

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.
February 3, 2012

MEMBERS PRESENT

John Epstein, Chair
Mike Fieldman
Adolph “Val” Valfre, Jr.
Jeana Woolley

MEMBERS ABSENT

Tammy Baney

GUESTS

Peter Hainley, CASA of Oregon
Chelsea Cato, CASA of Oregon
Rose Mary Ojeda, CASA of Oregon
Travis Blythe, Vida Lea Cooperative Board Member
Dan Fountain, Vida Lea Cooperative Board Member
Kathy Lucas, Clatsop County Housing Authority
Sheila Heino, Clatsop County Housing Authority

STAFF PRESENT

Margaret S. Van Vliet, Director
Rick Crager, Deputy Director
Nancy Cain, Chief Financial Officer
Karen Tolvstad, Policy, Communication & Strategy Division Administrator
Mike Auman, OHSI Administrator
Diana Koppes, Asset and Property Management Division Administrator
Pegge McGuire, Community Resources Division Administrator
Karen Clearwater, Regional Advisor to the Department
Vince Chiotti, Regional Advisor to the Department
Roberto Franco, Single Family Program Manager
Kari Cleveland, Loan Specialist
Theresa Wingard, Program Coordinator, Manufactured Communities Resource Center
Shelly Cullin, Senior Loan Officer
Debie Zitzelberger, Loan Officer
Joyce Robertson, Loan Officer
Dolores Vance, Financial & Operations Manager
Betty Markey, Senior Policy Advisor
Heather Pate, Multifamily Programs Section Manager
Janna Graham, Loan Specialist
Jo Rawlins, Recorder

- I. CALL TO ORDER: Chair Epstein** calls the February 3, 2012 meeting to order at 9:03 a.m.
- II. ROLL CALL: Chair Epstein** asks for roll call. **Present: Mike Fieldman, Adolph “Val” Valfre, Jr., Jeana Woolley and Chair Epstein. Absent: Tammy Baney.**
- III. PUBLIC COMMENT: Peter Hainley,** Executive Director of CASA of Oregon, on behalf of Oregon Opportunity Network, of which he is a board member and state policy council

chair, thanks Margaret Van Vliet and Karen Tolvstad for meeting with both the Portland and state policy groups over the last month to talk about the Consolidated Funding Cycle and ways to improve the communication between them and OHCS.

IV. DIRECTOR'S REPORT: Margaret Van Vliet, Director, reports the following:

- *OHCS Reorganization.* The reorganization plan, announced this week, has gone very well. Staff and external partners have a lot of questions about what it means for them. For the most part, people feel good about where we are heading and understand the reasons that we need to make some changes. She provides Council with a copy of the reorganization presentation that was given to staff on Monday. Part of the plan will be implemented immediately, and on March 1 the new leadership team will be mostly in place. Julie Cody a new addition to the team, will start on March 19. She is working to have a smooth transition across the board.
- *Oregon Homeownership Stabilization Initiative.* Things are going well. The new MPA-U program has been launched. Counties are being rolled out in a systematic way, with half the counties in the state being rolled out next week, and by March 7, rolled out to the remaining counties statewide. Communication materials are available on the OHSI web site, including a video that walks people through the application process, empowering them to make their own judgment about whether they think they are qualified for the program. Spanish translations will also be made available. Oregon continues to be a very high performer, compared to our peers across the country. Oregon has provided 4,000 homeowners with assistance, which is more than any other state. The only state that is distributing more than Oregon is California, but they have a \$2B program. There are still kinks in the system to be worked out, but progress is being made.
- *Legislation.* There are some things the department is paying attention to, but not leading the charge. The legislature is very focused on balancing the budget. House Bill 4082 would give the agency responsibility for the Court Appointed Special Advocates (CASA) program. The Oregon Commission on Children and Families was dismantled last session, and the programs the commission previously operated are being placed into other agencies. OHCS operates the Oregon Volunteers! program, and since CASA at its heart is a volunteer program, legislators and policy makers thought it would be a good fit. While we want to be team players and be helpful to the State of Oregon, we need to protect the agency by not taking on a liability for operating a program with no funds. **Fieldman** comments that the Oregon Volunteers commission has made it very clear that without sufficient administrative dollars to operate the program, they are not interested in taking it on.

