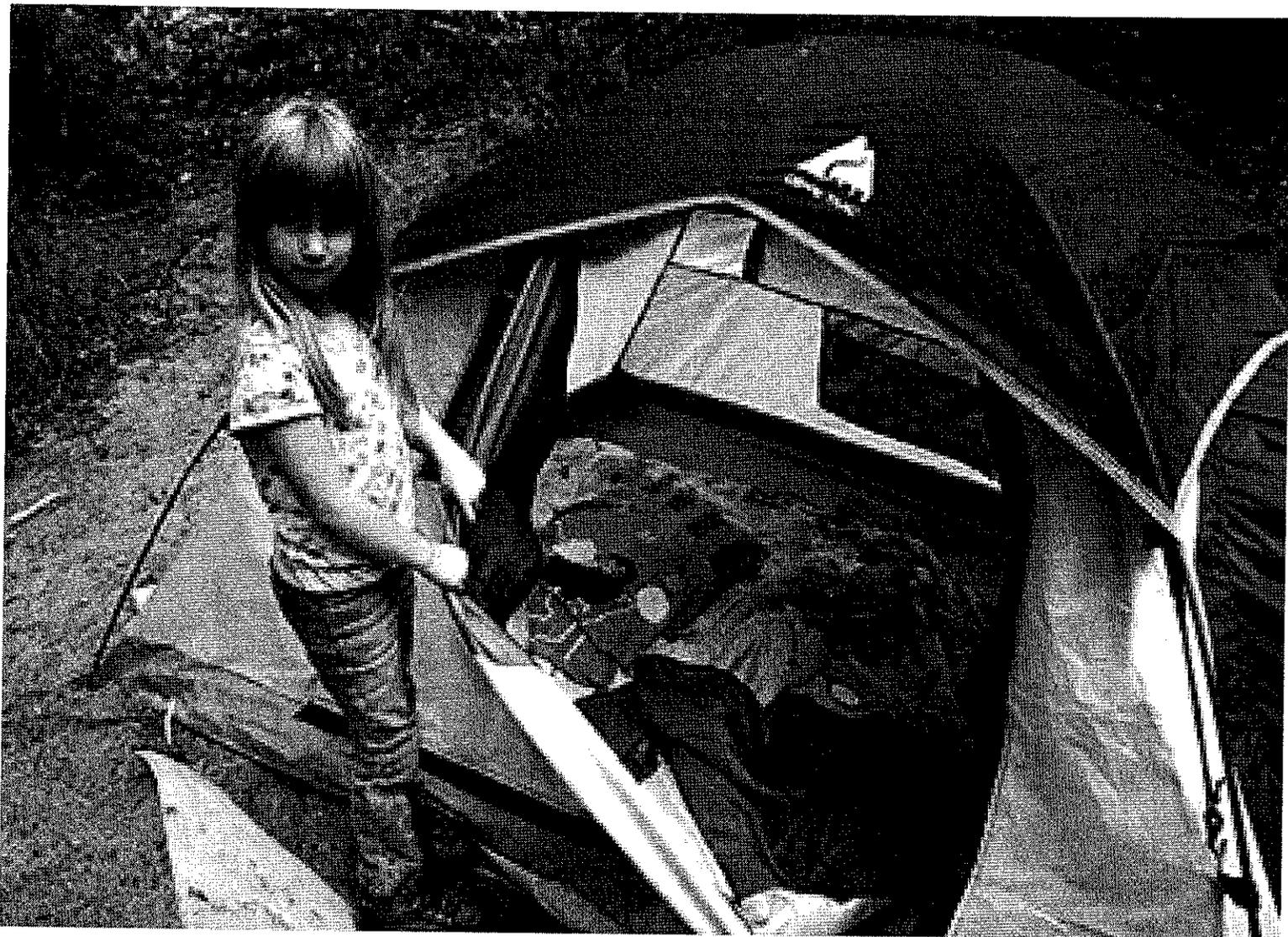


OREGON STATE HOUSING COUNCIL

April 2, 2010



Lack of Affordable Housing

Oregon Housing and Community Services
725 Summer Street N.E., Room 124 A/B
Salem, OR 97301
(503) 986-2005

OREGON STATE HOUSING COUNCIL

April 2, 2010

TABLE OF CONTENTS

<u>AGENDA</u>	1
<u>APPROVAL OF MINUTES</u>	
A. Minutes of February 26, 2010	3



Oregon State Housing Council

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Council Members
Maggie LaMont, Chair
Scott Cooper
John Epstein
Stuart Liebovitz
Francisco López
Nancy McLaughlin
Jeanne Woolley

STATE HOUSING COUNCIL MEETING

April 2, 2010

9:00 a.m.

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

AGENDA

- I. **CALL TO ORDER** M. LaMont
- II. **ROLL CALL** M. LaMont
- III. **PUBLIC COMMENTS** M. LaMont
- IV. **APPROVAL OF MINUTES** M. LaMont
 - A. Minutes of February 26, 2010 Meeting
- V. **RESIDENTIAL CONSENT CALENDAR**
None
- VI. **SPECIAL REPORTS**
 - A. *Primer on Plan to End Homelessness*, **Roberto Franco**
and **Mary Carroll**
- VII. **NEW BUSINESS**
 - A. *Jen's Place* (Dallas, OR), HOME and Trust Fund Increase
Request R. Barnes
- VIII. **OLD BUSINESS**
None

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IX. REPORTS

- A.** Neighborhood Stabilization Plan Update
- B.** Federal Stimulus Plan Update
- C.** CFC / Needs Analysis
- D.** Housing Council Strategic Plan Updates

- E.** Report of the Chief Financial Officer
- F.** Report of the Deputy Director
- G.** Report of the Director
- H.** Report of the Chair

- R. Malloy**
- J. Fletcher**
- B. Carpenter**
- M. LaMont**
- J. Epstein**
- N. Cain**
- R. Crager**
- V. Merced**
- M. LaMont**

X. FUTURE AGENDA ITEMS

- V. Merced**

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OREGON STATE HOUSING COUNCIL
Minutes of Meeting

