



# Oregon

Governor Kate Brown

## Oregon Housing Stability Council

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April 1, 2016

### Oregon Housing Stability Council Meeting Minutes

Chair Dickson called the meeting to order at 9:04 a.m. He then thanked REACH for hosting the Housing Stability Council meeting at the Grey's Landing Community room. Chair Dickson then asked for the roll call.

Council member Mike Fieldman was on vacation and excused from the meeting. Roll was called and is reflected in the table below:

Council member	Present	Excused
Mayra Arreola	X	
Tammy Baney	X	
Mike Fieldman		X
Zee Koza	X	
Marissa Madrigal	X	
Adolph "Val" Valfre	X	
Chair, Aubre Dickson	X	

#### Public Comment

Chair Dickson opened the meeting for general public comment and asked that anyone with comments of the LIFT program, wait until the topic is discussed later in the meeting.

From the phone: No comments from the telephone.

From the room: No comments from the audience.

#### **Draft meeting minutes for approval**

The meeting minutes from the March 4, 2016 meeting were distributed to Council members prior to the April 1, 2016 meeting and edits received were incorporated into the document presented to the Council for approval on 4/1/16. Chair Dickson asked Council members if they had any questions or additional edits. Receiving none, Chair Dickson then called for a motion to approve the meeting minutes. Councilmember Valfre moved to approve the meeting minutes and Councilmember Koza seconded the motion. Chair Dickson then called for a vote.

#### **March 4, 2016 Meeting Minutes:**

Council member	Motion	Yes	No	Abstain	Absent
Mayra Arreola		X			
Tammy Baney		X			
Mike Fieldman					X
Zee Koza	2 <sup>nd</sup>	X			
Marissa Madrigal		X			
Adolph "Val" Valfre	✓	X			
Chair, Aubre Dickson		X			

**Vote: 6:0:0:1 | PASS**



**Residential Loan Program Consent Calendar – *Kim Freeman, Single Family Section Manager***

Ms. Freeman presented an overview of the one residential loan up for approval on the consent calendar. Chair Dickson then called for questions or comments from the Council.

Councilmember Baney asked for clarification on the lot size. The size was given in square footage, rather than in acres (this is a limitation of the program). Ms. Freeman committed to make a note and provide the lot size in acres during future presentations.

Councilmember Baney moved to approve the consent calendar as presented and Councilmember Madrigal seconded the motion. Chair Dickson then called for a vote.

Council member	Motion	Yes	No	Abstain	Absent
Mayra Arreola		X			
Tammy Baney	✓	X			
Mike Fieldman					X
Zee Koza		X			
Marissa Madrigal	2 <sup>nd</sup>	X			
Adolph “Val” Valfre		X			
Chair, Aubre Dickson		X			

**Vote: 6:0:0:1 | PASS**

**US Department of Energy Annual Plan –**

***Claire Seguin, Assistant Director, Housing Stability & Tim Zimmer, Energy Services Section Manager***

Ms. Seguin introduced Tim Zimmer, Energy Services Section Manager and Pegge McGuire, Housing Energy Services Director at Community Services Consortium (Ms. McGuire was a member of the working group put together by OHCS to create the US DOE State Plan draft). Click [here](#) to view the draft plan.

Mr. Zimmer provided an overview of the US DOE program and the state plan for Oregon. You can reference the memo on page 13 in the [meeting materials packet](#).

Ms. McGuire provided the Council with her perspective on the process as a partner on the working group. She commended OHCS for their efforts to assemble a working group that had members from across the state and from many diverse areas. She believes this helped OHCS to develop a draft plan which takes into consideration the viewpoints of the members of the working group. The members of the working group are looking forward to participating in this process in the future.

Mr. Zimmer then asked if there were any questions on the presentation. Councilmember Baney asked how the technical assistance dollars are being spent. What types of activities are included? Mr. Zimmer told the Council that much of the dollars are spent on completing required certification and continuing education training. Some of the dollars are spent to travel to the training locations. Councilmember Valfre asked about the income eligibility requirements and if the pool grew or stayed the same. Mr. Zimmer said the number of people eligible actually increased with the updated formula.

