

OREGON STATE HOUSING COUNCIL
Minutes of Meeting

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

9:00 a.m.
September 19, 2011

MEMBERS PRESENT

Maggie LaMont, Chair
John Epstein
Mike Fieldman
Jeana Woolley

MEMBERS ABSENT

Tammy Baney

GUESTS

Michelle Deister, Legislative Fiscal Office
John Miller, Exec. Director, Oregon ON
Tom Cusack, Oregon Housing BLOG
Julie Garver, Innovative Housing
Christel Allen, Oregon Housing Authorities

STAFF PRESENT

Rick Crager, Acting Director
Nancy Cain, Chief Financial Officer
Bob Gillespie, Housing Division Administrator
Vince Chiotti, Regional Advisor to the Department
Lisa Joyce, Policy and Communication Unit Manager
Roberto Franco, Single Family Programs Unit Manager
Margaret McDowell, Chief Audit Executive
Betty Markey, Senior Policy Advisor
Aria Seligmann, Senior Communication Advisor
Sue Harris, Communication Specialist
Dave Summers, Multifamily Section Manager
Kari Cleveland, Loan Specialist
Shelly Cullin, Senior Loan Officer
Tim Fitzgerald, Information Services
Ron Pickett, Information Services
Joyce Robertson, Loan Officer
Dan Mahoney, Loan Officer
Janna Graham, Loan Officer
Carol Kowash, Loan Officer
Bill Carpenter, Chief Information Officer
Natasha Detweiler, Research Analyst
Jo Rawlins, Recorder

I. CALL TO ORDER: Chair LaMont calls the September 19, 2011 meeting to order at 9:07 a.m.

II. ROLL CALL: Chair LaMont asks for roll call. **Present: John Epstein, Mike Fieldman, Jeana Woolley and Chair LaMont. Absent: Tammy Baney.**

III. PUBLIC COMMENT: Tom Cusack states that he wanted to give Council a heads up on two data projects he is working on that he wants to coordinate with OHCS because it is linked to some new and existing data sets and projects that the agency has been involved in. One of the main programs that helps families with children in Oregon and across the country is the TANF program. Housing authorities alone serve 35,000 children in Oregon with their HUD public housing and voucher programs. When children served by HUD project-based Section 8 and tax credit housing programs are added, he feels confident that these programs combined will serve more than the 54,000 children who are served by the Oregon TANF program. At the end of this

month, the schedule has Oregon Housing submitting new Low Income Housing Tax Credit tenant demographic information to HUD, and when that data is combined with voucher data, public housing data and project-based Section 8 data, he is quite confident that the total number of children helped in Oregon by those rental assistance programs will be more than are helped by the TANF program. His first goal is to work with Oregon Housing in the coming weeks and months to put together a county-level database of the number of children, elderly, women and minorities, served by the federal housing programs. He encourages Council to include that information in the existing county-level poverty report profiles. His second goal is to work with local housing authorities to figure out a way to expedite and make easier the enrollment of family self-sufficiency, children that are served by public housing and voucher programs into the Oregon Health Care Plan. There are some existing provisions in the law that are called “express lane” provisions that allow housing assistance eligibility determinations to also serve as eligibility determinations for federal Medicaid and other programs. If the data can be put together at the county level, it will then be possible for the first time to put a real face on who is served by federal housing programs and point out who is likely to be hurt by cuts to those programs. He hopes to be able to work with housing authorities to demonstrate that they are fully capable of efficiently using their certification process for more than one purpose and to coordinate the programs with others. **Fieldman** encourages him to work with the community action agencies. **Epstein** asks if there is a parallel or leverage point with the department’s preservation efforts in talking with our state representatives with other federal programs we are doing. **Crager** responds that he thinks there could be. The information that Tom is talking about would enhance a lot of the poverty report data that the department has already put together, and that data is used as a leverage point in talking with the legislature.