Van Vliet says there are several bills related to foreclosure that different members have introduced, which the department will be neutral on, but is watching with interest and will provide information about what we see in the single-family mortgage market and what our role is and how we can be helpful in mitigating the impacts of foreclosure.

Woolley asks how the action the Attorney General is taking fits in, and how we dovetail that. **Van Vliet** replies that it is not yet clear. Separate from these bills, but still part of the arena, the AG announced this week that Oregon did agree to settle with five large banks related to what is referred to as “robo-signing.” \$200M is going to come to the state, and there are very specific places where that money is targeted inside the settlement. There will be about \$24M available, and we want to be helpful and want to think about what would be an appropriate role for this agency.

There is some work around rural workforce housing, but for a variety of reasons we believe we will be better served if we pick that up next session. There are things we can do in the short run to help some of the communities in question. We are watching House Bill 4038, which is an extension of the farmworker housing tax credit. The things inside the budget that the legislature will take up have to do with giving us authority to hire the staff needed at OHSI to apply for and then administer the new foreclosure mitigation counseling grants and NSP3 authorization.

- *Financial Report.* The Private Activity Bond committee granted the department a carry-forward allocation of \$311M. \$250M of that is being targeted for single family and the remainder for multifamily. Single-family reservation activity was light last week. We received nine reservations and had a few cancellations. We are still reserving under the Rate Advantage program at 3.5%. The CFC is out, and applications are due March 30, 2012. There are a few changes and improvements, but the big changes are much more likely to come next year. We had a good meeting yesterday with the Community Action Directors of Oregon at their regular meeting. They are anxious to understand how the reorganization fits into their role, both from the operational perspective, and a policy perspective. We want to begin looking for a couple of dates to have a joint meeting with CAPO to begin having those policy discussions.

V. APPROVAL OF MINUTES

A. **Chair Epstein** asks if there are any corrections to the December 2, 2011 Minutes. Two needed amendments were pointed out: page 4 of Council's packet, line 16, "a financial liability" should be amended to read "no financial liability;" and page 5 of Council's packet, line 15, "20012" should be amended to read "2012." The Motion was approved as amended:

MOTION: Valfre moves that the Housing Council approve the Minutes of the January 6, 2012 Council meeting, as amended.

VOTE: In a roll call vote the motion passes. Members Present: Mike Fieldman, Adolph "Val" Valfre, Jr., Jeana Woolley and Chair Epstein. Absent: Tammy Baney.

VI. RESIDENTIAL CONSENT CALENDAR:

A. *2400 Block NE Multnomah St., Portland, OR.* Kari Cleveland, Single Family Loan Specialist, says there is just one residential loan this month and asks Council if they have any questions. There being no questions, the motion was read:

MOTION: Fieldman moves that the Oregon State Housing Council approve the Consent Calendar.

VOTE: In a roll call vote the motion passes. Members Present: Mike Fieldman, Adolph "Val" Valfre, Jr., Jeana Woolley and Chair Epstein. Absent: Tammy Baney.

VII. SPECIAL REPORTS:

A. *Preserving Manufactured Home Parks Through Resident Ownership.* **Pegge McGuire**, Community Resources Division Administrator, briefed Council on the history of the program; **Theresa Wingard**, Program Coordinator, Manufactured Communities Resource Center, gave an overview of the current program to preserve manufactured home parks through resident ownership, and distributed copies of her PowerPoint presentation. **Peter Hainley**, Executive Director, CASA of Oregon, and **Chelsea Catto**, CASA of Oregon, described the work of CASA and its partnership with OHCS. A pilot program is currently being developed to replace older mobile homes with energy efficient models. Peter distributed a publication entitled *Bless This House*, which highlights personal stories of some of the residents affected by the sale and demolition of their manufactured home parks. **Woolley** asked for an explanation of the issue with resale restrictions. **Catto** explained that with some of the money there is an income restriction. Some lenders view that as a resale restriction and are wary of wanting to make single-family loans based on that fact. For the residents in the single-family communities, if they want to sell their home or upgrade and replace their homes, it is harder to get single-family financing. CASA has been rejected by lenders, but have now identified one lender they are currently working with.

