



OREGON STATE HOUSING COUNCIL

Council Members:

Aubre L. Dickson, Chair
Mayra Arreola
Tammy Baney
Michael C. Fieldman
Zee D. Koza
Marissa Madrigal
Adolph "Val" Valfre, Jr.

MEETING MATERIALS PACKET



Bend, Oregon

Meeting Details

Date: March 6, 2015

Time: 9:00 a.m.

Location: OHCS Conference Room 124a/b,
725 Summer Street NE, Suite B
Salem, OR 97301

Call-In: 1-877-273-4202;
Participant Code: 4978330



OREGON STATE HOUSING COUNCIL

Council Members:

Aubre L. Dickson, Chair
Mayra Arreola
Tammy Baney
Michael C. Fieldman
Zee D. Koza
Marissa Madrigal
Adolph "Val" Valfre, Jr.

AGENDA

Date: March 6, 2015
Time: 9:00 a.m.
Location: OHCS Conference Room 124a/b, 725 Summer Street NE, Salem, Oregon
Call-In: 1-877-273-4202; Room Number: 4978330

1. Roll Call
2. Public Comment
3. Draft Meeting Minutes for Approval
February 6, 2015
February 17, 2015
4. Governor's Transition – *Director Van Vliet*
5. Legislative Updates – *Director Van Vliet*
 - a. OHCS Budget Presentation
 - b. Proposed \$100 million
 - c. Agency Legislation – *Alison McIntosh*
6. 2015 Multifamily NOFA Recommendations – *Julie Cody*
7. Landlord Guarantee Program Overview– *Claire Seguin*
8. Consolidated Plan Stakeholder Advisory Committee Update– *Val Valfre*
9. Housing Stability Council Proposed Subcommittees – *Director Van Vliet*
10. Report of the Director
11. Report of the Chair

Next meeting:

April 3, 2015 at 9:00 a.m. in OHCS, Conference Room 124a/b (725 Summer Street NE, Salem, OR 97301). Call-In: 1-877-273-4202; Room Number: 4978330





OREGON STATE HOUSING COUNCIL

Council Members:

Aubre L. Dickson, Chair
Mayra Arreola
Tammy Baney
Michael C. Fieldman
Zee D. Koza
Marissa Madrigal
Adolph "Val" Valfre, Jr.

[Draft]

FEBRUARY 18, 2015 | MEETING MINUTES

PHONE CONFERENCE MEETING

Housing Council Member Participation	
<u>Present</u> Aubre Dickson, Chair Mayra Arreola Zee Koza Val Valfre	<u>Not Present</u> Marissa Madrigal Mike Fieldman Tammy Baney

Call to Order and Roll Call

Chair Dickson called the February 18th, 2015 phone conference meeting to order at 1:18p.m. and asked for a roll call. Tammy Baney, Mike Fieldman and Marissa Madrigal were absent. .

GHAP Grant Award for Approval

Chair Dickson advised that the phone conference called to convene a quorum of voting Council members to discuss and vote on Bethlehem Inn, the GHAP grant request originally presented at the February 6th meeting.

Heather Pate, Multifamily Housing Finance Section Manager and Casey Bauman, OHCS Loan Officer, introduced themselves and provided Council members with an overview of Bethlehem Inn, a 36 unit former motel development in Bend, Oregon that is currently being used as an emergency homeless shelter for 78 homeless men and women and 5 families. This request, if approved would provide up to \$200,000 in gap financing necessary to acquire the property from Deschutes County, allowing Bethlehem Inn to continue to provide temporary emergency shelter and services in Central Oregon.

Zee Koza commented that she was very happy to see this project move forward.

Chair Dickson agreed with Koza and requested any other questions or comments. There being none, Chair Dickson requested a motion.

Motion: Zee Koza moved and Mayra Arreola seconded that Housing Council vote to approve the requested GHAP grant of up to \$200,000 to Bethlehem Inn for the acquisition of the property, currently being used as a homeless shelter. Approval is contingent upon the borrower meeting OHCS and Lender underwriting and closing criteria and documentation satisfactory to legal counsel.

Vote: In a roll call vote the motion passed without dissent. Tammy Baney, Mike Fieldman and Marissa Madrigal were not present for the vote.

Chair Dickson thanked Council members for coordinating their schedules to be available to address this request in a timely manner and with no other official business the Council meeting was adjourned at 1:28 p.m.



Aubre Dickson, Chair
Oregon State Housing Council

Date

Margaret S. Van Vliet, Director
Oregon Housing and Community Services

Date



Oregon

Governor Kate Brown

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

March 2, 2015

To: State Housing Council Members

From: Margaret Van Vliet and Julie Cody

Re: **Proposed 2015 Multifamily Rental Housing Funding Opportunities**

The purpose of this memo is to report the amount of multifamily development resources currently available for allocation in 2015 and to outline, for Housing Council approval, the Department's proposed course of action to make those resources available to our development partners as soon as reasonably possible.

Recommended State Housing Council Motion

State Housing Council approves the release of four multifamily rental housing Notices of Funds Availability (NOFAs), as described in this memorandum. Approval will be conditioned upon the Department providing regular reports to the Council on progress towards implementation and stakeholder feedback.