Oregon Housing & Community Services
Large Conference Room, 124 A/B, First Floor
725 Summer Street N.E., Suite B, Salem, OR 97301
9:00 a.m.
February 26, 2010

MEMBERS PRESENT

Scott Cooper
John Epstein
Maggie LaMont, Chair
Stuart Liebowitz
Nancy McLaughlin

MEMBERS ABSENT

Francisco López
Jeana Woolley

GUESTS

Patti Whitney-Wise, Oregon Hunger Task Force
Anna Geller
Keith Wooden, Housing Works
Gary Langenwaller, 3E Strategies
Cylvia Hayes (via phone), 3E Strategies
Sheila Greenlaw-Fink, Exec Director CPAH
Daryn Murphy, HDC Consultant

STAFF PRESENT

Victor Merced, Director
Rick Crager, Deputy Director
Nancy Cain, Chief Financial Officer
Marlys McNeill, Asset and Property Management Division Administrator
Pegge McGuire, Community Resources Division Administrator
Vince Chiotti, Regional Advisor to the Department
Karen Clearwater, Regional Advisor to the Department
Debbie Price, Regional Advisor to the Department
Lisa Joyce, Policy & Communication Manager
Rich Malloy, NSP & Policy Coordinator
Mariana Negoita, Tax Credits Program Coordinator
Shelly Cullin, Senior Loan Officer
Theresa Easby, Loan Closer
Joyce Robertson, Loan Closer
Roberto Franco, Single Family Section Interim Manager
Margaret McDowell, Chief Audit Executive
John Fletcher, Financial Management Division Policy Advisor
Jo Rawlins, Recorder

I. CALL TO ORDER: Chair LaMont calls the February 26, 2010 meeting to order at 9:04 a.m.

II. ROLL CALL: Chair LaMont asks for roll call. Present: Scott Cooper, John Epstein, Stuart Liebowitz, Nancy McLaughlin and Chair LaMont. Absent: Francisco López and Jeana Woolley.

III. PUBLIC COMMENT: None

IV. APPROVAL OF MINUTES

A. Chair LaMont asks if there are any corrections to the January 22, 2010 Minutes. There being no corrections, the Motion was read:

MOTION: Cooper moves that the Housing Council approve the Minutes of the January 22, 2010 Council meeting.

1 **VOTE: In a roll call vote the motion passes. Members Present: Scott**
2 **Cooper, John Epstein, Stuart Liebowitz, Nancy McLaughlin and Chair**
3 **LaMont. Absent: Francisco López and Jeana Woolley.**

4 **V. RESIDENTIAL CONSENT CALENDAR: None.**

5 **VI. SPECIAL REPORTS:**

6 **A. *Connections Between Housing and Hunger: An Update on Progress and Next***
7 ***Steps.* Patti Whitney-Wise, Oregon Hunger Relief Task Force, and Anna Geller, Washington**
8 **County Commission on Children and Families. Whitney-Wise reported that since her first**
9 **conversation with Council a few years ago, her organization had developed a brochure on USDA**
10 **food programs in housing complexes, published by OHCS, that is being used with their**
11 **developers to encourage them to take advantage of some of the federal food programs that are**
12 **available. She says that overall in the Special Legislative Session they were able to protect most**
13 **of their services, even though they were not able to increase them as much as they had hoped.**
14 **She passes around a brochure that was recently developed by OHCS, with the collaboration of a**
15 **number of groups, with ARRA funds being used to create the publication. She hopes it can be**
16 **used by the weatherization staff as they go out into the community. It is also being provided to**
17 **food bank outlets and other partners. She distributes a third brochure for the Oregon Business**
18 **Hunger Initiative, and explains that with the downturn in the economy and the budget cuts, last**
19 **summer a lot of schools did not run their summer school programs, which meant the loss of**
20 **potential sites to feed children during the summer. They went to the business community last**
21 **Spring and presented them with the brochure to see if they would be willing to help raise money**
22 **for mini-grants to help operate programs throughout the state. The result is that they raised about**
23 **\$9,600, which was distributed throughout the state in 32 programs in 20 counties. They directly**
attributed 60 meal sites and 74,495 meals to those sites. The money for the meals came from the
federal summer food programs, so it was a return of 203% on the investment by the business
community. They will be doing the same thing again this summer. She acknowledges OHCS for
giving them a \$20,000 contract to help do the work in expanding summer and after school meal
programs.

They have now completed their next five-year plan. The first was the Act to End Hunger, 40
ways in five years to make a difference. They made progress on 30 of the 40 items, which
included work on the document recording fee and other housing programs. They made the link in
that plan that hunger is tied to all poverty-related issues. They expanded food stamps, and
currently serve three times as many people as in the year 2000. Most of the increase had to do
with outreach and helping people realize that they were eligible. The fact that this program is
there and easy to access now made it possible for more families to get the help they needed. In
the current five-year plan they have three goals: increasing economic stability for people,
communities and the state; cultivating a strong regional food system; and improving the food
assistance safety net.

Geller states that there is a tremendous need in Washington County. In the last five years they
have seen a 115% increase in children coming in for summer food in their programs throughout
the county. Last summer they served over 220,000 meals. She says that what is important for
her, in terms of what the department does, is the department's long history of encouraging the
building of community centers in its projects, even though that does add costs. The department

1 has also been serious with sponsors about having meaningful resident outreach. Washington
2 County works with four different affordable housing owners in about 18 properties to assist them
3 with making their housing site an eligible site under the Summer Food Program and to help them
4 qualify. One of the reasons these numbers are so great is that it is not just in parks and schools in
5 Washington County, but also at many other housing sites. She says that as an owner of affordable
6 housing, she sees a lot of latch-key children that do not have the means to go to the school during
7 the summer to participate in Summer Food. So the fact that partners and housing providers are
8 working together to get the sites qualified means that the children come to the community room,
9 and volunteers from churches and other groups offer tremendous activities to provide
10 socialization, in addition to food. It gives the children something to do four days out of five
11 during the summer. When the children are home alone during the day, they do not eat that day.

