as the cap on the amount of out of cycle OHTC one may receive. Currently OHCS proposes no grant funding in limitation of $3 million in OHTC's for manufactured housing park programs in the 2021 calendar year. CASA is urging the council on behalf of the future residents of MHP cooperatives to commit the grant funding and remove the limitation on OHTC's for the preservation of MHP cooperatives in Oregon, and here's why, resident owned communities or one of the most equitable forms of housing in Oregon. Low income residents own their own homes and collectively the land below them. All decisions are made democratically through board of directors selected by the residents. Of the 17 parks converted to resident ownership, two predominantly house farm workers, 5 house seniors and the remaining parks or family parks house veterans, people of color and people with disabilities. It's a very diverse mix. A majority of this housing is located in rural communities. 12 of the 17 cooperatives are remote areas. Investing in manufactured housing parks is a minimal investment compared to the grand sources used for other projects funded by OHCS. For example, a recently funded multi family preservation project cost $113,000 per unit. New multifamily construction units financed by OHCS average per unit costs of $294,000. All of these examples are projects that are not owned by the residents. This is compared to grant amounts to parks that are limited to $35,000 per space per park for over 50 spaces and $45,000 for parks with 50 or less spaces. If there is no grant funding from OHCS for this program and if the residents still want to buy the parks without the needed subsidies rents for these low-income residents will increase significantly. My coworker Rose Ojeda will talk about this in a little more detail."

Rose Ojeda:
"Thank you good morning Chair Hall and council members. Beginning in around July we began to see a surge of manufactured dwelling parks for sale. Of about 20 parks CASA evaluated 12 parks at the request of resident committees formed to explore the purchase of their parks. We wrote offers on 11 parks and of those offers only one was accepted and a second park is known on hold. The single park Casa has under contract we analyzed the impact that no grant funds would have on the space rents. Our

analysis indicates and spread straight threads would need to increase by $425 per month. In compares it with the grant funding space rents would increase by only $65 per month. This particular park is in the Willamette Valley and about half of the residents are farm workers. We found the same space rent impact for all the parks evaluated but it was particularly worse for larger parks because of the proposal to limit Oregon affordable housing tax credits to 3 million per park. Our analysis for larger parks shows an average space rent increase of about $1045 per month, thus making the program unworkable for all the parks. I urge a reconsideration of the proposal to eliminate grant funding for this program and remove the Oregon affordable housing tax credit limits per project thank you.

Rob Roy & Rima Wilson:
"Thank you for the time this morning. I work with Pacific Crest Affordable Housing out of Bend, Oregon. We've been working with Oregon Housing for probably 16 or 17 years. At this point we're working on our eighth LIHTC project. I'll say that over the years we've used HOME extensively on average it runs about 10% of our capital stack going anywhere from a low of 7% to a high of 17%. The 17% is very interesting, when using HOME, it's a permanent funding permanent loan, and as a result of that we've been able to keep our rents incredibly low for a small city here in Central Oregon, that would be Prineville. I guess the big question for us is if in fact you move forward with the decision to remove our ability to use HOME funds would we then be restricted to only 400,000 because if in fact that's the case then the impact on us locally would be our project sizes will go down on average probably 10 to 15%. Currently we find our sweet spots around 48 units. I'm guessing that we would probably go down into the 42, 43 units per project. In the process of doing that that will mean that our operating expenses will go up significantly and the pricing under LIHTC projects will go down. For us to stay in business and continued to do what we love doing we just need some sort of assurance moving forward that we still have access to some sort of funding as a replacement for the HOME funds. I will say that we develop a good relationship with the HOME funds we like using it in some ways we like using it because it is a little bit of a brain damage type of application and so a lot of people a lot of organizations will not go there so it gives us that little bit of competitive advantage if you will. The other thing I would say is that just in terms of some of the smaller urban areas that we've dealt with which would be Prineville and LaPine the project sizes there were in the order of over 24 - 25 units of the project and clearly HOME in all cases there played a major role. That's really we did we didn't put any anything together formally as we just heard about this yesterday afternoon but I hope this gives you a sense of what would happen here locally and clearly we as an organization appreciate all the work that work Oregon Housing has done over the years and we applaud all of your efforts. Thank you very much."

Approval of Meeting Minutes for Sept 04, 2020:
Chair Hall introduced meeting minutes for council approval and called to motion. Councilmember Wilhoite moved to accept the minutes, and Councilmember Ferrell seconded the motion. Chair Hall then called for the vote.

Agenda Item: Meeting Minutes Approval
Motion: Move to approve the Oregon Housing Stability Council Meeting Minutes from Oct 2, 2020

Councilmember	Motion	Yes	No	Abstain	Excused
DeVries, Sarah				X	
Difuntorum, Sami Jo				X	
Ferrell, Mary	2	X			
Chair Hall, Claire		X			

Higinbotham, Barb				**X**	
Jamison, Candace		**X**			
Li, Mary		**X**			
Sandoval, Gerardo					**X**
Wilhoite, Charles	**1**	**X**			

Pass/Fail 5:0:3:1/ Passed
**With five members voting to approve, we have met the quorum requirements to pass this item.*

Homeownership Division (pg. 05)

Emese Perfecto, Director, *Homeownership Division*

More information and audio recording can be found here time: 00:21:50.

MH Park Acquisition Fund Endorsement: *Chelsea Catto, Senior Program Analyst*

Agenda Item: Manufactured Housing (MH) Park Acquisition Loan Program
Motion: Approval of the Manufactured Housing Park Acquisition Loan Program framework

Councilmember	Motion	Yes	No	Abstain	Excused
DeVries, Sarah		X			
Difuntorum, Sami Jo		X			
Ferrell, Mary		X			
Chair Hall, Claire		X			
Higinbotham, Barb		X			
Jamison, Candace		X			
Li, Mary	2	X			
Sandoval, Gerardo					X
Wilhoite, Charles	1	X			

Pass/Fail 8:0:0:1/ PASS

Housing Stabilization Division (pg. 09)

Andrea Bell, Director, *Housing Stabilization*

More information and audio recording can be found here time: 00:52:29.

Briefings:

2019-2020 HSS Data Dashboards: *Andrea Bell, Director of Housing Stabilization, Laura Lien, Assistant Director of Homeless Services, Sam Kenney, Senior Homeless Services Policy Analyst, Hunter Belgard, HMIS Administrator, Shawnn Hartley, Homeless Services Program Analyst.*

COVID-19 Emergency Solutions Grant (ESG) Update: *Andrea Bell, Director of Housing Stabilization, Mike Savara, Assistant Director of Homeless Services, Sam Kenney, Senior Homeless Services Policy Analyst*

Affordable Rental Housing Division (pg. 19)

Julie Cody, Director, *Affordable Rental Housing*

More information and audio recording can be found here time: 02:18:56

Briefings:

2021 Amended Funding Calendar: *Natasha Detweiler-Daby, Assistant Director Planning & Policy; and Roberto Franco, Assistant Director Development Resources & Production*

Loan Guarantee Program: *Natasha Detweiler-Daby, Assistant Director Planning & Policy; and Mitch Hannoosh, Policy Analyst*

Report of the Director

Legislative Update
Wildfire Response and Recovery Update

More information and audio recording can be found here time: 03:34:05

Executive Director Salazar let the council know about next Thursday November 12th National Council of State Housing Agencies meeting, NCSHB the National Council of State Housing Boards. NCSHA has an add-on for board members that some Councilmembers have attended in the past. This year as part of the virtual workshop they've separated those and there's a day of content specifically for board members of state housing agencies, next Thursday from 8:00 AM until noon Pacific Time. Basic introductory sessions that would be very helpful for all of around single family and multifamily finance. Those wanting to sharpen toolkit in terms of understanding financial programs and products, this is highly recommended.

Announced Kenny LaPoint, Director of Public Affairs is moving on from OHCS and has excepted the position of Executive Director of the Mid-Columbia Community Action council, the Community Action agency for the Columbia River Gorge.

Talked about what OHCS will be looking for in the next candidate. Nicole Stingh will step in at Interim Director of Public Affairs.

Kim Travis has agreed to serve as our wildfire recovery manager for up to the next 18 months and will be on a rotational assignment working full time on the wildfire recovery work.

Kenny made remarks on his last Housing Stability Council.
More information and audio recording can be found here time: 03:40:51

Nicole Stingh provided an update on the legislative year and where things stand today.
More information and audio recording can be found here time: 03:42:20

Report of the Chair:

More information and audio recording can be found here time: 03:47:40

Chair Hall provided reflections on another outstanding meeting. Huge kudos to agency leadership and staff for being able to turn on a dime and with so many of these programs things already in place things already stood up but doing a very quick pivot to adapt to the sudden needs of wildfire. Speaking for the entire council by saying Bravo and well done.
“I'm going to take a moment of chair privilege to call out Kenny LaPoint. Our relationship goes back a long time, if I remember correctly, you were pretty much new at Housing Works when you reached out to me the very first time. It's been great working with you there great working with you at OHCS. I know our paths will cross in your new role as well and I just think that you have embodied what so much of the OHCS team is all about skill passion and also just on a personal note you're always an incredibly fun upbeat person to be around and that's very nice too. All the best in your new role! All staff, all council, everybody in attendance virtually, thank you very much and we will declare the meeting adjourned at this point and see you in December.”

Meeting Adjourned 12:53pm

OREGON HOUSING and COMMUNITY SERVICES
725 SUMMER STREET NE, SUITE B | SALEM, OR 97301
503-986-2000 | www.oregon.gov/OHCS

Date: 12/4/20

To: Housing Stability Council

From: Kim Freeman, Homeownership Section Manager

Re: Residential Loan Program

Recommended Motion: Housing Stability Council approves the Consent Calendar

Background: State statutes require the Housing Stability Council to establish a single-family loan threshold for loans to be review and approved prior to purchase. The current threshold for single-family loans includes all loans equal to or greater than 95% of the applicable area program purchase price limit.

