

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.
November 2, 2012

MEMBERS PRESENT

Jeana Woolley, Chair
Mayra Arreola
Aubre Dickson
Mike Fieldman
Zee Koza
Adolph "Val" Valfre, Jr

MEMBERS ABSENT

Tammy Baney

GUESTS

Terry McDonald, Executive Director, St.
Vincent De Paul Society, Lane County
Karen Litwiller, Executive Director, Oregon
Mennonite Residential Services

STAFF PRESENT

Margaret S. Van Vliet, Director
Karen Tolvstad, Policy, Strategy & Community
Engagement Division Administrator
Julie Cody, Program Delivery Administrator
Loren Shultz, Community Incentive Fund
Program Representative
Joyce Robertson, Loan Specialist
Rebecca Gray, Human Resources Manager
Karen Clearwater, Regional Advisor to the
Department
Greg Current, Executive Assistant

- I. **CALL TO ORDER:** Chair Woolley calls the November 2, 2012 meeting to order at 9:10 a.m.
- II. **ROLL CALL:** Chair Woolley asks for roll call. Present: Mayra Arreola, Aubre Dickson, Mike Fieldman, Adolph "Val" Valfre, Jr., Zee Koza, and Chair Jeana Woolley. Absent: Tammy Baney.
- III. **APPROVAL OF MINUTES**
Chair Woolley asks if there are any corrections to the September 7, 2012 Minutes. There being no corrections, the Motion was read:

MOTION: Zee Koza moves that the Housing Council approve the Minutes of the September 7, 2012 Council meeting.

VOTE: In a roll call vote the motion passes. Members Present: Mayra Arreola, Aubre Dickson, Mike Fieldman, Adolph "Val" Valfre, Jr., Zee Koza, and Chair Jeana Woolley.

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

- *Housing Council Retreat.* **Van Vliet** thanked Housing Council members for their constructive feedback relating to challenges and opportunities for 2013. A draft set of notes has been developed and will be distributed once final edits are in place.
- *Legislative Days.* Another round of legislative days is set for December 10 to December 12. OHCS will be speaking before the Senate “General Government, Consumer and Small Business Protection” committee relating to the agency’s foreclosure efforts. There will also be an update on the implementation of Senate Bill 1552 and the Hardest Hit program.
- *Program Updates.* The **Multi-Family** staff is working through a large number of loans and project underwriting. Most of the projects have already been through the previous Consolidated Funding Cycle (CFC). They are also working very diligently on their interdisciplinary efforts to remake the CFC, which involves staff from all over OHCS. The **Single-Family** side of the agency continues its efforts of implementing Senate Bill 1552. OHCS’s part of the implementation is funding non-profits in local communities to do mediation counseling. There is not currently a clear path for homeowners in those situations due to quirks in the legal arena and banks not referring homeowners to mediation services. The intent is for homeowners who feel they are risk to seek assistance and be directed to other services as appropriate. The **OHSI (Hardest Hit)** program is fairly quiet. Almost 7,000 homeowners helped across the state. Oregon leads the nation in the percentage of funds distributed (\$72 million). OHSI is also doing some work around Senator Jeff Merkley’s refinance proposal. The main idea of this proposal is to see if states can dedicate some of their unallocated hardest hit funds to try piloting Senator Merkley’s refinance proposal. OHCS is working with the U.S. Treasury, other states and Senator Merkley’s office to see if there is enough for a pilot of this proposal.
- *Audits Update.* There are several audits currently being conducted by the Secretary of State’s office; **Federal Compliance, Financial Standards, and Performance**. Once final reports are crafted for each one, OHCS will make them available to the Housing Council.
- *Consolidated Funding Cycle (CFC).* **Chair Woolley** asked when the Housing Council may be able to see some initial information related to the next CFC. **Van Vliet** indicated OHCS would have some fairly solid information available at the December 7, 2012 Housing Council meeting. At the January 11, 2013 meeting, the Housing Council will make more concrete decisions. In addition, OHCS will bring briefings relating to the Housing Alliance and Individual Development Accounts (IDA) Initiative.

V. **PUBLIC COMMENT:** None.

VI. **NEW BUSINESS:**

- A. **Van Vliet** mentioned these two requests for council approval fall in to a category the agency would like to organize better. OHCS is working on a process for these types of requests that would be more predictable and scheduled, yet would still allow us to respond to urgent requests in a timely fashion.
- B. *Sommerville Apartments* (Harrisburg, OR), General Housing Account Program request and Oregon Affordable Housing Tax Credits request for acquisition and

rehabilitation. **Julie Cody**, Program Delivery Administrator and **Joyce Robertson**, Loan Specialist presented this request before the council. **Cody** indicated the original general partner dissolved and OHCS is currently looking at maintaining these units in the community in the most efficient and affordable way possible.

