OREGON STATE HOUSING COUNCIL
Telephone Conference
Minutes of Meeting

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

9:00 a.m.
September 7, 2012

MEMBERS PRESENT
Jeana Woolley, Chair
Mayra Arreola
Aubre Dickson
Mike Fieldman
Zee Koza (in person)
Adolph "Val" Valfre, Jr.

MEMBERS ABSENT
None

GUESTS
Christel Allen, NW Public Affairs (via phone)
Rob Prasch, NOAH (via phone)

STAFF PRESENT
Margaret S. Van Vliet, Director
Karen Tolvstad, Policy, Strategy & Community Engagement Division Administrator
Diana Koppes, Business Operations Division Administrator
Julie Cody, Program Delivery Administrator
Jo Rawlins, Executive Assistant
Greg Current, Recorder

I. **CALL TO ORDER: Chair Woolley** called the September 7, 2012 meeting to order at 9:04 a.m.

II. **ROLL CALL: Chair Woolley** asked for roll call. **Present: Mayra Arreola, Tammy Baney, Aubre Dickson, Mike Fieldman, Adolph "Val" Valfre, Jr., Zee Koza, and Chair Jeana Woolley.**

III. **APPROVAL OF MINUTES: Chair Woolley** asked if there are any corrections to the August 10, 2012 Minutes. There being no corrections, the Motion was read:

> **MOTION: Zee Koza moved that the Housing Council approve the Minutes of the August 10, 2012 Council meeting.**
>
> **VOTE: In a roll call vote the motion passed. Members Present: Mayra Arreola, Aubre Dickson, Mike Fieldman, Adolph "Val" Valfre, Jr., Zee Koza, and Chair Jeana Woolley. Abstain: Tammy Baney.**

IV. **<u>DIRECTOR'S REPORT</u>: Margaret Van Vliet**, Director, reported the following:

- *Agency Request Budget* has been submitted and the Governor's Program Funding Teams will be reviewing those in the month of September, as well as the budget management analytical staff, who will reconcile and make their recommendations in the Fall. The Governor will issue his Recommended Budget on December 1, and then it will go to the 2013 Legislature for approval.
- *Foreclosure Mitigation.* Implementation of SB 1552 has begun. OHSI work continues. Senator Merkley's refinance plan is getting more attention from the US Treasury and others in Washington, so the department may be asked to help pilot some of those refinance ideas and is something that may gain attention.
- *Legislative Days.* The Legislature convenes next week for Legislative Days and the department will testify before one committee to talk about the role of the state housing agency in questions of Fair Housing and access to affordable housing. There will be a PowerPoint presentation, which will be made available to Council.
- *GAO/HUD Decision.* **Baney** requested an explanation of the status of the HUD decision regarding the Performance Based Contract Administration (PBCA). **Van Vliet** provided an overview of the history and said a decision was to be announced on August 31, 2012; however, a week before, the Government Accountability Office said they believed HUD was wrong in the way HFAs were solicited to do the body of work and contracts should not be awarded on August 31. **Julie Cody** added that HUD is taking all the information under advisement and has not awarded contracts. They have not yet decided exactly what they are going to do. It is anticipated that they will come out with another solicitation that takes into consideration the comments that came from the GAO. The contract OHCS currently has with HUD has been extended for another three months and it is anticipated there will be another extension before a decision is announced. **Chair Woolley** asked if there is any impact OHCS's delegation can have in terms of reinforcing the department's application. **Van Vliet** said she has not done anything about mobilizing any Congressional strategy because it is pretty fresh news, but she is paying close attention to what the national industry group is saying.
- *Audits Update*. *HOME Program Audit*: The auditors have 45 days from the exit interview to provide written findings, but there was nothing noted in the exit interview. *OHSI Compliance Audit by US Treasury:* This was the third audit and while they did find a list of a dozen or so process items that can be cleaned up, they are feeling much better about the overall operations of the program. The first two times they were concerned about the way we were documenting eligibility of individual participants. This time they gave us an A plus. *SIGTARP (Special Inspector General for Troubled Assets Relief Program) Audit*: SIGTARP is Treasury's regulator and is looking more broadly at how Treasury has implemented the Hardest Hit Funds program nationally. We were one of four or five other states audited. They will issue a national audit report that Oregon will be a part of, but we do not expect the report for another six months or so. **Van Vliet** said she has been in close contact with SIGTARP on the day-to-day

operations and feels they are more concerned about how Treasury is running the program, than how the department is implementing it.