Considerations:

1. The loan(s) under consideration is greater than or equal to 95% of the applicable area program purchase.

2. 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.

	Loan Amount	Purchase Price Limit	95% of Purchase Price Limit or Max	Monthly Mortgage Payment PITI
Loan #1	$289,656	$296,145 Non-Targeted Jackson	$281,337.75	$1723.69

1

		Lender	GUILD MORTGAGE COMPANY, LLC
		Purchase Price	295,000.00
		Note Amount	289,656.00
		Cost Limit	296,145.00
		Principal Balance	$ 289,656
Property City	CENTRAL POINT OR 97502	Appr. Value	$ 295,000
		Year Built	1990
Hshld. Income	$ 82,175	Living Area (Sq. Ft.)	1,343
Income Limit	$ 89,355	Lot Size (Sq. Ft.)	7,841
% of Income Limit	91.96%	Cost per Sq. Ft.	$ 219.66
Prior Ownership Yes (Y) or No (N)	N	New (N) or Existing (E)	E
		Construction Style	One Story
		Loan-to-Value	97%
		Insurance Type	FB
		Rate	2.875%

Data Classification: 3

OREGON HOUSING and COMMUNITY SERVICES
725 SUMMER STREET NE, SUITE B | SALEM, OR 97301
503-986-2000 | www.oregon.gov/OHCS

Date December 4, 2020

To: Housing Stability Council
Caleb Yant, Acting Executive Director

From: Alan Borges, Production Analyst
Casey Baumann, Production Manager
Roberto Franco, Assistant Director of Development Resources and Production
Julie V. Cody, Director of Affordable Rental Housing Division

RE: Albertina Kerr Workforce and Inclusive Housing

MOTION: Move to approve Pass-Through Revenue Bond in an amount up to and not to exceed $22,421,000 to AKC Limited Partnership for the new construction of the project known as Albertina Kerr Workforce and Inclusive Housing, subject to the borrower meeting OHCS, lender and investor (JP Morgan Chase & Enterprise Housing Credit Investment) underwriting and closing criteria, documentation satisfactory to legal counsel and Treasurer approval for the bond sale.

Overview and Location:
Albertina Kerr Workforce and Inclusive Housing will provide 147 newly constructed affordable housing units, including 24 Single Room Occupancy (SRO), 92 one-bedroom, 23 two-bedroom and 8 three-bedroom units. The project includes a large outdoor play area and courtyard with over 31,000 square feet of shared outdoor space, secured bike parking, storage units, two shared laundry facilities, and a community room.

Thirty units will be deeply affordable to households making 30% AMI or below, including 22 one-bedroom and 8 two-bedroom units. These 30 units will be supported with HUD 811 vouchers. 102 units will be at 60% AMI, 11 units will be at 70% AMI, the remaining 4 units will be set aside at 80% AMI.

The thirty deeply affordable units will be accessible for individuals with Intellectual and Developmental Disabilities (I/DD). These units will be fully integrated into the overall building and resident population allowing residents with I/DD and those without to be neighbors. Common needs for this population, which will be integrated into the construction, include sound proofing, kitchen, and bathroom modifications to accommodate a wheelchair.

Funding History:
The project was awarded Oregon Multifamily Energy Program (OMEP) funds of $200,000 on August 05, 2020.

Funding Context:
This project uses state issued non-competitive 4% LIHTC and Tax-Exempt Bond resources, which require the developer to comply with federal regulations and requirements.

Project Sponsor and Partnership:
Albertina Kerr Centers is the sponsor and will be the General Partner. Albertina Kerr Centers is a Portland-Metro based nonprofit which provided supportive services to Oregon's most vulnerable citizens for over 100 years. This will be the sponsors first 4% LIHTC project, they have hired Edlen and Company (formerly Gerding Edlen) as its development consultant. Edlen and Company is an experienced real estate development firm in Portland with a long track record partnering with public and nonprofit partners. They have developed multi-family affordable housing utilizing Low Income Tax Credits and other competitive public funding sources.

General Contractor:
Pence Construction will serve as the project's general contractor. Founded in 1949, Pence has grown from its Salem roots to work in Washington, Montana California, Alaska, and North Dakota. Pence has completed construction on Capitol Plaza an acquisition rehabilitation in Salem. Including this project, they have an additional six projects in the pipeline with 793 units, 372 of which are LIHTC new construction and preservation.

Management Agent:
Quantum Residential will be providing property management and tenant services. Quantum Residential has been providing property management services in the region for over 50 years and specializes in large multifamily properties. Quantum Residential manages over 6,500 units at over 75 properties throughout Washington and Oregon.

Notable Features:
This project will be built to be Net Zero Energy, which means that it will produce more energy than it uses once fully occupied. The building will be the 4th largest Net Zero affordable housing project in the United States. To achieve this, large solar photovoltaic (PV) arrays will be installed on the building's roof and parking stall canopies.

Policy Priorities:
This project meets key OHCS policy priorities as outlined in the Statewide Housing Plan.

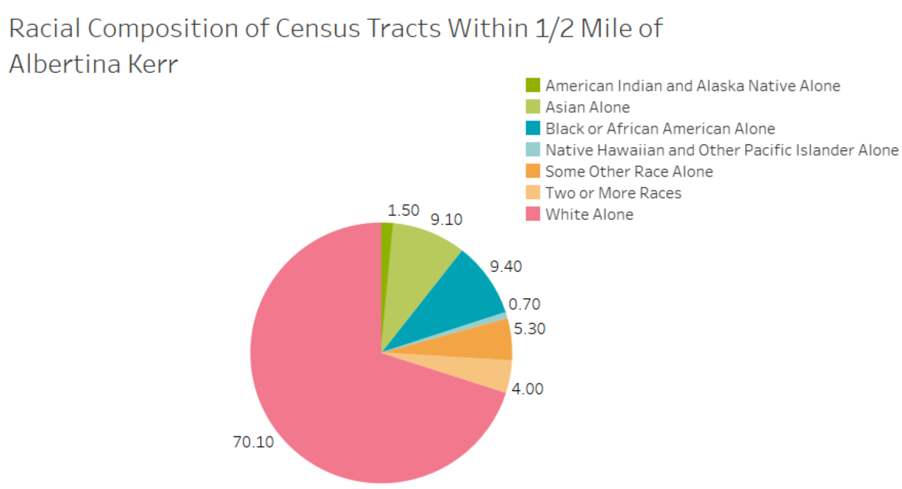
- **Equity and Racial Justice Priority:**

    Community Marketing Strategies

    Albertina Kerr has partnered with Quantum Residential who has over 50 years of management services to market this project in alignment with affirmative fair housing marketing standards. Local culturally specific and service organizations will be engaged to identify any barriers such as language as well as cultural competency. They have developed an Affirmative Fair Housing Marketing Plan based on a foundation of community demographics; they are committed to evaluating performance and plan to update their strategies if needed.

    Albertina Kerr is in a HUD Qualified Census Tract, meaning that at least 50% of households have incomes below 60% of the Area Median Gross income, and/or the census tract's poverty rate is at least 25%. This highlights a need for affordable units in this area, as residents may not be able to afford market rate options. Demographic information was collected for census tracts within a ½ mile radius of this project, and the racial and ethnic composition of these 7 census tracts is described below:
    - 70% White Alone
    - 30% People of Color
        - 9.5% Black Alone
        - 9.1% Asian Alone

        - Of this population, 48.5% identify as Vietnamese, 12% identify as Filipino, and 9% identify as Burmese
    - 5.3% Other Alone
    - 4.0% Two or more races
    - AIAN and Native Hawaiian/Pacific Islander are both under 2%
    - 22.8% Hispanic/Latino
        - Of this population, 20% identify as Mexican
- AIAN, and Native Hawaiian/Pacific Islander percentages are at or below 1%



<u>Resident Services</u>

The project will predominately serve two vulnerable populations that Albertina Kerr works closely with, individuals with intellectual and developmental disabilities (I/DD) and those in the direct support professional's (DSP) workforce. Albertina Kerr will leverage its existing programs and community resources to meet the identified needs of tenants in a culturally responsive manner. Some services will be referred to local organizations who specialize and others will be provided by Albertina Kerr.

- Albertina Kerr Provided Services:
    - Kerr will offer clinic and community-based outpatient mental health services. Treatment can include individual and family therapy, skills and family support focusing on building skills to promote a child's success and safety in the home, emotional regulation. Treatment

includes 24-hour crisis support, family support and medication management.

- Referred Services:
    - Rental assistance, employment programs and healthcare needs will be referred to local organizations such as Human Solutions, and Multnomah County's primary care health centers.

Direct Support Professional Specific Supportive Services:
Albertina Kerr understands the greatest need for those in the DSP workforce will likely be childcare and youth enrichment. This project will partner with Rockwood Boys and Girls Club (RBGC) located less than 1 mile from the site to provide a wide array of programs.

- Health & Life Skills
- Sports, Fitness & Recreation
- Character & Leadership
- Education and Career
- Visual & Performing Arts
- Teen Programs

Community with I/DD support services:
For the residents with I/DD's, all residents will already be receiving services from the State of Oregon's K Plan, a Medicaid state plan which allows Oregon to provide home and community-based services to enable independent living. Depending on the assessed needs of the individuals, support could range between daily and weekly. Some of these services could include bathing, dressing, eating or less involved activities such as medication management, shopping, laundry, or skills training.

Contracting, Diversity, Equity & Inclusion
Kerr is committed to equity diversity and inclusion. Construction will be performed by Pence Construction. Pence is an equal opportunity employer with a commitment to achieving participation rates which includes strategies to help disadvantaged business truly succeed. Pence has adopted a meaning full outreach program which focuses on promoting, developing, and mentoring MWESB sub-contractors. Currently the project is anticipating 32% MWESB participation.

