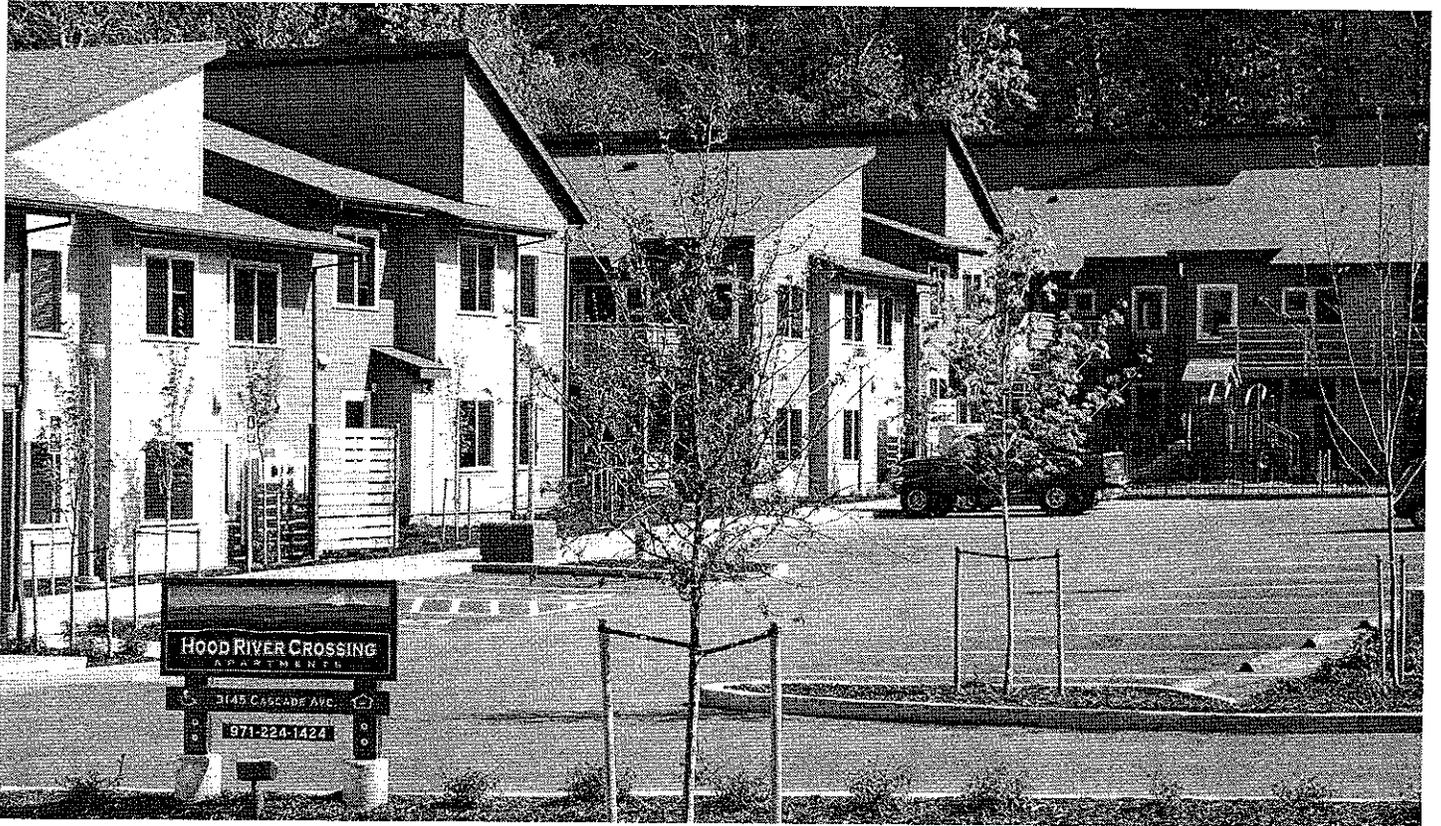


OREGON STATE HOUSING COUNCIL

September 19, 2011



*Hood River Crossing, Hood River, OR
(New Construction; 40 Units; Multi-Family; Farmworker)*

Meeting held at:
Oregon Housing and Community Services
725 Summer Street NE, Room 124 A/B
Salem, OR 97301
503.986.2005

OREGON STATE HOUSING COUNCIL

September 19, 2011

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Oregon State Housing Council

725 Summer St NE Suite B
Salem, OR 97301-1266
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(503) 986-2160 TTY
www.oregon.gov/OHCS/OSHC



Council Members
Maggie LaMont, Chair
Tammy Baney
John Epstein
Michael C. Fieldman
Jeana Woolley

STATE HOUSING COUNCIL MEETING

September 19, 2011

9:00 a.m.

Meeting Location:

Oregon Housing and Community Services
725 Summer Street NE, Room 124 A/B
Salem, OR 97301
(503.986.2005)

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 August 19, 2011 Meeting | |
| | B. Minutes of September 1, 2011 Meeting | |
| V. | RESIDENTIAL CONSENT CALENDAR | K. Cleveland |
| | A. 200 Block NE 55 th Street, Newport, OR | |
| VI. | NEW BUSINESS | |
| | A. <i>Eliot MLK (Portland, OR)</i> , Predevelopment Loan Request | S. Cullin |
| | B. Recommendation of Chair | R. Crager |
| VII. | SPECIAL REPORTS | |
| | A. CFC / Needs Analysis / Methodology | B. Carpenter
N. Detweiler
B. Gillespie
S. Harris |
| | B. Bridge Meadows Video Presentation | |
| VIII. | OLD BUSINESS -- None | |
| IX. | REPORTS | |
| | A. Single Family Program | B. Larson |
| | B. Oregon Homeownership Stabilization Initiative (OHSI)
Update | N. Cain |
| | C. General Policy Discussion | R. Crager |
| | D. Report of the Chief Financial Officer | N. Cain |

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- E. Report of the Acting Director
- F. Report of the Chair

R. Crager
M. LaMont

X. FUTURE AGENDA ITEMS

R. Crager

OREGON STATE HOUSING COUNCIL

Minutes of Meeting

Meeting Location:
Broadway Commons
1300 Broadway Street NE
Mexico Room #304
Salem, OR 97301

9:00 a.m.
August 19, 2011

MEMBERS PRESENT

Maggie LaMont, Chair
Tammy Baney
John Epstein
Mike Fieldman
Jeana Woolley

MEMBERS ABSENT

GUESTS

Rob Roy, Pacific Crest Affordable Housing
Terry McDonald, Director, St. Vincent de Paul Society of Lane County
Zee Koza, Executive Director, New Day Enterprises, Inc.
Anna Geller, Geller, Silvas & Associates
Tamara Holden, Geller, Silvas & Associates
Sister Marcella Parrish, Co-Director St. Joseph's Shelter
Steven Ritchie, Executive Director, St. Joseph's Shelter
France Fitzpatrick, CASA
Sister Terry Hall, St. Joseph's Shelter
Julie Marple, NWRECC
Nancy Proctor
Michael Keown
Tiah Sanderson Devin
Bill Lovelace, Lovelace Development
Destin Ferdun, Consultant, Lunabridge
Terri Silvis, Caritas Community Housing
Dale Inslee, NOHA
Ann Williams, St. Vincent de Paul of Lane County
Heather Hannah Buch, St. Vincent de Paul of Lane County
Charlie Harris, CASA
Jessica Woodruff, REACH
Sheila Greenlaw-Fink, CPAH

STAFF PRESENT

Rick Crager, Acting Director
Nancy Cain, Chief Financial Officer
Bob Gillespie, Housing Division Administrator
Lisa Joyce, Policy and Communication Unit Manager
Karen Clearwater, Regional Advisor to the Department
Bruce Buchanan, Regional Advisor to the Department
Karen Chase, Regional Advisor to the Department
Betty Markey, Senior Policy Advisor
Roz Barnes, Loan Officer
Carol Kowash, Loan Officer
Joyce Robertson, Loan Officer
Janna Graham, Loan Specialist
Shelly Cullin, Senior Loan Officer
Carole Dicksa, HOME Program Coordinator
Debie Zitzelberger, Loan Officer
Phil Richards, Loan Specialist
Jodi Enos, Tax Credit Program Coordinator
Tony Penrose, Resource Coordinator
Heather Pate, Multifamily Programs Section Manager
Mike McHam, Appraiser & Market Analyst
Dan Mahoney, Loan Officer
Kimber Sexton, Financial Review Specialist
John Cieri, Housing Asset Manager
Jo Rawlins, Recorder

1 Karen Perl Fox, CPAH
Betty Tamm, Neighborworks Umpqua
Andrea Romine, UCAN
2 Jody Ahlstedt, UCAN
Mary Bartlett, Umpqua Bank
Desiree Robinson, Umpqua Bank
3 Anne Delaney, Architect
Traci Manning, COO
4 Ben Gates, Project Manager/Architect
Betsy Hunter, Development Director,
5 HACSA
Roberto Jimenez, Director, FHDC
Christina DeCristo, Oregon Supported Living
6 Program
Mike Masat, Rose Community Development
7 Tom Kemper, Kemper Co.
Ryan Fisher, Northwest Public Affairs
8

9 **I. CALL TO ORDER: Chair LaMont** calls the August 19, 2011 meeting to order at 9:04
a.m.

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

12 **III. PUBLIC COMMENT:** Rob Roy, with Pacific Crest Affordable Housing, says he has
13 come to address Council at the encouragement of Tammy Baney. Baney says she thinks Council
14 needs to hear from those that we represent, and it is important that we have a good working
15 relationship. If there are things we need to know, or if there are questions or comments, she sees
16 that as Council's job to have that information. Roy says they have worked with Oregon Housing
17 for about eight years, and have done three projects. All of them have come in on budget, on
18 time, and they are all full with 0% vacancy rates. His concern is that they made their eighth
application in this CFC round and it did not get funded. With the rather limited time period that
he has been involved with Oregon Housing, he is concerned about the process and concerned
that there are very good projects that are not getting funded. He understands that there are lots of
great projects, but they are looking for more feedback. It is one thing to be debriefed, it is
another thing to have total clarity and total transparency in terms of what is happening with the
decision-making when it comes to the allocation of funds.

19 **Baney** states that she thinks this highlights the need for the department to look at things
20 differently. Particularly, she thinks they missed an opportunity around senior housing in this
21 area. When looking at the needs analysis, we can take an area, and this happens all across the
22 state, where it is 30 miles to the next town, when those are the units that we are using, because
23 that is what is captured in the needs analysis as to the availability. We are asking people to move
thirty miles out of their support system when the vast majority may not even have vehicles. We
are talking about trying to bring people in from a substandard mobile-type environment into
housing that is better. She says she thinks we have an opportunity to look at the uniqueness
across our state. Our needs analysis needs to be based on information and data, but we also need
to have a factor for some of those unique areas that may not get captured because they are being
grouped in with a larger populated area. If we are looking at quality of life and trying to keep

1 people in their communities of support and keep them from having more need for state services,
2 we do better housing in place than we do in trying to capture that outside the area. She says she
3 thinks this is a prime example of only one piece. There are some things that Mr. Roy has asked
4 of Oregon Housing and she wants to put in the record that she thinks any information we can
5 give that is not proprietary to an applicant, she would like this Council to support in offering
6 clarity, so we can have the best projects and assist what is an onerous application process and
7 the patchwork of funding to get it all together. Anything we can do to assist in that process, she
8 would hope Council would assist in. **LaMont** comments that this is not the first project that has
9 commented that the needs assessment does not always meet the needs of all the communities,
10 especially the smaller rural communities. She believes this is something the task force that is
11 being formed can begin looking into statewide. She and Mike Fieldman will participate on the
12 task force and, hopefully, they can try and help address and provide some extra assistance for
13 small communities as to how to meet the standards on those projects. **Fieldman** adds that no
14 matter how you look at it, the real fundamental issue is that there is not enough funding to meet
15 the needs. There are a lot of good programs and projects that should have been funded, but there
16 are not enough resources. The legislature chose to cut the debt limit in half from what was
17 proposed. We are going to continue to see that and we need to continue, as a group collectively,
18 to talk with our legislators, both nationally and locally, to provide more funding for affordable
19 housing. It gets difficult when you are trying to compete against all very good projects. There is
20 a great need everywhere and not enough resources to meet it.