John Miller, Executive Director of Oregon ON gives an update of the organization, which consists of 42 members statewide, representing over 23,000 rental units throughout the state. They have a board of 10 and recently elected two new board members, Val Valfry of Washington County Housing Authority, and Cyndy Cook of Housing Works. The attendance at their conference last week in Portland was a record, and is a testament to the good work that is going on in the state and the greater need in the state. Industry sustainability and fair housing are two areas that will be primary work areas over the next year. OHCS and Oregon ON are working together to help the industry become more sustainable. They have submitted comments about the QAP (Qualified Allocation Plan) and some revisions and recommendations that the Oregon ON membership believes would be helpful to the health of the industry. OHCS has extended an invitation to them to be involved in the CFC rewrite and they are anxious to provide feedback and give recommendations. For the coming year, they have two legislative priorities: 1) restoring the \$5M in preservation funds that they did not get in the last session; and 2) the Farmworker Housing Tax Credit which they hope will be extended to 2027. It is currently set to expire in 2014. **Epstein** asks if there is anything Council can do to limit the restrictions to make the farmworker tax credit more attractive to buyers. **Woolley** asks what the issue has been around selling them. **Epstein** answers that the main issue is the size of the credits and what is being done nationally. **Betty Markey** adds that there are no restrictions on who can purchase credits. Some of the complications in selling them are limited credits -- \$3.725M each year. Some of the lenders do not have as much state tax liability, since these are federal, so they need to find someone who has state tax liability to purchase them. **Crager** comments that there will need to be a lot of advocacy around the extension of the credit, and that there were concerns during the last session in terms of overall returns. Not the value of the housing, but the return on the investment because of the discount as it relates to some of the credits. There will also be

questions around accountability with any type of tax credits. On the farm housing that we do with these credits, there is not a lot of follow-up in terms of the review of those projects. **Epstein** asks if there is an angle for the department to go to the legislature with the Department of Agriculture or trade associations. **Miller** says they have put together a group with the Farm Bureau and others in the coalition. They recognize that this has some issues and the return and accountability are issues that did come to light. **Crager** says it will be imperative for our agency to work closely with the groups. There is a strong lobby out there, and there is a huge need. The legislature is looking at all of their investments, particularly credits, making sure that there is good accountability and that they are getting a good return on that investment. **Markey** states that the Department of Revenue is involved with the credits, as is OR-OSHA and OHCS. A brainstorming meeting has been scheduled with representatives of the different groups. **Gillespie** says that the department has started using the RADs to look at the property before any work is done. Then they will go back after the fact, so we can see the before and after. They still self-certify their costs to the Department of Revenue, not us. That at least gives us knowledge of what has been done and we can see the product. Other advocates are PCUN and the Hood River Growers Association. We can also look to utilities and other corporations trying to find places for the credits. **Epstein** says it's a tough time to get credits.

IV. APPROVAL OF MINUTES

A. Chair LaMont asks if there are any corrections to the August 19, 2011 Minutes. There being no corrections, the Motion was read:

MOTION: Epstein moves that the Housing Council approve the Minutes of the August 19, 2011 Council meeting.

VOTE: In a roll call vote the motion passes. Members Present: John Epstein, Mike Fieldman, Jeana Woolley and Chair LaMont. Absent: Tammy Baney.

B. Chair LaMont asks if there are any corrections to the September 1, 2011 Minutes. There being no corrections, the Motion was read:

MOTION: Epstein moves that the Housing Council approve the Minutes of the September 1, 2011 Council meeting.

VOTE: In a roll call vote the motion passes. Members Present: John Epstein, Mike Fieldman, Jeana Woolley and Chair LaMont. Absent: Tammy Baney.

V. RESIDENTIAL CONSENT CALENDAR:

A. 200 Block NE 55th Street, Newport, OR. **Kari Cleveland**, Residential Loan Specialist, reports that this property is for a two-person household, with a USDA loan. **Epstein** questions the 104% loan-to-value. **Cleveland** explains that it is a rural guarantee loan, and they include the loan note guarantee fee.

MOTION: Woolley moves that the Housing Council approve the Residential Consent Calendar.

VOTE: In a roll call vote the motion passes. Members Present: John Epstein, Mike Fieldman, Jeana Woolley and Chair LaMont. Absent: Tammy Baney.