- **Homelessness Priority:** N/A
- **Permanent Supportive Housing Priority:** N/A
- **Affordable Rental Housing Priority:** Provides 147 new units of affordable housing

- **Homeownership Priority:** N/A
- **Rural Communities Priority:** N/A

Risks and Mitigating Factors:
This development conforms to all OHCS underwriting standards. The primary risk is with the current unknown environment relating to COVID-19 and whether it will affect the construction period or delay any material deliveries necessary for the project. Enough contingency was built into the budget to mitigate delays.

Project Detail: Albertina Kerr Workforce & Inclusive Housing

Project Sponsor: Albertina Kerr Centers

Property: Albertina Kerr Workforce and Inclusive Housing
930 NE 162nd Ave
Portland, Or. 97230

Owner: AKC Limited Partnership

Description: This is a new construction project located in Portland, Oregon. It will consist of one four-story building with 147 units.

Affordability:

Funding Source	# Units	% Income	% Rents	# Years
LIHTC/Bond	147	60*	60*	30
OMEP	147	80	80	10

*** Average Income**

Target Population: Workforce, families, and individuals with intellectual and developmental disabilities at or below 60% MFI.

Environmental Review:

- In a 2019 Phase I EAS, a recognized environmental condition was found. The potential presence of an undocumented underground storage (UST) and the potential presence of septic systems, drywells, or historical cesspools. The location and orientation of this UST, drywell and cesspool was confirmed during the geophysical survey, it is recommended that the UST and drywell be properly decommissioned.

- A 2020 Phase II ESA indicated no evidence of petroleum contamination in the samples collected from the borings near the UST. A contingency plan was recommended to remove the limited volume of petroleum contaminated soil from beneath the UST.
- A Hazardous Building Materials Survey (HMBS) conducted on the existing structure, on site former Wynne Watts School, found it to contain asbestos and led-based paint. An operations and maintenance plan will be followed to safely remove and dispose of all hazardous materials.

Finance Committee Approval: OHCS Finance Committee Reviewed and Approved this Project to be Recommended to the OHCS Director and the Housing Stability Council on November 24, 2020.

Financing Structure:

Construction Lender: JPMorgan Chase
Permanent Lender: JPMorgan Chase
General Contractor: Pence Construction
Equity Investor: Enterprise Housing Credit Investments

SOURCES:			**USES:**	
OHCS Sources:				
Tax Exempt Bonds (Long Term)	$11,045,279			
Tax Exempt Bonds (Short Term)	$11,375,721		Acquisition	$1,771,740
Short Term Use of Bonds	*(11,375,721)*		Construction	$30,097,903
4% LIHTC Equity	$14,164,004		Development	$11,977,652
OMEP	$200,000			
Non-OHCS Sources:				
Gresham Bond Fund	$12,300,000			
Deferred Development Fee	$2,494,618			
Land Contribution	$1,771,740			
Cash Contribution	$703,147			

Contributed DDF	$846,000		
Solar Tax Credit	$322,507		
Total Sources and Uses: $43,847,295			

Bond Structure:
The total tax-exempt conduit bond amount is $22,421,000, of which $11,375,721 will be short-term, used for the construction of the project and the remaining $11,045,279 will be long-term debt. JPMorgan Chase will be the construction and permanent lender.

Scope of Work:
This project will be a wood frame 4-story building in an angled "Y" shape that faces NE 162nd Ave. with a long wing extending east. The buildings three discreet wings and pitched roof will be positioned on the north end of the Albertina Kerr campus. The large outdoor play area and courtyard will be facing the south providing a secure, comfortable, and generous outdoor amenity. The building will be the 4th largest Net Zero affordable housing project in the United States.

- The construction cost per unit is $204,747 or $316.87 per square foot.
- The project includes 128 parking spaces; The City of Gresham requires a minimum of 122 parking spaces

Project Schedule:
- Closing is targeted for 12/21/2020
- Construction completion: 04/20/2022
- Construction period is to be 16 months

Developer Fee:
Total Developer fee: $5,065,618; 13.98% of total project costs. This is at the OHCS maximum of 14%.
- Deferred Developer fees: $2,494,618; Deferred fee will be repaid within the first 15 years of operation
- Cash Developer fee: $2,571,000

ENTRY FROM 162ND

BIKE SHED

VIEW SOUTH FROM 162ND

OREGON HOUSING and COMMUNITY SERVICES
725 SUMMER STREET NE, SUITE B | SALEM, OR 97301
503-986-2000 | www.oregon.gov/OHCS

Date December 4, 2020

To: Housing Stability Council
Caleb Yant, Acting Executive Director

From: Andrew Moran, Production Analyst
Casey Baumann, Production Manager
Roberto Franco, Assistant Director of Development Resources and Production
Julie V. Cody, Director of Affordable Rental Housing Division

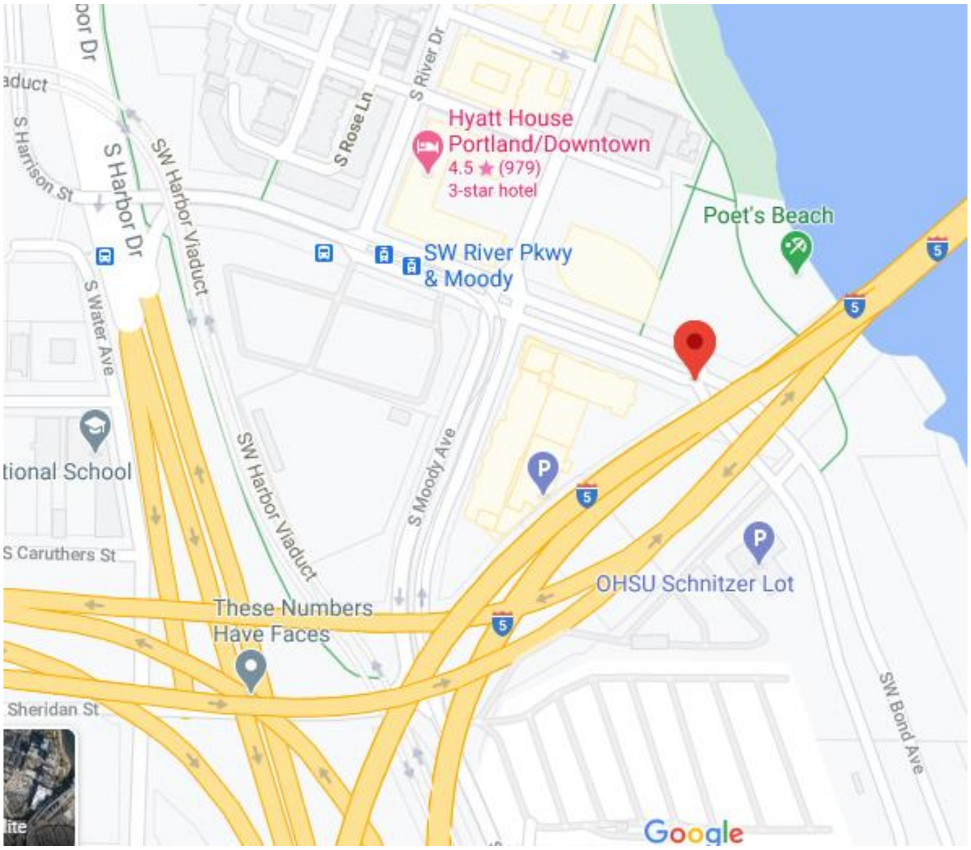
RE: Riverplace Phase 2

MOTION: Move to approve Pass-Through Revenue Bond in an amount up to and not to exceed $40,368,325 to Riverplace Phase 2 Limited Partnership for the new construction of the project known as Riverplace Phase 2, subject to the borrower meeting OHCS, lender and investor (Bank Of America & Barings) underwriting and closing criteria, documentation satisfactory to legal counsel and Treasurer approval for the bond sale.

Overview and Location:
Housing Stability Council is being asked to consider the motion to approve the use of conduit bonds for the construction and long-term financing of a 178 unit development known currently as Riverplace Phase 2.

RiverPlace Phase 2 is a fully permitted, “shovel ready” project that can quickly deliver 178 units of affordable housing to Portland’s North Macadam Urban Renewal Area, and is an important step towards meeting the URA’s affordable housing goals established in 2003. The building will feature 178 total units with two manager units. 61 units will be designed as studio units, 67 units will be one-bedroom units, 32 units will be two-bedroom and 18 units will have three-bedrooms.

The Project will be located on the south waterfront at the corner of S River Parkway and S Moody Ave. Phase 1, The Verna, will be located adjacent to this second phase. Residents will enjoy easy access to the Portland streetcar (a stop located out front of the building), the MAX light rail system, various retail and health services within walking distance. The south waterfront area has been characterized as a newer community built in a former industrial area due to the significant redevelopment of the area in recent years.



Funding History:

OHCS Housing Stability Council has approved and reserved $1,517,239 of GHAP, in February 2020 in conjunction with NOFA 2019-4 released in 2019. Project sponsors were to complete the 4% LIHTC application process. BRIDGE has submitted a proposal to Oregon Multifamily Energy Program (OMEP) to incorporate energy saving building techniques. OMEP has reserved $214,241 as incentive to follow and deliver on the proposal.

Through a competitive request for proposal released by PHB and Prosper Portland, BRIDGE won development rights in 2015 with their proposal of 381 units built in two separate phases. BRIDGE Housing recently completed the first phase of construction with 203 units of affordable housing on the western portion of the parcel.

Bank of America as the equity investor and short-term lender has provided BRIDGE favorable tax credit pricing $1.02. This pricing was guaranteed to the project through December 31, 2020.

Funding Context:
This project uses state issued non-competitive 4% LIHTC and Tax-Exempt Bond resources, which require the developer to comply with federal regulations and requirements.

Project Sponsor and Partnership:
BRIDGE Northwest Development Inc. as the sponsor has partnered up with Bank of America as the equity investor to deliver critically needed funding to this proposal. OHCS has worked with BRIDGE in several deals recently including the first phase of this development, now called The Vera.

