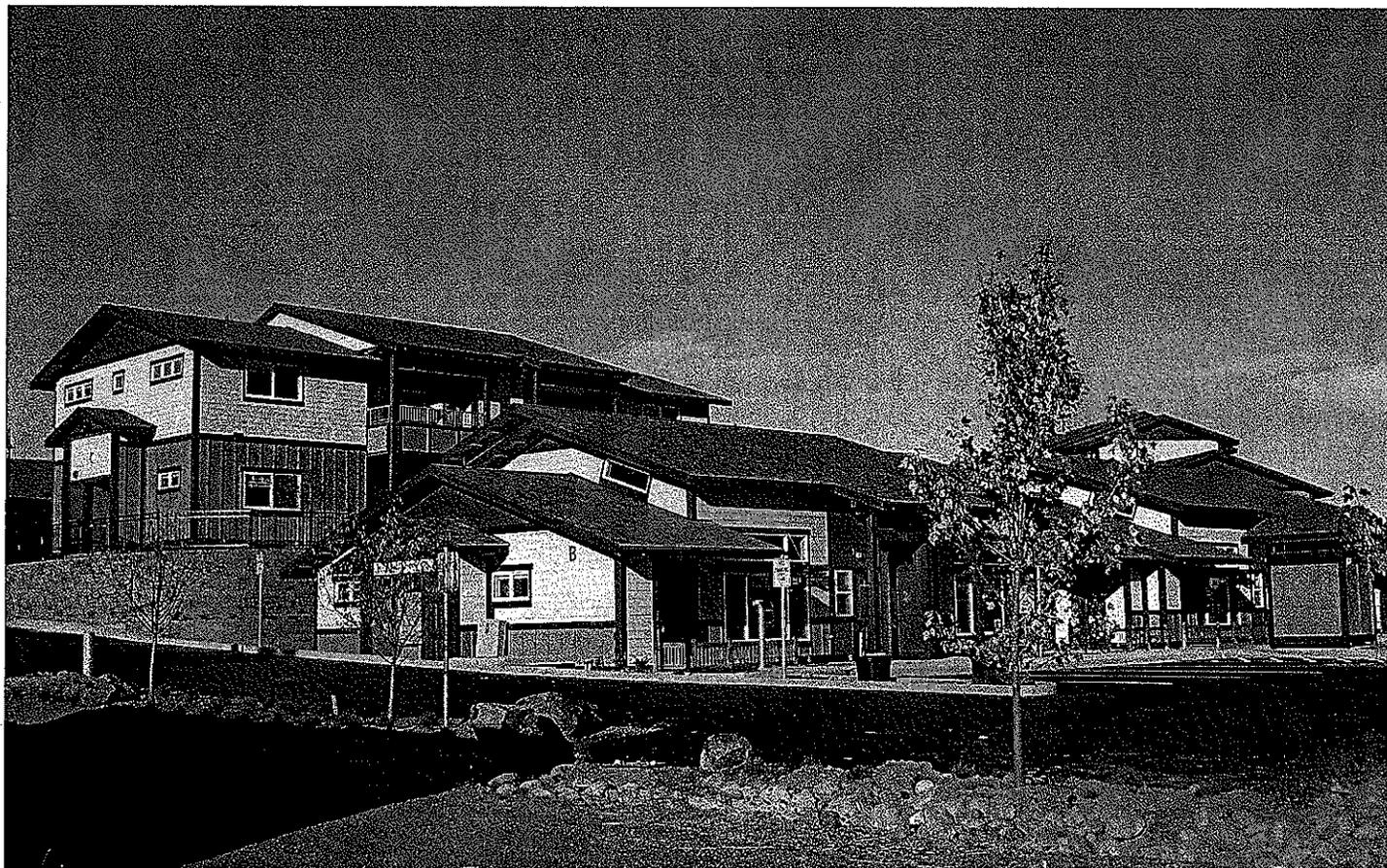


# OREGON STATE HOUSING COUNCIL

December 2, 2011



*Canyon East, Madras, OR  
(New Construction; 24 Units; 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

December 2, 2011

## TABLE OF CONTENTS

<b><u>AGENDA</u></b>	<b>1</b>
<b><u>APPROVAL OF MINUTES</u></b>	
A. Minutes of September 19, 2011 Meeting	<b>3</b>
B. Minutes of October 31, 2011 Meeting	<b>13</b>
<b><u>NEW BUSINESS</u></b>	
A. <i>Riverview Terrace Apartments (Salem, OR)</i> , Predevelopment Loan Request	<b>15</b>
B. Approval of 2012 Council Meeting Dates	<b>20</b>
<b><u>REPORTS</u></b>	
C. NSP Update	<b>21</b>