21 **Epstein** thanks Mr. Roy for making his comments. He says he would like to reinforce that
22 Council is a public body. His comments were constructive, and he wants to encourage people to
23 make comments. Council members are citizens participating at the pleasure of the Governor.
24 From a greater standpoint, that is the purpose of this. Council is an open body; the agency is an
25 open agency; and it is for the good of the citizens of this state. He says that outside of their
26 planned meetings, they are all available and willing to engage with the agency and with the
27 public. This is what the whole public process in our country is all about. **Woolley** states that,
28 ironically, some of the Council members just had a discussion with staff about the process to say
29 they needed to take a look, because there is not enough money, and that the process has become
30 so competitive. We are turning down great projects in these CFC rounds because we do not have
31 enough resources. That suggests that we need to be very mindful every time we go through the
32 process to try and reevaluate what has changed and what we can do better. This is great
33 encouragement and we want to hear from people when they do not understand. *You are our
34 partners and you have a right to understand what is going on, on this end of it. Rest assured we
35 are getting ready to evaluate the process for 2012 because we know there are some things that
36 we need to take a harder look at and figure out if we can do a better job at allocating the scarce
37 resources.* She thanks him for coming forward. **Baney** asks that staff work with Mr. Roy to
38 answer his questions. **LaMont** says that, if there are questions after the debriefing, it is quite
39 appropriate for applicants to contact staff and have those questions answered, as much as they
40 can. It is important if applicants are not funded, to understand why they were not, so that if they
41 want to come in next year for funding they will know what areas they need to improve on their
42 application. She encourages applicants to do that. She says no applicant should ever go away
43 confused, and not clearly understanding what the problem is with their application. It is very
44 important that we understand where our deficiencies are. **Crager** adds that, as Rob alluded to,
45 there is a debrief process that we go through, and if there are other questions, we are committed
46 to providing as much information as we can. There are certain items we cannot legally provide.

To the extent of helping Mr. Roy understand his application and where there are opportunities to improve on it, we are committed to doing that.

IV. APPROVAL OF MINUTES

A. Chair LaMont asks if there are any corrections to the July 15, 2011 Minutes. There being no corrections, the Motion was read:

MOTION: Woolley moves that the Housing Council approve the Minutes of the July 15, 2011 Council meeting.

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

V. RESIDENTIAL CONSENT CALENDAR: None.

VI. SPECIAL REPORTS: None.

VII. NEW BUSINESS:

A. *Hillcrest Mobile Home Park* (Oakridge, OR), MDPP Grant Request. **Debie Zitzelberger**, Loan Officer, introduces **Terry McDonald**, Director of St. Vincent de Paul Society of Lane County, and **Karen Clearwater**, Regional Advisor to the Department. **Zitzelberger** states that the funds requested will be used to acquire a mobile home park in Oakridge, Oregon, and she gives an overview of the write-up contained in Council's packet. **McDonald** points out the economic impact the park will have on the community, starting next month when St. Vincent de Paul Society of Lane County opens up a new service center in Oakridge with a Laundromat, so that immediately adjacent to the park there will be laundry facilities available for the first time in four years. They have a very good service package being provided with their partnership with the Cresky Foundation for the next five years, to ensure that the families and the individuals in this park are more closely tied into services that are not currently available in the community. Especially the low-income energy assistance programs, the utility, food and job-training programs. They have the opportunity to have a unique synergy between the park and the larger community. **Fieldman** asks what precipitated the sale and if the owner was wanting to get out of the business. **McDonald** explains that the ownership of this park is by an absentee owner whose family owned property in Oakridge in the 1950-1960s when it was an active timber town. The owner has long retired and wants to sell, but there has been no market. **Baney** comments that when talking preservation, it helps to highlight the new services that are coming to the community because a lot of communities have lost so much. **McDonald** adds that they are also bringing a retail store so that people do not have to go 40 miles to buy things. There are also six office spaces that will be supported by the small business incubator program that they are working with, which will enhance the ability for people to have more economic opportunities. **Crager** says he wants to remind Council that this is a big part of the department's preservation package from last biennium. The department was given dollars from lottery-backed bond resources and \$3M was allocated specifically for this. This is the last of four projects. St. Vincents has been a key partner in helping us with this model. By going forward with the four parks we have been able to fund with those resources, we can show that we are making a big difference. We will be able to use these models to illustrate to the legislature the difference that is being made.

1 **MOTION: Baney moves that the Housing Council approve a grant**
2 **award of up to \$600,000 from Manufactured Dwelling Park**
3 **Preservation resources to St. Vincent de Paul Society of Lane County,**
4 **Inc. to acquire and renovate Hillcrest Home Park in Oakridge,**
5 **Oregon.**

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

9 **B. 2011 Consolidated Funding Cycle**

10 1. *Overview.* **Tony Penrose**, Resource Coordinator and **Heather Pate**,
11 Multifamily Programs Section Manager. **Penrose** reports that the department received 43
12 applications, and 24 were selected for funding reservations. 18 projects are requesting resources in
13 excess of \$200,000 from any single program, or \$400,000 in combined programs, and are being
14 presented to Council today. This round, 50% of grant and tax credit resources, and all preservation
15 funds, were targeted for preservation projects. 10 of the 43 applications received were for projects
16 that would meet this goal. 9 of the 10 were funded and the remaining funds were allocated
17 proportionately to the Urban/Metro and Rural areas. The urban/metro consists of city and county
18 entitlement areas that receive their own allocation of HOME funds: Corvallis, Clackamas County,
19 Eugene/Springfield, Salem/Keizer, Multnomah County and Washington County. The rural
20 allocation is the remainder of the state. The department was able to allocate 45% of the resources
21 through set-asides. One project awarded was not preservation, but did have new RD/HUD funds
22 (48%). He gives an overview of the 6 projects previously approved by the Finance Committee, that
23 do not require Housing Council approval:

- *Cherry Creek* (Medford, OR), sponsored by the Housing Authority of Jackson County, is a proposed two-phase new construction, workforce housing project, targeting families, with a 60-year affordability period. *Cherry Creek Part I* will contain nine, two story residential buildings, 50 units, of which 49 units will be affordable to households earning 50% AMI. One manager unit will be non-income qualified. Eighteen (18) units will be rent subsidized with Section 8, Project-Based Vouchers issued by the Housing Authority.
- *Duck Country Apartments: Dunhill Apartments – Linnwood Apartments – Wilsonville Heights Apartments*, sponsored by Chrisman Development and Management, Inc., is a split site with three existing subsidized family projects. *Dunhill* is a 1983 project in Dundee, Oregon, with five buildings containing 28 units, with office and laundry. *Linnwood* is a 1982 project in Sherwood, Oregon, with two buildings containing 24 units. *Wilsonville Heights* is a 1985 project in Wilsonville, Oregon, with two buildings containing 24 units.
- *Eliot MLK Project* (Portland, OR), is a new construction project with mixed-use and commercial elements. The project is sponsored by Innovative Housing, Inc. The focus of the project will be low-income workforce and homeless housing at a range of incomes between 0 – 60% of AMI, with an affordability period of 60 years. It will include 49 units with a mix of studio, one and two bedrooms, and the floor level commercial will have one or two tenants.
- *Glisan Commons* (Portland, OR), is Phase I of a two-phase, mixed-use, consisting of 120 units serving workforce and seniors, and 16,000 square feet of commercial space. Human Solutions will sponsor the first phase of housing. Ride Connection will own the 16,000 square foot commercial component, and REACH CDC will sponsor the Phase II senior housing. Phase I will consist of 60 units of workforce housing at or below 60% of AMI. The affordability period will be 60 years.

- 1 • *Stellar Apartments* (Eugene, OR), will provide 54 units, including a manager unit, for families and special needs at or below 50% AMI. This new construction project will have 11 two and three story buildings, with a community building. St. Vincent de Paul Society of Lane County is the sponsor.
- 2 • *Timber Grove Apartments – Estacada Village Apartments* (Estacada, OR) – *Firwood Village Apartments* (Sandy, OR), is sponsored by Chrisman Development and Management, Inc. *Timber Grove* is a split site existing of family projects serving residents at or below 50% AMI, with an affordability period of 30 years. *Estacada Village* has 7 buildings with 48 units, and an office and laundry. *Firwood Village* has 4 buildings with 24 units, community building, office and laundry. 50 of the units have RD project-based assistance.

6 **Penrose** explains that the funding requests being presented to Housing Council for approval, consist of both GHAP and Trust Fund, in order to give the department flexibility to switch the funding, depending on the need of the project, but the amount requested remains the same. **Baney** asks about why the Timber Grove Apartments are packaged together, versus having them apply individually, when they are in two different areas. **Penrose** explains that the financing is together because RD is looking at them as a combined package. **Baney** asks about the added \$4M and the almost \$800,000 for the tax credit. **Pate** explains that the department is forward allocating funds, so those are not reserves. The department is looking ahead because Trust Fund and GHAP are coming in constantly. **Crager** adds that when the department put the advertising out, there was still some uncertainty related to some of the preservation bonds that were issued. In addition, the document recording fee projection came in higher than was anticipated so there were more available resources. **Epstein** asks how far into the future the department looks when forward allocating. **Crager** says that with the document recording fee the department budgeted what it had, or what was conservative to the end of the quarter. **Pate** adds that the CFC was advertised in December, so they looked to the end of last year. **Crager** states that now that the department is looking at the forecast closer, if we wait until next year we will have banked \$8- \$9M that is just sitting there. It will be better to do some future forecasting, so it was decided to take resource projections through the end of December, and that is revenue that will be coming in and that is committed. Next year, what will happen with the CFC, is that the department will be allocating the resources that have come in for the first two quarters of the calendar year, as well as resources for the third and fourth quarters. **LaMont** says the good news is the department has more money; the bad news is, it comes from foreclosures. **Epstein** comments that he just wants to make sure the department is not getting out in front of itself, projecting money that it is not sure about. **Crager** says no, and from a budget standpoint, the department is conservative.

18 2. *Grande Manor* (LaGrande, OR). **Mike McHam**, Appraiser and Market Analyst, introduces **Zee Koza**, Executive Director of New Day Enterprises, Inc., **Tamara Holden**, Geller, Silvas & Associates, and **Bruce Buchanan**, Regional Advisor to the Department. He reports that Grande Manor is a proposed five-bedroom group home, designed to serve five disabled individuals, with resident services targeting developmentally disabled requiring 24/7 care. This is a priority one population for the area. Incomes are targeted to below 30% of AMI, and is well located in a residential neighborhood. The total project cost is \$500,000, including GHAP and Trust Fund from OHCS, plus additional funding from New Day. The sponsor is a well-established nonprofit developer serving individuals in Union County for over 39 years. They are the owner, developer and manager of six other similar group homes. New Day has recently completed two similar projects. They have sufficient development capacity to complete the project.

1 **LaMont** declares a conflict of interest because her daughter is employed at New Day. She says she will not participate in the discussion, nor vote on the project.

2 **Baney** asks about the proposed rent of \$846 for a five-bedroom group home. **McHam** explains that it is the cumulative total of the rents. Most of the income is subsidized through other funding.
3 **Koza** adds that most of the tenants receive their money from Social Security, and that provides their room and board. **Woolley** asks why it is not listed as five units in the spreadsheet. **McHam** says it
4 is considered a group home with five bedrooms because it has a central common kitchen, and the units do not have individual toilets or cooking facilities. **Woolley** says that by looking at the
5 spreadsheet, it appears they are spending \$500,000 on one unit, and you have to pay attention and read the details. She says this is something they need to think about in terms of perception.

6 **MOTION:** **Baney** moves that the Housing Council approve a
7 **GHAP/HDGP** grant in the amount up to \$425,230 to **New Day Enterprises, Inc.** for the new construction of **Grande Manor**, located
8 in **La Grande, Oregon**. Award is contingent upon meeting all program requirements and conditions of award.