Van Vliet asks if they have data on the demographics about income levels of residents of the parks, what percentage may be living in poverty and what that looks like, and the ages of the homes themselves. She said that as the agency thinks about aligning its programs with the Governor's big agenda around healthy people and healthy communities, and really addressing the root causes of poverty, it could really make a strong case that a healthy living environment would be enhanced if people were not forced to live in lower-quality housing. **McGuire** states that they do have quite a bit of the data she is asking about, and there is an annual report that contains much of that data. **Hainley** adds that there is a reporting requirement for owners, and he would like to see more data reported by the owners. There are also opportunities to get more information from the Landlord Tenant Coalition. **Wingard** comments that they are allowed by statute to collect any data they can. Ages of the homes would be a more difficult piece to collect. Age of tenants is also difficult. **McGuire** explains that there is a landlord registration, which is a mandatory registration the department enforces, and they could add some items to that form. **Valfre** states that he appreciates the time and effort to push this program. He has been involved in a couple of closures in Washington County, and all the parks have a lot of infrastructure issues. He asks if there is some involvement by the communities that they are in -- zoning or inspections -- or if it is considered private property. **McGuire** responds that this is at the heart of a lot of the issues they deal with in the program. There is a park in Redmond that DEQ has determined to be significantly out of compliance and they want to take action against the owners. They have been working with the department because they do not want to displace the residents and the owners will not come to the table and fix the problem. It becomes a matter of enforcing infrastructure requirements, but the ultimate outfall is that the residents may become homeless. Every community deals with this issue in their own way. **Hainley** adds that there are opportunities for some local utility districts. The breadth of the problem is huge. Private septic systems fail. **Valfre** says he believes people have a right to clean water and septic systems that work. It seems to be a recurring theme. **Wingard** says that many times it is private property and it is the landlord's responsibility for the improvements. **Woolley** asks if there have been discussions with economic development and what the outcome of those discussions were. **Hainley** says he spoke with Oregon Business Development and they had some ideas, which he pursued. He found that there are some interesting arrangements between various state agencies that are not very efficient, so it will take many other folks to figure out how to get this to work. **Van Vliet** states that although they have not talked specifically about this, it is

one of the Regional Solutions Teams' opportunities to marry housing with other infrastructure investments. It is on the radar screen. **Hainley** says the rural housing workgroup had come up with some ideas, and were looking for some pilot projects to find out what would work best. There is a large manufactured housing plant in Hermiston that can produce houses at a low cost.

VIII. NEW BUSINESS:

A. *Vida Lea Mobile Home Park* (Leaburg, OR), Manufactured Dwelling Park Preservation (MDPP) Grant Request. **Debie Zitzelberger, Loan Officer, introduces **Chelsea Catto**, CASA of Oregon, and **Travis Blythe**, Vida Lea Cooperative Board Member. **Zitzelberger** reports that Vida Lea Community Cooperative is requesting a grant award of up to \$600,000 to acquire and renovate Vida Lea Mobile Home Park in Leaburg, Oregon, and gives an overview of the write-up contained in Council's packet. **Fieldman** asks how close the property is to the river, and if there are flood plain issues. **Karen Clearwater**, Regional Advisor to the Department, says no, they are above the river and across the highway. **Fieldman** asks if there has been any assessment as to the health of the trees. **Clearwater** responds that the trees are around the edges and those that are in the park are smaller. It is a two-tiered park and the upper level has the bigger trees. **Catto** adds that it was part of their capital needs assessment and they have money in the budget to take care of some tree trimming. **Epstein** asks if the slight increase in rents is acceptable to the cooperative. **Catto** says the residents voted to approve the rent increases. **Epstein** points out that the requirement for this funding is 60/80% of the units and asks how they control that with RV traffic. **Catto** explains that the idea is that there will not be a lot of RV traffic, and they are looking to convert those into permanent spaces. When new residents come in they get their income information so they can certify that they qualify. **Zitzelberger** asks if, based on her experience, she has found that the 60/80% has been a problem. **Catto** answers no. It is nice to have the flexibility to have a little bit of a mix, and the majority are under that.**

MOTION: Woolley moves that the Oregon State Housing Council approve a conditional grant award of up to \$600,000 from Manufactured Dwelling Park Preservation resources to Vida Lea Community Cooperative to acquire and renovate Vida Lea Mobile Home Park in Leaburg, Oregon.