BRIDGE Housing Corporation, founded and headquartered in San Francisco, is the largest developer of affordable and workforce housing on the West Coast. As a mission-driven non-profit, BRIDGE's primary goal is to produce high-quality homes for seniors and families at a variety of income levels, with a focus on those who are not served by the housing market. Since 1983, BRIDGE has completed over 17,000 housing units and over 680,000 sf. Of retail/ commercial space in close to 187 properties valued at more than $3 billion. With nearly 100 projects completed over 30 years, BRIDGE has seen nearly every possible challenge and is adequately positioned to develop affordable housing in the current complex development environment. BRIDGE has five development professionals based in the Pacific Northwest Division who ONLY specialize in the development of affordable housing.

General Contractor:
Walsh construction was selected as the general contractor to coordinate and build the proposal. BRIDGE selected Walsh, in part, because of their ability to consistently deliver quality work on time. Additionally, Walsh has consistently set the bar and delivered on MWESB participation of sub-contracting (See policy priorities section for additional info).

Management Agent:
BRIDGE Property Management Company (BPMC) manages and co-manages over 9,000 rental homes in California and has expanded property management operations into Oregon. As a committed long-term owner, BRIDGE is committed to good stewardship of its growing portfolio of properties. Their guiding principles include fiscal management of properties through risk management, compliance oversight & reporting, proactive asset management using key indicators and regular financial reviews and long-term planning to ensure adequate reserves to address physical needs.

Architectural:
The Phase 2 building will be a 5-story wood frame building over a one-story concrete podium, constructed on top of an underground parking garage shared with the adjacent Phase 1 building (The Vera). The building will feature 178 total units with two manager units. 61 units will be designed as studio units, 67 units will be one-bedroom units, 32 units will be two-bedroom and 18 units will have three-bedrooms. Design plans include in-unit dishwashers, garbage disposals and vinyl plank flooring. Two shared, on-site, laundry facilities, ground floor community room, resident services office and community kitchen adjoin the exterior courtyard. Landscape designs include a children's play structure. BRIDGE will provide free access to wireless internet within common area.

Notable Features:

- 3,668 square feet of commercial space has been planned for the ground level. Of which, 2,793 square feet BRIDGE plans to lease to support their growing Portland office. The remaining space will be leased to a retail tenant.
- An onsite resident services office will be provided. Impact Northwest will use the provided space (among other community spaces) to provide services.

Policy Priorities:

- **Equity and Racial Justice Priority:**

Community Marketing Strategy
BRIDGE Property Management Company (BPMC) is responsible for the Affirmative Fair Housing Strategies. These strategies rely on community demographics to inform needed strategies and partnership to ensure access by those least likely to apply.

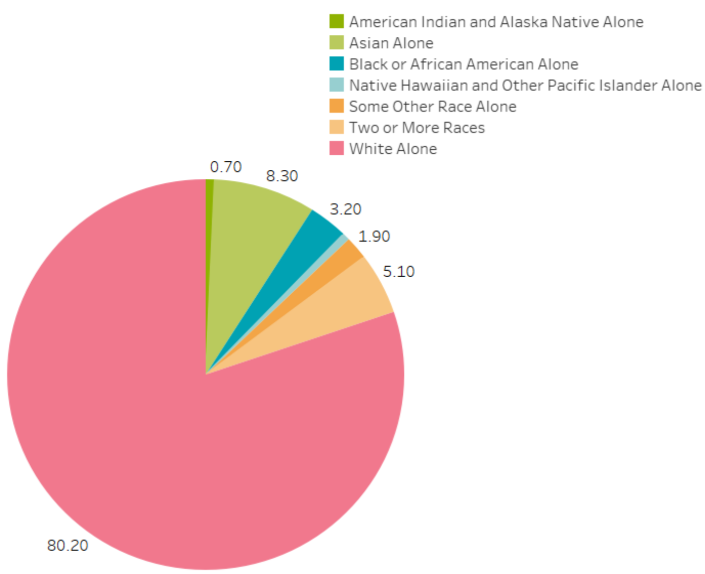
Every year an in-house training session is held to present new developments in fair housing law. In addition, BPMC takes advantage of trainings sponsored by other organizations, such as those offered at the annual Oregon AHMA Conference. To supplement these formal training sessions, BPMC staff stay educated on fair housing issues by reading the several newsletters and other publications that BPMC subscribes to.

River Place (Phase 2) is a 178 unit multifamily affordable housing project located in Multnomah County, along the Willamette River in Portland. 100% of the units in this project are restricted at or below 60% AMI, with 12 of these units restricted at or below 30% AMI.

River Place is located in a "Difficult to Development" Census Tract, indicating that there are high land, construction and utility costs relative to the area median income; this highlights a need for projects like River Place, that can leverage different sources of funding to provide affordable units for residents whose needs are not being met by current market-rate stock. Demographic information was collected for census tracts within a ½ mile radius of this project, and the racial and ethnic composition of these 12 census tracts is described below:

- 80% White Alone
- 20% People of Color
    - 8.3% Asian Alone
        - Of this population, 36.5% identify as Chinese, 14% identify as Asian Indian, and 11% identify as Japanese
    - 5.1% two or more races
    - 3.2% Black Alone
    - 1.9% Other Alone
    - 7.2% Hispanic/Latino
        - Of this population, 4% identify as Mexican
    - AIAN, and Native Hawaiian/Pacific Islander percentages are at or below 1%

Racial Composition of Census Tracts within 1/2 mile of River Place



Resident Services

Impact Northwest (INW) will provide Resident Services at RiverPlace Phase 2. INW is a provider of anti-poverty services in Portland, with over 50 years of experience serving vulnerable and historically marginalized communities.

Today, INW provides services in Multnomah, Clackamas, and Washington Counties in Oregon and Clark County in Washington. INW's staff is multilingual, speaking 11 languages in addition to English, and the ethnically diverse populations served by INW programs demonstrate their ability to reach and serve historically marginalized groups.

The proposed Resident Services plan for RiverPlace Phase 2 falls within INW's Housing and Safety Net department which provides housing and rental assistance; health care resources; resource navigation; energy assistance; veterans services; and recovery services.

***Resource Navigation*:**

- Public Benefits: INW staff will be available on site to help residents enroll in public benefits.

- Transportation: INW will offer day tickets to residents with the highest needs, and will also assist eligible residents with sign-up for low fare transit program with TRIMET.

- Food Security: INW is one of the state providers offering SNAP enrollment and SNAP education. INW's trained SNAP outreach specialist would provide regular outreaches on site and provide information on food resources available in the community.

- Medical Services: INW is a designated Volunteer Application Assister Organization for OHA, so INW staff can assist with insurance applications through the health insurance exchange.

- Energy Assistance: INW energy assistance program helps over 6,000 households annually with their electricity, water and gas payments. Staff will schedule regular outreach events on-site to assist the residents with their utility bills.

Program Offerings:

- Community Building Events: INW staff will assist with planning of regular community building events.
- Financial Literacy/Management and Asset Building: Through INW's partnership with 'Financial Beginnings' and their comprehensive Forward program.
- Through partnerships with Innovative Changes and Metropolitan Family Services, INW will collaborate to offer financial management related services. Innovative Changes advances economic justice for those that are underserved and excluded by the mainstream financial services sector by implementing culturally responsive programming. Residents will also be offered two RentWell classes each year to help provide clarity on navigating housing systems, building housing budgets, and maintaining safe, stable and healthy housing.
- Employment/Career Planning: During onsite office hours, WorkSource and Goodwill connections will be provided, as well as TANF/ JobsPLUS information.

- Parenting Support: INW will connect parents to INW's Parent Child Development Classes and other community partners specializing in parenting support.

- Recovery Services: INW has been providing recovery support services since 2011. INW's Recovery Navigation program will also be available for the residents with higher need of support to connect them with peer mentors and life skill coaches.

<u>Contracting, Diversity, Equity & Inclusion</u>
BRIDGE has selected WALSH construction for this phase of Riverplace in an effort to ensure MWESB firms will be utilized at 20% participation levels for construction of the development.

WALSH's community participation plans focus on three major areas: Contracting, Hiring and Apprenticeship. WALSH believes it can achieve the greatest possible participation from area subcontractors, with a goal of attaining at least 30%. WALSH believes opportunities exist in a majority of the trades. Walsh has a long history with constructing low-income projects with OHCS funding. Through preconstruction planning and development, Walsh has delivered results of 26%

MWESB subcontractor engagement across publicly funded projects. Recently, Walsh has increased their minimum from 20% engagement to 30% engagement.

- Ankrom Moisan partnered with the following local DMWESB firms to ensure the design team's strong commitment to DMWESB participation in the design effort for Riverplace phase 2. Ankrom Moisan followed their established nine-step procedure for soliciting DMWESB consultant involvement on this project and currently has a 21.6% MWESB participation.
- Senior MWESB Program Analyst, Rick Abrego reviewed the provided MWESB plans and agrees the proposal conforms to OHCS Policy Priorities

- **Homelessness Priority**: 17 units will be deeply restricted to 30% AMI with the aim to prevent homelessness, 5 units will target homeless veterans with support from HUD with VASH vouchers.

- **Permanent Supportive Housing Priority:** PHB requires 17 units restricted at 30% for 60 years.

- **Affordable Rental Housing Priority:** OHCS restrictions will ensure the property maintains 60% AMI across 176 of the total 178 units (2 unrestricted manager units) for 30 years. In a much needed and redeveloping area of Portland.

- **Homeownership Priority:** N/A

- **Rural Communities Priority:** Proposal is for an urban development

Risks and Mitigating Factors:

This development conforms to OHCS underwriting standards.
BRIDGE received favorable pricing of tax credits that is set to expire by December 31, 2020. With OHCS approval of tax credits, bonds and GHAP funding, the project remains on course to close December 17, 2020. Investor will reprice tax credits on or after January 1, 2021.

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Project Detail: Riverplace Phase 2

Project Sponsor: BRIDGE Northwest Development Inc.