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

12 3. *St. Joseph's Shelter* (Mt. Angel, OR). **Mike McHam**, Appraiser and
13 Market Analyst, introduces **Sister Marcella Parrish**, Co-Director, **Steven Ritchie**, Executive
14 Director, **France Fitzpatrick** with **CASA**, and **Karen Chase**, Regional Advisor to the
15 Department. **McHam** reports that this project is a proposed improvement acquisition and
16 remodeling of a dormitory-style building into a ten-unit project consisting of two studios and
17 eight two-bedroom units. The project targets migrant farmworkers, especially those with
18 families requiring larger units. Incomes are at or below 50% AMI. The sponsor will also
19 provide a full-resident service package necessary for this population. The total project cost is
20 \$2.1M, including **GAHP**, **Trust Fund**, **Farmworker Housing Tax Credits**, plus additional funding
21 from **Federal Home Loan Bank** and **HUD Rural Innovation Fund**. The property was donated by
22 the **Benedictine Sisters** in **Mt. Angel**. **Epstein** asks if this is intended for a 12-month use.
23 **McHam** says the plan is for a maximum of nine months. He explains that there has been a shift
in the population as far as demand, and there is more demand for family-type housing than
individual housing. **Epstein** asks about the cost of rehab of an existing dorm, versus new
construction which could come in at the same price. **McHam** says this has been approved by
Finance Committee. **Fitzpatrick** explains that the property was donated and the value on that
was over \$600,000. **McHam** states that the total project cost includes the donated building. If
you back that out, it is over 25% of the project cost. **Epstein** says instead of \$200,000 per unit, it
is closer to \$100,000 per unit. **Crager** states that it is about \$150,000. **Epstein** says a greater
issue when looking at these, is that sometimes people get caught up emotionally on existing
properties. But if you run the math you can build a new property for the same price. You would
be ensured more longevity on a building with new construction. **McHam** says he thinks what he
is suggesting is a cost feasibility analysis. These projects are funded based on cost. **LaMont**
says she disagrees with that. If you have a project that is in the best area for the population being
targeted, even if it is a little more expensive or comparable, sometimes that would be the best use
of the project. Especially with farmworker, where the project is located is very important in
acquisition. **Baney** suggests adding this to the list of policy discussions. If we have had that

1 conversation with people bringing in a project, it gives us the opportunity to say we did look at
2 all the comparables. Woolley says she presumes this is part of a complex and there is some
3 historical value to the original complex. It is always more expensive to rehab buildings that were
4 constructed a long time ago.

5 **MOTION:** Baney moves that the Housing Council approve a
6 **GHAP/HDGP grant up to \$500,000 and a Low-Income**
7 **Weatherization Program Grant up to \$7,500 to St. Joseph Shelter for**
8 **the acquisition/rehabilitation of the St. Joseph Shelter Rehabilitation**
9 **project located in Mount Angel, Oregon. Award is contingent upon**
10 **meeting all program requirements and conditions of award.**

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

14 4. *Crestview Court Apartments* (Beaverton, OR). **Joyce Robertson**, Loan
15 Officer, introduces **Julie Marple**, Northwest Real Estate Capital Corp. **Robertson** reports that
16 Northwest Real Estate Capital Corporation's CFC application requests funding for the
17 acquisition and rehabilitation of the Crestview Court in Beaverton, which is a 48- unit family
18 project built in 1979. Northwest Real Estate Capital Corporation purchased Crestview Court in
19 June of 2010, using short term financing to prevent the project from being sold and converted to
20 market rate housing. During the interim period, the HAP contract was renewed on an annual
21 basis. With the award of CFC resources, Northwest Real Estate Capital will request a 20-year
22 HAP contract in February 2012. Rehabilitation of Crestview Court is needed to repair or replace
23 items that are at the end of their economic life and to ensure this project will last for the next 30
years. The rehabilitation cost is estimated at \$44,555 per unit; will include upgrading units to
ADA standards, with one unit specialized for audio or visually impaired tenants. **Epstein** says
he thought there was a uniform term of affordability. **Crager** answers that there is, but it won't
take effect until the next cycle.

24 **MOTION:** Woolley moves that the Housing Council approve a
25 **GHAP grant in an amount up to \$200,000, a Housing Preservation**
26 **Fund grant in an amount up to \$272,671, and a Low Income**
27 **Weatherization grant in an amount up to \$61,772 to Northwest Real**
28 **Estate Capital Corp. for the acquisition and rehabilitation of**
29 **Crestview Court Apartments located in Beaverton, Oregon. Award is**
30 **contingent upon meeting all program requirements and conditions of**
31 **award.**

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

35 5. *Columbia Hills Manor* (Arlington, OR). **Carole Dicksa**, HOME Program
36 Coordinator, introduces **Nancy Proctor**, President of Columbia Gills Manor, Inc., **Michael**
37 **Keown**, Board Member, **Tiah Devin**, Project Manager, and **Bruce Buchanan**, Regional Advisor
38 to the Department. **Dicksa** reports that Columbia Hills Manor will consist of eight units for

1 independent seniors, 60 years of age and older. It is anticipated that most residents will be
2 couples, instead of singles, so there will be two one-bedroom units and six two-bedroom units.
3 This project is an important project to the community because the nearest independent housing
4 for seniors is 38 miles away. This project will allow local seniors to stay in their community and
5 participate and enhance the city of Arlington. **LaMont** points out that there is a typo regarding
6 the cost per square foot (\$202.14 not \$26,890). **Woolley** asks that the typo be corrected because
7 these are public documents. **Fieldman** asks for further explanation of the two-bedroom feature
8 in this project. **Devin** explains it is because they will have couples and many seniors do not stay
9 in the same room. Also, because it is so far away from town, they wanted to allow them to have
10 some independence so guests could stay with them, or a temporary caregiver. **Dicksa** adds that
11 the market information looked at who would be interested and couples were the majority of the
12 interested parties. **Baney** comments that the unit cost is still high. **Devin** states that the bare lot
13 was a donated lot from the City of Arlington. It is only partially ready and a tremendous amount
14 of earth work needs to be done. The donated part is almost entirely the earth work. The total
15 cost of the project is around \$2.1M, the funded portion is about \$1.5M. The county will come in
16 and Proctor Transport will do almost all of the earth work. **Dicksa** says they do not have the
17 benefit of building 20 units; they are only building eight. **Crager** states that, in the preliminary
18 review, they discussed cost per unit on new construction and they did discuss the scale issue.
19 **LaMont** suggests that the write-ups show when items are donated, like the building or land, and
20 that it may be helpful to include donations with the identified funding sources. **Woolley** adds
21 that it would be good to highlight that because one thing Council looks for is community support
22 and that is often demonstrated by contributions to the local project. **Buchanan** says that is very
23 true in rural parts of the state. The match on the application is different in rural areas. **Crager**
states that in the past, the department has used the leveraging resources, state resources, and the
match piece as a component. **Baney** says if that is reflected in the unit cost, Council needs to
have both. **Dicksa** points out that with the HOME program there is a 25% match requirement.
Epstein comments that it allows Council to compare apples to apples if they can get to our
funding and hard bank debt funding. Council wants to see the third party funding and what that
costs per unit, and if the community wants to enhance that further and make the cost more
expensive. **Woolley** adds that when they put in more money, the leverage rate is higher.

15 **MOTION:** **Woolley** moves that the Housing Council approve a
16 **GHAP/HDGP** grant/loan in an amount up to \$500,000 and a **HOME**
17 **Investment Partnership Program** grant up to \$1,015,029 to **Columbia**
18 **Hills Manor, Inc.** for the new construction of **Columbia Hills Manor**
located in Arlington, Oregon. Award is contingent upon meeting all
program requirements and conditions of award.

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

21 6. *Ocean Winds* (Brookings, OR). **Carol Kowash**, Loan Officer, introduces
22 **Bill Lovelace** of Lovelace Development, and **Karen Clearwater**, Regional Advisor to the
23 Department. **Kowash** reports that this project will have nine buildings on 2.5 acres in
Brookings, and will have retail, employment and most services nearby. The units will serve
workforce housing residents in a mix of townhouse and flat units surrounded by a community
center. The community center will have offices and rooms for service providers, classrooms, a

1 computer lab, laundry, maintenance shop and rental offices. The 39 affordable units will have
2 Section 515 Rural Development rental assistance, which will allow a payment of no more than
3 30%, based on the tenants' income. An additional unit will house the manager of the property.
4 Lovelace Development will develop the parcel. This is another small community that has very
5 low availability to affordable housing. Having the project-based assistance is important, as the
6 residents have low income levels. **Lovelace** comments that they did receive \$1M in funding
7 from RD and 100% rental assistance for this project. They were one of 42 projects selected
8 nationally and the only one in Oregon. **Epstein** says he has heard rumblings about RD cutbacks
9 and taking 60,000 rental assistance units out of service due to budget cuts. **Gillespie** comments
10 that he has had discussions with RD regarding this, and they will be making the cuts through
11 attrition. As projects fall out they are recapturing the rental assistance. He says that will be a
12 discussion on one of the projects coming up at the next Council meeting. The days of 100%
13 rental assistance are gone. **Lovelace** they have a guarantee of refunding from RD. **LaMont** says
14 that RD periodically goes through and looks at projects and if there is a market rate tenant that is
15 not using the subsidy, they pull the subsidy. She says she assumes that means there will be
16 another big sweep of unused subsidies. **Baney** says the unit cost is pretty high, that Curry
17 County is just not able to assist, and they will be struggling with the economy. It is one of the
18 highest of the unit costs. She understands the need in the community, but she just wants to be
19 cautious. **Shelly Cullin** comments that when you start to look at department policy and the best
20 practices documents, some of the activities we are requiring do cost more. **Clearwater** adds that
21 the rental assistance on this project is on the unit, so the tenant only pays 30% of their income. If
22 they are unemployed, they will pay a very small amount. The demand for this project will be
23 big. **Kowash** says that other similar projects in the area have waiting lists and they do not have
rental assistance. **Lovelace** states that the state does have requirements that they comply with
DEQ upgrades to a lot of public services, so the SDCs are exorbitant, and the other problem is
that Brookings is miles away from services. **Baney** responds that, being in local government,
SDCs are a community choice, and there is a give and take of having affordable housing, as well
as offsetting some of those costs. **Clearwater** says she did talk to the city about this, and they
say they do not have the ability to waive charges. They had to put in a new upgrade to their
sewer system because it was failing, and they do not have the luxury of waiving hook-up fees for
any housing. It is a resort town with lots of absentee residents that do not shop, work or pay into
the community. The coastal communities are really struggling. **Baney** states that those are also
policy decisions for local government. **Crager** says he wants to underline what Shelly said. As
Council talks more about policy at the next Council meeting, from a policy standpoint, we need
to ensure that the affordable housing that is developed, lasts. **Woolley** adds that one of the things
that should be done in preparation for that discussion, is to try and quantify what we think the
burden is, so we have the cost benefit analysis.

19 **MOTION: Baney moves that the Housing Council approve a HOME**
20 **award in an amount up to \$437,800 and GHAP/HDGP grant up to**
21 **\$200,000 to Lovelace Development, LLC, for construction of Ocean**
22 **Winds in Brookings. Award is contingent upon meeting all program**
23 **requirements and conditions of award.**

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

1 7. *Cedar Park Gardens* (Sandy, OR). **Carol Kowash**, Loan Officer,
introduces **Destin Ferdun**, Lunabridge Consultant, and **Terri Silvas**, Caritas Community
2 Housing. **Kowash** reports that this is an RD, phased process rehabilitation project for elderly
3 residents, and that they are currently at phase two. Rental subsidy will provide affordability to
4 the tenants to 30% of their income levels. The development was built in 1982. It has 19 one-
5 bedroom and one two-bedroom units. It could have been returned to market rents in 2005, but it
6 was preserved through a Caritas/Catholic Charities purchase, providing affordability to the area
7 for another 30 years. The average tenant makes less than \$12,000 a year and is at 23% of AMI.
8 Rehab will include converting and upgrading two units to ADA standards of accessibility.
Exterior renovations will take place that include roof, windows, railings and cement board siding
replacement. Whole house ventilation will be included in the units. **Silvas** adds that they
purchased this project in 2005, and since that time have been using reserves and USDA money,
CDBG, and some Clackamas County HOME funds to do some of the most critical renovations to
the property. It was a preservation project beginning many years ago. Now they are down to the
last several hundred thousand dollars, so they have come to Council to ask for the very last piece
they need, which is about 30% of the cost of the renovations.

9 **MOTION: Baney moves that the Housing Council approve a Housing**
10 **Preservation Fund (HPF) award in the amount of up to \$144,825, and**
11 **a GHAP/HDGP grant of up to \$465,175 to Catholic Charities for**
12 **rehabilitation of Cedar Park Gardens in Portland. Award is**
13 **contingent upon meeting all program requirements and conditions of**
14 **award.**

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

18 8. *Strawberry Village* (Prairie City, OR). **Joyce Robertson**, Loan Officer,
introduces **Dan Inslee**, Northwest Oregon Housing Authority, and **Bruce Buchanan**, Regional
19 Advisor to the Department. **LaMont** declares a conflict, stating that this is one of her projects,
20 and says she will abstain from the discussion and the vote. **Robertson** reports that Northeast
21 Oregon Housing Authority is requesting funding for the acquisition and rehabilitation of the
22 Strawberry Village in Prairie City. Strawberry Village is a 10-unit family project built in 1981,
23 receiving HUD project based rental assistance. Grant County has an unemployment rate of over
14%. There are few other housing options for the families residing at Strawberry Village, so it is
important that it be preserved as affordable housing. The rehabilitation cost is estimated at
\$79,671 per unit, and will include replacing components that have reached the end of their
economic life; upgrading the building for better energy efficiency, and adding playground
equipment. Temporary relocation is not anticipated, but should it be necessary, approximately
\$10,000 has been budgeted for relocation assistance. **Inslee** states that the need to preserve is
obvious and important. In a small, rural community like Prairie City, this is one of the only
things available for those families. It is a wonderful project for the community. It will have a
safe and secure look and will be inviting to all the families that live there. **Baney** asks how he
knows for sure they will have the people that they need. **Inslee** responds that at the time the
application was submitted, there were four vacancies, but it is 100% occupied currently. There
are some other low-income projects in John Day. They run a tight program as far as encouraging
the families and overseeing and offering extra assistance. When the project is rehabilitated, it

1 will be an invitation for families to raise children there. **Buchanan** says there is a demand,
2 which was addressed in the market study that is part of the application. This is a typical 35-year
3 old HUD project that has not been as well maintained as it should have been. When it is
rehabbed it will be representative of the good work the department does on preservation projects.
He says he thinks the market data stands on its own. There will be a curb appeal and a desire to
live there, that does not currently exist.