# Oregon State Housing Council

725 Summer St NE Suite B  
Salem, OR 97301-1266  
(503) 986-2005  
(503) 986-2132 FAX  
(503) 986-2100 TTY  
www.oregon.gov/OHCS/OSHC



**Council Members**  
John Epstein, Chair  
Tammy Boney  
Michael C. Fieldman  
Adolph "Va" Valfre, Jr.  
Jeana Woolley

## STATE HOUSING COUNCIL MEETING

December 2, 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 J. Epstein
- II. ROLL CALL J. Epstein
- III. PUBLIC COMMENTS J. Epstein
- IV. APPROVAL OF MINUTES J. Epstein
  - A. Minutes of September 19, 2011 Meeting
  - B. Minutes of October 31, 2011 Meeting
- V. RESIDENTIAL CONSENT CALENDAR -- None
- VI. NEW BUSINESS
  - A. *Riverview Terrace Apartments* (Salem, OR),  
Predevelopment Loan Request J. Enos
  - B. Approval of 2012 Council Meeting Dates M. Van Vliet
- VII. SPECIAL REPORTS -- None
- VIII. OLD BUSINESS -- None
- IX. REPORTS
  - A. Single Family Program B. Larson
  - B. Oregon Homeownership Stabilization Initiative (OHSI)  
Update M. Auman
  - C. NSP Update R. Malloy
  - D. Report of the Chief Financial Officer N. Cain

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24

- E. Report of the Deputy Director
- F. Report of the Director
- G. Report of the Chair

**R. Crager**  
**M. Van Vliet**  
**J. Epstein**

**X. FUTURE AGENDA ITEMS**

**M. Van Vliet**

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23

**OREGON STATE HOUSING COUNCIL**  
**Minutes of Meeting**

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

**9:00 a.m.**  
**September 19, 2011**

**MEMBERS PRESENT**

Maggie LaMont, Chair  
John Epstein  
Mike Fieldman  
Jeana Woolley

**MEMBERS ABSENT**

Tammy Baney

**GUESTS**

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

**STAFF PRESENT**

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

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

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

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

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

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

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

#### 9 **IV. APPROVAL OF MINUTES**

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

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

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

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

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

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

#### 24 **V. RESIDENTIAL CONSENT CALENDAR:**

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

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

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

4 **VI. NEW BUSINESS:**

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

19 **MOTION: Woolley moves that the Housing Council approve a**  
20 **Predevelopment Loan in an amount not to exceed \$1,073,310, at an interest**  
21 **rate of 5% per annum, to Innovative Housing, Inc., for the acquisition of**  
22 **land located in Portland, Oregon; and waive the six month term for loans**  
23 **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.**

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

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

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

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

14 **VII. SPECIAL REPORTS:**

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

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

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

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

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

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

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

14 **VIII. OLD BUSINESS:** None.

15 **IX. REPORTS:**

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

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

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

3 • **Cain** explains that the second term sheet that was revised is for the loan refinance  
4 assistance pilot program. The original term sheet anticipated the purchasing of loans; however,  
5 it was determined that a short sale option was needed with another entity.

6 • A project manager has been hired to oversee the transition assistance and preservation  
7 programs, and the recruitment for the administrator position has been opened.

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

11 **LaMont**: Good news! Great job.

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

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

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

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

6  
7 **D. Report of the Acting Director.** **Rick Crager** reports the following:

8 • This week the request to increase NSP3 limitation to spend the federal money will be  
9 presented to the legislature for approval. It was approved back in February, but because  
10 of the timing it could not be included in the budget, so it delayed approval of the  
11 limitation. In the previous phases of NSP, Bend was included. There is \$5M in NSP3  
12 and the department is trying to put that into the highest need areas. If the money is not all  
13 spent in the highest need areas, then it can be expanded into other areas. Bend did apply  
14 for it in the RFP, even though they knew they were not eligible to receive it. We  
15 indicated that we would keep their application and if money remained and we do decide  
16 to expand into other areas, they would be included.