VI. NEW BUSINESS:

A. *Eliot MLK* (Portland, OR), Predevelopment Loan Request. **Shelly Cullin**, Senior Loan Officer, introduces **Julie Garver**, Housing Director for Innovative Housing. **Epstein** abstains from the vote and discussion due to Wells Fargo's involvement with this project. **Cullin** distributes a plat map outlining Phase I and II, and reports that Innovative Housing, Inc. has requested a predevelopment loan in the amount of \$1,073,310 for acquisition of property to be developed in two phases. In addition, they have asked for a waiver of the department's six-month repayment requirement for predevelopment loans that exceed \$500,000. Phase I of the project is the Eliot MLK Project, which received an award of CFC resources last month; Phase II is a proposed project that Innovative Housing will most likely submit a CFC application for next year. Eliot MLK is a proposed 49-unit urban mixed-use development located on NE MLK Jr. Blvd. The target market for the project is younger working singles, couples and small families. Income limits to be served will be a mix of 30%, 50% and 60% of area median income. It is anticipated that 8 of the 30% units will be for special needs or permanent supportive housing. The total project cost for Eliot MLK is approximately \$10M. The predevelopment loan funds are needed to purchase the site as soon as possible so that Innovative can process a lot line adjustment prior to closing on the construction loan, which is anticipated to be in May of 2012. She gives an overview of the write-up contained in Council's packet. **Woolley** asks who currently owns both of the parcels. **Garver** explains that they are purchasing them from a private party. The property went through foreclosure, and they were unable to negotiate with the former owner, so they then negotiated an option agreement with the lender. **Woolley** asks if both parcels are owned by the same party. **Garver** says yes, they are together. **Fieldman** asks if the 49 units are in phase one. **Garver** answers yes, and phase two is planned to have 51 units. She says they wanted to preserve the option to sell the property or negotiate with a different partner in the future. **Woolley** asks if they have had any discussions with the neighborhood association. **Garver** replies yes, and is happy to report that she is cautiously optimistic about it. There will be 2,000 square feet of ground-floor commercial space in phase one, which the neighborhood association wanted. That was a hard decision to make because it is about a \$200,000 premium to the project to pay commercial BOLI wages on the entire project. They made a commitment to neighbors early on and the decision about the BOLI wages happened during the development, but they will stick with their commitment. The project is oriented for hiring workers from the neighborhood and doing outreach in the neighborhood. **Woolley** says it would be helpful as they get towards the repayment, if they could report back to Council on Phase 2.

MOTION: Woolley moves that the Housing Council approve a Predevelopment Loan in an amount not to exceed \$1,073,310, at an interest rate of 5% per annum, to Innovative Housing, Inc., for the acquisition of land located in Portland, Oregon; and waive the six month term for loans exceeding \$500,000, contingent on the repayment of \$676,185, plus all accrued interest by May 2012, and the balance of \$397,125, plus accrued interest, due the earlier of permanent loan conversion for Eliot MLK Project or September 2013.

VOTE: In a roll call vote the motion passes. Members Present: Mike Fieldman, Jeana Woolley and Chair LaMont. Abstain: John Epstein. Absent: Tammy Baney.

B. Recommendation of Chair. **Rick Crager**, Deputy Director, states that the Governor appoints the Chair of the State Housing Council. Historically, the Council has made a recommendation to the Governor. He says it seems appropriate to have the recommendation of the Council on the record and then follow up with a letter to the Governor.

MOTION: Woolley moves that the Oregon State Housing Council recommend to Governor Kitzhaber that John Epstein be appointed Chair of the Oregon State Housing Council.

VOTE: In a roll call vote the motion passes. Members Present: Mike Fieldman, Jeana Woolley and Chair LaMont. Abstain: John Epstein. Absent: Tammy Baney.