4 **MOTION:** Fieldman moves that the Housing Council approve a
5 **Housing Preservation Fund grant in an amount up to \$201,775, a**
6 **GHAP grant in an amount up to \$499,500 and a HOME Investment**
7 **Partnership Program grant in an amount up to \$513,358 to Northeast**
8 **Oregon Housing Authority for the acquisition and rehabilitation of**
9 **Strawberry Village Apartments located in Prairie City, Oregon.**
Award is contingent upon meeting all program requirements and
conditions of award.

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

10 9. *Jefferson Court Apartments* (Madras, OR). **Joyce Robertson**, Loan Officer,
11 introduces **Anne Williams**, St. Vincent de Paul of Lane County, and **France Fitzpatrick** and
12 **Charlie Harris** of CASA of Oregon. **Robertson** reports that St. Vincent de Paul of Lane
13 County is requesting funding for the acquisition and rehabilitation of the Jefferson Court in
14 Madras. Jefferson Court is a 26-unit family project built in 1979 and includes two units adapted
15 for physically disabled tenants. With Rural Development rental assistance, tenant rents are 30%
16 of their income, which averages less than \$10,000 for the residents of Jefferson Court. With
17 funding approval, the exterior and interior of Jefferson Court will be completely rehabilitated,
18 improving the street presentation and marketability of the project, as well as insuring an
19 additional 30 years of useful project life. The rehabilitation cost is estimated at \$38,264 per unit.
It is expected that tenants will be temporarily displaced during the rehabilitation of this project.
Rehabilitation will be staged, impacting eight to nine tenants at a time. A budget of
approximately \$75,000 is being used to assist the tenants with motel vouchers and per diem food
allowances during the temporary displacement. **Williams** adds that of all of the RD projects she
has looked at, this project is unique in that it is not necessarily immediately identifiable as an RD
project. It is sited in a well-maintained residential area, it has wonderful green spaces and
mature trees. It is within walking distance of schools and food shopping. The project presents
very well. Once we are done with rehab it will be an incredibly important preserved addition to
the community.

20 **MOTION:** Woolley moves that the Housing Council approve a
21 **GHAP grant in an amount up to \$500,000 and a Housing Preservation**
22 **Fund grant in an amount up to \$468,000 to SVDP for the acquisition**
23 **and rehabilitation of Jefferson Court Apartments located in Madras,**
Award is contingent upon meeting all program requirements
and conditions of award.

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

4 10. *Maples II Apartments* (Hillsboro, OR). **Joyce Robertson**, Loan Officer,
5 introduces **Jessica Woodruff**, REACH Community Development. **Robertson** reports that
6 REACH Community Development is requesting funding for the acquisition and rehabilitation of
7 the Maples II in Hillsboro. The Maples II was built in 2001 and has 21 one-bedroom units
8 serving elderly tenants with less than 50% of AMI. The average age of Maples II residents is
9 73.5, and the average income is 20% of AMI. 100% of the units are covered by a HUD project
10 based assistance contract. Funding for the Maples II is needed to cure deferred maintenance
11 issues. The exterior siding is currently allowing moisture to penetrate and needs to be addressed
12 before damaging sheathing and framing. The roof will be replaced to ensure 30-year
13 sustainability. Interior upgrades will be made to meet ADA requirements and home ventilation
14 will also be added to improve air quality issues. The rehabilitation cost is estimated at \$17,537
per unit. Relocation of tenants is not anticipated. If residents need to be displaced, it should be
for four days or less and they would return to their same unit. The sponsor has budgeted
approximately \$26,003 for relocation assistance. The previous sponsor of the Maples II project
did not request HUD rent increases to cover rising operating costs or reserves. REACH
Community Development is requesting a rental increase from HUD, so there will be reserves to
cover future project needs. Tenant-paid rents will remain at 30% of their income. **Baney** points
out that the costs are low. **Woodruff** clarifies that this is a HUD single-asset entity, which was
done by another group that is a volunteer group. REACH became the sponsor after that group
came to them because they wanted to get out of that business. So they were approved by HUD a
year ago and they now control the single-asset entity. When they took it, part of their due
diligence was to do a capital needs assessment, which showed they were going to take an asset
that had construction defects when it was built. For example, the flashing was put on backwards.
They will be able to fix that before damage can occur. They have another 30 years on the HUD
contract, and it will set them up with the rent increases they are requesting.

15 **MOTION: Woolley moves that the Housing Council approve a**
16 **HDGP grant in an amount up to \$108,559, a Housing Preservation**
17 **Fund grant in an amount up to \$378,000 and a Low Income**
18 **Weatherization grant in an amount up to \$3,260 to REACH**
Community Development Inc. for the acquisition and rehabilitation of
Maples II Apartments located in Hillsboro, Oregon. Award is
contingent upon meeting all program requirements and conditions of
award.

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

22 11. *Spencer House Apartments* (Beaverton, Oregon.) **Joyce Robertson**, Loan
23 Officer, introduces **Sheila Greenlaw-Fink** and **Karen Perl Fox** of Community Partners for
Affordable Housing. **Robertson** reports that Community Partners for Affordable Housing is
requesting funding for the acquisition and rehabilitation of the Spencer House in Beaverton.
Spencer House is a 48-unit family project built in 1971. HUD project based rental assistance on

1 37 of the 48 units keeps tenant rent at 30% of their adjusted income. Tenants stay an average of
2 six years at Spencer house, with 11 current households having been there for over 10 years.
3 Spencer House is in an ideal location for families with schools, parks, shopping and public
4 transportation all nearby. Rehabilitation is needed to address critical needs at Spencer House, as
5 well as updating and providing another 30 years of sustainable affordable housing.
6 Rehabilitation will include repairing or replacing upper landing and deck structures, and poor
7 ventilation, that have been identified as critical health and safety concerns. Siding, windows and
8 doors will be replaced to cure moisture issues, and drainage added to address standing water
9 issues. The rehabilitation will also include the renovation of three ground-floor units to be fully
10 accessible. One unit will have sight and hearing impairment warning devices installed. The
11 rehabilitation cost is estimated at \$50,713 per unit. Temporary relocation of tenants will occur
12 and there is a budget of approximately \$163,705 to temporarily relocate eight tenants at a time
13 for up to three months.

7 **MOTION:** Fieldman moves that the Housing Council approve a
8 Housing Preservation Fund grant in an amount up to \$765,300, an
9 HDGP grant in an amount up to \$422,700 and a Low Income
10 Weatherization grant in an amount up to \$158,779 to Community
11 Partners of Affordable Housing, Inc. for the acquisition and
12 rehabilitation of Spencer House Apartments located in Beaverton,
13 Oregon. Award is contingent upon meeting all program requirements
14 and conditions of award.

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

13 12. *Eagle Landing* (Roseburg, OR). Roz Barnes, Loan Officer, introduces Betty
14 Tamm, Executive Director of Neighborworks Umpqua, Andrea Romine, UCAN, Anne
15 Delaney, Bergsund, Delaney Architecture, and Karen Clearwater, Regional Advisor to the
16 Department. Fieldman declares a conflict of interest and says he will be abstaining from
17 participation and voting. Epstein also declares a conflict of interest. Barnes reports that Eagle
18 Landing will consist of 10 residential buildings with 54 units of supportive housing for homeless
19 veterans, with one manager unit. The four buildings which house the one-bedroom units are
20 multi-story. The five duplexes containing the family units are single story. 44 of the units will
21 offer permanent supportive housing, while the remaining 10 units will provide transitional
22 housing. Tenants will pay no more than 30% of their income in rent. Ideally situated on the
23 Veterans Administration Medical Center campus, comprehensive services will be offered and
coordinated with existing services made available through the VA. In 2010 Neighborworks
Umpqua applied for and received a department predevelopment loan in the amount of \$67,000.
The Veterans Administration has committed a \$1.25M donation in the form of a land lease and a
\$1M grant for the construction of Eagle Landing, plus a little over \$1.3M in a VA grant for
transitional housing. The current market study calculated a marginal demand for 180 units of
permanent supportive housing for veterans. 153 of the 180 Veterans surveyed have an income of
30% of AMI or less. The remaining 27 veterans have incomes that fall between 30% and 40% of
AMI. The market rate complexes in Roseburg had an average vacancy rate of 2.6%, while the
affordable complexes surveyed had an average vacancy rate of 3.4%. With all the information
gathered, it is obvious there is a need for additional, affordable housing for veterans and Eagle

1 Landing will help to make it possible for 54 families to have safe and secure housing. **Tamm**
2 states that Neighborworks Umpqua, Umpqua CDC and UCAN have been working on this project
3 for over a year. The VA has been a tremendous partner, both giving them 10 acres in the middle
4 of Roseburg, and committing \$1M in construction money. They are committed to this project.
5 The veterans groups in Roseburg, that represent all the lines of service, are very vocal and
6 supportive and have been in front of the legislature quite a bit lately to secure services. It will be
7 a nice connection. There is also a plan for a veterans' home on the campus. It is a well
8 integrated project. **Clearwater** adds that this was an RFA process, they awarded four RFA
9 awards, and this is the only project in the nation that is moving forward. **Baney** says that if they
10 were to factor in what they have been able to garner from the community, it would shift the
11 costs. She is excited to see Meyer Memorial and Ford Family in that part of the state. She
12 cannot think of a better way to spend money than on those that have taken care of us. There are a
13 lot of veterans in our state that are underserved.

14 **MOTION: Woolley moves that the Housing Council approve a**
15 **HOME grant of up to \$900,000; an HDGP/GHAP grant/loan of up to**
16 **\$200,000; a HELP grant of up to \$200,000; to Umpqua Community**
17 **Development Corporation for the new construction of Eagle Landing**
18 **in Roseburg, Oregon. Award is contingent upon meeting all program**
19 **requirements and conditions of award.**

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

23 13. *Butte Hotel* (Portland, OR). **Roz Barnes**, Loan Officer, introduces **Traci**
24 **Manning**, Chief Operating Officer, Central City Concern, and **Ben Gates**, Project Manager and
25 Architect. **Barnes** reports that Central City Concern has owned the Butte Hotel since 1981 and
26 rehabilitated it in 1984. The Butte Hotel is a proposed rehabilitation of 38 units of affordable
27 housing serving low and extremely-low income households. All units, with the exception of one,
28 are Section 8 project-based units. The 1984 rehabilitation was moderate in scope and it now is
29 required structural stabilization, envelope repair, weatherization measures, fire/life/safety and
30 health upgrades, in order to ensure long-term viability. The proposed rehabilitation work, which
31 is mainly confined to the building exterior and common areas, will occur with the tenants in
32 place. No relocation is expected, although a contingency of \$2,000 is reserved for any
33 unforeseen, temporary relocation needs. There currently is and will continue to be a high demand
34 for Section 8 units. There is a limited supply of a little over 1,600 Section 8 units within
35 downtown Portland. Currently no new Section 8 units are in the development pipeline. Moderate
36 employment and population growth suggest an increasing demand for the project, especially
37 when considering the rapid growth in the lowest paying industries. The Butte Hotel has been in
38 service to those at risk of homelessness for nearly 30 years. The Butte Hotel is a worthwhile
39 project in the Portland downtown area that needs to be rehabilitated to ensure it remains an
40 affordable and sustainable housing project. Of the \$1.2M going into this rehab, over \$700,000 is
41 coming from other sources. We are asking approval of a \$500,000 Housing Development Grant.
42 **Manning** adds this project does not bring in a lot of revenue, so they have partnered with other
43 agencies to try and get the resident services. **Gates** says he would like to highlight the
44 importance of this building for the community, as well as the residents. About four years after
45 they rehabbed it, the City of Portland recognized that there was a decline in affordable housing.