17 • Regarding NSP1, funds were allocated to the Jackson County Housing Authority, which  
18 was used to secure land for a project called Cherry Creek Apartments. The land was  
19 secured through a short sale, which is an eligible use of NSP dollars. There are different  
20 levels of classification. If purchased as a land banking activity, there is no requirement  
21 to get certain environmental assessments. If the land is purchased for a specific project to  
22 be developed, there is a requirement to go through an environmental assessment. When  
23 this land was acquired, there were no assurances that there would be a future project  
because they needed to get CFC funding, which was not a certainty. It is a prime piece of  
real estate and when this project came to the CFC, it was the only one in the department's  
history that scored a perfect score. It is located adjacent to a park and the neighborhood  
has some issues with the proposed project. The push has been that the environmental  
assessment was not done when the land was acquired. However, it was under land  
banking activity and, therefore, the assessment was not necessary. HUD sent the  
department a letter saying they did not think it was appropriate that it was given the  
classification it was and it should have been a development classification. It means they  
want us to correct the action, which means we need to get an environmental assessment  
done. We do not anticipate their being any problems. It is just a delay. **Woolley** asks if  
there will be any pressure from the Governor or anyone else about this issue. **Crager**  
answers that the department has been briefing Duke Shepherd and Greg Wolf with the  
Governor's office. So far, they are behind us and they understand that we have a good  
process in place. We believe we were correct in our classification and that we can make  
a strong case.

19 • We are still waiting on the Notice of Funding Availability (NOFA) on the PBCA to come  
20 out for the rebid. We have signed a contract that is an extension for six months, with  
21 optional extensions after that. They have taken some duties off, primarily around  
22 management review. They negotiated at 2%, which is 50 basis points less than what we  
23 were planning on getting, and 100 basis points less than what we are getting currently.  
What that means is that we will be able to do the work in relation to the PBCA, but all the  
additional things that the PBCA paid for -- preservation and other indirect type costs --  
will still require us to take some immediate action as it relates to laying off staff. He says  
he tries to communicate to the partners that this is more than just the PBCA issue. There  
are other factors, such as liquidity costs. We got a liquidity contract, but it is for 80 basis

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

8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
**Chair LaMont** adjourns the meeting at 12:25 p.m.

John Epstein, Chair                      DATE  
**Oregon State Housing Council**

Margaret S. Van Vliet, Director    DATE  
**Oregon Housing & Community Services**

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23

**OREGON STATE HOUSING COUNCIL  
TELEPHONE CONFERENCE  
Minutes of Meeting**

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

**2:30 p.m.  
October 31, 2011**

**MEMBERS PRESENT**

John Epstein, Chair  
Tammy Baney  
Mike Fieldman  
Jeana Woolley

**STAFF PRESENT**

Margaret S. Van Vliet, Director  
Rick Crager, Deputy Director  
Bob Gillespie, Housing Division Administrator  
Roberto Franco, Single Family Programs Unit  
Manager  
Kari Cleveland, Loan Specialist  
Jo Rawlins, Recorder

**MEMBERS ABSENT**

**GUESTS**  
None

**I. CALL TO ORDER: Chair John Epstein calls the October 31, 2011 meeting to order at 2:38 p.m.**

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

**III. PUBLIC COMMENT: None.**

**IV. RESIDENTIAL CONSENT CALENDAR:**

- A. 3800 Block NW Harrison Blvd., Corvallis, OR.**
- B. 400 Block Scrael Hill Rd. NE, Albany, OR.**
- C. 1800 Block Southside Rd., Grants Pass, OR.**

**Kari Cleveland, Loan Specialist, reports these loans are 104% to 105% loan-to-value because they do add in the up-front loan note guarantee fee.**

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

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

1 **V. DIRECTOR'S COMMENTS:**

2 **Margaret Van Vliet** says she is looking forward to getting acquainted with council  
3 members, and has ideas she is anxious to share with them and get their feedback. **Epstein**  
4 expresses his concern about achieving a quorum and asks about the status of new Council  
5 members. **Van Vliet** says it is her understanding that Val Valfre, Executive Director of the  
Washington County Housing Authority, is scheduled for Senate confirmation in November.  
Additional names will go into the February Legislative Session and she will be talking with the  
Governor's Office about our high sense of urgency. She says she would be happy to solicit  
Council's best thinking and put forward their recommendations to the Governor's Office.

6 **Chair Epstein** adjourns the meeting at 2:44 p.m.