VOTE: In a roll call vote the motion passes. Members Present: Mike Fieldman, Adolph "Val" Valfre, Jr., Jeana Woolley and Chair Epstein. Absent: Tammy Baney.

B. *Hyak* (Seaside, OR), Predevelopment Loan Request. **Janna Graham, Loan Specialist, introduces **Kathy Lucas**, Clatsop County Housing Authority, and **Sheila Heino**, Clatsop County Housing Authority. **Graham** reports that Clatsop County Housing Authority is requesting a Predevelopment Loan in the amount not to exceed \$289,750 for the acquisition of a five-unit residence located in Seaside, Oregon, that will serve homeless males. She gives an overview of the write-up contained in Council's packet. **Valfre** asks if they have received a sign-off by the Fair Housing agency on this project, since it is for a single gendered group. **Graham** says she did some checking into that and was told that because the four lower units are a sole referral source from the dorm-style living on the second floor, that there would not be the ability to have both genders in the dwelling and that does meet Fair Housing. **Van Vliet** says the department can confirm that. **Epstein** asks if they explored getting a comparable product versus**

new construction. **Heino** says yes. One of their board members is one of the major developers and construction leaders in their county and that has been his concern. They own a small piece of property in Seaside and compared that with buying this property and the difference was \$20 to \$40 per square foot in development. The repairs are much less per square foot than it is to build new. Another big issue in their county is access and ODOT. **Epstein** asks if the tenant base they are putting in comes with any subsidies. **Heino** explains that Helping Hands is structured so that community partnerships, their second hand store proceeds, and some other options, have allowed the tenants to earn some kind of income within 90 days. They also are trying to put money toward resident services. **Epstein** asks if the proposed program is to get the tenants to some level of employment within 90 days, pay some amount of nominal rent, which helps the Housing Authority service the \$50,000 loan. **Vince Chiotti**, Regional Advisor to the Department, says yes. The department would not pay them for the piece of land that they own. The building is exactly what is wanted for this project. Helping Hands has housing for women in the same community which also gets past the Fair Housing issue.

MOTION: Fieldman moves that the Oregon State Housing Council approve a Predevelopment Loan in an amount not to exceed \$289,750, at an interest rate of 5% per annum, to Clatsop County Housing Authority for the acquisition of a five-unit residence located in Seaside, OR to be known as Hyak.

VOTE: In a roll call vote the motion passes. Members Present: Mike Fieldman, Adolph “Val” Valfre, Jr., Jeana Woolley and Chair Epstein. Absent: Tammy Baney.

IX. OLD BUSINESS: None.

X. DISCUSSION ITEMS:

A. *Community Engagement.* *Karen Tolvstad, Policy, Strategy and Communication Division Administrator.* **Tolvstad** reports that the overall goal of the community engagement process she is organizing and moving forward with is to build the relationship stakeholders and partners have with individuals in the agency into ones that inform policy. She says she feels as though there is a need to do that from a big picture perspective in terms of: What is the role of our agency -- with our partners on the community services side, as well as the housing side? More specifically, the department is under the gun on a huge priority for the agency, which is the Consolidated Funding Cycle. Council has seen the report from the LEAN process on how to streamline to make it better and stronger; however, there is a view that those changes are not enough. With the dramatic need in the community, and with resources dwindling, the CFC process needs to be questioned. Not just the priorities, but how we implement them. It looks like 47 applicants are coming forward for this next round and we can fund just a fraction of those. The process is costly and time consuming on the partners' part. The first priority for the community engagement is to be good stewards, first and foremost. Part of the community engagement process will be putting together workgroups to work on the various issues that have been identified. She has started working with Oregon ON and the Housing Alliance to identify suggested participants of the workgroups. She has also asked the Regional Advisors to the Department to make recommendations from their local regions. Another part of the process will be to hold small community meetings with individuals. She points out that the hard decisions are