V. **PUBLIC COMMENT: None.**

VI. **NEW BUSINESS:**

A. *Future Funding Processes.* **Karen Tolvstad,** Policy, Strategy & Community Engagement Division Administrator. For the benefit of the new Council members, **Tolvstad** gave a recap of the ongoing community engagement up to the present time regarding the redesign of the Consolidated Funding Cycle (CFC). Tolvstad stated the overall goals partners and OHCS share is to provide positive outcomes for residents and communities; to work on projects where the needs are not being met by the private sector; and to create projects that will perform financially and physically over time. In terms of changes to the process, there is total agreement on trying to build meaningful criteria into OHCS's scoring that will award projects that are the best use of public funds, and also to emphasize in a more significant way the needs and the priorities of local communities and to create a less burdensome and less costly process. Those are the over-arching principles that all partners have agreed with. In the last couple of months significant time has been spent talking with community partners about how to actually determine the community priorities, measuring community support, how to build the meaningful scoring criteria, and also coming up with a different way of grouping NOFAs and RFPs to get away from a once a year application process for all kinds of projects. Everyone agreed that large projects and small projects should be separate, but also within that there are a lot of options -- are they geography based, public policy based, project type based? Many from Oregon ON would like to see us focus on existing portfolios versus new projects. Oregon ON would like to ensure there is some emphasis on preserving and enhancing existing projects -- both little projects (projects that do not have federal vouchers that are expiring, but are owned by current sponsors and need improvement) and big P projects (preservation of housing vouchers or federally subsidized projects that are expiring and have a risk of losing vouchers and going to market).

Another policy piece for discussion is the question of a queue. Oregon ON and some others believe that when someone has applied and put effort into getting funding and were not awarded, although scored well, priority should be given to them when reapplying. Some are not supportive of that concept because they believe it might not put emphasis on the competitive nature of new projects that are responding to a community need. **Julie Cody** added that as we move forward, we will be evaluating whether we should give some kind of preference. **Julie** noted OHCS is looking at recreating an application process that potentially includes some type of pre-screening process so applicants can self-select out, and is trying to make it less expensive with less barriers, but more meaningful in the sense of underwriting early so we know the financial feasibility of a project.

Tolvstad highlighted the meetings recently held with the Executive Team of the Oregon Housing Authorities, and a mixed-group meeting that included representatives of non-profits, for-profits, investors, consultants, and housing authorities; and a separate meeting with Participating Jurisdictions, which are communities or municipalities that get direct allocations of HOME funds from HUD. All meetings were very valuable. **Cody** gave a brief overview of the various process teams and the internal processes in place and the planned training for internal staff and sponsors.

Van Vliet and **Cody** explained the process of revising the Qualified Allocation Plan. **Chair Woolley** asked at what point Council will have an opportunity to provide input on the recommendations to the Plan. **Cody** said it could occur as early as October, but probably November. **Chair Woolley** suggested scheduling a phone conference for October in case the timing doesn't work for the November Council meeting.

Tolvstad said that Val Valfre's participation in the CFC meetings has been very valuable. **Valfre** said he is concerned about the time line with the QAP and public hearings, and he wanted to make sure the process is well thought out to allow for feedback and an opportunity to make adjustments. He asked if the CFC timeline is being moved back. **Cody** said the target date is March, and because it would be a much streamlined process, awards may be given out at the same time. **Tolvstad** stateed that the timing will need to remain flexible until the process is completed. **Cody** said a general timeline will be sent out to everyone by the end of September.

B. *Retreat Planning – Agenda Items and Format.* **Chair Woolley** said she wants to have a conversation with each Council member to gain their input in designing the retreat agenda and will be scheduling time to talk with them individually. She asked the Council to review their Strategic Plan from the last retreat to consider whether or not there are items they want to carry forward, and asked that they have it available when she calls them, as a starting place for the discussion. **Fieldman** said he thought there was a later version that included services to people in housing. **Jo Rawlins** said she will check the notes from the prior retreat, but doesn't believe that was added. **Chair Woolley** says that can be added to the future plan. **Chair Woolley** suggests hiring a facilitator for the retreat. Council agreed.

VII. **REPORT OF THE CHAIR:** No report given.

Van Vliet noted that there may be up to three projects needing Council approval before November's meeting and that it may be necessary to schedule a phone conference to approve those projects. **Chair Woolley** commented that if there is a possibility Council may need to come together for recommendations on the funding process, that it may make sense to present the projects at that time. **Van Vliet** said she will coordinate with **Chair Woolley**. **Cody** added that the November meeting may be the meeting that they present the funding process. **Chair Woolley** said the Council then could do a phone conference for the project approvals. She advised that she will be out of the state from October 13-20, 2012.

VIII. **FUTURE AGENDA ITEMS:**

- October Retreat (overview of the budget structure; strategic plan)

Chair Woolley adjourns the meeting at 10:10 a.m.

/s/ Jeana Woolley	**11/02/12**	**/s/ Margaret S. Van Vliet**	**11/02/12**
Jeana Woolley, Chair	**DATE**	**Margaret S. Van Vliet, Director**	**DATE**
Oregon State Housing Council		**Oregon Housing & Community Services.**	