7  
8 

---

**John Epstein, Chair**                      **DATE**  
9 **Oregon State Housing Council**

8 

---

**Margaret S. Van Vliet, Director**      **DATE**  
9 **Oregon Housing & Community Services.**



# Oregon

John A. Kitzhaber, MD, Governor

## Housing and Community Services

North Mall Office Building  
725 Summer St NE, Suite B  
Salem, OR 97301-1266  
PHONE: (503) 986-2000  
FAX: (503) 986-2020  
TTY: (503) 986-2100  
www.ohcs.oregon.gov



3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23

**TO:** Finance Committee/State Housing Council  
**FROM:** Jodi Enos, Tax Credit Programs Representative  
**DATE:** November 9, 2011  
**RE:** Riverview Terrace – Predevelopment Loan Request

---

### EXECUTIVE SUMMARY

**Borrower:** Salem-Keizer Community Development Corporation (SKCDC)  
**Property:** 2030 Wallace Road NW, Salem, OR 97304  
**Loan Amount:** **\$285,000** (loan fee: \$2,850)  
**Loan Term/Rate:** 2 years @ 5% Interest (\$28,500; estimated interest for full two year term)  
**Repayment:** Repayment at future Consolidated Funding Cycle (CFC) award; or sale of land  
**Security Value:** \$286,625 (99% LTV)  
**Use of Funds:** Purchase land for 40 unit new construction project before option expires December 31, 2011.  
**Security:** Trust Deed in first lien position  
**Fund Availability:** \$2,156,690 (as of 10/31/2011)  
**Finance Committee:** November 8, 2011

/s/ Rick Crager  
Rick Crager, Finance Committee Chair

Date: November 8, 2011

**RECOMMENDED MOTION:** Approve a Predevelopment Loan in an amount not to exceed \$285,000 at an interest rate of 5% per annum to Salem-Keizer Community Development Corporation for the acquisition of land located in Salem, Oregon.

## PREDEVELOPMENT LOAN REQUEST

### Riverview Terrace

**Project Description:** Riverview Terrace Apartments (RVT) has been in the planning stages for over 18-months. A 2011 CFC application was submitted and this project missed the funding cutoff by one point. Salem-Keizer Community Development Corporation and their Development Consultant, Jennings Pitts Development LLC have worked together to address the affordable housing needs of the Salem community by proposing 40 workforce affordable housing units. SKCDC has been a successful provider and operator of affordable housing in the Salem community for over fourteen years.

The proposed site is two acres, which will be partitioned from a 5.4 acre site. SKCDC has an option on the remaining 3.4 acres until December 2013 for a planned Phase II of the project. SKCDC would execute the option for Phase II if the Phase I CFC application is successful.

The site is a flat two acre location in an established and convenient area of West Salem. Schools, shopping, restaurants, offices, public transit, employment and service providers are within a mile or two from the proposed Riverview Terrace. A large new market rate apartment community, Rosewood, is located directly to the north and another larger apartment community is planned for the property to the south. This convenient location and the growing market rate housing in close proximity makes this ideal location for an affordable housing community.

The proposed Riverview Terrace project has 4 residential buildings, two of which are three stories and two of which are two stories in height. There are 40 units, all flats, consisting of 36 two bedroom units and 4 one bedroom units. All units will have washer and dryers allowing families the convenience of not having to juggle child care with trips to the laundry room. All units will also have high speed internet with bandwidths sufficient for students and basic uses.

In addition, there is a separate community building in which SKCDC can base their resident services programs. The community building will also serve as a recreation area for both children and adults. The children's playground is designed to be an extension of the community center and highly visible to the rest of the community. The site will also have a community garden with the initial planting guided by Polk County Master Gardeners.

Salem has an overall vacancy in the market 3.8 percent. According to our Market Study performed in March 2011, the market rate properties exhibited an average vacancy rate of only 1.7%. This level of housing scarcity causes great distress on lower income, working families. The difficulty in finding suitable apartment land for Riverview Terrace would further indicate that buildable land for housing in Salem is also scarce, thus the future need for affordable housing will increase. This project targets workforce housing for families which is identified as a number one priority for Polk County and the City of Salem.

---

Estimated Sources of Financing:	LIHTC Equity	\$5,663,684
	Perm Loan	\$846,789
	Salem HOME Loan	\$275,000
	Salem SDC Waivers	\$249,533
	Elec. SDC Waivers	\$6,400
	Water SDC Waivers	\$84,900
	Salem Elec. EA Rebate	\$20,000
	Salem Elec. PV Rebate	\$8,400
	Fed. Energy Tax Credits	\$37,500
	Cash	\$45,000
	Def. Developer Fee	\$27,010
		<hr/>
		\$7,264,216
Estimated Uses of Financing:	Acquisition	\$315,000
	Development	\$2,408,582
	Construction	\$4,540,634
		<hr/>
		\$7,264,216

**Use of Predevelopment Funds:** SKCDC has requested \$285,000 to acquire the property for the Riverview Terrace (Phase I) project.