1 Since that time the City has lost nearly 50% of affordable units at this level. The residents are
2 people are coming off the streets. Often they have addictions, are unemployed, have mental
3 issues, or a combination of these factors. The location of the building is in the center of the city,
4 so all of the services that would assist are located within walking distance. **Fieldman** asks him
5 to talk about the commercial revenue mentioned in the proposed annual operating budget.
6 **Manning** explains that it is a mixed-use building, and that Sisters of the Road café is the ground
7 floor commercial tenant. **Woolley** compliments Central City Concern on all of the great work
8 they do in Portland.

9
10 **MOTION:** Woolley moves that the Housing Council approve a
11 GHAP/HDGP loan/grant in an amount up to \$500,000 to Central City
12 Concern for the rehabilitation of the Butte Hotel located in Portland,
13 Oregon. Award is contingent upon meeting all program requirements
14 and conditions of award.

15
16 **VOTE:** In a roll call vote the motion passes. Members Present:
17 Tammy Baney, John Epstein, Mike Fieldman, Jeana Woolley and
18 Chair LaMont.

19
20 *14. Norseman Village Apartments (Junction City, OR).* **Tony Penrose**, Housing
21 Resource Coordinator, introduces **Betsy Hunter**, Development Director for Housing Authority
22 and Community Services Agency of Lane County, and **Karen Clearwater**, Regional Advisor to
23 the Department. **Penrose** reports that the Norseman Village Apartments is sponsored by
Housing Authority and Community Services Agency, which acquired the Norseman Village
Apartments in 2006. The project was built in 1976, and is a 44-unit low-income Rural
Development financed project in Junction City. The Norseman Village has 16 studio, 24 one
bedroom, and 4 two-bedroom units, which serve seniors and people with disabilities at 50-80%
AMI, with an affordability period of 60 years. At completion, Housing Authority and
Community Services Agency anticipates 43 units of Rural Development Rental Assistance for
the project. Rural Development has established an \$800,000 reserve for the rehabilitation of
Norsemen Village. **Hunter** adds that the partnerships involved include Viking Services and
ShelterCare. As part of the application, the tenants wrote letters of support and were strong
advocates for their community. **Woolley** points out that the DCR is 1.05 and asks if there is a
standard that we try to meet. **Clearwater** answers that we usually have a 1.20 DCR. If we get a
higher DCR, they have to pay a higher rent subsidy. **Shelly Cullin**, Senior Loan Officer, adds
that the rental assistance does pay rent and expenses, but the owners do get a percentage of
distribution.

24
25 **MOTION:** Fieldman moves that the Housing Council approve a
26 GHAP/HDGP grant in an amount up to \$80,800, HPF grant in an
27 amount up to \$2,149,931 to Housing and Community Services Agency
28 for the rehabilitation of Norseman Village Apartments located in
29 Junction City, Oregon. Award is contingent upon meeting all
30 program requirements and conditions of award.

31
32 **VOTE:** In a roll call vote the motion passes. Members Present:
33 Tammy Baney, John Epstein, Mike Fieldman, Jeana Woolley and
Chair LaMont.

1 15. *Richland School Senior Housing* (Richland, OR). **Tony Penrose**, Housing
2 Resource Coordinator, introduces **Dale Inslee**, Director of Asset Management, Northeast Oregon
3 Housing Authority, and **Bruce Buchanan**, Regional Advisor to the Department. **LaMont**
4 declares a conflict of interest. **Penrose** reports that Richland School Senior Housing is
5 sponsored by Northeast Oregon Housing Authority, and will utilize a small rural school building
6 for a much needed 10-unit elderly and disabled affordable housing complex, consisting of 7 one
7 bedroom, 3 two-bedroom units, a community room with kitchen, public library on site, and
8 covered gathering courtyard. The Richland School Senior Housing will serve tenants at 50% and
9 60% AMI, with an affordability period of 60 years. **Inslee** adds that this is a project that can
10 really get a person excited when you think about the community involvement. To be able to use
11 this school that many in the community went to, and have the building and land gifted, is
12 exciting for them to be involved in. Others have said this could be a model. The partnerships
13 are overwhelming. **Buchanan** says this is a wonderful example of adaptive reuse in a rural
14 community. They have the opportunity to sustain a very well built piece of real estate. **Fieldman**
15 comments that the comment about the repurposing of the building is what he thought when he
16 read the paperwork. In rural areas that will become more of a reality. **Baney** asks how elderly
17 and disabled are mixed. **Inslee** says it would qualify for disability, but is considered senior
18 disabled. **Penrose** explains that the department will be redefining that in the CFC to be "persons
19 with disabilities with services toward seniors," so it will not distinguish the disability. **Fieldman**
20 asks if there were asbestos issues. **Buchanan** answers that those were dealt with.

21 **MOTION:** **Fieldman** moves that the Housing Council approve a
22 **GHAP/HDGP** grant/loan in an amount up to \$500,000 to the
23 **Northeast Oregon Housing Authority** for the rehabilitation of
Richland School Apartments located in Richland, OR. Award is
contingent upon meeting all program requirements and conditions of
award.

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

16 16. *Nuevo Amanecer IV* (Woodburn, OR). **Tony Penrose**, Housing Resource
17 Coordinator, introduces **Roberto Jimenez**, Director of Farmworker Housing Development
18 Corporation, **Emily Breidenbach**, Project Manager, **Ramon Ramirez**, Board President, **Charlie**
19 **Harris**, CASA of Oregon, and **Karen Chase**, Regional Advisor to the Department. **Epstein**
20 declares a potential conflict of interest and the need to abstain. **Penrose** reports that Nuevo
21 Amanecer Phase IV is sponsored by Farmworker Housing Development Corp. and will be a
22 newly-constructed 40-unit apartment complex with 5 one-bedroom, 15 two-bedroom, and 20
23 three-bedroom units, serving farmworkers at or below 50% AMI, with an affordability period of
60 years, located on a 2.65 acre site in Woodburn. The site is next to the first three phases of
Nuevo Amanecer, which consists of 90 units, a multi-cultural education center, and community
gardens. **Jimenez** adds that this is their 20th year and it is fitting that CASA and FHDC are
collaborating on a Nuevo project. The demand is huge, and there are currently 250 families on
the waiting list for the project. Nuevo is a safe zone for farmworkers. He thanks the department
for two decades of collaboration and consideration. **Ramirez** thanks Council for all of the
support they have given them. He says he wants to make a special comment to the staff of the

1 agency and especially Rick Crager: *On behalf of our board of directors, I really truly want to*
2 *thank you for all of the hard work that you have done building the collaboration with us. Since*
3 *the last director left, and in that transition, we really look forward to working with the agency.*
4 *We can be the model for the kind of collaboration that we need in the future. Thank you very*
5 *much.* **Baney** comments that he mentioned it is becoming a place for people to feel safe, it is
6 drawing people, and they could probably continue to build and never meet the demand. She asks
7 how to quantify the demand for the community versus building to meet a demand for the
8 population. She also asks if they find people moving from out of state to this area. **Jimenez**
9 says he does not think the need is getting greater. There is a labor shortage in Oregon, in terms
10 of farmworkers. Woodburn happens to be the place that they are most comfortable living. The
11 demand for farm labor is the same. **Baney** points out that the original funding was for 90 units,
12 and they are still at 250 for a wait list, and asks if they take the 90 off, and are seeing a reduction.
13 **Jimenez** responds that this is over the course of 20 years. The demand stays high, but the
14 demand for labor is there. **Ramirez** says that FHDC's model for housing is what attracts people.
15 People want to live there because they get the services. They provide education and the success
16 of their housing can be shown in the progress the children are making. **Baney** says they are
17 instilling pride and building a community. **Ramirez** adds that they are developing leadership
18 and capacity, so the residents can take control of their own life. They want to start moving
19 people into buying their own homes. **Jimenez** says they move 10% – 20% of the families into
20 market rate housing over the course of any given year. **Fieldman** asks if this tends to be more
21 stable housing. **Ramirez** answers yes. In the long run, what they are doing is stabilizing the
22 work force. Oregon has become a home-base state for migrant farmworkers, and the agricultural
23 community can now depend on a stationary work force. **Gillespie** comments that, from the
department's point of view, for 20 years they have looked at farmworker populations. The one
consistent is in Marion County, which is the hub of farmworker labor in this state. **Jimenez** says
over 25% of the state's ag economy is in Marion County. **Fieldman** asks if there are Head Start
services available to the children. **Jimenez** says yes, on site.

14 **MOTION:** Woolley moves that the Housing Council approve a
15 GHAP/HDGP grant in an amount up to \$200,000, HOME in an
16 amount up to \$385,000; LIWX in an amount up to \$78,481 to
17 Farmworker Housing Development Corporation for the new
18 construction of Nuevo Amanecer Phase VI located in Woodburn, OR.
19 Award is contingent upon meeting all program requirements and
20 conditions of award.

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

20 17. *Almaden Project (Eugene, OR).* **Dan Mahoney**, Loan Officer, introduces
21 **Christina DeCristo** of Oregon Supportive Living Program, and **Karen Clearwater**, Regional
22 Advisor to the Department. **Mahoney** reports that the Oregon Supportive Living Program
23 (OSLP) has been serving the Eugene community for almost 25 years by serving individuals with
disabilities with housing needs, daily activities and job skills. OSLP is requesting Trust Fund to
rehabilitate the single family residence OSLP purchased 10 years ago, and currently has three
residents. Built in 1972, the house is in need of capital repairs, modernization and energy
efficiency upgrades. OSLP has proposed to rehabilitate the property to meet our 30-year useful

1 life standards. The renovation plan includes a new 30-year composite roof, siding and drainage
2 repairs. It also includes interior upgrades to insulation, appliances, HVAC and solar water heater,
3 flooring, cabinets and paint. A second egress exterior staircase will be installed to increase the
4 number of eligible rooms to four. Rehabilitation costs are approximately \$91,000 a bed. During
5 the rehabilitation, tenants will be temporarily relocated for approximately 180 days in OSLP
6 units at no cost. **DeCristo** says Council helped them in the past on a similar project with ex-
7 offenders. It has changed their lives to live in a beautiful home and not to have staff turnover
8 because the staff take pride in the home. There is a hidden benefit with all the cost savings of the
9 house itself. It has been a moving experience and, if this project is funded, the experience would
10 be similar in scope. **Clearwater** points out that the house is located in an upscale south hills
11 neighborhood of Eugene. They have operated the house for ten years and have made repairs as
12 needed, but it needs some TLC. The neighborhood has embraced the population, which is
13 difficult for ex-offenders. The enhancements to the exterior of the site will make it more livable
14 for neighbors and residents. **Fieldman** says that once homes like that get established in
15 neighborhoods, that is the case. Where he lives there is a DD group home and they are part of
16 the neighborhood.

17
18 **MOTION:** Baney moves that the Housing Council approve a
19 **GHAP/HDGP grant/loan in an amount up to \$363,988 to Oregon**
20 **Supported Living Program for the rehabilitation of Almaden House**
21 **located in Eugene, Oregon. Award is contingent upon meeting all**
22 **program requirements and conditions of award.**

23
24 **VOTE:** In a roll call vote the motion passes. **Members Present:**
25 **Tammy Baney, John Epstein, Mike Fieldman, Jeana Woolley and**
26 **Chair LaMont.**

27
28 18. *Vet LIFT IV (Eugene, OR).* **Dan Mahoney**, Loan Officer, introduces **Anne**
29 **Williams** of St. Vincent de Paul of Lane County, and **Karen Clearwater**, Regional Advisor to
30 the Department. **Mahoney** reports that St. Vincent de Paul is requesting Trust Funds to acquire
31 and rehabilitate Cherrywood Apartments located in Eugene, OR. The renovated apartments will
32 serve a significant need within the community for homeless women Veterans living in Lane
33 County, and will be one of eight projects in the nation. St. Vincent de Paul is acquiring a 12-unit
34 garden style apartment building built in the 1970s, containing many of the original appliances
35 and fixtures. The scope of rehabilitation includes the replacement of appliances, flooring,
36 interior/exterior paint, windows, interior/exterior lighting and ADA access to ensure 30 years of
37 useful life of the property. Rehabilitation costs are approximately \$67,000 a unit. The
38 department's HELP grant has been approved contingent on Housing Council approval of the
39 Trust Fund grant. Additional resources include funds from the Veterans Administration, City of
40 Eugene and an Affordable Housing Program grant from Federal Home Loan Bank. **Williams**
41 comments that this is their fourth project serving chronically homeless Veterans. They have
42 served a mixed population since 2006. They have had a number of women Veterans, but
43 unanimously they want a place of their own. Military sexual trauma is a huge issue. Housing
44 women in a co-ed setting requires careful matching of neighbors. Women Veterans experience
45 two forms of PTSD coming back from the current conflicts -- combat trauma, and military sexual
46 trauma. She says the VA isn't being as helpful as it could be in dealing with both forms of
47 PTSD. This is going to be a wonderful project. **Fieldman** says he was saddened to see the need,
48 and he is glad they are working on it. It is not a good commentary. He asks if there are other

1 unique issues they have identified. **Williams** states that, unfortunately, many of the women who
2 volunteered to serve in the current conflicts come from dysfunctional families. They saw the
3 military as an opportunity out. So they deal with some layering issues. Many did not have the
4 educational background that they could plug back into the civilian community. They have a
5 Department of Labor grant currently and they find that all of the younger Veterans have
6 educational deficiencies. **Williams** says they have been successful, with 100% of their Vets
7 graduating to permanent housing, all receiving benefits. All are either employed and going to
8 school, or those with profound disabilities are in permanent supportive housing. They are
working closely with their current group of women Veterans. They also maintain a fairly unique
transitions to housing group which is a weekly meeting of Veterans who are thinking about
getting off the street. The VA has a new women's liaison position. They are trying to sensitize
their service deliveries to accommodate women. **Clearwater** adds that this project is located in
downtown Eugene, on major bus lines and thoroughfares, and walking distance to services.
Nationally, Anne is being recognized and is known as an expert in Veterans' issues. The
department is lucky to have her as a partner. The VA was not equipped for the women coming
back, and they are gearing up to assist.