12 **Epstein** asks if it is easy to qualify a site. **Whitney-Wise** explains that it is an area qualification,
13 so any site within a school boundary where 50% or more of the children are eligible for free and
14 reduced priced meals is automatically qualified. There does not have to be a kitchen on site if
15 they come under another sponsorship that can deliver the meals to the site. The main thing is to
16 have staff that have been trained in food handling and safety deliver the meals to the children.
17 **McLaughlin** asks if there is a listing statewide of what sites are certified. **Whitney-Wise** says
18 yes, at www.summerfoodoregon.org.

19 **Merced** asks her to talk about the Earned Income Tax Credit efforts and how they are working
20 together and the efforts that are being made. **Whitney-Wise** states that she and Victor testified
21 last week at a hearing on the Earned Income Tax Credit, which is a tax credit for low-income
22 working families. It is refundable, so for the lowest-income working families they get more back
23 than they have paid in taxes, which helps them pay for their living expenses. An effort is being
24 made to expand it. Oregon has one of the lowest state tax credits in the country, currently at 6% of
25 the federal credit, and they are wanting to increase that up to 18%. What that would mean is that
26 most low-income families would no longer be paying state taxes on their below-poverty wages.
27 Oregon is also one of the few states that taxes people below poverty. The point is to let people
28 know that even if they have not paid taxes, if they are working they are eligible for a tax credit
29 refund. There is a link to a flyer that OHCS helped put together so people can learn what tax
30 credits they are eligible for and where there are free tax preparation sites in their communities.
31 The credit on average could be anywhere between \$100 - \$500 for the state credit, and \$2,000 -
32 \$3,500 for the federal credit. There are also childcare tax credits available.

33 **B. Green and Sustainable Development, Cylvia Hayes and Gary Langenwaller, 3-
E Strategies.** **Hayes** explains that they are an Oregon based LLC that does consulting work in
34 renewable energy, sustainable economic development, and green building efforts. They currently
35 are on contract with OHCS to develop a sustainable programs plan, helping guide the agency in
36 two key areas: identifying opportunities to add sustainability components into the programs that
37 the agency delivers; and analyzing the ARRA stimulus funding issue to see if they can identify
38 ways to ensure that the impact of those funds actually continues on paths to funding cycles,
39 specifically as it relates to sustainability programs. They are trying to help identify ways to do
40 additional environmentally sound measures that enable OHCS to deliver social equity even more
41 effectively. There is a significant amount of overlap now in the affordable housing work,
42 especially as it relates to weatherization and energy efficiency and the ongoing green jobs
43 development.

1 **Liebowitz** says that one of the key elements of the department's CFC is delivery of resident
2 services, and he would be interested in ways in which there could be a more intense coordination
3 between the resident service component and the green jobs initiative. **Hayes** says she agrees and
4 asks if he would like her to follow up with him. **Liebowitz** says he will be attending the 3-E
5 Strategies meeting scheduled for March 11. **LaMont** says she is excited about what is going on
and the opportunity to have green and sustainable developments, and asks Hayes to give an
update about what is going to be developed. **Hayes** says she is hesitant to do that because they
are in consultation with Rick, Pegge and Bob, and several others to find out exactly what the side
boards are for the plan. Their original draft was pretty broad and they have not had time yet to
circle back around and hear from them the scope that they are wanting from the plan. Once they
have that identified and have the draft ready to go out, she will send it to the Council members.

6 **Epstein** says there have been a lot of projects that are going green and sealing buildings so tight
7 that they are facing issues with mold inside walls. Many of those projects come back requesting
8 more money to make the repairs, and he wants them to get it right the first time so they are not
9 wasting the department's money. **McLaughlin** comments that she is curious as far as developing
10 materials and technologies that are going to be used in green building, and asks if there is an
11 approach in the green jobs plan to institute a measure that hires low-income people. That way we
12 could keep the jobs in Oregon, provide jobs to low-income people, and then have the materials
13 and technologies used for green building in affordable housing projects. **Hayes** says not directly
yet. One of their biggest challenges with the green jobs plan is trying to have a crystal ball to get
people trained for jobs that might not really be there. Weatherization is one of the only ones that
people are usually immediately employed. The second big challenge is the wage levels.
McLaughlin says it seem ridiculous that all the materials for green building are manufactured
outside of Oregon. **Hayes** states that one of the approaches they will be taking with the green
jobs plan is including green manufacturing. When you look at the labor market information,
farming, forestry, and agriculture is an area that is set up to have the largest green job growth
areas.

14 **Liebowitz** says there is real tension between green building and affordable housing in that the
15 more money you spend on green building, the less you have for producing more units of
16 affordable housing, and to create some sort of a win-win situation would be something to look at.
17 Also, energy efficiency is the best way to reduce energy consumption rather than just creating
renewable resources. He would like to see expansion of the energy education components of the
resident services to ensure that energy education is delivered and being able to measure the
effectiveness.

18 **Langenwalter** states that one other item they were requested to do in the original RFP was to
19 help with the metrics, and the next round of metrics needs to be given to the state legislature by
20 April 1. **Crager** says that one of the things the department has been looking at strategically is
21 getting new performance measurements approved by the state legislature, and all of the
performance matrix are being reevaluated. **Langenwalter** comments that no matter what else the
agency wants, or tries to do, it will be measured against the performance measurements it gives
the legislature.