Currently, the entire property parcel is 5.4 acres. SKCDC has submitted documentation to the City of Salem requesting a partition of the two acres, which is the proposed site for Riverview Terrace. The partition will occur prior to predevelopment/acquisition loan closing.

**Security for Loan:** An appraisal was completed March 8, 2011 with an update October 12, 2011 by Kenna D. Gillespie of Gillespie Appraisal Services. The Sales Comparison Approach Value is concluded at \$775,000 for the entire 5.4 acre (235,224 square feet) site at \$3.29 per square foot. However, SKCDC plans to partition the site and utilize the westernmost two acres for the Riverview Terrace project. Therefore, the value of the portion of the site to be used for the Riverview Terrace project is \$286,625 (87,120 square feet x \$3.29).

The Purchase and Sales Agreement has an agreed upon sales price of \$300,000. The appraisal indicates that the pending sales price is between \$3.00 and \$3.44 per square foot. Both the Sales and Market Comparison Approach values fall within this range at \$3.29 per square foot.

The Department's Appraisal Analyst has reviewed and approved the submitted Appraisal, provided OHCS is added as an Intended User.

Using the "As Is" Market Value the loan-to-value is 99%.

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 reconveyance at the time of payoff.

**Repayment Plan:** The first proposed repayment plan is anticipated with a 2012 CFC reservation. If awarded, payoff would occur at construction loan closing, currently estimated for October 2013. If not successful, SKCDC will consider selling or submitting a third CFC application in 2013.

**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.

<b>Predevelopment Loan Program</b>	<b>\$6,450,000</b>
Less: Projects Currently Funded	(\$4,243,310)
Reserved for NOAH LOC	(\$50,000)
<b>Available to Lend</b>	<b>\$2,156,690</b>
Applications Pending	(\$985,000)
<b>Balance Remaining</b>	<b>\$1,171,690</b>

**Borrower/Development Team Experience:** Salem-Keizer Community Development Corporation (SKCDC) is an experienced housing and services provider that has and continues to form strong partnerships with the community, its social service partners and the City of Salem. SKCDC is well versed in LIHTC and HOME Program requirements. SKCDC has also assembled a strong team of experienced housing professionals who will assist in achieving on-time and on-budget completion of the work.

SKCDC's capacity and experience has grown in recent years. The current staffing team includes: (1 FTE) Executive Director; (1 FTE) Project and Asset Manager; (1/2 FTE) Fiscal Manager; (1/2 FTE) Resident Services Coordinator. SKCDC is able to keep its staff lean and cost effective because it chooses to outsource property management (Cascade Management) and development consulting (Jennings Pitts Development) to highly qualified, specialized firms.

During the project pre-development and financing stages, the development team will have weekly meetings to ensure tasks are proceeding on schedule. Chuck Fisher, SKCDC's Executive Director, will lead the development team. Chuck has over 25 years of community development experience, including 10 years with the City of Salem. Prior to becoming the executive director in April 2009, he served on SKCDC's Board of Directors for 3 years.

*[The balance of this page left intentionally blank.]*

1  
2  
3 **Comments and Recommendation:**

- 4 \* Although the Appraisal suggested that the value of the property may decrease during the  
5 term of the predevelopment loan, staff is recommending a 99% LTV at \$285,000,  
6 partially due to the strength of the borrower's 2011 CFC application and the need for  
7 affordable housing in Salem.  
8 \* A 2011 CFC Application was submitted and this project missed the funding cutoff by one  
9 point. SKCDC will resubmit during the 2012 CFC application round.  
10 \* SKCDC will be responsible to pay the difference between the predevelopment loan and  
11 the purchase price, along with closing costs and the OHCS predevelopment loan fee.  
12 Approximate out-of-pocket cost to borrower will be \$19,000.

13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  

/s/ Jodi L. Enos

Jodi L. Enos, Tax Credit Programs Representative  
Multifamily Housing Section

**Finance Committee Comments:** No substantive comments. Approved by Margaret S. Van  
Vliet, Director, on November 9, 2011

**Vote to Approve:** Crager, Carpenter, Koppes, McGuire, Summers  
**Absent:** Gillespie, Pate, Van Vliet

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23

**OREGON STATE HOUSING COUNCIL**  
**PROPOSED 2012 MEETING DATES**

January 6, 2012

February 3, 2012

March 2, 2012

April 6, 2012

May 4, 2012

June 1, 2012

July 13, 2012

August 10, 2012

September 7, 2012

No Meeting in October

November 2, 2012

December 7, 2012

**RECOMMENDED MOTION:** Approve the proposed 2012 Housing Council meeting dates.



1 **D Demolition:** This is typically to provide funding to developers for the acquisition and demolition  
of severely blighted property. This activity is not utilized in Oregon.