9 **MOTION:** Fieldman moves that the Housing Council approve a
10 **GHAP/HDGP grant in an amount up to \$467,669 and a HELP grant**
11 **in an amount up to \$50,000 to St. Vincent de Paul Society of Lane**
12 **County, Inc. for the acquisition and rehabilitation of Cherrywood**
13 **Apartments located in Eugene, Oregon. Award is contingent upon**
14 **meeting all program requirements and conditions of award.**

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

18 19. *Firland Apartments* (Portland, OR). **Dan Mahoney**, Loan Officer, introduces
19 **Mike Masat**, Housing Developer, Rose Community Development. **Mahoney** reports that Rose
20 Community Development has been serving the SE Portland community for almost 20 years by
21 owning/managing 300 units. RCD is requesting Trust Fund and Weatherization funds to acquire
22 and rehabilitate the 19 units of a two-story garden-style apartment project in SE Portland. Built
23 in 1973, the 19 apartments are in need of repair. RCD has proposed to acquire the property and
renovate it to 30-year useful life standards. The renovation plan includes a complete full
envelope replacement, including awnings over exterior doors. It also includes interior upgrades
to insulation, appliances, flooring, paint and heating sources. First floor units will be made ADA
accessible and the unused community room will be renovated to include furniture. Rehabilitation
costs are approximately \$95,000 a unit. During the rehabilitation, tenants will be relocated for
approximately 180 days. The relocation budget is approximately \$60,800. RCD has combined
their request for OHCS funds with Portland Housing Bureau TIF and HOME and a loan from
One Pacific Bank to fund the project. **Baney** asks how many residents they anticipate will be
permanently relocated. **Masat** responds that if they have someone who is over-income, they
would have to follow the Relocation Act requirements. **Shelly Cullin** says this project has
HOME funds, and those funds have income eligibility restrictions. **LaMont** asks how they will
target homeless families. **Masat** says they have turnovers, their property manager has a
relationship with the VA, and they have worked on a project with VASH vouchers.

1 **MOTION:** Fieldman moves that the Housing Council approve a
2 **GHAP/HDGP grant/loan in an amount up to \$450,000 and a Low**
3 **Income Weatherization grant in an amount up to \$82,060 to Rose**
4 **Community Development for the acquisition and rehabilitation of**
5 **Firland Apartments located in Portland, Oregon. Award is**
6 **contingent upon meeting all program requirements and conditions of**
7 **award.**

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

11 **Crager** compliments all the staff on the hard work they have done. There were 43 applications
12 and the department is fortunate enough to be able to fund 24. He says this is an incredible
13 amount of work, and he appreciates the comments made by Mr. Roy during public comments.
14 Having looked at all of the applications, it is very difficult because they are all so good. Our
15 partners do incredible work, and you can see from the scoring that these are close. Whatever
16 adjustments we make, there will always be questions about why we went one direction versus
17 another. **Fieldman** says he wants to echo those comments. The projects are all very good ones.
18 Even the ones that were not funded. The need is there. The fundamental issue is inadequate
19 funding. We need to press the message that there is a need for greater funding for affordable
20 housing and we cannot back away from that.

21 **VIII. OLD BUSINESS:** None.

22 **IX. REPORTS:**

23 **A. *Oregon Homeownership Stabilization Initiative (OHSI) Update.*** **Nancy Cain**,
Interim OHSI Administrator, reports that the Mortgage Payment Assistance program is the area
of focus, and this last month has been about resolving payment issues. Payments were made to
over 45 small servicers. Slightly over \$10M in payments have been made for 2,500 homeowners.
They have made great strides in getting denial letters out. There is one staff person dedicated to
processing appeals. Borrowers who have received denial letters may file an appeal within 21-
days. Any denial that is appealed will get at least three reviews. This week a project manager
was hired. It has been difficult to get the Mortgage Payment Assistance program stabilized. As a
result, progress on other programs has stalled. They have hired someone to handle the
alternative payment processes. There are servicers who have chosen not to participate, so they
need to find an alternate way to get payments out. Mortgage Payment Assistance II will be for
areas that did not fill the original slots. There is also the transition assistance that is a payment of
\$3,000 for anyone not able to afford their home, and that money will be for the costs of moving
into an affordable housing option. **Epstein** asks, compared to peer states, how they are tracking
in getting the money out. **Cain** says Treasury does not want them to say, but she can share the
report internally with Housing Council members. **Crager** adds that Oregon is doing pretty good.
Oregon took on a statewide approach, where other states were more conservative. **Cain** says the
next quarterly report will show good results. There are diverse needs across the state, and they
do have an ability to tap into some of those needs.

B. *Report of the Chief Financial Officer.* **Nancy Cain** reports that the department
got good rates with the bond sale, and is able to offer, for the loans with no payment assistance, a

1 rate of 3.875%. The department has a requirement to originate loans in certain areas as defined
2 by rules. They were able to sell the premium backed bonds, which gives the department amounts
3 that can be used for down payment assistance. The Cash Advantage program was suspended,
4 but is now being offered again in targeted areas. Financial statements are being prepared. While
5 the federal stimulus funds are winding down, there are still some programs that are running, and
6 audits are still ongoing. **Epstein** comments that last year she mentioned that the department was
7 floating bonds that did not compete with the mortgage market. He asks if the department's
8 mortgage product is competitive again for single family. **Cain** says yes. **Epstein** states that it is
9 a revenue generator for the department. **Crager** responds yes, but there is a caveat that some of
10 the reasons for success is because the federal program has aided. That program will come to an
11 end at the end of this year. If we did not have that program, with a guaranteed buyer at a
12 guaranteed rate, we would not be achieving the same. **Cain** states that the department has about
13 \$55M left on its authorization, which expires at the end of this year. She recently listened in on a
14 call that NCSHA had with the representatives from US Treasury, and every state said to extend
15 it, so that may be a possibility. Other states said to expand it, but that was a no. **Gillespie** asks if
16 there will be another sale before the end of the year. **Cain** says they will have to monitor the
17 reservations before making a decision.

9 **C. Report of the Acting Director. Rick Crager** reports the following:

- 10 • **OHSI.** He recognizes Nancy for her hard work during the transition in OHSI for the last 6 –
11 7 months. She has done an incredible amount of work over that time. Mike Kaplan will not
12 be coming back from the Governor's Office, and they are hoping to fill the OHSI
13 Administrator position soon.
- 14 • **New Director.** He says he is pleased that Margaret Van Vliet has been appointed as the
15 Director for the department. She will start near the end of September, and she will go to the
16 NCSHA conference with him at that time. He thanks Jeana for representing the Housing
17 Council on the recruitment process, and says he appreciates her volunteering her time to
18 participate. **Woolley** says she was aided by all of her fellow Council members who all made
19 contributions to the questions and issues they felt needed to be addressed.
- 20 • **Council Membership.** **Crager** reports that Maggie's last meeting will be next month. There
21 are three positions needing to be filled, and we are waiting to hear back from the Governor's
22 office as to who the new Council members will be and, also, waiting for Senate confirmation.
- 23 • **PBCA Contract.** On July 1 we were told that Bremerton got the Oregon contract, and we
have protested to the GAO. At last count, there were 61 protests filed out of 101 awards.
Our chief argument was that there was a lack of transparency in the process. HUD, in light
of all the protests, has chosen to cancel the entire process and start over, with the exception
of those 11 states where there was only one bidder. The other 39 states can rebid, and HUD
plans to have that out in 60 days. HUD is aiming for April 1, 2012 as the new contract start
time. HUD is going to do an amended contract with us to at least March 31, 2012, which
will be at a reduced amount. That means the department will not have to lay off the 14 direct
staff at this time. As of October 1, the contract will be at a reduced rate. We may rebid and
still not get the contract. The department will still need to implement some form of layoffs
outside of those 14 positions. We had a solid idea of how to address the reductions, and are
now waiting to see, through recalculations and new assumptions, what that looks like. We
had planned on that being 12 additional positions, beyond the 14. The good news in all of
this is that we bought a little time and it will give Margaret a chance to take a look at the
proposal. We will need to transition to a smaller organization for the future. One of the
concerns by some states is the way their statutes read and some federal statute mandates. It

1 appears that maybe only HFAs can do that business in their own state. Our AG is looking at
2 that carefully, on how that may apply to Oregon. **Baney** thanks him for his leadership. Just
3 like our process, not everyone is going to get funded. As long as everyone understands that
4 process and it is clear and fair, even if we do not get it, we will know it was a fair process.
5 **Crager** says the Congressional Delegation was supportive as well, and signed a letter of
6 support.

- 7 • *Rural Workforce Housing Task Force.* **Crager** says he is excited about the work Bob
8 Gillespie is doing with the Rural Workforce Housing Task Force. Mike will be the lead for
9 the Housing Council. This will be a good opportunity around a policy discussion, and they
10 are considering getting some facilitation services to assist. They have some great
11 representation and the Governor's Office is engaged. **Gillespie** says the membership consists
12 of County Commissioner from Wallowa County, Sherman County, and Lincoln County; the
13 Mayor from Coos Bay; the City Manager from The Dalles; Housing Authorities from The
14 Dalles and La Grande; FHDC; Betty Tamm; the Governor's Office; the Port of Morrow; and
15 a Medford economic development agency. **Woolley** asks if there is any representation from
16 the federal level. **Gillespie** says no. **Crager** comments that they were going to ask them to
17 be there as a resource, not be part of the task force. So they will ask someone from HUD and
18 RD to sit in. They have talked to Oregon Solutions about facilitation services.
- 19 • *Regional Solutions Teams.* Some of the offices are starting to open. Portland State
20 University is open and Vince is located there. Bruce has transitioned to La Grande. Karen
21 Clearwater will be at the U of O. The two that are behind are Karen Chase, who has been in
22 the west, will be moving down to Medford. Central Oregon is behind and Deb Price will
23 be at the OSU extension office. We will align ourselves closely with the RST, with the exception
of Vince, who will cover metro and the north coast western region. DEQ, OHCS,
BusinessOregon, ODOT and DLCDC are the five agencies in the RST.
- *Policy Discussions.* At the September meeting there will be a discussion around
prioritization and how the needs analysis model is used. Bill Carpenter and Natasha
Detweiler will discuss the methodology. **Baney** asks if they could find out what some of the
other states are doing, and if there is a better model. **Crager** says there aren't many other
models. The department was given an award two years ago for this model, because it was
cutting edge. He says there is an issue in the LaPine area around the definition of elderly.
Our category defines the age as 65 and older. Whereas some of the housing proposals that
Mr. Roy was talking about, serves a population of 55 and older. There is a disagreement that
55 should be considered elderly. We use DHS's definition. Workforce housing uses 55
years. **Betty Markey** says elderly means that the head of the household is over the age of 55.
There is also HUD Fair Housing which is 55 or 62. The statute defines elderly and disabled
housing bonds and the Oregon Housing Fund. **Gillespie** comments that according to the
federal fair housing definition, 62 and over can be an exclusive elderly project. On the needs
analysis we look at how many units are in an area that is designated for elderly; there is a
definition of elderly; and a comparison is made. Little Deschutes Lodge is a priority 2, not a
priority 1, based on the data provided and on the definition. **Baney** states that the needs
analysis does not necessarily get to those details because it captures larger areas. The market
analysis showed the Bend area 30 miles away, and that is where the exception process comes
in. **Crager** explains that because the Little Deschutes indicated they were going to serve
homeless, which is a number 1 priority, they were given a 1½. **Baney** asks about how to
factor the uniqueness of population borders. **Woolley** says that part of it is making the
argument and communicating to those that are applying that if the demographic rationale
does not match the market data, and there are specific reasons why it is an exception, then we

1 need to be clear in the application what those things are. **LaMont** explains that what was
2 done was to take two small cities that were fairly close and use those as the demographic
3 area, to determine the housing need in those rural areas.