22 VII. NEW BUSINESS:

23 A. *The Knoll at Tigard Apartments* (Tigard, OR), Additional TCAP Reservation
Request. **Mariana Negoita**, Tax Credits Program Coordinator, introduces **Vince Chiotti**,
Regional Advisor to the Department, **Sheila Greenlaw-Fink**, Executive Director of CPAH, and

1 **Daryn Murphy**, Project Manager with HDC. She explains that they are requesting Council's
2 approval of a \$320,000 increase in the TCAP award, and that if approved, the total project TCAP
3 award would be \$1,604,917. The project targets the elderly and disabled population at 50% or
4 below area median income, and has a projected construction budget of \$11.4M for 48 units. She
5 gives an overview of the write-up contained in Council's packet. **LaMont** asks if she can provide
6 more information on the Davis-Bacon wage determination. **Murphy** explains that the hard costs
7 that hit the project were \$480,000 based on the increase in wage rates in November. The two key
8 areas were framing and site work. While the project does not have a lot of site work because it is a
9 relatively flat site, there is an extensive amount of street work and excavation to do. The
10 contractors came back with about \$480,000 in cost increases, and with that were increases in their
11 7% contingency, and increases in anything that tied to hard costs. The construction loan needed
12 to be increased, which meant a larger fee and larger interest. **Epstein** asks if initially it was not
13 realized that the project needed Davis-Bacon, or if they missed the number initially. **Murphy**
14 states that they knew it was triggered by TCAP and in November there were huge spikes in some
of the key trades. They went a couple of months into December and into the first of the year to
see if they could lock those rates in before they jumped, but they learned they had to use the
current rates. **Epstein** clarifies that the numbers originally came in at a different Davis Bacon rate
schedule and then due to delays and other things, they were kicked into a more current schedule.
Murphy says yes, and the scope has not changed at all. **LaMont** asks if there are TCAP funds
available. **Negoita** explains that these are the last ones available, and that there will be \$54,000
left after this. **Epstein** comments that the investor is driving the developer fee issue. **Murphy**
says it is partly the construction lender as well. **Epstein** says that when they are done with this
project their balance sheet will look a little better going forward. **Greenlaw-Fink** says the
developer fee is always seen as risk mitigation during construction. **Epstein** states that Enterprise
is looking for a more long-term solution and the construction lender is looking for a short-term
solution. **Negoita** says that on final applications when the projects come in for their tax credits,
an analysis is done of the project and if it has too many sources of funding they generally pull
back something else. **Merced** added that the average TCAP investment per unit in general is
\$48,000, so this project is lower.

15 **MOTION: Epstein moves that the Oregon State Housing Council**
16 **approve an additional request of \$320,000 of TCAP funding for**
The Knoll at Tigard, LLC for a total TCAP award of \$1,604,917.

17 **VOTE: In a roll call vote the motion passes. Members Present:**
18 **Scott Cooper, John Epstein, Stuart Liebowitz, Nancy McLaughlin**
and Chair LaMont. Absent: Francisco López and Jeana Woolley.

19 **VIII. OLD BUSINESS: None**

20 **IX. REPORTS:**

21 **A. *Neighborhood Stabilization Program I and Neighborhood Stabilization***
***Program II Update.* Rich Malloy**, NSP Program Coordinator, distributes a copy of the NSP
22 Summary Report as of February 26, 2010, and gives an overview. **Crager** says that at the last
23 few housing authority meetings he has attended, the question has come up about NSP I and if the
department would be looking at reallocating the dollars or were the dollars getting out at a level
that was going to enable the department to spend it all within the timeframe. **Malloy** answers
yes, and that in talking to the grantees, there are a couple that have substantial amounts of money
and things are going a little slow, so they would probably be willing to give up some funds.

1 Umpqua CDC is almost through their \$900,000 and could use more money. The other option if
2 needed, would be to move some of the state loan money over. **Crager** asks Chair LaMont if
3 there have been any discussions within her area. **LaMont** says it has come up a couple of times,
4 and the agencies that have received funds would like to have more funds. **Crager** comments that
5 timing is the biggest thing, and he has told them that we would reevaluate in January. **Malloy**
6 says he believes in March that decision could be made. The funds must be obligated by mid-
September. The department did get some NSP2 funds and they are having a discussion with the
consortium members to figure out who does how many units. They have to do at least 100 units,
and to get the unit count they will have to do more loans. **Crager** adds that they are excited
about the opportunities with that money, as well as perhaps blending it with the document
recording fee. DHS has expressed interest in providing some of their service money that could
turn this into a permanent supportive housing model for defined populations.

7 **B. Special Session Legislative Update.** **Lisa Joyce**, Policy and Communication
8 Manager, reports that there is a strong sense that this particular session has elements of
9 retribution and reward for behavior during the ballot measure election. SB 1005 was introduced
10 on behalf of the department, which will allow the department to bid for the HUD project-based
11 management contract doing monitoring of HUD projects. She says they were successful in
12 getting that through thanks to Councilman Cooper for weighing in with one member who was
13 resistant to the notion that government should do this kind of work. By the time it got to the
14 House side there were no issues and it passed. Other legislation that affects the department
15 included issues around foreclosure notices, neglect of foreclosed properties, and protections for
16 tenants of foreclosed rental housing. The BETC (Business Energy Tax Credit) revision was of
17 some concern to our partners. The revisions that they made to that program have taken about
18 \$54M out of the \$180M budget hole we were looking at for the end of this biennium, and will
19 continue to protect the general fund into the next biennium. We are also looking at fund sweeps
20 that occurred in order to balance the budget. The Legislature looked at a number of agencies and
we were targeted in that process. They originally identified two pools of dollars: one was the
Public Purpose Charge Weatherization dollars of about \$800,000, and the other was the loan
repayments to the Community Incentive Fund, which were dollars that we would have used for
preservation activities. The utilities were successful in getting the fund sweep of the Public
Purpose Charge removed from the list, but we will lose \$750,000 of Community Incentive Fund
loan repayments. All agencies were asked to go through an exercise of identifying where ending
balances would be, and the Legislative Fiscal Office chose which pools would be reduced.
Crager adds that although the money that was taken with the Community Incentive Fund was
planned for preservation, the preservation strategy for 09-11 is still intact. **Joyce** states that the
Property Tax Exemption sunset was extended. The Manufactured Dwelling Parks had a bill pass
that said in the larger populated counties personal property valued at \$12,500 or less would be
exempt from taxes. That happens to be the vehicle the department uses for collecting a \$6 per
manufactured dwelling fee that funds the Manufactured Community Resource Center. There
will be some fiscal impact to the department, the magnitude of which is probably less than
\$50,000.