2 **E Redevelopment:** This provides funding for either the acquisition of real estate that will undergo  
substantial rehabilitation and may involve some level of demolition or the acquisition of vacant  
3 land where new construction take place. This activity is predominately utilized by Habitat for  
Humanity.

4  
5 NSP assistance similar to all HUD programs, is limited to households within restricted incomes limits.  
There are two categories of income thresholds for NSP:

- 6 • Low Income Households (LH25): Households whose gross annual income is less than 50% of  
the area median income adjusted for family size. This category is referred to as LH25 or low  
income.
- 7 • Low Moderate and Middle Income Households (LMMI): Households whose gross annual  
income is less than 120% of the area median income adjusted for family size. This category is  
8 referred to as LMMI or middle income.

9 One other key requirement of NSP is that at least 25% of the funding has to be expended on projects  
10 that benefit persons who are low income. This is rationale behind the acronym LH25 shown above.

#### 11 **Summary of NSP Funding and Program Expenditures**

12 OHCS has 25 separate NSP grant agreements with various public and private non-profit entities  
hereinafter referred to as Subgrantees. The full list of these Subgrantees along with funding amounts  
13 are listed tables later in this report. TABLE 1 below shows the grant amount and expenditures to date  
for each phase of NSP. The expenditure deadline for each phase of the program is as follows:

- 14 • NSP-1: March 16, 2013
- 15 • NSP-2: February 11, 2013
- 16 • NSP-3: March 9, 2014

17 **TABLE 1: SUMMARY OF NSP GRANTS AMOUNTS & EXPENDITURES**

	NSP-1	NSP-2	NSP-3	Totals
Grant Amount	\$19,600,000	\$6,829,635	\$5,000,000	\$31,429,635
Expended	\$19,813,001	\$5,510,060	\$1,494,075	\$26,817,136
Unexpended	-\$213,001	\$1,319,575	\$3,505,925	\$4,612,499
Percent Expended	101%	81%	30%	

19 OHCS is on target to meet all expenditures deadlines well before the required date. Currently  
20 Oregon is number one in the nation for the percentage of NSP-2 funds expended. Many NSP-2  
grantees throughout the nation have not yet reached 50% wherein the statutory deadline for this  
21 level of expenditures is February of 2012. Note that in TABLE 1 a negative amount of Unexpended is  
shown. Negative amounts are actually positive because they represent program income. This is why  
22 over 100% of NSP-1 funds have been expended. Program income is the generation of additional  
funds from the sale of completed properties. Community land trusts generate substantial amounts  
23 of program income.

TABLE 2 below shows NSP expenditures by activity. A vast majority of NSP funds are expended on Activity A, down payment assistance and Activity B, acquisition/rehabilitation. Currently, Activity A is nearly complete for NSP-1 and NSP-2 but is just getting started under NSP-3. For Activity B most acquisitions closed about one year ago but many of the properties are still undergoing rehabilitation.

**TABLE 2: SUMMARY OF NSP EXPENDITURES BY ACTIVITY**

	NSP-1	NSP-2	NSP-3
Down Payment	5,857,743	2,179,447	0
Acquisition Rehabilitation	9,549,728	2,391,329	1,454,615
Redevelopment	1,671,857	662,378	0
Land Banking	1,000,000	0	0

TABLE 3 shows the number housing units funded by NSP to date. Generally, all housing units funded under down payment assistance are complete and no further funding will be disbursed. About 75% of the units funded under acquisition/rehabilitation are complete and are either leased as low income rental property or sold as land trust property. Note that redevelopment generally involves the acquisition of land and new construction is either planned or underway for the number of units funded shown in the table.