Chair Dickson informed Mr. Zimmer that the list of Councilmembers was a bit out of date and should be updated before the plan was submitted. Mr. Zimmer will make the necessary updates to the plan to reflect the current information about the Housing Stability Council members. Councilmember Arreola wanted to know how often this topic will be brought before the Council. OHCS will plan to bring this program before the Council.

Chair Dickson asked that the information included about each of the Council members be updated to reflect current status.

Chair Dickson then asked for the motion. Councilmember Arreola moved to approve the draft 2016 US DOE State Plan with corrected Council member information, Councilmember Valfre seconded the motion. Chair Dickson then called for a vote.

<b>Council member</b>	<b>Motion</b>	<b>Yes</b>	<b>No</b>	<b>Abstain</b>	<b>Absent</b>
Mayra Arreola	✓	X			
Tammy Baney		X			
Mike Fieldman					X
Zee Koza		X			
Marissa Madrigal				X*	
Adolph "Val" Valfre	2 <sup>nd</sup>	X			
Chair, Aubre Dickson		X			

**Vote: 5:0:1:1 | PASS**

*\*Councilmember Madrigal declared a potential conflict on this topic and abstained from the vote.*

**Multifamily Bond Approvals (Woodland Park) –**

**Heather Pate**, Multifamily Finance Section Manager & **Teresa Pumala**, Loan Officer

Ms. Pate introduced Theresa Pumala to provide the update on the Woodland Park project for approval. Ms. Pumala provided a high-level view of the bond request and a summary of the work to be done with the money from the bond issue. You will find the memo summary of the bond request beginning on page 38 of the meeting packet.

Councilmember Valfre asked how the OAHTC funds will be utilized. Ms. Pumala said the funds will be used to buy down the loan. Councilmember Valfre also asked about the use of project based assistance funds. Ms. Pumala said yes, there are project based funds as part of this project.

Chair Dickson asked about how the Housing Preservation funds would be coming into the project. Ms. Pumala told the Council the funds would be coming in as a grant.

Trina Whitman & Aruna Doddapaneni from Bridge Housing (partners in this project) came to the table to address the Council. Bridge Housing hopes to close on the financing in about two weeks and complete the project in early 2017.

Councilmember Baney told Bridge Housing that she appreciates the variety of services available at Woodland Park and the commitment to support those you are serving. Ms. Whitman told the Council when Bridge Housing bought the property there were no services and one of their goals was to provide good services for the residents.

Chair Dickson called for a motion. Councilmember Koza moved to approve the Woodland Park bond request as presented and Councilmember Arreola seconded the motion.

Chair Dickson then called for the vote.

<b>Council member</b>	<b>Motion</b>	<b>Yes</b>	<b>No</b>	<b>Abstain</b>	<b>Absent</b>
Mayra Arreola	2 <sup>nd</sup>	X			
Tammy Baney		X			
Mike Fieldman					X
Zee Koza	✓	X			
Marissa Madrigal		X			
Adolph "Val" Valfre		X			
Chair, Aubre Dickson		X			

**Vote: 6:0:0:1 | PASS**

**Mental Health Housing Program Update – Heather Pate**, Multifamily Finance Section Manager  
Ms. Pate stepped to the table and introduced Darcy Strahan (Contracts & Housing Development Manager at the Oregon Health Authority) who joined by phone to be available to answer any questions about the Mental Health Housing from the OHA perspective.

Ms. Pate provided a high-level overview of the program. Please reference the program memo on page 47 of the meeting packet. Ms. Pate reviewed the recommendations as outlined in the memo as well. The next step for OHCS is to draft and release a Notice of Funding Availability. Heather and her team anticipate bringing an award recommendation before the Council in November or December 2016.

Councilmember Koza asked if there was a way to prioritize given the huge demand for mental health housing. Are you looking to reach out to a particular segment of the Mental Health community? Ms. Strahan told the Council the only definition which would be used is: those applying for housing have to qualify as having a serious mental illness. Councilmember Koza asked a follow-on question: is developmental disability included in the definition of mental illness? Ms. Strahan said that no, it would not be included. Councilmember Koza then asked an additional question: Are you considering having “hardened” units? Ms. Strahan said no, it is not part of the process. Director Van Vliet asked if a project sponsor wanted to include hardened rooms, would they be considered. Ms. Strahan said that OHA does not typically consider this as part of their supported housing projects.