Property: Riverplace Phase 2
2065 S River Parkway
Portland, OR 97201

Owner: RiverPlace Phase 2 Limited partnership

Description: A 178 unit new construction in a single six story mixed-use, commercial and residential, building. This is the second phase of two phases of affordable housing for this site. BRIDGE has teamed up with PHB, Prosper Portland, HUD and OHCS among others to deliver 381 units in 2 phases.

Affordability:

FUNDING SOURCE	# OF UNITS	% INCOME	% RENTS	# OF YEARS
LIHTC/Bond	176	60	60	30
GHAP	176	80	80	60
OMEP	178	80	80	10

Target Population: Individuals and families at or below 60% MFI.
Veterans preference for 20 units supported with VASH.

Environmental Review: Partner Engineering and Science, Inc. completed a Phase 1 environmental site assessment report on October 13, 2020. In conclusion, of the report, Partners did not identify environmental issues during the course of its assessment.

Finance Committee Approval: OHCS Finance Committee Reviewed and Approved this Project to be Recommended to the OHCS Director and the Housing Stability Council on November 24, 2020.

Summary:

178 unit new construction in a single six story mixed-use, commercial and residential building. This is the second phase of two phases of affordable housing for this site. BRIDGE has teamed up with PHB, Prosper Portland, HUD and OHCS among others to deliver 381 units in 2 phases.

Financing Structure:

Construction Lender: Bank of America
Permanent Lender: Barings
General Contractor: Walsh
Equity Investor: Bank of America

SOURCES:			USES:	
OHCS Sources:				
Tax Exempt Bonds (Long Term)	$14,191,000			
Tax Exempt Bonds (Short Term)	$26,177,325		Acquisition	$2,303,155
Short Term Use of Bonds	($26,177,325)		Construction	$54,976,525
4% LIHTC Equity	*$29,096,151*		Development	$24,121,080
GHAP	$1,517,239			
OMEP	$214,241			
Non-OHCS Sources:				
PHB Loan w/deferred interest	$27,362,796			
GP Equity	$4,757,552			
SDC Waivers	$2,498,440			
Deferred Development Fee	$1,858,467			
Metro TOD	$500,000			
PDC Reimbursement	$436,304			
Collateral account and release	$192,199			

TOTAL Sources and Uses: $81,400,760

Bond Structure:

The total tax-exempt conduit bond amount is $40,368,325, of which $26,177,325 will be short-term, used for construction of the project and the remaining $14,191,000 will be long-term debt. Bank of America will provide the short-term lending for construction, Barring's will provide the long-term financing.

Scope of Work:

The Phase 2 building will be a 5-story wood frame building over a one-story concrete podium, constructed on top of an underground parking garage shared with the adjacent Phase 1 building (The Vera). The building will feature 178 total units with two manager units. Design plans include in-unit dishwashers, garbage disposals and vinyl plank flooring. Two shared, on-site, laundry facilities, ground floor community room, resident services office and community kitchen adjoin the exterior courtyard. Landscape designs include a children's play structure.

Though, Portland does not require a minimum parking ratio, for this project, a total of 67 parking spaces will be provided for residents, a ratio of .37:1.
Roughly 67% of the total budget will be spent in construction activities, yielding approximately a $284.22 per square foot cost of construction. Driven by COVID and market conditions, construction materials and labor has increased costs across many industries. The sponsor and general contractor have maximized OHCS's contingency limit and have planned for the added costs, already impacting the industry.

Project Schedule:

- Closing is targeted for December 17, 2020
- Completion is anticipated to be November 2022
- Construction period is 21 Months.

Developer Fee:

Total Developer fee: $8,324,198; 14% of total project costs. This is at the OHCS maximum of 14%.

- Deferred Developer fees: $1,858,467; Deferred fee will be repaid within the first 13 years of operation
- Cash Developer fee: $6,465,731

OREGON HOUSING and COMMUNITY SERVICES
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Date December 4, 2020

To: Housing Stability Council
Caleb Yant, Acting Executive Director

From: Edward Brown, Program Analyst
Amy Cole, Manager of State Development Resources
Roberto Franco, Assistant Director of Development Resources and Production
Julie V. Cody, Director of Affordable Rental Housing

RE: CORRECTED Twin Oaks Preservation of Manufactured Dwelling Park Funding Request

REVISED MOTION: Move to approve Preservation of Manufactured Dwelling Park funds in an amount up to and not to exceed $1,670,000 to Sparrow Housing for purchase of a Manufactured Home Park, subject to the borrower meeting OHCS underwriting, closing criteria, and documentation.

CORRECTION:
This document has been revised to correct the Twin Oaks GHAP grant recommended funding amount and motion before the Housing Stability Council. The previous memo incorrectly included the applicant's original request of $2,134,000 as the recommended funding amount, however, only $1,670,000 remains available in the NOFA. Staff informed the sponsor after their application was submitted and they were able to work with a lender to cover the needed financing gap. The project is fully financed with balanced sources and uses. Recommended funding for the project is $1,670,000 and the document has been revised to reflect this amount.

Overview and Location:

The property is a manufactured home park located at 245 SW Twin Oaks Cr. Corvallis, OR 97333. Built in 1960, the manufactured home park consists of 61 spaces situated on the bank of Mary's River. The Preservation of Manufactured Dwelling Park (PMDP) funds provided will be used to purchase the park.

Residents of the park own their own homes individually and will rent space from the park owner. Twin Oaks Manufactured Home Park (MHP) will preserve the park, with at least 60% of the spaces being restricted to earning at or below 80% AMI. Focusing on providing low-income housing to families, seniors, persons living with a disability, and Veterans. The project will be owned by Sparrow Housing and managed by Sparrow Ministries, a mission driven nonprofit. The project plans to aid the replacement of aging manufactured homes by providing consulting and connecting services. Sparrow

Ministries plans to employ a social worker to work with project residents, providing opportunities to be connected with resources and to provide education.

West Entrance

Funding History:

There is no previous OHCS funding related to this property,

Funding Context:

The project is using the remainder of available grant funds in the 2020 PMDP NOFA in conjunction with a private loan to enable to borrower, Sparrow Housing, to purchase the park. These funds will be used for the sole purpose of purchasing the park.

Project Sponsor and Partnership:

Sparrow Housing, a new partner for OHCS in Corvallis, is working with Affordable Communities Inc. and Resident Owned Parks Inc. in a consulting capacity. These two organizations have experience in 11 park acquisitions in both California and Washington including income certifications of park residents, regulatory compliance, and development of manufactured home park budgets.

General Contractor:

N/A, this project is using PMDP Grant Funds for park purchase only.

Management Agent:

Sparrow Ministries, Inc.

OHCS Policy Priorities:

The Twin Oaks Mobile Home Park aligns with multiple key OHCS policies and priorities as outlined in the statewide housing plan.

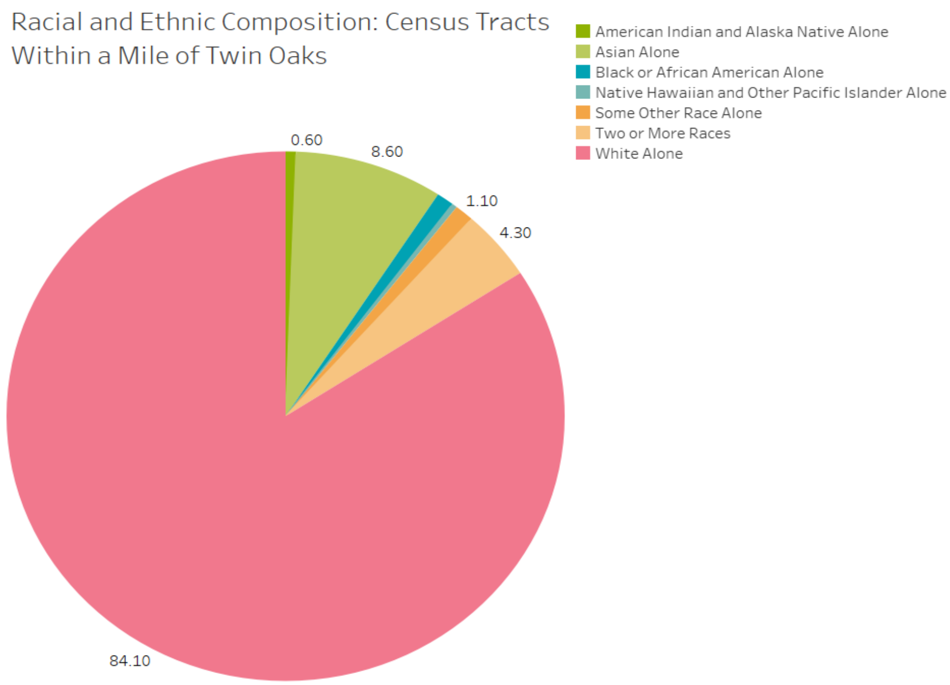
- **Equity and Racial Justice Priority:**

  Community Demographics and Marketing Strategies

  Twin Oaks Mobile Home Park is a manufactured home park preservation project located in Benton County, just west of the Willamette River in the City of Corvallis. There are 61 spaces, 37 of which will be restricted at or below 80% MFI for 60 years. As a homeownership park, the marketing of available units is different than with rental housing, however best practices will be included to market affirmatively to the community when homes are for sale and spaces become vacant.

  The property is in one of two high poverty areas in Corvallis and is located directly south of a HUD Qualified Census Tract, which means that either at least 50% of the households in the census tract earn at or below 60% AMI or the census tract has a poverty rate of 25% or more. Looking at more specific demographic and housing data highlights a need for affordable housing in this geography. Demographic information was collected for census tracts within a mile radius of Twin Oaks MHP. The racial and ethnic composition of these 12 census tracts is described below:

  - 84% White
  - 16% People of Color
    - 8.6% identify as Asian alone
      - Of this population, 45% identify as Chinese, 15% identify as Korean, and 10% identify as Asian Indian
    - 7.2% Hispanic/Latino
      - Of this population, 6% identify as Mexican
  - 4.3% multiracial
  - Black, AIAN, and Native Hawaiian/Pacific Islander percentages are at or below 1%



This demographic data becomes more significant when it is viewed in conjunction with housing and income data for the tracts within a mile of Twin Oaks MHP. Forty-seven percent of occupied units in this geography are Owner-Occupied, but of this number, only 8% are occupied by non-White homeowners. While the racial and ethnic demographics of the current park residents are unknown, the preservation of Twin Oaks could create affordable ownership opportunities that may otherwise be inaccessible to Non-White populations in the area.