Robertson spoke to this project stipulating a request for \$600,000 in GHAP funds for Sommerville Place Apartments. Sommerville is an OHCS portfolio project. It is a struggling 28 unit family complex in Harrisburg, Oregon. The sponsor, Linn County Affordable Housing dissolved and St. Vincent de Paul Society of Lane County was approached by OHCS to request they acquire the property after Willamette Neighborhood Housing declined to acquire the property.

As part of the acquisition of Sommerville Place, there are some critical needs that will need to be addressed as a result of water drainage and intrusion issues. The funds requested will be used to address the critical issues facing this project. In addition, to maintain the financial viability of this project, \$675,000 in OAHTCs has been approved by OHCS's finance committee to refinance existing OAHTC debt.

This project is at risk of foreclosure and sale at market rate. If that were to happen, OHCS would be required to repay \$450,000 in HOME funds that were used for the original construction to refinance the project in 1998.

Robertson requested that the motion found on page 7 of the Housing Council packet be approved to allow for the acquisition and rehabilitation of Sommerville Place Apartments by St. Vincent de Paul.

Chair Woolley asked if these units were originally built or acquired in 1998. **Answer:** Originally built. **Terry McDonald**, Executive Director, St. Vincent de Paul Society of Lane County, spoke to St. Vincent's interest in this property since Lane County Affordable Housing dissolved. One of the concerns associated with this property is the Head Start facility maintained at the site location and its significance to the community. The other concern stems from the fact there is no other affordable housing available in the immediate area. This request would address the long-term issue of water drainage and depreciation. **Valfre** voiced his support of Saint Vincent's work and expressed confidence this development fits well in to their portfolio. However, **Valfre** asked for **McDonald's** assessment as to the exterior drainage issue and that it is properly addressed so this issue does not require an additional funding request five years from now. **McDonald** stipulated given the amount of funding requested in arresting further deterioration, plus the projected cash flow, he assured the council there would not be a need to return in the future.

MOTION: **Aubre Dickson** moves that the Housing Council approve a General Housing Account Program ("GHAP") award in the amount of \$600,000 and \$675,000 in Oregon Affordable Housing Tax Credits

(“OAHTC”) for the acquisition and rehabilitation of Sommerville Place Apartments.

VOTE: In a roll call vote the motion passes. Members Present: Mayra Arreola, Aubre Dickson, Mike Fieldman, Adolph “Val” Valfre, Jr., Zee Koza, and Chair Jeana Woolley.

- C. *20th Street* (McMinnville, OR), General Housing Account Program request for acquisition and rehabilitation. **Julie Cody**, Program Delivery Administrator and **Loren Shultz**, Community Incentive Fund Program Representative.

Shultz presented the 20th Street multifamily group home for developmentally disabled adults in McMinnville. The 20th Street facility temporarily operates on two structure-related licensing variances. The General Housing Account Program (GHAP) grant would secure purchase of the home and thus cementing the future of this home for these vulnerable individuals.

OMRS requests \$271,795 in GHAP funding for acquisition and rehabilitation of an existing three bedroom ranch home. The rehabilitation includes fire sprinklers, accessibility features, envelope measures, electrical, plumbing and HVAC.

Karen Litwiller, Executive Director, Oregon Mennonite Residential Services (OMRS) provided background information. OMRS has operated group homes for adults with developmental disabilities since 1986. Including 20th Street, OMRS has a portfolio of ten group homes. OMRS reports a total of forty two residents with significant medial and behavioral challenges living in these projects. Of the forty two, only two residents are considered capable of being outside the homes, in the community, unaccompanied by staff. All OMRS group homes previously lived with aging parents who gradually lost the physical and/or financial ability to provide needed care.

Chair Woolley asked what are a few of the specific issues some of these residents face? **Answer:** First was a resident whose parents were no longer able to provide the kind of behavior supports needed. The second resident was a 17 year old who had been in five different foster homes in six months. That was in January 2012. At the time of this request, her tenure at 20th Street has been the longest placement the young woman has had in several years. She has told counselors that 20th Street is her home now, and this is where she is staying.

Koza asked if there were/are plans to harden the facility considering the level of care needed for these patients. **Answer:** Efforts have already been made in several of OMRS’s group homes. Plywood has been placed between drywall and steel framed doors as needed. At the 20th Street home there is not a need for these measures currently.

MOTION: Mike Fieldman moves that the Housing Council approve a General Housing Account Program (“GHAP”) award in the amount of \$271,795 for the acquisition and rehabilitation of 20th Street.