4 **Crager** states that you also run into the question of "If one gets an exception, then why don't
5 I?" **LaMont** says that is why it needs to be made clear why a project did not get funded.
6 She was under the impression from Mr. Roy that it was not explained. It needs to be
7 explained so if he wants to apply again he'll know. **Gillespie** says he disagrees because Mr.
8 Roy knew coming into the application what his score was. That he would lose those points
9 because the project was a number 2 priority. **Crager** says he thinks Mr. Roy's point was that
10 he lost other points besides the priority factor. **Woolley** states that we need to be prepared to
11 explain that and not be defensive. He can disagree once it has been explained, but from our
12 point of view we need to explain why he ended up where he ended up in the process based on
13 the criteria. It is not unusual to go back through another round considering the kind of
14 competition we have. **Baney** says that was part of his contention, that it was his second time
15 through and his numbers went down. If we are going to speak specifically about Little
16 Deschutes Lodge, perception is reality in her area and there is a lack of trust in the process.
17 We need to put light on the process; nothing is discretionary; and it is all in writing.
18 **Gillespie** explains that is why the department is publishing the scores, so applicants will see
19 that there were so many good projects. They can look to others in their industry and see what
20 they need to do to have a successful application. He says he does not want to get into a
21 situation where RADs are saying that two points were lost here or there, because it then
22 becomes a debatable point and it opens the agency up to lawsuits. **Fieldman** says there is a
23 self-scoring process and it matches up closely with the score applicants end up getting.
Woolley asks how many points he was off in the self-scoring process. **Gillespie** answers that
we probably agree with him on the self-scoring portion. **Crager** says he lost 7 points on the
priority piece. Even if that got added back, he still would have lost. It is more than the
scoring piece, he wants to have an understanding of generally where the shortcomings are.
Gillespie says it is hard for the RADs to go out and tell someone how to improve a nearly
perfect score. **Fieldman** states that going forward we need to look at how we are doing it,
because we are getting a compression of scores and at some point we need to break that.
Theoretically, you could have 15 projects with a perfect score, but only have funding for 12
projects. **Crager** says that is where we need to go in 2013. In 2012, it will be hard to make
all those changes. **Baney** says that with this project it will be an opportunity to instill trust
again. For Rob to drive all the way over here this morning and say something will help the
department take a closer look. Although it won't help his application, it could help the
department make better decisions. **Crager** states that he hopes Council found this discussion
to be helpful, and that he wants the Council to understand, endorse and embrace the
methodologies. He wants to focus on the highest priorities.

20 **Baney** says she would like to have a conversation around tax credits. **Woolley** suggests at
21 the next meeting, rather than focusing in on one thing, perhaps Council could brainstorm a
22 list of the things they want to look at in the future. **Baney** suggests having a discussion about
23 oversight over a certain limit, which would put more onto the Council. **Crager** says it would
have added six more projects to today's agenda. **Gillespie** adds that the statute says Council
approves loans and grants, but does not give specific guidance around credits. It does not say
Council cannot do something else at their own discretion. He says he will ask the AG before
the next meeting. **Epstein** says that tax credits are all big deals, so they may not be looking

1 at a threshold. With such big dollars and a limited resource, it protects the agency by having
2 the Council make the decision on a limited resource. There was a point when Council never
3 saw them and they wanted to see a report to acknowledge what was running through the
4 agency. **Baney** explains that when she reviewed the letter that was sent to Rob notifying him
5 that his project was not selected for state funding, it did not say that there was a waiting list,
6 but the letter was addressing the tax credits. The process was not clear, and perception is
7 reality. The letter was correct. **Epstein** says that what the letter suggests to sponsors is that
8 their status is a given and no one will move off the waiting list, and that Council is just a
9 formality. **Crager** states that his hope is that when we do say no to a project, it is a reflection
10 of our good work and they have gone through a high level scrutiny. Projects get tabled to get
11 us more information. For the September meeting he says there will be a coordinated
12 discussion around our policy issues. By the time the new director starts, we can begin talking
13 about what Council is interested in focusing on.

- 7 • **NSP3.** **Baney** asks how the department is doing on NSP3. **Lisa Joyce** answers that she just
8 read that Oregon is first in the nation on NSP2, and NSP3 is moving along. **Crager** says that
9 Cherry Creek, a Medford project, is a project with a perfect score that has come under
10 political scrutiny. NSP2 was initially used for the acquisition of land and then they came into
11 the CFC and were successful. **Woolley** asks about what the issue is. **Joyce** says it is
12 multifamily housing, and it has been zoned that way for years. Next to it are four houses per
13 acre of single family and the neighborhood is concerned about the proposed use. **Gillespie**
14 adds that they have not asked for any zoning changes, and their CFC application was
15 supported by the city manager and mayor.
- **Housing Conference.** **Crager** reminds everyone about the OHCS Housing Conference at the
16 Salem Conference Center, October 24-25, 2011. Some of the tracks will focus on the new
17 federal act around homelessness response and rapid rehousing.

13 **D. Report of the Chair.** **Maggie LaMont** reports that John Formica called her
14 directly to tell her the HUD contract was going out to be rebid. She says she was impressed with
15 the projects they approved today. She thanks Council for asking her to continue on until her
16 replacement is selected.

16 **X. FUTURE AGENDA ITEMS.**

- 17 • The retreat will be scheduled for January, when the new Council members are in place.
- 18 • Changes to the QAP will be in the near future.
- 19 • Election of a new Chair will be on next month's agenda.

18 Council expresses their appreciation for Rick's continued good leadership of the agency through
19 the last several months of transition.

20 **Chair LaMont** adjourns the meeting at 2:30 p.m.

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Maggie LaMont, Chair **DATE**
Oregon State Housing Council

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Rick Crager, Acting Director **DATE**
Oregon Housing & Community Services

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OREGON STATE HOUSING COUNCIL
Minutes of Meeting

TELEPHONE CONFERENCE

Meeting Location:
Oregon Housing and Community Services
725 Summer Street NE, Room 322
Salem, OR 97301

10:00 a.m.
September 1, 2011

MEMBERS PRESENT

Maggie LaMont, Chair
Tammy Baney
John Epstein
Mike Fieldman
Jeana Woolley

STAFF PRESENT

Rick Crager, Acting Director
Bob Gillespie, Housing Division Administrator
Roz Barnes, Loan Officer
David Summers, MultiFamily Section Manager
Karen Chase, Regional Advisor to the Department
Jo Rawlins, Recorder

MEMBERS ABSENT

GUESTS

Roberto Jimenez
Emily Breidenbach

I. CALL TO ORDER: Chair LaMont calls the September 1, 2011 meeting to order at 10:04 a.m.

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

III. PUBLIC COMMENT: None.

IV. NEW BUSINESS:

A. *Summerset Village* (Sublimity, OR), additional HOME and Housing Development Grants Request. Roz Barnes, Loan Officer, introduces Roberto Jimenez and Emily Breidenbach, Farmworker Housing Development Corporation. Gillespie explains that a hard look is always given at people coming back in for a request for additional funds, but when preserving RD properties, there is a certain degree of unpredictability. The reason is that the department cannot predict when RD properties expire, like it can the HUD properties where there is a date certain. With RD, the owner can opt out of a property any time between year 20 and 40. So at that point, the preservation process begins, but it still has to have RD review, which often cannot be done in a timely manner. It is RD's loan and they have the ability to go back and impact the cost of the projects. With this project, RD has added items to the scope of work.

1 **Barnes** reports that in the 2010 CFC, Farmworker Housing Development Corporation (FHDC)
2 applied for and received \$500,000 in a Housing Development Grant (HDGP); \$880,300 in
3 HOME, and \$100,000 in Housing Preservation Funds (HPF), for Summerset Village in
4 Sublimity, Oregon, a proposed acquisition and rehabilitation by FHDC. It is a 24-unit
5 independent elderly project built in 1985, and financed through Rural Development's 515 Loan
6 Program. The senior housing complex is situated on 1.52 acres with a unit mix of 22 one-
7 bedrooms and 2 two-bedroom units in six single-story buildings, plus a small community
8 building. The current owner is eligible for prepayment. **Barnes** gives an overview of the write-
9 up contained in Council's packet.

10 **Woolley** points out in the sources of funding, that they were originally asked to take less Trust
11 Fund, but then the Trust Fund was increased. She asks if there was a reason the department
12 wanted them to take less Trust Fund. **Barnes** explains that the main reason is that there was a
13 tax credit project that could use more Trust Fund and less Preservation, and she was asked to
14 have FHDC look at their budget to see if they could take less of one and more of the other and
15 still have all of their items be eligible for payment. When they did that, they realized that there
16 was still an unknown factor -- what the total reserves would be from RD. What they had
17 originally proposed may be the reserves they felt were short from their conversations with RD on
18 what the final reserves would be. The increase of Trust Fund from the \$118,985 to \$247,750 is
19 still less Trust Fund than their original request of \$500,000. **Woolley** asks if this affects the
20 other project. **Barnes** replies no, they were left whole. **Crager** states that, with the document
21 recording fee and revenues that have come in higher than anticipated, the department has the
22 available resources to be able to put the \$247,750 into the project.

23 **LaMont** asks if the project had any reserves that were going to be transferred at closing.
Jimenez says the owner, under RD regulations, was allowed to retain the reserves, but they
could not be forced to leave them in the project, so they had to be bought out. **Epstein** says the
reserves will be funded with this increase, and asks if the RD loan is a 30 year loan. **Gillespie**
responds that it will be a new 40 year loan. **Epstein** asks if in 30 years there will be any reserves
left with this project. **Breidenbach** answers that she does not have an answer for that. The only
scenario under which she could see they would potentially have access to that money would be if
they sold the property and the current owner stayed in the RD program. **Jimenez** points out that
this is a for-profit owner and there are some different regulations around that. **Breidenbach** adds
that they are 15 years in and are saving money, but they have not hit the point to where they need
to start spending it. So by the time they get to 30 years they will have spent down the bulk of
what they have been saving. **Epstein** says he is trying to be prudent with taxpayer money, and
the funds being spent are for the viability and preservation of the 24 units in this project.
LaMont says she would like to be more strict. If in 40 years the property is sold, then up to the
\$180,000 of reserves, if there is any remaining, would stay with the property to the new owners.
If at the end of the 40 years and the property is to change hands, then up to \$180,000 of reserves
should stay with the property. **Woolley** asks if Council can make that kind of a covenant.
Epstein responds that if they preserve it for 40 years, he is not concerned about monitoring the
\$180,000. **Summers** comments that if the department tries to have a claim that is superior to
RD, getting them to subordinate any of their interest would be a long and grueling effort.
Jimenez states that the reality is, if Council attempted to do that, they would not make their
closing date. **Fieldman** says he would assume that when a property is sold, the reserves are
calculated into the sale price. **Woolley** answers that they are calculated into the value, which
means the person who is selling, may get them. **Epstein** asks if the department has put an

1 affordability covenant on this project. **Gillespie** answers yes. If there is non-performance we
2 have recourse to collect our funds. **Epstein** says he is comfortable with this, the way it reads.
3 **Woolley** says she is too. **LaMont** states that in principal she thinks all the reserves should go the
4 project, but she does not want to hold up a project and argue with RD about it. **Woolley** asks if
5 the \$180,000 is both operating and replacement and how that is divided. **Breidenbach** responds
6 that it just replacement reserves. **Woolley** says that is high for a replacement reserve. **Barnes**
7 responds that it was required by RD. and that they want the cushion because this will be a fairly
8 low-income project. RD has capped the rents and the department wants to make sure it flows
9 through the years. **Gillespie** explains that RD tends to capitalize replacement reserves more up
10 front over a ten-year period, and that helps them with the cost of their rental assistance. **Woolley**
11 asks if they have a contribution they have to make every month, regardless. **Breidenbach**
12 answers yes. It is \$979 per month.