21 **Joyce** distributes copies of Probable 2011 Legislative Concepts, which include rural workforce
22 housing and income limits of people who live in the projects. She says that while working
23 people are still not making a lot of money, because of what the area median income is they are
not eligible for housing. **Crager** says this is an issue they heard about from rural partners. If
you apply the 60% that can be served to those areas that are very low, workers that earn a very
low wage still cannot afford housing. The hope is to identify income levels in certain parts of the

1 state. **LaMont** says that is important to look at. The housing authority waiting list targets for
2 vouchers and the lowest are first to be housed, and there is a gap of people not receiving services.
3 **Crager** says that one of the best analogies he has heard is that there are individuals in certain
4 parts of the state that work at minimum wage that cannot qualify for our housing programs.
5 **Cooper** suggests surveying our partners about what the size of the waiting lists are. **LaMont**
6 suggests contacting Jennifer Donovan and including the average wait time, as well as which
7 waiting lists are closed. **Liebowitz** asks if there is still a window for additional legislative
8 concepts. **Joyce** says the window will remain open until session starts. **LaMont** comments that
9 the vouchers that are available right now are for veterans, and are allocated to veterans' hospitals
10 or service centers. She says there is a need for all housing authorities to have vouchers and a
11 way to provide services to veterans. **Crager** says this is something the department has been
12 engaging in discussions with Jim Willis over at ODVA on how we can intermingle more.
13 **LaMont** states that this is the only new voucher funding that has come out in years. The next
14 question is how the VA will provide services to those once they get housing in those areas where
15 they do not have a facility. **Liebowitz** asks if they are expanding the vouchers. **LaMont** says
16 there has been some problems with programs because there is no administrative fee for it, and
17 the coordination of the services is tough.

18 **C. 2010 Gubernatorial Debate Discussion.** **Lisa Joyce**, Policy and Communication
19 Manager, asks Council for suggested questions to submit to Habitat for Humanity for their
20 gubernatorial debate. The following suggestions were made:

- 21 ● The ongoing need for preservation funding.
- 22 ● How to address the preservation issue, yet still be able to effectively deal with the
23 ongoing need of affordable housing in the state.
- What their plans or policies will be for affordable housing.
- How they expect to deal with hunger.
- Is there interest in formalizing a process for identifying regional housing needs and
meeting them on a regional basis?
- How they envision integrating housing, transportation and workforce policies in their
administration.
- Something about how they plan to help implement the 10-Year Plan to End
Homelessness. From their standpoint, what is their intent in terms of supporting and
funding the plan that is already in effect?
- Would they be willing to commit to putting EHAC into the statute?
- How, or if, they intend to integrate housing with green, sustainable building.
- Proposed solutions to closing the minority homeownership gap.
- What is their goal with the Down Payment Assistance program?
- How do they see streamlining, administratively, the pools of money, like how the
recording fee was integrated into the Trust Fund rules, so there is not a significant degree
of replication.
- Given the limitations that we have, would the new Governor's preference be that we
emphasize quantity of housing or quality of housing?

24 **Joyce** says she will draft the questions and send them to Council for their approval.

1 **D. Federal Stimulus Plan Update.** **John Fletcher**, Finance Division Policy Advisor
2 and ARRA Coordinator, distributes a copy of the National ARRA Overview and the OHCS
3 ARRA Implementation Summary and gives an overview of each document. He points out that in
4 weatherization the department has spent \$4.7M of the total award of \$38.5M, or 12.3%; and
5 combined with the housing programs, the department is at 20.1%, which is ahead of the curve,
6 largely due to the exchange funds. The department has spent about 17% to date, which is ahead
7 of the original projection. **Liebowitz** says that the department weatherized 424 units across the
8 state. By his percentage of 12% expended, he asks if it is reasonable to assume that over 4,000
9 units will be weatherized. **Fletcher** explains that in the initial start-up there was training,
10 expenditures for vehicles, and things that were not directly related to the units, so he is not sure
11 there is a direct correlation between the 12% and the overall unit counts. Even though there are
12 those discrepancies, he thinks there will be that many units. **Liebowitz** asks if he knows if the
13 companies that hire for weatherization are doing so on an ongoing basis. If not, it won't impact
14 jobs if people are hired for a month here or there. **Fletcher** says he will do some research on the
15 average job length, and on how many are being trained that will still be able to be retained in
16 some way in the weatherization areas. He says another question will be that when these ARRA
17 funds expire or we have spent them all, how many of the jobs will continue? **LaMont** asks if he
18 knows if some agencies are near completion. **Fletcher** says there are varying degrees, and he
19 will report on that next month. **Merced** states that from a big picture perspective, this is a good
20 example of Congress rushing in to put together a program that everyone thought was a good
21 idea. It wasn't as well vetted and thought out as some of the other stimulus funding issues. In
22 their rush to get some things out there were some things missing. Some states were going
23 through their own cutbacks and putting people on furloughs and cutting back staff, and all of a
sudden this wave of money came in and now the states are at fault because they are not
weatherizing enough homes. **Fletcher** adds that ideally, we could have utilized existing
programs and processes, but instead it was a one-size-fits-all solution.

13 **E. Housing Council Strategic Plan Updates.** **Rick Crager** distributes a copy of the
14 Oregon Housing Council 2009-11 Strategic Plan and explains that there were seven areas
15 identified at the retreat that the Council wanted to spend some time focusing on, with individual
16 Council members assigned to each area. Four of the short-term strategies will be reported on
17 today, and the remainder at next month's meeting.

16 ● *Legislative Education and Outreach:* **Cooper** reports that he and Jeana serve on the
17 Legislative Outreach Committee with Rick and Lisa. They have concluded that because of the
18 current new legislators and the new executive branch coming on board, they should begin with a
19 basic education campaign. They want to point out that the challenge we have before us is far
20 bigger than the level of investment. Their next meeting will be around focusing, messaging, and
21 putting together the educational strategies. They will be very sensitive that housing looks
22 different in different parts of the state. Rick and Lisa will be on task to do the legislative visits,
23 but Council members will be asked to accompany them whenever they can. **Crager** says that
one of their strategies this summer is to be very active, and that this will be more of a message
about the department and what it does. The more they can educate the legislative members, the
easier their job will be when session convenes. This ongoing education campaign will never
stop. For the department to be effective it must continue to educate about who we are, what we
do, and what the key things are in this state that we need to be thinking about. **LaMont** says her
fear is that if the message is too lengthy it will be lost. **Cooper** says they will put together key
bullet points. The size of the preservation agenda will be critical; the extent of the hunger
problem; discussing our partners and their agendas; that the department does not directly deliver

1 services, but that services are delivered through a host of other people and networks; and that
2 legislative support of those networks is critically important. **Merced** asks about federal overlay.
3 **Cooper** says they talked about that and the department is well positioned at the federal level,
4 particularly with Senator Merkley, who is sitting on the Housing and Urban Affairs Committee.