VII. SPECIAL REPORTS:

A. CFC / Needs Analysis / Methodology. **Bill Carpenter**, Chief Information Officer; **Natasha Detweiler**, Research Analyst; and **Bob Gillespie**, Housing Division Administrator. **Crager** explains that Bill and Natasha will be demonstrating the needs analysis used for the CFC. There is also a process in place that enables sponsors to provide additional data to demonstrate why the prioritization should be changed. There are sometimes questions as to the methodologies used but, typically, that is more of a policy piece. He says he wants to make sure Council understands the methodologies and that they are supportive. To the extent that Council sees issues, they can make recommendations on those policies. He says there will be some sponsors that have had questions around our methodologies with regard to workforce and senior housing. **Carpenter** distributes a copy of the 2010 Special Needs data with two versions of elderly age breakouts, which shows the priorities remain the same, and gives an overview of the approach. **Gillespie** says that by stating which populations have the highest priority, it is not directing people to that, but it begins to put parameters around what the highest needs are. The needs assessment is in the self-scoring part of the CFC application, so applicants know before they come in where they stand. **Woolley** comments that at a prior Council meeting there was discussion about the needs assessment as it relates to rural Oregon, and the fact that there are several miles between towns, and the difficulty, at a county level, to use just the population as a determinant of whether it should be a priority. She asks if there is any way to address that sensitivity in certain parts of the state. **Carpenter** responds that they are currently updating the housing inventory that is used as the basis for the needs, which includes OHCS projects, RD projects, and housing authorities. When that data is combined with the ACS data that goes down to the census tract, they can start to look at very specific areas, rather than just county wide, and see if they are having those kinds of patterns so they can make better decisions about the priorities. There is also commuting data, though that would not work for fragile populations, but they are getting a better idea of cross-overs in geographic areas. **Crager** asks if it is true that as they move forward with CFCs, using the data, that they will be able to narrow down into smaller cities to see what the true need is. **Carpenter** says yes. **Epstein** asks what priority ranking means on applications, and whether or not points are given for being a priority one versus a three. **Carpenter** says yes. There are more points for a priority one. **Epstein** asks if priority is the driver of rank. **Detweiler** replies yes. **Epstein** comments that Baker County has a population of

three for HIV+, but there are things that have lower rankings that have more people not served, and asks if there is a weighted average. **Carpenter** says no. The way the CFC application works in the self-scoring section, and if it is a priority one, they would receive the same number of points whether it is for a population of 3 or 1,000. **Detweiler** adds that the idea is that they are looking at special needs populations to establish priorities, to catalog the population within each special needs group, and then compare that to the number of produced or funded affordable housing projects. **Epstein** asks where the population number comes from. **Detweiler** states that for alcohol and drug rehab, chronic mental illness, developmentally disabled and domestic violence, the numbers come from DHS; Elderly is from the American Community Survey, that is limited to low-income elderly; Farmworker comes from the USDA census; and released offenders from the Department of Corrections. **Epstein** asks if this is all open to the public. **Detweiler** answers yes. All of the data is publicly accessible. **Epstein** asks if she thinks the appraisal and market study analysis is being used by the community. **Detweiler** says she does not know. She thinks that the other part that goes hand-in-hand in the application is that they do need to do the market analysis. They need to establish that there is a local market. **Carpenter** says he has never received an inquiry.

Epstein says this is great data to use, especially for appraisals. He suggests they may want to get on the agenda for a statewide meeting of appraisers to present this information. Oregon ON members should know about this as well. **LaMont** comments that anyone who is looking at a project would want whomever is doing their market study to access this information. **Carpenter** states that the CFC data has been available on the website for some years, but that this interface is about a month old.

Woolley asks that she talk about the rank and the value of the rank. **Detweiler** explains that the rank just indicates where it falls. If we were to say which is the smallest, or which is the highest percentage, this allows you to spell it out that way. In the process of working to establish where those different breaks are, we see this on a line graph, so you can see the percentages and the natural breaks. **Woolley** asks if it relates to the percentage of housing available for the population. **Carpenter** says yes, and those rankings are used to establish the priorities. **Detweiler** adds that in workforce, it is done a little differently, in that they use the American Community Survey information, and look at housing burden for low-income workforce population. The housing burden is spending more than 30% of income on housing. For each data year they compare each county or each city using the ACS data of what percentage of the low-income workforce are housing burdened, and then compare that to the state rate of the same data year. If it is equal to or higher than the state, then that is a priority one. If it is lesser by varying degrees it becomes a priority two or three. **Gillespie** states that it does not address the condition of the existing housing in the communities. So if someone wants to do an acquisition/rehab of an existing property in rural Oregon, they give it a priority one. The priority one assignment for any acquisition/rehab takes into account that there are condition issues. **Detweiler** comments that, in addition to acquisition/rehab, in terms of priority setting, homelessness and preservation are always a priority one. **Woolley** asks if it shows priorities for a previous year; for example, in Benton County. **Detweiler** says yes. In 2010, they used the 2008 data and it was a priority two. In this most recent year, it was a priority one. **Woolley** points out that it is interesting to see the change in rankings, where people are getting poorer in relationship to their basic needs in the state. **Carpenter** states that the census data that was just released shows that the median income declined in 2010, from 2009, which is historically rare. **Woolley** says it helps to have a data basis on which decisions are based. People can argue that we need to change the policy, but they cannot argue that we are treating them unfairly relative to

how we are doing business in general. As resources get tighter and there is more need and less to go around, it will be critical that we have some consistent way to make decisions. **Epstein** says it will help to market this so everyone is looking at the same data.