13 **Jimenez** says the question has been asked if they can do more in the current scope, but trying to
14 expand at this point would mean there is still life left in flooring or cabinets. It does not make
15 sense to put more into the scope now. **LaMont** cautions that if a project has the ability to come
16 back and increase the scope of work to meet new standards from when it was funded, there may
17 be a lot more projects doing that. **Gillespie** says that having a standard now where we want
18 people to rehab to the point that they do not have to recapitalize for 30 years, is what our external
19 inspectors are doing, so he doesn't think that will be much of a problem. In the last CFC round, if
20 there were a few projects that the team felt was not adequate to meet the 30-year standard, they
21 asked for additional items to be added back in. **LaMont** says she was referring to those funded
22 in 2010 and before and asks if that opens the door for other projects to come back. **Gillespie**
23 states that he would have to go back and look at the number of projects that were funded and see
how many have closed, in order to make an assessment. **Summers** states that they are still in a
low-interest rate environment, so people are saving money over what they project on interest
carry and permanent funding amounts. So the total leverage may increase. Since those 2010
projects came in with their equity yields, there has been an increase that should save the
department from having to see any cost increases.

15 **MOTION:** Epstein moves that the Housing Council approve an
16 additional \$91,246 in HOME for a total grant amount of \$971,546 and
17 an additional \$247,760 in a Housing Development Grant for a total
18 grant of \$366,745 to Farmworker Housing Development Corporation
19 for the acquisition and rehabilitation of Summerset Village in
20 Sublimity, Oregon.

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

20 Chair LaMont adjourns the meeting at 10:30 a.m.

22 _____
23 Maggie LaMont, Chair
Oregon State Housing Council

DATE

22 _____
23 Rick Crager, Acting Director
Oregon Housing & Community Services



Date: 8/30/2011

To: State Housing Council

From: Roberto Franco, Manager
Homeownership Section

Re: Residential Loan Program - purchase of loans equal to or greater than 75% of the local area Acquisition Cost Limit, or \$190,000, whichever is greater.

Background: State statutes require the State Housing Council to establish a single family loan threshold for loans to be reviewed and approved prior to purchase. The current threshold for single family loans includes all loans equal to or greater than 75% of the applicable area program purchase price limit, or \$190,000, whichever is greater.

Considerations: Staff has reviewed all of the following loan files and concluded that the borrowers and properties meet all relevant program guidelines for the Residential Loan Program. All required documents have been properly executed, received, and the loans have been approved for purchase. In addition to being approved by staff, the loan files have been underwritten by the applicable lenders and are insured by either FHA (FB), Rural Development (RG), or Uninsured (U) with a loan-to-value of 80% or less.

<u>Borrower</u>		<u>Lender</u>		UMPQUA BANK	
<u>Co-Borrower</u>		<u>Purchase Price</u>		<u>Note Amount</u>	\$216,580
<u>Property Address</u>	200 BLOCK NE 55TH ST NEWPORT	OR 97365	<u>Cost Limit</u>	<u>Principal Balance</u>	\$216,580
			<u>Appr. Value</u>		\$212,000
			<u>Year Built</u>		1999
<u>Hshld. Income</u>	\$54,468		<u>Living Area (Sq. Ft.)</u>	<u>Loan-to-Value</u>	104%
<u>Income Limit</u>	\$63,720		<u>Lot Size (Sq. Ft.)</u>	<u>Insurance Type</u>	RG
<u>% of Income Limit</u>	85.48%		<u>Cost per Sq. Ft.</u>	<u>Rate</u>	3.875%
<u>Prior Ownership Yes (Y) or No (N)</u>	N		<u>New (N) or Existing (E)</u>		E
			<u>Construction Style</u>		Two Story

Recommended Motion: That the Oregon State Housing Council approve the Consent Calendar.



Oregon

John A. Kitzhaber, MD, Governor

Housing and Community Services

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TO: Finance Committee/State Housing Council
FROM: Shelly Cullin, Senior Loan Officer
DATE: September 13, 2011
RE: Eliot MLK – Predevelopment Loan Request

EXECUTIVE SUMMARY

Borrower: Innovative Housing, Inc.
Property: 3250 NE MLK Jr. Blvd., Portland, OR 97204
Loan Amount: **\$1,073,310**
Loan Term/Rate: 2 years @ 5% Interest (\$676,185 8 mo. term)
Repayment: 1) \$676,185 with the closing of the construction loan for Phase I (anticipated for May 2012); 2) The balance of \$397,125 to be repaid at the earlier of permanent loan conversion or 9/2013.
Security Value: \$1,160,000 (93% LTV)
Use of Funds: Purchase project site to complete lot line adjustment, which needs to occur prior to close of the construction loan.
Security: Trust Deed in first lien position
Fund Availability: \$2,148,830 (as of 9/1/2011)
Finance Committee: September 13, 2011

/s/ Nancy Cain
Nancy Cain, Acting Finance Committee Chair

Date: September 13, 2011

RECOMMENDED MOTION: 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; contingent on Wells Fargo acknowledging they will fund the construction loan.

1 **PREDEVELOPMENT LOAN REQUEST**

2 **Eliot MLK Project**

3 **Project Description:** The Eliot MLK Project is a 49-unit urban mixed-use development
4 on Martin Luther King, Jr. Blvd. (between NE Cook and Fargo), in northeast Portland.
5 The project fronts a major commercial street and back up to an older, established
6 residential neighborhood. The unit mix will consists of three studios, 33 one-bedroom,
7 and 13 two-bedroom units. The area has excellent transit with a high frequency bus line,
8 Irving Park one block away, services and amenities along MLK, and is close-in to
9 downtown Portland. The neighborhood has a wide variety of housing, commercial, retail
10 and public services. The full site can support a second development phase that is planned
11 at a later date. Commercial space will be located on the corner of MLK and Cook, and
12 will include either two 1,000 sq ft storefronts, or one larger 2,000 sq ft storefront.

13 The target market is younger working singles, couples and small families that are looking
14 for a close-in, nice place to live, but have limited incomes at 30%, 50% and 60% AMI.
15 The 60% rents help cross subsidize three 30% units, eighteen 50%, and five PSH/Special
16 Needs units. Based on IHI's experience with 30% and PSH units in particular, which
17 they have in almost all of their existing projects, they know that these units come at a
18 higher costs –maintenance, rent loss, repairs, cleaning – and that all of these costs need to
19 be carefully planned and balanced with the larger project. The eight 30% or PSH/Special
20 Needs units out of 49, or 16%, of the building total, will result in the right unit mix to
21 maintain both resident housing stability and overall building financial stability. With
22 Luke-Dorf as IHI's service partner for the PSH/Special Needs units, they will be bringing
23 McKinney rental subsidy and case management services to the project, further ensuring
resident stability and success.

Estimated Sources of Financing:	Perm Loan (Res)	\$ 916,906
	Perm Loan (Comm)	453,094
	Trust Funds	200,000
	HELP Funds	200,000
	Tax Credit Equity	7,297,270
	PHB HOME Loan	975,000
	Def Developers Fee	<u>150,000</u>
		\$10,192,270

Estimated Uses of Financing:	Acquisition	\$ 750,774
	Development	2,476,727
	Construction	<u>6,964,769</u>
		\$10,192,270

21 Phase I has been awarded resources through the Department's 2011 Consolidated
22 Funding Cycle. The borrower anticipates closing on the construction loan in May 2012.
23 Phase II will be a future CFC application.

1 **Use of Funds:** Eliot MLK's project site is part of a proposed two-phased project. In
2 order to complete the lot line adjustment for the currently funded project, IHI must own
3 the property. The process takes several months and must be completed prior to closing
4 the construction loan. It is anticipated that the construction loan will close May of 2012,
5 therefore, the borrower (IHI) is requesting a waiver of the six month term for
6 predevelopment loans that exceed \$500,000.

7 **Security for Loan:** An appraisal was completed August 26, 2011, by Jeremy Snow, of
8 Colliers International Valuation & Advisory Services. The Sales Comparison Approach
9 Value is concluded at \$1,210,000; however, the borrower has allocated approximately
10 \$50,000 for potential removal of an UST (septic tank) and soil mitigation; therefore, the
11 appraisal concludes an "As Is" Market Value of \$1,160,000. The Purchase and Sales
12 Agreement has an agreed upon sales price of \$1,129,800. The appraisal indicates that the
13 pending sales price is well supported and considered to be at or slightly below market
14 terms.

15 Using the "As Is" Market Value the loan-to-value is 93%. Using the purchase price the
16 loan-to-value is 95%. Both are well within the Department loan-to-value requirements.
17 When the first repayment occurs, the loan-to-value on the remaining loan will be
18 approximately 74% (using the value based on square foot). The appraisal indicates a
19 square foot value of \$30; however, with the reduction of the \$50,000 from the Sales
20 Comp. Approach, the square foot value based on the "As Is" Market Value is \$28.75 a sq
21 ft. The total square footage of the two sites is 40,350. Phase I is 21,600 and Phase II is
22 18,750. Therefore, the remaining value of Phase II after the initial pay down of the
23 predevelopment loan is \$539,062.50 (18,750 x 28.75).

The Department will have a first lien Trust Deed on the proposed property throughout the
term of the Predevelopment Loan. The Department will provide a partial reconveyance
at the time of the initial pay down.

Repayment Plan: Borrower proposes to repay the portion of the predevelopment loan
associated with Phase I of the project at the time of construction loan closing, anticipated
to be May 2012. At the time of construction loan closing, approximately \$676,185, plus
interest will be repaid, leaving a balance of predevelopment loan funds of \$397,125
associated with Phase II. The borrower anticipates the repayment of the remaining
balance at the earlier of conversion of the permanent loan for Eliot MLK or September
2013. At the time of permanent loan conversion, the borrower will receive a significant
portion of their developer fee.

Availability of Funds: There are available funds for this request. It is anticipated that
four predevelopment loan will be repaid by first quarter 2012 for approximately \$1.5 M.

Predevelopment Loan Program:	\$6,450,000
Less: Project currently funded	(3,170,000)
Reserved for NOAH LOC	(50,000)
Available to Lend	\$3,230,000
Applications Pending:	

1 Eliot MLK (1,073,310)
 Balance Remaining **\$2,156,690**

2 **Borrower/Development Team Experience:** Innovative Housing, Inc.'s staff and board
3 work together to bring decades of real estate development, ownership and management
4 experience. IHI has been developing and operating affordable multifamily housing since
5 1991 and currently owns/operates over 1,400 affordable units in Oregon and Washington
6 (844 in the Portland metropolitan region). IHI's lead developer has 15 years of project
7 management experience and is LEED Certified. IHI's executive director is an attorney
8 with over 10 years of legal expertise in the field of affordable housing and real estate
9 finance. IHI's board includes a general contractor, property manager, real estate broker,
10 CPA, and attorney, all with extensive housing experience. IHI has over 25 years of
11 housing management experience and has been operating and maintaining properties
12 ranging in size from duplexes to 96-unit multifamily buildings since 1984. IHI currently
13 manages 12 limited partnerships and limited liability companies that own and operate
14 1,275 affordable rental units in Oregon and Washington. IHI is also the sole member of
15 seven limited liability companies, owns and operates an additional 196 affordable rental
16 units either directly or through one of its wholly controlled LLCs. IHI's portfolio
17 averages a DCR of 1.47 and a 97% occupancy rate.

18 **Comments and Recommendation:**

- 19 * The first phase of the project, Eliot MLK, has received an award of OHCS
20 resources through the 2011 CFC process.
- 21 * A Phase I and Phase II Environmental Site Assessment(s) have been completed.
22 Conclusions of that report indicate excavation to assess the potential presence of
23 an underground storage tank (UST); and that residual concentrations of
contaminant detected in soil and soil vapor at the locations sampled could be
managed by a vapor mitigation system. Additional soil testing will occur in the
next couple of months. The borrower has indicated that there is mitigation funds
identified in their project budget. They will also be installing a radon/VOC
mitigation system (similar to what they did with Broadway Vantage), which will
address any remaining contaminants in the soil.
- * It is recommended that Finance Committee and Housing Council waive the six
month term for loan that exceed \$500,000 contingent on the borrower repaying
approximately \$676,185, plus accrued interest by May 2012.

/s/ Shelly Cullin
Shelly Cullin, Senior Loan Officer
Multifamily Housing Section

Finance Committee Comments: Finance Committee added language to the motion for
Wells Fargo to acknowledge funding of the construction loan based on the findings of the
Ph I and Ph II Environmental site Assessments

Vote to Approve: Carpenter, Summers, Pate, Koppes, Cain, Crager
Absent: McGuire, Gillespie