**TABLE 3: SUMMARY OF NSP HOUSING UNITS FUNDED BY ACTIVITY**

Number of Units Assisted	NSP-1	NSP-2	NSP-3	NSP-1,2 &3
Down Payment	170	73	0	243
Acquisition Rehabilitation	76	32	25	133
Redevelopment	55	26	0	81
Land Banking	50	0	0	50
Current Total Units Assisted	351	131	25	507
<b>Projected Units to be Assisted</b>	<b>360</b>	<b>130</b>	<b>100</b>	<b>590</b>

Although Oregon has made substantial progress in program expenditures and ranks high nationally for its success in timely expenditure of NSP funds, the most important program requirement is the confirmed occupancy of NSP assisted housing units. Referred to as the National Objective of NSP, occupancy must be completed by the program deadlines noted above. The only exception is land banking which allows the Grantee and its Subgrantees 10 years to achieve 100% occupancy of NSP assisted projects. TABLE 4 and 5 below show a summary of the number and percentage of housing units occupied by activity. Overall, Oregon is performing best under NSP-2. NSP-1 is slower to achieve occupancy for two reasons. First, NSP-1 includes a lot of redevelopment activity where there will be new construction by Habitat for Humanity in urban areas of the state. Second, non-profits and housing authorities in more rural areas of the state have struggled to complete projects due to excessive work loads and depressed housing markets adversely affected by high unemployment and a lack of qualified homebuyers. In many cases, non-profits have opted to rent instead of sell completed NSP assisted single family homes since it has been extraordinarily difficult to find qualified buyers. Finally, note that NSP-3 is just getting underway so it will likely be the second quarter of 2012 before significant progress is made.

**TABLE 4: SUMMARY OF NSP HOUSING UNITS OCCUPIED BY ACTIVITY TYPE**

Number of Units Occupied	NSP-1	NSP-2	NSP-3	NSP-1,2 &3
Down Payment	170	73	0	243
Acquisition Rehabilitation	33	15	0	48
Redevelopment	0	0	0	0
Land Banking	0	0	0	0
<b>Current Total Units Occupied</b>	<b>203</b>	<b>88</b>	<b>0</b>	<b>291</b>

**TABLE 5: PERCENT OF NSP ASSISTED HOUSING UNITS OCCUPIED BY ACTIVITY**

Percent of Units Occupied	NSP-1	NSP-2	NSP-3
Down Payment	100%	100%	0%
Acquisition Rehabilitation	43%	47%	0%
Redevelopment	0%	0%	0%
Land Banking	0%	0%	0%
<b>Percent Units Occupied</b>	<b>58%</b>	<b>67%</b>	<b>0%</b>

TABLE 6 below shows progress on expenditures and occupied or completed housing units for NSP-1.

**TABLE 6: NSP-1 BUDGETS, EXPENDED, HOUSING UNITS FUNDED & OCCUPIED**

Subrecipient or Subgrantee	Activity Budget	Project Expended	Units Assisted	Units Occ
City of Bend	\$407,851	407,851	14	4
City of Eugene	\$563,459	562,864	10	9
City of Medford	\$426,453	423,068	12	12
City of Salem	\$1,074,877	1,074,500	19	19
City of Springfield	\$327,119	327,119	15	15
City of Gresham	\$580,875	401,056	20	19
City of Portland	\$3,255,159	3,477,843	67	17
Clackamas County	\$1,847,547	2,126,035	22	5
Washington County	\$2,292,771	2,218,922	19	17
Umpqua CDC	\$1,022,717	1,145,032	10	7
Housing Works	\$600,000	899,417	5	4
Community Connections	\$373,961	373,961	2	0
Community Services Consortium	\$600,000	600,000	4	3
Housing Authority of Yamhill County	\$500,000	376,914	5	0
Housing Authority of Jackson County	\$1,000,000	1,000,000	50	0
Habitat for Humanity of Oregon	\$900,000	798,710	22	1
Oregon State Loan Program	\$1,865,496	1,865,496	55	55
Administration (OHCS & Above)	\$1,960,000	1,734,213		
Recaptured to Reprogram	\$1,715	0		
	\$19,600,000	\$19,813,001	351	187
<b>NSP-1 Percent Funds Expended</b>	<b>101%</b>			
<b>NSP-1 Percent Units Completed</b>	<b>53%</b>			

1 TABLE 7 below shows progress on expenditures and occupied or completed housing units for NSP-2.

2 **TABLE 7: NSP-2 BUDGETS, EXPENDED, HOUSING UNITS FUNDED & OCCUPIED**

Subrecipient of Subgrantee	Activity Budget	TOTAL EXPENDED	Units Assisted	Units Occ
City of Bend	\$2,515,747	\$2,078,883	75	54
City of Medford	\$852,936	\$804,161	15	4
Clackamas County	\$958,932	\$777,135	13	12
Washington County	\$912,289	\$904,807	8	8
Oregon Housing & Community Services Administration	\$1,427,391	\$895,074	18	10
	\$162,340	\$50,000	0	
<b>TOTAL</b>	<b>\$6,829,635</b>	<b>\$5,510,060</b>	<b>129</b>	<b>88</b>
<b>NSP-2 Percent Funds Expended</b>	<b>81%</b>			
<b>NSP-2 Percent Units Occupied</b>	<b>68%</b>			

8  
9 TABLE 8 below shows progress on expenditures and occupied or completed housing units for NSP-3.

