



Oregon State Housing Council

Local Innovation and Fast Track (LIFT) Housing Program

Financial Structuring Committee Charter

Background and Problem Statement

The 2015 Oregon Legislative Assembly appropriated \$40 million in new funds for the development of affordable housing for low income families throughout Oregon. The source of funds for this historic investment is general fund-backed bonds, as authorized under Article XI-Q of the Oregon constitution.

In making this investment, the Legislature and the Governor have tasked Oregon Housing and Community Services and its primary policy advisory body (the Oregon State Housing Council) with

- creating a housing development program that builds on past successes while creating simpler, more streamlined processes to expedite housing development;
- seeking to drive down overall housing development costs; and
- strategically linking new housing with other state programs that aim to stabilize families and help them to gain economic self-sufficiency.

The Oregon State Housing Council wishes to augment its capacity by convening a diverse set of subject matter experts to recommend policy parameters and program design elements that can position the LIFT program for success.

Group Purpose

To advise the Oregon State Housing Council and OHCS on specific implementation strategies that will lead to successful program execution. To recommend investment strategies and ownership structures for use of the Article XI-Q bonds that comport with constitutional requirements and legislative intent, and can be effectively implemented in concert with private sector developers, owners and developers of housing. To suggest innovative avenues to garner proposals that will maximize housing production and streamline execution. To develop risk management guidance for development phase work as well as ongoing operation.

Legislative Intent

The legislature offered policy guidance to accompany the bonding authority to guide the implementation of the LIFT program:

- Serve families with incomes at or below 60% of area median income;
- Create as many new housing opportunities as possible, recognizing that high unit production targets do not necessarily help with keeping rents as low as possible;
- Encourage local innovation;
- Strive for geographic equity in allocating the funds;
- Prudently manage development and ongoing operational risk to the State;
- Leverage private sector expertise and work to ensure the State does not compete with existing private sector providers;



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- Leverage other sources of funds, without creating undue complexity and cost;
- Define ownership and/or operational functions for the State as called for in Article XI-Q.

Committee Authority and Anticipated Duration

The role of this committee is advisory and is focused on up-front program design considerations and strategies for implementation. It will make recommendations to the State Housing Council which will advise and oversee OHCS' implementation of the program.

Group Sponsor

The Director of Oregon Housing and Community Services Department.

Membership

Brad Bullock, City Real Estate Advisors, Inc., Senior Vice President

Aubre Dickson, Key Bank, Vice President, Sr. Relationship Manager; State Housing Council Member and Current Chair

Jason Elzy, Housing Authority of Jackson County, Director of Development

Anna Geller, Geller Silvis & Associates, Inc., Private Developer; The Equity Alliance, Board Member

Sean Hubert, Central City Concern, Housing Director

Ed McNamara, Turtle Island Development, LLC, Executive Director

Janet Merrell, Community Action Partnership of Oregon (CAPO), Interim Executive Director; Neighbor Impact, Deputy Director, Community Services

Nelda Newton, Wells Fargo Bank Community Lending & Investment, Senior Vice President, Debt Management

Convening Information

The committee will meet for three work sessions lasting up to three hours each. Members will be provided with background materials, available data and research on needs and best practices, and draft policy parameters for consideration. Meeting time will primarily be used to review, discuss, and debate opportunities for targeting funding and methods for inviting proposals.

OHCS will engage a third party, experienced meeting and process facilitator to elicit discussion of trade-offs and policy concepts.



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OHCS staff will seek to schedule meetings when the most number of members can be present, and asks that members respond promptly to requests for meeting availability.

The Committee will meet at least once jointly with the Policy Committee, and members will be invited to attend and report to the State Housing Council on progress of the work.

Additional meetings or work sessions may be scheduled if needed.

Deliverables

Based on knowledge of existing OHCS housing finance and asset management systems discuss ways to simplify and streamline processes for the LIFT program and offer recommendations on the following:

1. Identify ownership structures, including fee simple and leasehold interests, including identifying the best role for OHCS, and methods for structuring partnerships with private sector actors.
 2. Simplify real estate development and investment approaches, identifying which approaches are most advantageous in rural and metro areas of the state.
 3. Define the range of eligible projects that should be supported and propose solicitation methodologies.
 4. Identify risks to OHCS and outline risk mitigation options.
 5. Define project operating expectations and appropriate level of on-going operating oversight.
 6. Identify the level, frequency, and character of ongoing compliance monitoring.
 7. Assess other program financial structure guidance that could result in administrative rules or inform agreements and ongoing monitoring.
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Signature of Sponsor

8/4/2015

Aubre Dickson, Chair
Oregon State Housing Council

8/4/2015

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