5 • *Homelessness.* **Liebowitz** reports that he serves on the Homelessness Committee and he
6 is impressed with staff and their creativity and grasp of various plans. Community entities are
7 working on various stages of the 10-Year Plan to End Homelessness. One of the things that they
8 can do as Housing Council members is not only use their office and access to resources, but also
9 their position to help these communities move forward on their plans by contacting local entities,
10 stakeholders and the like. With that in mind, they want individual Housing Council members to
11 take a slice of the geographical pie and reach out to communities to find out what they can do to
12 educate and assist in moving the process forward. There are varying stages and some
13 communities may not have started, or are even aware, so they will need to find out where
14 everyone is in the process. They will then become active promoters and advocates for moving
15 them forward. Staff is going to be preparing information that will allow Housing Council
16 members to be equipped with that information and develop strategies that will work. The
17 strategies will vary from community to community and as we move along this will be refined
18 and redefined. Staff will bring their information forward along those lines. **Crager** adds that
19 this is work that EHAC is working on as well, and is a Governor's initiative within his plan to
20 develop local 10-year plans across the state. Having Council's involvement is very good and
21 will mirror much of what EHAC does. He says his intent, as chair of EHAC, is to continue to
22 work and improve on the tools that local communities need to put their plans together. For
23 example, Lincoln County has a template that is designed to help rural communities develop a
Project Homeless Connect event. **LaMont** asks if the goal of the homelessness group is for
every county to have a 10-year plan. **Crager** says that, although it is not a requirement, part of
the Governor's 10-Year Plan is for all 36 counties to have some form of local community
planning. **LaMont** asks how many counties do not have a plan. **Crager** says 17 counties
currently do have a plan, or are in process of developing one.

15 • *Sustainability.* **Liebowitz** reports that there will be four presentations to Housing
16 Council on the best way to bring together the concepts of sustainability and affordable housing.
17 He will be meeting with staff and Cylvia Hayes on March 11 to further explore what that means.
18 Cylvia outlined some of it in her presentation. Over the next several Council meetings there will
19 be a presentation from the Department of Energy on their Oregon Energy Plan; the Council
20 meeting with CAPO will give them the opportunity to blend the affordable housing perspective
21 with the green and sustainable perspective; and there will be a presentation in June on
22 weatherization. Following all of the presentations, they will be able to take a step back and
23 determine what types of policies they can pursue. He points out that this can really be a win-win,
for no other reason than if low-income people have an energy efficient place to live and are
educated, it will save them money and make their housing costs more manageable. **LaMont**
says that one of the goals the national housing organization has for this coming year is to look at
a sustainability/green policy and she thinks Council is right on target in looking at that. **Merced**
says that is a good point, and they should also pay attention to the newly established office at
HUD that deals with this as well. It aligns with the transportation, workforce and housing
policies together. **Liebowitz** comments that there might be resources they can tap into as a result
of federal efforts.

1 • *Partner and Stakeholder Input.* **McLaughlin** explains that her committee overlaps with
2 the other goals. They are hoping for a way to establish some advisory groups focused on certain
3 areas where they can gain outside perspectives on everything from department programs, lending
4 policies, goals for the next year, etc. She distributes a handout that outlines the framework and
5 gives some examples of the types of things that could possibly come to the individual
6 committees for comment. Some of the topics could be a developer fee policy, terms of
7 affordability, etc. She says they want a diverse group not only in background and experience,
8 but geography. They have developed an aggressive timeline and they will need to have input
9 from the rest of Council and key staff as to how this evolves, as it will be pretty visible. **Crager**
10 says that from an agency standpoint, this would be extremely helpful. If there is a structure in
11 place that the Council could be engaged in from an affordable housing policy standpoint, this
12 would create more efficiency for the department. This also lends itself to what the other Council
members talked about today. The next steps would be for them to get into the specifics, if the
Council feels like this is the way to go, and what a charter for each of these committees would
look like. They want to be able to come back at the next Council meeting to report. **Cooper**
says his greatest concern is that as we achieve efficiency, it is not done at the expense of equity.
He doesn't want to develop a system where potentially those that have the expertise have the
advantage over those who do not. He does not want to shut out new players and underserved
communities, but wants to create pathways for new voices and new partners to emerge.
McLaughlin says she completely agrees and that is why she is stressing diversity. They do not
want all the same players that tend to always have their voice at the table. They need to build
into it flexibility to have the composition morph. The advisory group members can change
according to the topics. **LaMont** comments that this is a good way to go. She has seen partners
be very enthusiastic to assess and offer ideas, which has been very rewarding. It will build
support, especially when it comes time to make rough decisions.

13 **F. *Report of the Chief Financial Officer.*** **Nancy Cain** reports the following:

14 • The biggest issue facing financial management is preparation for the budget. As part of
15 that they have had two meetings with invited partners. The input received from partners was
16 incorporated into some of the ideas the department had already started on for policy option
packages. The partners also gave input on some strategies beyond the budget. She, Rick, and
Victor are going to each division meeting to present a shortened version of what they had done
for the invited partners, to educate them about the budget and give them opportunities to present
ideas and input.

17 • The department's budget officer has retired and her position will not be filled
18 immediately. In the meantime John Fletcher and Linda Morter, the department's budget analyst,
will absorb her duties and the budget officer will be coming back in another capacity to assist
with the budget, where necessary.