10 **TABLE 8: NSP-3 BUDGETS, EXPENDED, HOUSING UNITS FUNDED & OCCUPIED**

Subrecipient of Subgrantee	Activity Budget	TOTAL EXPENDED	Units Assisted	Units Occ
City of Medford	\$1,200,000	\$834,615	13	0
City of Redmond	\$1,592,433	\$620,000	12	0
City of Gresham	\$631,500	\$0		
City of Portland	\$616,765	\$0		
Reserve Pool	\$664,154	\$0		
Oregon Housing & Community Services	\$295,148	\$39,460		
<b>TOTAL</b>	<b>\$5,000,000</b>	<b>\$1,494,075</b>	<b>25</b>	<b>0</b>
<b>NSP-3 Percent Expended</b>	<b>30%</b>			
<b>NSP-3 Percent Expended</b>	<b>0%</b>			

16 **Summary of Expenditures, Housing Units Funded and Occupied by NSP Grant**

17 Both NSP-1 and NSP-2 are on track to meet expenditures deadlines. One key issue with NSP-1 is that  
 18 occupancy lags expenditures by a significant margin because of number of units scheduled for new  
 19 construction. Typically, down payment assistance projects are occupied within 30 days of closing.  
 20 Redevelopment projects may take up to two years to achieve occupancy. NSP-2 is significantly ahead  
 21 of schedule and is expected to be largely completed by the middle of 2012 except for a few new  
 22 construction projects. Implementation of NSP-3 is just getting underway with the acquisition of 25  
 23 units that will be leased to low income households.

1 **OHCS RFA for Permanent Supportive Housing for Homeless Persons**

2 OHCS staff have been administering an allocation of NSP-2 funds budgeted specifically for permanent  
3 supportive housing for homeless persons. Since many of these projects involve properties with four  
4 or less housing units, the timeframe for acquisition of foreclosed homes is very compressed, usually  
5 60 days or less. Because of this short timeframe, OHCS requested and received approval from the  
6 Housing Council earlier in 2011 to move forward with approval of these proposals via the OHCS  
7 Finance Committee. A Housing Council condition of this expedited approval process was that OHCS  
8 provide a report on transactions approved at Housing Council meetings. To date, funding has been  
9 approved and committed for 28 housing units. A summary of these projects is listed below:

6 **TABLE 9: SUMMARY OF FUNDING COMMITMENTS TO SUPPORTIVE HOUSING FOR HOMELESS**

Developer	Project Location (Addresses not shown for privacy)	Amount of NSP FUNDS Committed	GHAP Service Committed	GHAP Development Committed	Trust Fund Committed	TOTAL FUNDING	Number of Units
Housing Works	City of Bend	\$178,150	\$46,800	\$75,000	\$100,000	\$399,950	4
Housing Works	City of Redmond	\$162,360	\$52,000	\$19,240	\$0	\$233,600	2
Central Oregon Veterans Outreach	City of Bend	\$333,343	\$104,000	\$0	\$0	\$437,343	4
Housing Authority of Jackson County	City of Medford	\$610,802	\$519,990	\$104,487	\$492,004	\$1,727,283	23
<b>SUBTOTALS</b>		<b>\$1,284,655</b>	<b>\$722,790</b>	<b>\$198,727</b>	<b>\$592,004</b>	<b>\$2,798,176</b>	<b>34</b>

10 Please note the following about TABLE 9 above:

- 11 • Total Funding for this Initiative \$3,434,655 from the following sources:
  - 12 ○ NSP-2 = \$1,284,655
  - 13 ○ OHCS General Housing Account Program (GHAP) = \$1,150,000
  - 14 ○ OHCS Trust Fund = \$1,000,000
- 15 • The balance of uncommitted funds is \$636,479. Staff is anticipating one more project application for 8 additional units that will utilize this balance of funds.
- 16 • The original target for this program was 10 units. We are now at 28 units with another 8 unit request anticipated in December 2012.
- 17 • If you subtract the amount of GHAP Services funding the average cost per unit for both acquisition and rehabilitation is \$74,121.