Crager says that, in terms of moving forward, our intent would be, especially around workforce housing, to try and look at new unique models for the Rural Housing Task Force. If there are needs for policy changes, things that need to be done differently on the needs analysis, we will bring that to Council. Both of the appeals we received have continued to be vocal in relation to that. We feel strongly about the data that we have in place, but at the same time want to be open-minded. **Woolley** comments that, in the interest of being transparent, if we know that there are certain types of exceptions that we have seen over and over again, giving people more information about those might be helpful. It would be helping people think about how they are representing their projects. **Gillespie** says that when the RADs talk with people about exceptions, they have made the successful appeals available as an example, but they could also be posted to the web for people to use. **Woolley** says it might be helpful in the application if there is a way for applicants to see that certain factors could create an exception to a ranking so they are thinking of those items while completing their application. **LaMont** cautions that just because an applicant has everything together and has a team to work on creating the application, it does not mean they will get funded. She says she thinks the needs analysis is great, and it will be nice to have it broken down into smaller communities. **Crager** states that most of the exceptions have been well done to where they have used community data to provide good solid information on making the exception, and to use commuting patterns as an exception can be made based on that data.

B. Bridge Meadows Video Presentation. **Sue Harris**, Communications Specialist, gives a video presentation of Bridge Meadows, a 27-unit family and senior development in Portland, Oregon.

VIII. OLD BUSINESS: None.

IX. REPORTS:

A. Oregon Homeownership Stabilization Initiative (OHSI) Update. **Nancy Cain**, OHSI Administrator, reports the following:

- Over \$20M has been disbursed for approximately 4,000 borrowers.
- Approximately 400 applicants have not yet received a determination.
- Approximately 1,000 applicants have been denied for a number of reasons.
- They have had issues with three or four smaller servicers providing unclear information.
- Two revised term sheets have been submitted to the US Treasury on the mortgage payment assistance program, which is remarkably different. The eligibility criteria and processing have been streamlined, which will result in faster, more transparent decisions being made. Individuals receiving unemployment benefits will be eligible for this new program. The new program will be rolled out in a couple of counties that have the highest unemployment rates and where counties had available MPA slots remaining, giving counties that did not fill their slots the opportunity to do so. **Crager** explains that it was anticipated every county would be over allocated, which turned out not to be the case. There were some counties that were undersubscribed and we pledged that we would go back and maintain that commitment to those

counties. At some point, if we do not fill up the slots in those counties, we may have to reshift to those counties that have demonstrated that they can fill them.

- **Cain** explains that the second term sheet that was revised is for the loan refinance assistance pilot program. The original term sheet anticipated the purchasing of loans; however, it was determined that a short sale option was needed with another entity.
- A project manager has been hired to oversee the transition assistance and preservation programs, and the recruitment for the administrator position has been opened.

Crager adds the reinstatement program will be a top priority for the department and that it is part of the preservation program. They are close to making the first transaction in the loan refinancing pilot, and are looking at 37 loans for about \$5M to \$6M.

LaMont: Good news! Great job.

B. Report of the Chief Financial Officer. **Nancy Cain**, Chief Financial Officer, states that Bob Larson will give a full single-family portfolio report at the next Council meeting. She reports that the department has received nearly \$1.2M back from the IRS on refunds of Treasury payments that were made on some issues. Every five years the department has to do an arbitrage calculation on issues. We refunded 26 issues last year and, as part of that, we did a final arbitrage calculation and found that we would be refunded \$1.2M. Those funds have to be reinvested back into the bond indenture to strengthen it. There is some discussion about extending the authority on the new issuance bond program into 2012.