19 • The department continues to wait for an opportunity to have a single family bond
20 issuance. The department did not elect, under the new bond issuance program, to have any
21 multifamily, but it did elect to have \$120M of Fannie Mae/Freddie Mac participation for single
22 family. She hopes to be in a situation by early Spring to issue some bonds. **Merced** says there
23 was a recent outlook for HFAs that was released and asks if she could give Council a short
perspective on what was issued. **Cain** says it is not good. Moody's is concerned and is watching
all state housing finance agencies. Standard and Poor's is already starting to make some
downgrades. The private mortgage insurers have been downgraded. They are taking the
position in some cases that loans insured by certain private mortgage insurers have zero
coverage. Which means we could be facing increased requirements on our reserves, and
decreased ability to withdraw funds from our single family indenture to fund operations. This is

1 still preliminary. Moody's had gone through an analysis prior to the recent private mortgage
2 insurance downgrades on the highest risk and the department is sort of in the middle. **Merced**
3 asks what percentage of the department's portfolio is delinquent or foreclosed. **Cain** says it is a
4 little over 6%. We always lag the rest of the market, but are getting hit by unemployment.
5 **LaMont** asks about how much the department has increased in its delinquency rate, and how
6 rapidly. **Cain** says that at the end of 2008, it was around 2% in delinquency and foreclosures. A
7 little over a year later it is up to 6%. **Crager** adds that in the single family report at the end of
8 June we were up 1.5%, and last month we ticked up a bit more. **Epstein** asks how the
9 downgrade would affect the department. **Cain** explains that it will affect the department in its
10 variable rate in places. It is currently about 25%, but that is decreasing. **Cooper** asks why it is
important that the department get back into the single family home loan program, given the
availability of cheap capital and given the potential weight on the department's balance sheet.
Cain states that when the rates are lower the department is serving. Now the department's
program is not a benefit to the first-time homebuyer. It is money that the department makes. For
this year it is anticipated that the department will receive \$4M out the single family loan program
to pay for its operations. If the department doesn't continue to make loans, over time that money
will decrease. Normally the department is offering a lower than market rate, and it is usually
able to offer some down payment assistance in addition to the lower than market rate. Until the
department's rate is a benefit, first-time homebuyers are not going to use the department's
product. **Crager** adds that the department won't reenter the market until things are back to
normal.

11 **LaMont** states that we need to look at how we are doing business and if there is a better and
12 more efficient way to do business. Is there something we can do that would be a benefit to first-
13 time homebuyers who are not eligible that can provide an incentive to them, or benefit them? Is
14 there something that could be married with that program, or other funds we can look at for that?
15 Our ultimate goal is that we support homeownership. **Merced** says the IDA program is the
16 perfect tool for sustaining first-time homebuyers and even those that are not eligible just yet. It
17 allows them over a period of time to build up a savings account that is matched. **Cain** comments
that, in addition, the department has the homeownership assistance account, and now there is a
portion of the document recording fee going into that account. Some of that is also for down-
payment assistance. **Cooper** says he wants to thank Maggie for her observation, because the
department has about a two-month window to rethink some of its core issues and core
justifications and core strategies. In 2011 the department will be without the resource base that it
now enjoys and we will be asked some hard questions about why we do what we do.

18 **G. Report of the Deputy Director.** **Rick Crager** reports the following:

- 19 • There was no Single Family Report on this month's agenda because the department is in
20 the process of making changes to the Single Family Program as it relates to staffing. Roberto
21 Franco is currently working with staff as the interim manager because Dona Lanterman has
moved into the Community Resources Division. The department purchased ten loans in January
for about \$1.3M, which leaves the department with 37 active reservations in the pipeline. The
money used to purchase the loans is all money from the bond sale nearly two years ago.
Currently, eight are on a waiting list.
- 22 • With regard to the legislative session, as the department moves forward in its legislative
23 outreach campaign and rethinks what 2011 looks like and what it needs to begin advocating for,
the piece that is compelling to the legislature is jobs. He presented to the Business and Labor
Committee a few weeks ago, and they had interest in learning about what housing has done for
job growth and whether some of the strategic outcomes and initiatives have been met. As the

1 department begins crafting its messages, it will be important to tie that to the jobs piece and the
2 economic benefit that housing creates. Lisa Joyce will be going to Washington DC in about a
3 week, and he sees that as an opportunity to make sure our delegation is aware of what is going on
4 in Oregon. **Merced** says that in the past those trips have been helpful in making good
5 connections, and helping the department get in line for some of the HERA dollars that eventually
6 came to the state.

7 • The need for some form of committee structure is important to him because there are a
8 variety of issues that hit the department and it feels like committees or workgroups are always
9 being formed to try and address those issues. One of those workgroups is the multifamily
10 workgroup. This was an issue brought to the department by Oregon ON that the changing
11 environment has created challenges for the partners and the department in multifamily housing
12 development. We need to rethink how we are doing business and we will need to do things
13 differently. As an example, the Oregon Affordable Housing Tax Credit is a tool that does not
14 work any longer, or at least in this current environment it doesn't. He is in the process of
15 finalizing the charter for the workgroup with Oregon ON. He says he will send the charter to the
16 Council members, and he would like John Epstein to participate in that discussion as a Housing
17 Council representative. He has built in a component where Housing Council would be
18 represented, with 15 other members. Those members include nonprofit development, private
19 development, bankers, tax credit equity investors, asset management and housing authorities.
20 **McLaughlin** asks if the group members are currently doing business in Oregon. **Crager** states
21 that the membership now does not include any out of state members. **McLaughlin** says she
22 thinks that is a problem. **Epstein** asks if this group is going to present this to the legislature.
23 **Crager** explains that they will come up with recommendations that the department might
consider programmatically or legislatively, or with recommendations that may need to be carried
to the federal delegation. With that comes an outreach effort that has to occur. **Epstein** says it is
not just all the affordable housing trade. If the department starts moving this forward and starts
taking it as a road trip to certain legislators, contractors, architects, and engineers, those in the
private industry who will make money building also need to be included. **Crager** agrees.
McLaughlin comments that one of the issues is that there are people in all of those fields who
would like to be doing business in Oregon, but there are barriers to their ability to do that. She
thinks to not tap into those views and find out what is preventing them from doing this is a
mistake. Otherwise you are talking to the same people.