The need for preservation of Twin Oaks becomes even more apparent when looking at income and poverty data. Within a mile of the park, 54% of renters and 26% of owners are either cost burdened, spending more than 30% of income on housing costs or severely cost burdened, spending more than 50% of income on housing costs. Additionally, 24% of households have incomes below the poverty line. Data from park management indicates that 90% of current residents earn under 80% AMI and of this number, roughly 50% are earning at or below 50% AMI. Preserving Twin Oaks as affordable housing will serve both existing residents of the park, as well residents in the surrounding area whose needs are not currently being met by the existing market-rate housing stock.

Resident Services

The Sponsor's plan is to offer assistance through a contracted social worker employed by Sparrow Ministries to be onsite weekly who connects residents with local services and resources as well as provides financial coaching to aid residence in the replacement of aging manufactured homes that were built in the 1960s.

Contracting, Diversity, Equity & Inclusion

- N/A, this project will only be using PMDP funds to purchase the park so there is no contracting involved.

- **Homelessness Priority**
  - N/A, this project will be using PMDP funds to purchase the park

- **Permanent Supportive Housing Priority**
  - N/A, this project will be using PMDP funds to only purchase the park

- **Affordable Rental Housing Priority**
  - N/A, this is a homeownership park

- **Homeownership Priority**
  - All units are currently occupied by residents at the park who own their homes, preservation of the park will keep space rent affordable for the long term and enable these homeowners to continue to sustainably afford their homes. Sixty percent (60%) of households s earn at or below 80% AMI. Per requirements of the PMDP funding, Sparrow Housing will ensure that 60% of households within the park will have incomes at or below 80% AMI for the affordability period of 60 years.

- **Rural Communities**
  - N/A this project is in an urban area.

Project Detail: Twin Oaks MHP

Project Sponsor: Sparrow Housing

Property: 245 SW Twin Oaks Cr.
Corvallis, OR 97333

Owner: Sparrow Housing

Description: Manufactured Housing Park with 61 spaces built in 1960.

Affordability: Sixty percent (60%) of the park spaces (61 spaces) must remain affordable to the limits in the matrix below for the term of affordability.

Funding Source	Spaces	% Income	# Years
PMDP GHAP	37	80% AMI	60

Target Population: Families at or below 80% AMI

Environmental Review: A Phase I report review will be completed prior to closing.

Finance Committee Approval: OHCS Finance Committee Reviewed and Approved this Project to be Recommended to the OHCS Director and the Housing Stability Council on November24, 2020

Financing Structure:

Construction Lender: N/A, this project is using PMDP Grant Funds and a permanent loan to purchase the park only

Permanent Lender: Columbia State Bank

General Contractor: N/A, this project is only acquiring the park, no improvements are needed in year 1 of service.

Equity Investor: N/A

SOURCES:		**USES:**	
OHCS Sources:			
GHAP Grant	$1,670,000	Acquisition	$2,283,300
		Construction	
		Development	$ 26,700
Non-OHCS Sources:			
Columbia Bank	$ 640,000		

Note: as the resource use is for acquisition, the development cost use listed is attributable to fees and closing costs.

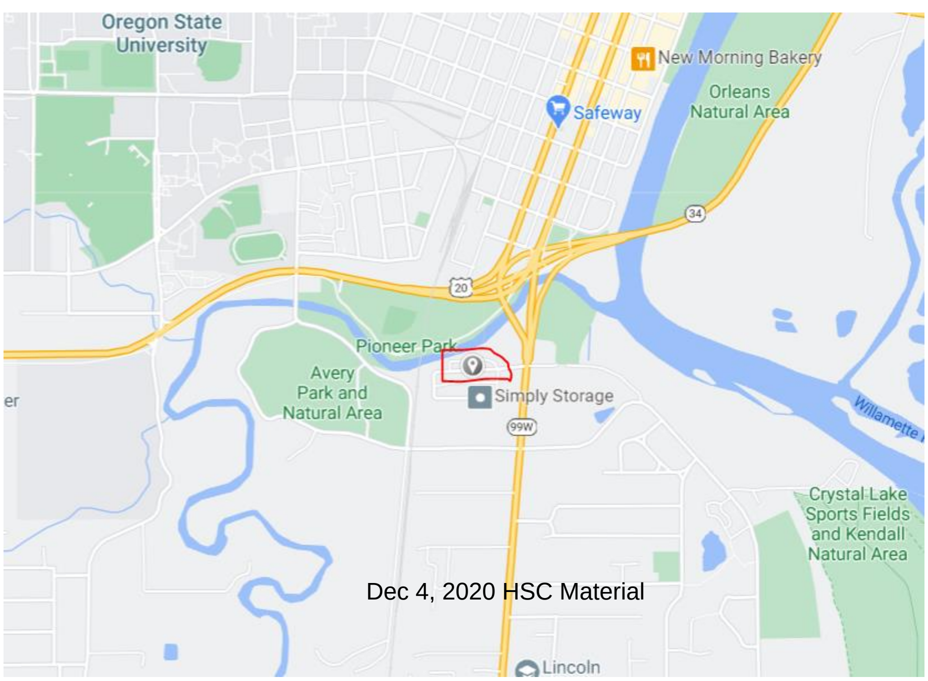
TOTAL Sources and Uses: $2,310,000

Bond Structure:
N/A

Scope of Work:
N/A, Funds are being used to purchase the park, infrastructure improvements are not anticipated.

Project Schedule:
Closing is targeted for February 2021.

Developer Fee:
Total Developer Fee: NA, no development fee is anticipated, funds are being used to fund the acquisition of the manufactured home park.



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DATE: December 4, 2020

TO: Housing Stability Council
Caleb Yant, Acting Executive Director

FROM: Roberto Franco, Assistant Director of Development Resources and Production
Natasha Detweiler-Daby, Assistant Director of Planning and Policy
Julie V. Cody, Director of Affordable Rental Housing

SUBJECT: 2021 Funding Calendar Update

Motion: Housing Stability Council accepts the 2021 funding calendar and offering framework updates as presented [or with noted revisions].

Last month, the Affordable Rental Housing Division introduced needed updates to the 2021 development funding calendar, along with an early Federal Disaster Response strategy to be considered for these fund offerings. In the December meeting, we hope to have Housing Stability Council (HSC) adopt the calendar and framework revisions in order to launch the funding offerings early next year.

Background

In response to major shifts in funding that was discussed in detail last month, OHCS revisited the 2021 funding calendar that was adopted in late 2019. In doing this work, we have refocused the HOME NOFA, expanded the Oregon Affordable Housing Tax Credit (OAHTC) pool, and updated the schedule of Notices of Funding Available (NOFAs) to be offered throughout the year.

In response to these updates to the NOFAs to be offered in 2021, we have received feedback from stakeholders expressing concern over the lack of resources to fund manufactured park preservation along with the preservation of affordable rental housing. However, given that our flexible gap resources for preservation were programmed in 2020 and subsequently have been lost due to reduced Lottery Revenue Bond proceeds, it remained prudent to move forward in 2021 with our scheduled use of gap resources to fund small, rural, and agricultural workforce housing in support of our Rural and Equity and Racial Justice Statewide Housing Plan Priorities. It is our hope that by aligning OAHTC pool resources to preservation activities with expanded funding limits, along with having affordable rental housing preservation allowable in other department NOFAs, we will be able to continue to provide some resources for these activities, even though less than anticipated and desired.

We also heard from stakeholders that were concerned about the removal of HOME from the 9% LIHTC NOFA; given resource availability and the over-subscription seen in 2020 we are continuing to recommend that HOME not be offered within this offering. However, we are recommending that in the OHCS HOME balance of state that within the 9% LIHTC NOFA we increase the gap funding limit from $400,000 per project to $500,000 per project. It is our hope that, in conjunction with leveraging OAHTC and fully utilizing the 9% LIHTC, this increase in the flexible up-front resources will aid in project financial viability.

Establishing a funding point priority for Federally Declared Disaster Areas was another substantial recommendation proposed at the November HSC meeting. Given the expressed support for doing so, you will see in the framework updates below that we are proposing having this preference included in the majority of our fund offerings.

General NOFA Preference Recommendation:

- **Preference Type**: for those projects located in Federally Declared Disaster Areas that have had a wide-ranging impact on housing supply; to be determined in consultation with Housing Stability Council.
- **Preference Benefit & Duration**: additional application points, projects must otherwise meet NOFA policy objectives; duration of preference to be determined in consultation with Housing Stability Council.

Beginning with the 2021 NOFA offerings, we are further recommending that we use this preference to prioritize the 2020 Federally Declared Wildfire Disaster Areas. We heard last month that HSC was supportive of this, though wanted staff to seek some way of giving varied priority based on the degree of impact within a particular community. Staff recommendation is a three tiered point structure for wildfire areas that would give the highest level of points to those city/town jurisdictions with the highest degree of housing units impacted by wildfires, second level to the remainder of jurisdictions directly impacted by wildfires, and the third level to the remainder of the declared counties. The detail of these points will be detailed in published NOFAs.

2021 Preference Recommendation:

- Adopt a Disaster Preference in the following 2021 NOFAs:
    - 9% LIHTC NOFA: will require an update to the state's Qualified Allocation Plan.
    - HOME NOFA: will be included in the new 5-year Consolidated Plan.
    - LIFT Rental and Homeownership NOFA.
    - Veterans NOFA.
    - Small Projects NOFA.