C. General Policy Discussion. **Rick Crager**, Acting Director, distributes Topics for Consideration and says he wants to start discussions around what he believes are some of Council's general policy topics:

- The best structure for Housing Council to have policy discussions, which is what Nancy McLaughlin started. Nancy was leaning toward more ad hoc groups instead of standing committees.
- Prioritization of housing needs based on presented data methodologies.
- Expansion of Housing Council's authorities on grants and loans to include tax credits. **Bob Gillespie** said he called the AG's office. Council is to approve grants, loans and related activities. As they looked at the statute on related activities, they found that the activities have to be named in the statute, which they are not. The AG said that if Council wants to make those decisions, the department can give Council that authority to make the decisions on the credits. In most CFC rounds that would be about eight projects. **Crager** recommends that Margaret Van Vliet should have input into the process, and this might be a good topic to discuss with her at future Council meetings.
- Specific statutory and/or administrative rules that would enable the department to more effectively provide affordable housing services in the state. Good examples of this are the Rural Housing Task Force and OAHTC modifications. He says he envisions recommendations coming to the Council in the form of pilots to try out in particular areas of the state.
- The new and/or enhanced funding processes for 2013.
- How to incorporate project performance, including performance of partners, into funding decisions.
- How to better integrate and incorporate services into affordable housing discussions.

Farewell to Chair LaMont: **Crager** acknowledges Maggie LaMont for her eight and a half years on Council, serving as Chair for the last couple of years. He presents her with a plaque for her service and thanks her for her dedication to affordable housing and services across the state. **LaMont** acknowledges the good work of Council and OHCS staff and says she appreciates being able to be a part of Council.

D. Report of the Acting Director. Rick Crager reports the following:

- This week the request to increase NSP3 limitation to spend the federal money will be presented to the legislature for approval. It was approved back in February, but because of the timing it could not be included in the budget, so it delayed approval of the limitation. In the previous phases of NSP, Bend was included. There is \$5M in NSP3 and the department is trying to put that into the highest need areas. If the money is not all spent in the highest need areas, then it can be expanded into other areas. Bend did apply for it in the RFP, even though they knew they were not eligible to receive it. We indicated that we would keep their application and if money remained and we do decide to expand into other areas, they would be included.
- Regarding NSP1, funds were allocated to the Jackson County Housing Authority, which was used to secure land for a project called Cherry Creek Apartments. The land was secured through a short sale, which is an eligible use of NSP dollars. There are different levels of classification. If purchased as a land banking activity, there is no requirement to get certain environmental assessments. If the land is purchased for a specific project to be developed, there is a requirement to go through an environmental assessment. When this land was acquired, there were no assurances that there would be a future project because they needed to get CFC funding, which was not a certainty. It is a prime piece of real estate and when this project came to the CFC, it was the only one in the department's history that scored a perfect score. It is located adjacent to a park and the neighborhood has some issues with the proposed project. The push has been that the environmental assessment was not done when the land was acquired. However, it was under land banking activity and, therefore, the assessment was not necessary. HUD sent the department a letter saying they did not think it was appropriate that it was given the classification it was and it should have been a development classification. It means they want us to correct the action, which means we need to get an environmental assessment done. We do not anticipate their being any problems. It is just a delay. **Woolley** asks if there will be any pressure from the Governor or anyone else about this issue. **Crager** answers that the department has been briefing Duke Shepherd and Greg Wolf with the Governor's office. So far, they are behind us and they understand that we have a good process in place. We believe we were correct in our classification and that we can make a strong case.
- We are still waiting on the Notice of Funding Availability (NOFA) on the PBCA to come out for the rebid. We have signed a contract that is an extension for six months, with optional extensions after that. They have taken some duties off, primarily around management review. They negotiated at 2%, which is 50 basis points less than what we were planning on getting, and 100 basis points less than what we are getting currently. What that means is that we will be able to do the work in relation to the PBCA, but all the additional things that the PBCA paid for -- preservation and other indirect type costs -- will still require us to take some immediate action as it relates to laying off staff. He says he tries to communicate to the partners that this is more than just the PBCA issue. There are other factors, such as liquidity costs. We got a liquidity contract, but it is for 80 basis

points, compared to 20 basis points before. Partners have asked if we will seek out ways to reduce our variable rate exposure. We are hedged and have swaps in place, but even with this cost we are still earning the maximum amount that was forecasted on our spread. We enjoyed the upfront costs being cheaper in the past and now we are having to pay. If this continues for a long period of time, we might find ourselves where we are not meeting our full spread. We are plugging the rebate in (which Nancy mentioned), but it will be spread over the next ten years. It is not a cash windfall.

Chair LaMont adjourns the meeting at 12:25 p.m.

/s/ John Epstein 12/2/11
John Epstein, Chair **DATE**
Oregon State Housing Council

/s/ Margaret S. Van Vliet 12/2/11
Margaret S. Van Vliet, Director **DATE**
Oregon Housing & Community Services