• The budget meetings with partners have been going well. The timeline is to have the
priorities put together by May. The primary focuses are continuing to be on preservation. There
was discussion about broadening preservation to year-15 projects. His chief concern is that the
department has started a story based on federally subsidized housing projects expiring that have a
true end date. Year-15 projects are ones that need to be recapitalized to get to the extended
affordability period, which is a different story, and when you start introducing other things you
might distract from what the story has been. The next budget priority is homelessness, which
would mean a very aggressive homelessness campaign, particularly around the Emergency
Housing Account dollars that have been in the agency and flat for at least 12 years. It was
reduced last time in General Fund and back-filled by the document recording fee. This would be
the chance for the Governor to support his plan and put some resources towards it. There is also
a permanent supportive housing element and how the department can continue to do Housing
PLUS. It was not renewed this last time, because they wanted to see results. The department
wants to be able to show results and be able to renew some momentum around Housing PLUS.
Cooper says that in moving ahead in the next year, one of the things that the department still
does not have is the compelling story about what the housing needs are projected to be. There
needs to be a comprehensive document that ties to demographics and income and where the

1 department believes this state is going, and then look at its ability to supply that through both
2 state and federal resources, and then does the math and shows the gap. LaMont adds that there
3 needs to be a plan for every pot of money the department has, how it ties in, how it can be put to
4 the best use so there are no monies that are vulnerable. The goal is to use all the money either to
5 provide services or housing.

6 **H. Report of the Director. Victor Merced reports the following:**

7 • Tom Potiowsky's forecast is still painted as gloomy even with Measures 66 and 67
8 passing. They still had to sweep to get additional resources from other agencies. The current
9 trends are that if things continue at the current rate, it will be a jobless recovery. It is projected
10 that the budget will be \$2B short for 2011-2013, and it could grow larger, depending on spending
11 patterns and how deep the recession goes in this state.

12 • Five states, with the highest incidences of foreclosures and delinquencies, were awarded
13 additional stimulus dollars for assistance for people having difficulties with their mortgage
14 payments. Oregon was not part of that. The department advocated with its national organization,
15 as well as its congressional delegation. So far, Treasury is pretty adamant that they are going to
16 focus on the five states only. They are still open to having conversations later on with HFAs
17 about the consequences in their state and whether or not they would recommend some additional
18 dollars.

19 • The EITC that Patti Whitney-Wise spoke about earlier, is part of the
20 poverty/homelessness/housing continuum, and was required of the department after HB 2970
21 was passed last session. It was spearheaded by Representative Nathanson to notify the public
22 about this potential opportunity for low-income people. It was made part of the requirement of
23 the ICHH, which I chair, composed of 13 agencies that meet once a year to look at barriers that
affect hunger and homelessness. The EITC requirement was something the department had to
undertake to try and figure out strategies to implement. We were praised for our efforts in doing
that.

• There have been discussions with a potential Midwestern investor that is interested in
doing some 4% in Oregon around our preservation efforts. Because the department has entered
into a confidentiality agreement, their identity cannot be disclosed. We believe we may be able
to put together a package of projects that are strong and might benefit from their investment.

• He has been having conversations with people around the state to encourage sponsors to
look at the numbers of minority contractors that they hire.

• An important issue to be aware of is the re-entry of those who are leaving imprisonment
or facilities where they have been incarcerated. A large number of young people are going to be
released in the next two to four years who have served under the Measure 10 mandatory
sentencing, and they are going to need housing opportunities when they are released. The
Governor has appointed the department to be on the Re-Entry Council, and he and Pegge
McGuire serve on that Council.

• He wants Council to select three top priorities and some of the challenges and
opportunities affecting the state relative to housing for an opinion piece or white paper to be
published under the name of the Housing Council.

• There is a minority homeownership summit later this month and he will send Council
information on the date and other details.

• The department did cancel its housing conference for this year. However, there is a
conference in May that we are partnering with the MacArthur Foundation and the City of
Portland around preservation. Information will be sent to Council so they will be able to
participate.

1 • There was talk about having the national housing trust fund funded, which would mean
2 that Oregon would get around \$13M. That conversation has slowed. Tax extender legislation is
3 still in the works, as well as a possibility of an NSP III. The conversations that Council has had
4 today are critical because things will look different a year from now. **Crager** adds that with
5 regard to the department's federal legislation, the bottom line is that we need to look at the
6 TCAP and exchange to be able to continue to go forward, and we will need to have more
7 exchange to accomplish that. **McLaughlin** says she wanted to be sure everyone got copies of
8 the executive summary of a study that she sent. It is very good at outlining what the problems
9 are for tax credits, but also gives some proposed options and responses.

5 **I. Report of the Chair.** **Maggie LaMont** reports that she did enjoy being a part of
6 the strategic budget meetings, and received input from housing authority directors at the meeting
7 about how much they appreciated being able to work with the agency. She also appreciated the
8 Putnam Pointe update, and that the department looked at something different to do with the
9 monies. She says she wants that kind of thinking to be encouraged in the agency. She asks if it
10 would be a good idea to have a policy committee. She liked the discussion that occurred on the
11 affordability process, but feels they are lacking input from partners. **Crager** says the multifamily
12 workgroup was put together for that purpose. **LaMont** states that she does not want policies that
13 will scare off people. She would like to have the more innovative things fleshed out before they
14 come to the Council. She suggests allotting a certain amount of time to agenda items.

10 **X. FUTURE AGENDA ITEMS.**

- 11 • **March** – There will be no meeting.
12 • **April** – Hoping to have Chip Terhune.
13 • **May** – Joint meeting with CAPO.
14 • **August** – Meeting needs to be held off-site, with two alternatives: the Black Bear Inn or
15 the ODOT conference room. Council decided on ODOT.
16 • **September** – Meeting will be held in Central Oregon, and will include a tour of projects.

15 **Chair LaMont** adjourns the meeting at 1:10 p.m.

16 _____
17 **Maggie LaMont, Chair** **DATE**
Oregon State Housing Council

16 _____
17 **Victor Merced, Director** **DATE**
Oregon Housing & Community Services