- **2021 Preference**: To apply for a minimum of three years beginning in 2021 to the counties impacted by the Federally Declared Wildfires which include the counties of Clackamas, Douglas, Jackson, Klamath, Lane, Lincoln, Linn, and Marion.
    - Highest level of points to projects in those jurisdictions with the highest degree of housing units impacted by wildfires.
    - Second highest to the remainder of jurisdictions directly impacted by wildfires.
    - Third highest to the remainder of the declared counties.

Summary of Fund Offering Revisions:

- **9% LIHTC NOFA:**
    - HOME funds removed from this offering.
    - Gap Resources increased to $500,000 per project in the OHCS Balance of State.
    - Establish scoring preference for Federally Declared Disaster Areas.

    Rationale: the resources we have in 2021 are insufficient to continue to leverage along with 9% LIHTC, given the imbalance in use experienced in 2020. Recommending increasing the gap resource limit from $400,000 per project to $500,000 per project in the balance of state where HOME resources used to be available, in the hopes it helps off-set this shift in resources, along with the ability to leverage OAHTC and additional 9% LIHTC into projects.

- **HOME NOFA:**
    - Dedicate this offering to preservation of affordable rental housing with a focus on rural communities.
    - Increase OAHTC to $6 million (formerly $2 million).
    - Establish scoring preference for Federally Declared Disaster Areas.

    Rationale: Given the tremendous need for preservation, and the ability for these funds to target preservation in rural areas, this alignment works well and is an opportunity to leverage OAHTC to support projects.

- **LIFT Rental NOFA:**
    - Decrease OAHTCs offering to $6 million (formerly $8 million).
    - Establish scoring preference for Federally Declared Disaster Areas.

    Rationale: As OAHTC has traditionally under subscribed in the LIFT NOFA, recommend moving more OAHTC to the HOME preservation NOFA.

- **LIFT Homeownership NOFA:**
    - Establish scoring preference for Federally Declared Disaster Areas.

- **Veterans NOFA:**
  - Establish scoring preference for Federally Declared Disaster Areas.

- **Small Project NOFA:**
  - Establish scoring preference for Federally Declared Disaster Areas.

- **Preservation NOFA and Manufactured Home Park NOFA *cancelled for 2021:***
  - *See OAHTC Pool for alignment with preservation.*

- **OAHTC Pool:**
  - Establishes a strong preservation lens on the set-asides in the expanded pool.
  - In response to feedback at the December HSC meeting, the cap for Manufactured Home Park OAHTC has been increased to $8 million (formerly $3 million).

OAHTC Pool Framework

OAHTC Pool Set-Asides	Availability	OAHTC Limits
Federal Project Based Rent Assisted; $45 M OAHTC Loan	60% of OAHTC set-aside allocated Rural	Up to 95% LTV
RAD/Section 18 Federal $105 M OAHTC Loan	Statewide	Up to 95% LTV
Portfolio Restructures $20 M OAHTC Loan	To address repair needs that will extend project life	Project by project basis
Manufactured Home Parks Preservation Acquisition $45 M OAHTC Loan	Statewide	$8 Million per project
New Construction / Rehab $35 M OAHTC Loan	Statewide	$3 Million per project
Note: These resources will be first-come first-served. The funds are intended to be soft set-aside pools, if not fully subscribed by 100 days of the application window period opening date they can be attributed to another set-aside pool; if resources are oversubscribed and remaining resources are not adequate to fully fund the last project, OHCS would reserve the right to add complementary resources to do so if available. Any OAHTC use where more than $3 million in OAHTC loan per project is allowable (see OAHTC Limits), must demonstrate maximizing other available resources and clearly demonstrate need for OAHTC.		

2021 Funding Calendar:

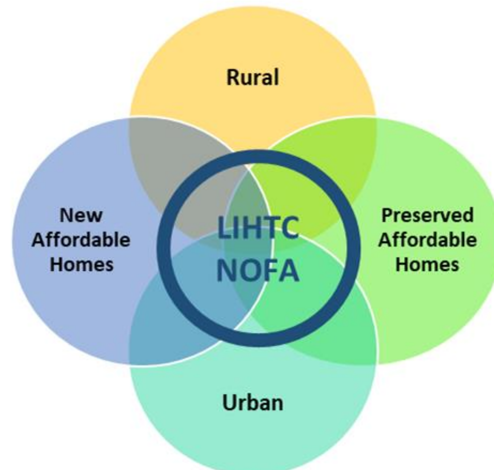
This 2021 funding calendar below incorporates all the updates to resource availability and alignment to best meet the needs at this time.

Fund Offering	2021 Resources*	Timeline	
		Open	Final
9% LIHTC NOFA	$10MM 9% LIHTC $4 MM Gap $8 MM OAHTC	1st Q 2021	3rd Q 2021
HOME NOFA	$3.6 MM HOME $2 MM Gap $6 MM OAHTC	1st Q 2021	3rd Q 2021
LIFT Rental NOFA	$60 MM LIFT $6 MM OAHTC	1st Q 2021	3rd Q 2021
LIFT Homeownership NOFA	$16.625 MM LIFT	1st Q 2021	3rd Q 2021
Permanent Supportive Housing (PSH) NOFA	$15 MM PSH; $4 MM in HTF $8 MM OAHTC; Rent Assistance	1st Q 2021	3rd Q 2021
OAHTC Pool	$250 MM OAHTC	1st Q 2021	Set-asides with First Come First Served
Veterans NOFA	$10 MM Vets GHAP; $4 MM OAHTC	3rd Q 2021	1st Q 2022
Small Projects NOFA	$13 MM Gap; $4 MM OAHTC $2.875 MM AWHTC	3rd Q 2021	1st Q 2022

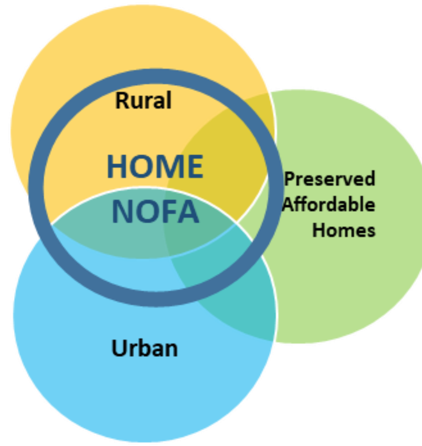
In addition to the above resources in 2021 Oregon Multifamily Energy Program Resources are available and 4% LIHTC is available on a non-competitive basis.
*If additional resources become available, staff will make recommendations to the HSC for the deployment of the funds which, if applicable, could include reinstating a preservation offering or adding them to the above offerings.

2021 Funding Frameworks - updated

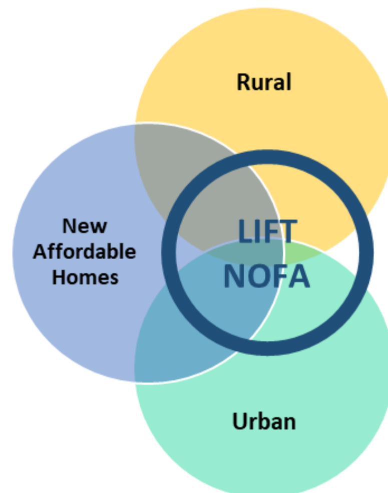
Fund Offering	9% LIHTC NOFA
Development Type	New; Acq/Rehab; Federal Rent Assistance Preservation
Geography	Statewide; allocated to regions
Subsidy Limits	9% LIHTC - QAP defined Gap - $400,000 per project max in Metro Region, Non-Metro PJ Region and $500,000 per project in Urban Balance of State and Rural Balance of State Regions OAHTC - $3MM loan per project
Scoring Principles	QAP determined *New Federally Declared Disaster Preference**
Equity	- Affirmative Fair Housing Marketing - MWESB Construction Workforce Engagement - Tribal Set-Aside - Resident Services; culturally responsive partnerships with resources - Opportunity Area and Vulnerable Gentrification Area preference, points - Diversity, Equity and Inclusion (DEI) agreement, requirement - 9% LIHTC Regional Allocation formula; inclusion of communities of color



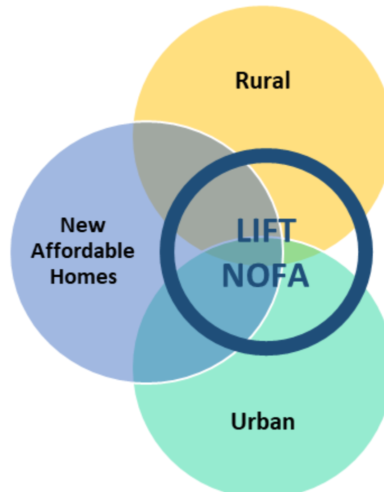
Fund Offering	HOME NOFA
Development Type	Federal Rent Assistance Preservation; Portfolio Preservation Rural Priority
Geography	Balance of State
Subsidy Limits	HOME - $500,000 minimum request Gap - $400,000 per project max OAHTC - $3MM loan per project
Scoring Principles	Preservation Rural Priority *New Federally Declared Disaster Preference**
Equity	- Affirmative Fair Housing Marketing - MWESB Construction Workforce Engagement - Resident Services; culturally responsive partnerships with resources - Opportunity Area and Vulnerable Gentrification Area preference, points - Diversity, Equity and Inclusion (DEI) agreement, requirement