Chair Dickson wanted to know if the Council will be able to see the scoring criteria before it goes out. Director Van Vliet told the Council that the scoring methodology is not published prior to the NOFA release, because that gives applicants the keys to the application and an unfair advantage in the competition. It may be worth it to bring Ms. Strahan before the Council in the future before the NOFA is released.

Councilmember Baney asked what the “local alcohol and drug planning council” was. Ms. Strahan told the Council it was her understanding that each county has such a council and some of the counties have more active groups than others. Ms. Baney says there is no such group in her county that she is aware of. Ms. Strahan will validate and confirm the groups by county. It may be a group by another name.

**LIFT Program Design Adoption – Julie Cody**, Assistant Director, Housing Finance

Director Van Vliet provided the update today for Ms. Cody. OHCS will provide recommendations in the report that have addressed four key areas the Council spoke of at the April meeting. After the presentation there will be time to hear testimony from those who have signed up.

You will find the memo and the draft LIFT program design beginning on page 47 of the meeting packet.

Director Van Vliet provided an overview of the update on the specific areas of concern as outlined in the memo. You may view the update memo on page 47 of the [meeting material packet](#).

The four areas she reviewed were:

1. LIFT subsidy per unit cap
2. Need formula
3. Rural communities definition
4. Strategies for involving the Department of Human Services (DHS)

### **Public Comment on the Draft LIFT program framework**

Chair Dickson next invited those in attendance in the room and by phone to give public comment on the LIFT program design draft.

**Diane Linn**, Executive Director at Proud Ground & Board member at Oregon Opportunity Network – Thank you to OHCS and the legislature for the original commitment of \$40 million. The cap is of concern to colleagues at Oregon ON; the practical application could be a real challenge. Ms. Linn would like to see homeownership as an option for the program. They would like to see more information on the topic of the proposed state ownership structure and a commitment and timeline on communication to investors and lenders on document changes. Oregon ON is hoping to be a partner with the state in the process.

**Brett Sheehan**, CASA of Oregon – he is excited about the LIFT funds, thank you for your efforts to launch this program. Concerned about the 60% limit in rural Oregon and how it may make projects more difficult. Wondering if and how manufactured homes and parks might be explored through the LIFT program and process.

**Joni Hartman**, Housing Development Center – totally support the goals of the LIFT program. She expressed concerns with the number of homes and the subsidy amount being proposed and considered for the LIFT program. She is concerned that reducing construction costs through the LIFT program may create construction defects in the future. She also expressed concerns that the amount allowed for operations per unit is too low.

**Michael Parkhurst**, Meyer Memorial Trust – Mr. Parkhurst expressed concern with the per unit cap. Appreciates the challenges the agency is facing through this process.

Councilmember Koza asked Mr. Parkhurst what he thought the cap amount should be. Mr. Parkhurst said he did not have a specific number, but he believes there is not just one number and it can change from area to area across Oregon.

**Anna Geller**, Geller Silvis – Ms. Geller said she and the other members of the LIFT Finance Subcommittee were excited about the possibilities while they were doing the pre-work for the LIFT program. Ms. Geller wanted the Council to try LIFT. Any bumps we encounter along the way can be addressed as they come up. She encouraged the Council to give the LIFT program a chance.

**Dan Valliere**, REACH – He thought the Finance Subcommittee did a good job exploring the options for the LIFT program. Creating some flexibility may be useful to see what else may be available and spur other ideas along the way.

**Shannon Vilhauer**, Habitat for Humanity of Oregon – Ms. Vilhauer expressed her thanks for the hard work of the agency, the Council and the Subcommittees.

Chair Dickson invited the Council members to provide any comments or feedback on the draft LIFT program framework.

Councilmember Baney wanted to get an update on the possibility of homeownership as part of the LIFT program. Director Van Vliet said that the agency recommendation does not have a provision for homeownership. This is a topic that staff and the Council have wrestled with the topic of homeownership. The agency wants to go back to the original intent of the LIFT program and we are not making a recommendation at this time.

Councilmember Arreola said from her perspective it is important for us to innovate in how we address housing. She believes it is important to hear from partners and stakeholders, but at some point we need to commit to the program. The purpose was to innovate, create new partnerships

and production of housing units. If you want things to be different, you have to change the way you think and how you create things to get a different outcome.

Councilmember Valfre said it was his pleasure to serve on one of the LIFT subcommittees. He feels flexibility is an important aspect, but we have an opportunity to do something different.