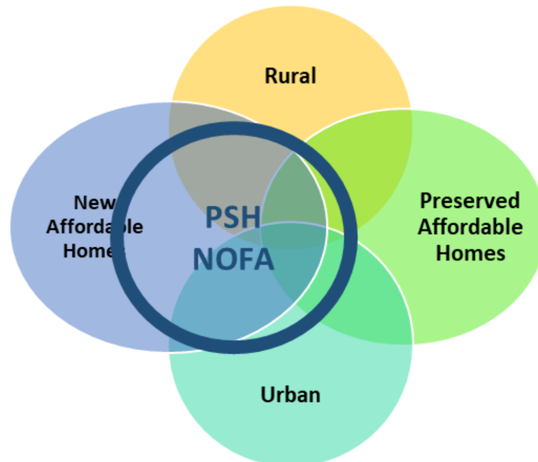
Fund Offering	LIFT Rental NOFA
Development Type	New Housing Units
Geography	Split between Urban & Rural
Subsidy Limits	LIFT: Urban: 0-2 bds, $75k; 3+ bds, $125k Rural: 0-2 bds, $125k; 3+ bds, $175k OAHTC: $3MM loan per project
Scoring Principles	Detailed LIFT framework includes Communities of Color / Costs / Partnerships / Equity *New Federally Declared Disaster Preference**
Equity	- Affirmative Fair Housing Marketing - MWESB Construction Workforce Engagement - Resident Services; culturally responsive partnerships - Location Accessibility - Diversity, Equity and Inclusion (DEI) agreement, requirement



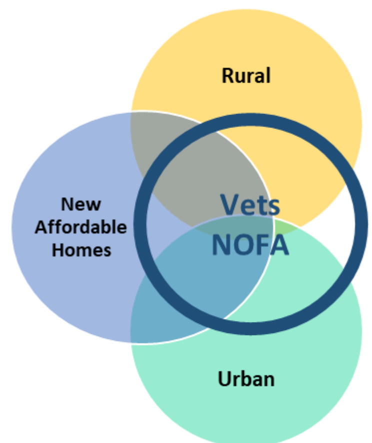
Fund Offering	LIFT Homeownership NOFA
Development Type	New Housing Units
Geography	Split between Urban & Rural
Subsidy Limits	LIFT: land value, max $100k/unit
Scoring Principles	LIFT framework: Communities of Color / Costs / Partnerships / Equity *New Federally Declared Disaster Preference**
Equity	- Affirmative Fair Housing Marketing - MWESB Construction Workforce Engagement - Resident Services; culturally responsive partnerships - Location Accessibility - Diversity, Equity and Inclusion (DEI) agreement, requirement



Fund Offering	Permanent Supportive Housing (PSH) NOFA
Development Type	PSH units in New / Acq/Rehab or Existing / Preservation
Geography	Split between Urban & Rural
Subsidy Limits	No hard cap on subsidy with a preference for at or below $250k per unit PSH; connected to PSH Institute; OAHTC: $3MM loan per project Rent Assistance for 60% AMI rents
Scoring Principles	Cultural responsiveness Serving Chronic Homeless Readiness to Proceed
Equity	- Affirmative Fair Housing Marketing - MWESB Construction Workforce Engagement - Resident Services; culturally responsive partnerships - Location Accessibility - Diversity, Equity and Inclusion (DEI) agreement, requirement



Fund Offering	Veterans NOFA
Development Type	Units for Veterans in any New / Acq/Rehab project; excludes Preservation
Geography	Split between Urban & Rural
Subsidy Limits	Vets GHAP; studio: $115k/unit 1 bdrm: $165k/unit 2 bdrm: $215k/unit 3 bdrm: $265k/unit OAHTC: $3MM loan per project
Scoring Principles	Service connections; Location accessibility; Family sized units; AMI served; Low Subsidy; Homelessness *New Federally Declared Disaster Preference**
Equity	- Affirmative Fair Housing Marketing - MWESB Construction Workforce Engagement - Resident Services; culturally responsive partnerships - Location Accessibility - Diversity, Equity and Inclusion (DEI) agreement, requirement



<table>
<tr><th>Fund Offering</th><th>Small Projects NOFA</th></tr>
<tr><td>Development Type</td><td>New or Preservation of Small Projects
40 units or less
Ag Project set-aside</td></tr>
<tr><td>Geography</td><td>Majority Rural</td></tr>
<tr><td>Subsidy Limits</td><td>
<table>
<tr><th></th><th>New/Unit</th><th>Pres/Unit</th></tr>
<tr><td>studio:</td><td>$125k</td><td>$75k</td></tr>
<tr><td>1 bdrm:</td><td>$175k</td><td>$100k</td></tr>
<tr><td>2 bdrm:</td><td>$225k</td><td>$125k</td></tr>
<tr><td>3 bdrm:</td><td>$275k</td><td>$150k</td></tr>
</table>
OAHTC: $3MM loan per project
AWHTC: no cap</td></tr>
<tr><td>Scoring Principles</td><td>Service connections;
Location accessibility;
Family sized units;
AMI served;
Low subsidy;
Asset building partnerships / service
*New Federally Declared Disaster Preference**</td></tr>
<tr><td>Equity</td><td>- Affirmative Fair Housing Marketing
- MWESB Construction Workforce Engagement
- Resident Services; culturally responsive partnerships
- Location Accessibility
- Diversity, Equity and Inclusion (DEI) agreement, requirement</td></tr>
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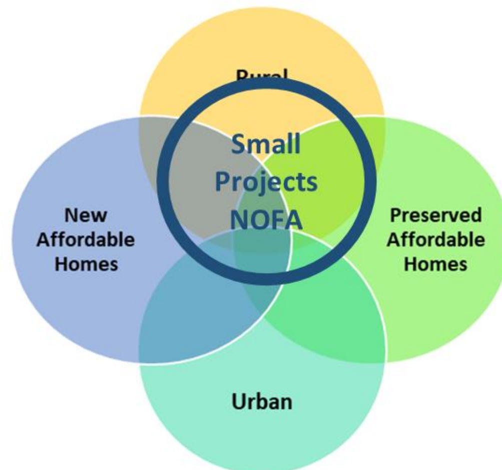


OREGON HOUSING and COMMUNITY SERVICES
725 SUMMER STREET NE, SUITE B | SALEM, OR 97301
503-986-2000 | www.oregon.gov/OHCS

Date: December 4, 2020

To: Housing Stability Council
Caleb Yant, OHCS Acting Executive Director

From: Mitch Hannoosh, Affordable Rental Housing Policy Analyst
Natasha Detweiler-Daby, Assistant Director Planning and Policy
Julie V. Cody, Director Affordable Rental Housing

Subject: Loan Guarantee Program Update

Motion: Housing Stability Council accepts the framework as presented [or with noted revisions] for updating the Loan Guarantee Program.

Overview

At the November Housing Stability Council (HSC) meeting, we presented on our update to the Loan Guarantee Program and collected feedback on the proposed framework for the updated program. We are presenting the framework again at the December HSC meeting, seeking approval with the hope of relaunching the Loan Guarantee Program in January.

The Loan Guarantee Program is intended to enhance the borrowing-ability of affordable housing developers by reducing the perceived market risk for lenders by *guaranteeing* a portion of the loan. OHCS has the ability to guarantee portions of loans by leveraging resources in a “guarantee account” with a balance of approximately $15 million. In a case where a loan with a guarantee ends up in a financial default or foreclosure, depending on the terms of the guarantee, the state would pay out from this guarantee account to cover the loss or financing buy-down up to an amount certain.

The framework presented last month to HSC highlighted the emphasis we have taken in restructuring the program to align with both the Equity and Racial Justice priority and the Rural Communities priority from our Statewide Housing Plan through pathways allowing for preferential loan terms for projects meeting criteria in those areas. We also have structured the program to better incentivize utilization by lenders and developers, while balancing OHCS’s risk tolerance and limited resources.

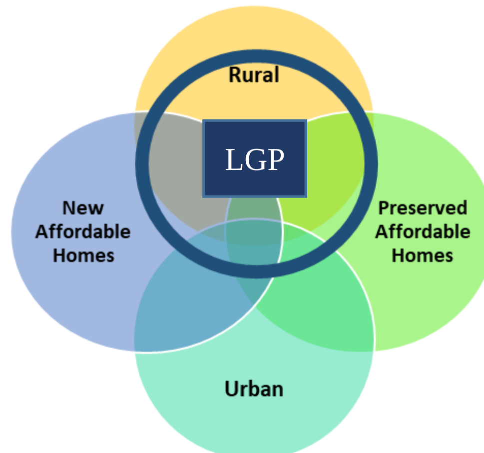
Program Framework Feedback and Response

At the November Housing Stability Council meeting we heard Council’s concern about program sustainability and made adjustments accordingly.

Council raised concerns about the way we structure the payment of the guarantee. As initially proposed, if a loan with a guarantee gets called in and OHCS needs to make a payment, OHCS would essentially be granting those resources. By doing this, we have no long-standing relationship with the project nor recourse for a future scenario where the project may have resources to pay the funds back. In response to this, we have updated the program framework so that if the guarantee needs to be utilized, the payment will convert to a subordinate mortgage loan agreed to upfront by all parties. The loan term will run concurrent with the primary permanent loan maturity, have a zero percent interest rate, no payments due and payable until the earlier of loan maturity, sale, or refinance. This structure would allow OHCS to remain financial party to the transaction as the project's use or its needs change, and upon sale or refinance, the loan would either be re-invested into the project or be due and repaid to the agency in full to be recycled into our Guarantee Fund depending on needs and affordability structure.

Framework

Fund Offering	Loan Guarantee Program
Development Type	New Construction; Acq/Rehab
Geography	Statewide; preferable terms for rural projects and culturally specific organizations
Guarantee Principles	Top loss or loan resizing on Perm loans including upon conversion from a construction loan.; Different set pathways depending on geography and whether project is sponsored by a culturally specific organization; Flexible payback options: 1. Principle pay-down (lump sum) / "right size a loan" 2. Making P+I debt service payments 3. If true – loss, up to the amount remaining that is guaranteed Payback occurs as a zero payment, zero interest, subordinate position to primary permanent loan to be repaid at maturity or upon sale or refinancing (exception allowed for demonstrated need)
Equity	Allows for an equitable playing field for newer and less capitalized culturally specific affordable rental housing development entities.



	Preferable terms for culturally specific organizations Resources set-aside for culturally specific organizations

Oregon Housing and Community Services | 725 Summer St. NE Suite B, Salem, OR 97301-1266 | (503) 986-2000 | FAX (503) 986-2020