Councilmember Koza said she was concerned we would spend too much time trying to get the program perfect on the front end instead of starting the program and refining things as we move forward.

Councilmember Madrigal has some concerns about how the cap amount would impact developers in urban areas. She wants to know more about the Q-bonds and how they function. Do we know how the use of the Q-bonds would impact financing and other sources of funding for LIFT projects? Director Van Vliet said that there is more to learn in this area, but Legislative Council and DOJ have provided great support in helping the agency understand what our obligations are when using the Q-bonds. There are pathways forward for financing. We plan to be intentional with our outreach to other jurisdictions for the LIFT program.

Chair Dickson said that he is still struggling with some of the content of the letter from Speaker Kotek as it relates to the \$32,000 cap. What is the nexus between cost containment and durability & quality? He expressed concern with the subsidy cap. We want to create housing quickly that is also lasting and stable. He wants us to make sure we also address supportive services. Can we build in some flexibility to incentivize more developers? It is better to have more applications than less.

Councilmember Baney suggested we do a bit more work on the draft. It is important to be creative and innovative, but we should also be flexible. We need to explore land use laws and the impact to the LIFT program? She wants us to be flexible, but she wants us to squeeze the opportunity out of the \$32,000 cap. Not sure what it should look like. Scoring will be difficult. Believes it is important to make sure what we build today is sustainable into the future. Our partners have to be able to make the LIFT model work.

Councilmember Madrigal asked about the process of making changes to the LIFT draft? How do we do that? Director Van Vliet said we can amend the agenda while in process and bring the topic back before the Council in May. Her instinct is to defer a vote to May.

Councilmember Madrigal expressed her concerns about how limited the funds are in other ways beyond the subsidy cap. Build flexibility into the application and scoring process.

Councilmember Baney wanted to encourage the Council to make a decision in May.

The LIFT program will come before the Council on Friday, May 6, 2016.

**2016 Multifamily NOFA Resource Allocation Recommendations – *Heather Pate***, Multifamily Finance Section Manager

Ms. Pate presented on behalf of Julie Cody. She reviewed the request memo with council which can be found on page 62 in the [meeting material packet](#). Ms. Pate reviewed the upcoming NOFAs for 2016, 2017 and 2018. She also informed the Council of her plan to get all of the NOFAs on a regular schedule and rhythm to assist the sponsors with their annual planning. Ms. Pate reviewed the line-up of NOFAs over the next three years.

Councilmember Valfre moved to approve the gap fund allocation as presented by Ms. Pate and Councilmember Koza seconded the motion. Chair Dickson called for a vote.

Council member	Motion	Yes	No	Abstain	Absent
Mayra Arreola		X			
Tammy Baney		X			
Mike Fieldman					X
Zee Koza	2 <sup>nd</sup>	X			
Marissa Madrigal		X			
Adolph “Val” Valfre	✓	X			
Chair, Aubre Dickson		X			

**Vote: 6:0:0:1 | PASS**

**Agency Request Budget (ARB) Process Overview – Caleb Yant**, Chief Financial Officer

Mr. Yant gave the Council an introduction to the agency budget process. The materials he presented can be found on page 65 in the [meeting materials packet](#). Also included in the meeting materials packet is a summary of the 2015-17 Legislatively Adopted Budget.

The OHCS budget includes:

1. Expenditure limitation which allows us to spend the money.
2. Position authority, the people to administer programs.
3. Opportunity to ask for new or different things by submitting Policy Option Packages.

OHCS is not very dependent upon General Fund (about 1% of our total budget).

Policy Option Packages (POP) –

Mr. Yant reviewed the list of potential POPs the agency is considering. Some with no general fund impact and others with general fund or lottery fund impact.

OHCS would like to have the Council help to inform what is asked for when Policy Option Packages are submitted. OHCS would like the Council input on the OHCS budget.

Councilmember Arreola asked about the Equity Coordinator position and what their role would be at the Agency. Director Van Vliet explained to the Council that OHCS is hoping to have this person address equity in contracting, grant administration, setting outcome targets, engaging with our partners. We will be leveraging the work of other state agencies as well.

Councilmember Valfre expressed his appreciation for the work done in preparing the budget request.

Chair Dickson said this was great work and very informative and I look forward to future presentations.

**Statewide Housing Plan Process Introduction – Rem Nivens**, Assistant Director, Public Affairs & **Shoshannah Oppenheim**, Federal Planning & Policy

Mr. Nivens and Ms. Oppenheim provided the Council with a summary of the Statewide Housing Plan. Please reference page 96 in the [meeting materials packet](#).

We would like to make the plan the “go-to” place for all things housing in Oregon. Our plan is to have a place where stakeholders, partners, advocates, other state agencies and anyone else interested in housing issues can come.

We realize this work will not be easy and our original timeline is not realistic. Our hope is to build something solid that is the go-to place for housing. That is something new, built from the ground up that is well thought out.

OHCS is currently at the very beginning stages and nothing is set in stone. We are looking for input from the Council. Our plan is to create the Statewide Housing Plan in stages and to bring each stage to the Council for approval along the way.

Ms. Oppenheim laid out the preliminary thinking and next steps from problem identification to implementation. She also highlighted the proposed approach for creating the Statewide Housing Plan.

Ms. Oppenheim and Mr. Nivens will be looking for help from the Council during this process. She will be coming back in mid-Summer for a check in with the Council.

Councilmember Valfre is excited to see this work get underway. This will be a very important tool for many across the state. He expressed a desire for the team to work with local jurisdictions on the creation of the plan.

Councilmember Baney asked how broad the thinking is about the plan, will you include homeless statistics. Ms. Oppenheim said they would use the full continuum when formulating the plan.

Director Van Vliet added that she is viewing her email with a new eye and looking for work already being done in other states and jurisdictions. What items might resonate with the work of creating the plan. Please be sure to send your ideas to Ms. Oppenheim at any time.

Chair Dickson is excited to see the process begin and for the Council to have a role in the plan creation.

### **Report from Director Van Vliet**

#### Highlights:

- ◆ OHCS received an additional \$10 million in EHA and SHAP during the session in February. We are working to make a plan for getting that money out the door.
- ◆ You have a revised agenda projection for you in your desk packet, with some updates and changes about future program, project changes.
- ◆ We will be going to Bend for a May 5<sup>th</sup> tour and the regular meeting on Friday, May 6<sup>th</sup>.
- ◆ Margaret went on a housing tour with Senator Merkley earlier this week. It was a productive and enlightening tour with our Congressional delegation.
- ◆ End of April convening of 8 states community action providers in Portland.

### **Report from Chair Dickson**

Chair Dickson said he was looking forward to spending time with Governor Brown in an hour.

*Chair Dickson adjourned the meeting for lunch with a reminder to reconvene a few minutes before 1:00 p.m.*

*Chair Dickson reconvened the meeting at 1:00 p.m. and introduced Governor Brown to the Council.*

**Statewide Housing Discussion with Governor Brown**

Governor Brown shared some remarks about her statewide housing policy and concerns about housing and homelessness.

The Governor then opened the floor to the Council members and asked them to share their thoughts about housing and what we should be doing.

- Address land use and zoning changes that could complement communities and not promote sprawl.
- Creating the Statewide Housing Plan.
- Get to the core of the systemic issues families face when trying to access housing. Think on a more holistic level.
- Focus on alignment and social equity and keep these two topics as cornerstones.
- Aggressively go after areas where we as a state still operate in silos and look for alignment opportunities.
- Get clear about outcomes. Help those populations which are under-served.
- Working with the non-profit and private sector partners.
- Economy, job creation and opportunity. Sustain and attract businesses.

Do you have any ideas about how the state can be innovative, try new partnerships or take a new approach?

- There is some momentum around engaging with businesses to utilize the technology platforms which non-profit and government sectors could use to eliminate redundant processes.
- Continue the leadership role with workforce programs and supplement federal money.
- There is a great need for affordable housing in Oregon. It is important to address the gap between what we can deliver and the demand.
- Replicate best practices from across the country.
- Housing is one piece, but the need for education, work force and supportive services for people so they move forward is where alignment is critical.
- The state should go after every federal dollar available to us.

Director Van Vliet expressed her thanks to the Governor for coming to the meeting today.

*Chair Dickson adjourned the meeting at 1:30 p.m.*



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Aubre Dickson, Chair  
Housing Stability Council

05/06/2016

Date



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

05/06/2016

Date