Background

As Council members know, OHCS administers multiple sources of state and federal funding designed to spur the development or acquisition and rehabilitation of rental housing for low-income and special needs populations. For many years prior to 2012, those resources were offered competitively through a process known as the Consolidated Funding Cycle (CFC).

In response to the strong concerns of our partners in the development community about various aspects of the CFC, the new OHCS leadership initiated the "CFC redesign," a major reworking of the process for allocating competitive resources for affordable multifamily rental housing. OHCS now uses a process known as the Notice of Funding Availability (NOFA), and has worked to target funding opportunities to different categories of housing development, and to ease some of the burdens placed on project sponsors associated with forcing all applicants – regardless the size and complexity of their project – to submit highly complex and costly CFC applications.

The transition from CFC to NOFA's took place in concert with our comprehensive agency transition planning, which deeply examined service delivery, community partnerships, the OHCS financial and business systems, and the degree to which our work is aligned with statewide policy initiatives and priorities. Since issuing the first NOFA in 2013, we believe that we have made significant strides in rendering our process more transparent and easy to utilize. With the input of our stakeholders and



more clarity around our internal business systems the Department is continuously implementing internal process improvements, which include refining the NOFA process.

Current Funds Availability

As a result of the significant changes at OHCS over the past three years, we now have the ability to better predict and plan for allocation – including prudent forward allocations - of all agency resources. We find ourselves with more funds available in 2015 for a variety of reasons, and so are pleased to be able to offer additional funds for virtually all planned NOFA processes as described below. (Note that there are three open and active OHCS multifamily NOFAs: 9% Low Income Housing Tax Credits (LIHTC); HOME funds; and lottery-backed bonds.)

Sources	Description	2014 NOFAs	2015 NOFAs
Low Income Housing Tax Credits (LIHTC) (active)	Federal; IRC Section 42	\$8,949,892	\$8,900,000
HOME (active)	Federal; HUD	\$6,613,000	\$5,000,000
Lottery-backed Bonds (LBB) (active)	SB 5703 (2014)	\$0	\$9,106,464
General Housing Account Program (GHAP)	Document Recording Fee; ORS 458.665	\$7,900,000	\$27,000,000
Housing Development Grant Program (HDGP)	Public Purpose Charge; ORS 456.587	\$0	\$8,000,000
HELP	Federal; HUD	\$600,000	\$600,000
Oregon Affordable Housing Tax Credits (OAHTC)	ORS 317.097	\$19,000,000	\$24,000,000
Multifamily Weatherization	Public Purpose Charge; ORS 456.587; ORS 757.612	\$2,000,000	\$10,000,000
TOTAL		\$45,062,892	\$92,606,464

OHCS executive leadership is prepared to more fully describe the underlying circumstances behind these figures at your next meeting as we understand that the large increase in funds for some of the accounts warrants further discussion.

Some of the factors contributing to the large increases in available resources in 2015 are:

- Document Recording Fee, which is the source behind GHAP, has seen increased receipts with the economic recovery and an uptick in recordings, as well as the incremental addition of receipts dedicated to housing programs for veterans.
- In an attempt to correct for a 2011 and 2012 over-commitment of HDGP funds, OHCS employed an overly conservative allocation method for HDGP in 2014 resulting in balances accumulating that can now be offered.
- Past methods of distributing Multifamily weatherization funds have not been as successful in recent years, resulting in accumulating balances. In addition, there have been significant

changes in building codes and increased sustainability standards over the past several years. As described below, a new approach will be tested in 2015.

- Until now, OHCS's internal financial systems have not provided transparency to program managers to clearly enable strong program planning and management.

These circumstances have all now been corrected such that overall transparency will be improved, and funds will be put to use by our partners as promptly as possible.

Proposed Course of Action for 2015

OHCS proposes to release four additional funds offerings in 2015, as follows:

1. Gap Financing

Purpose:

To provide funding opportunities for three different affordable multifamily objectives:

- Small affordable multifamily rental projects with less than 35 units – New Construction or Acquisition/Rehabilitation;
- OHCS previously funded projects with documented construction defects – to repair defects;
- Group homes serving special needs populations.

Tentative Release Date: May 1, 2015

Tentative Closing Date: July 24, 2015

Amount Available: \$18,000,000 in General Housing Account Program (GHAP) and Housing Development Grant Program (HDGP) funds, plus other funding sources.

Soft set asides for the three objectives:

- \$8,000,000 for small projects;
- \$8,000,000 for projects with documented construction defects;
- \$2,000,000 for group homes

2. Veteran's Supportive Housing

Purpose:

To provide funding for creative and innovative veteran's housing pilot programs that include appropriate services for the target population.

Tentative Release Date: May 1, 2015

Tentative Close Date: July 24, 2015

Amount Available: \$3,000,000 from GHAP, specifically dedicated to serve veterans

3. Manufactured Home Park Preservation

Purpose:

To provide opportunities to preserve manufactured home parks as an affordable housing option either through ownership co-op or non-profit ownership.

Tentative Release Date: May 1, 2015 (tentative)

Tentative Close Date: The earlier of December 31, 2015 or until all funds have been awarded.

Amount Available: \$6,000,000 GHAP available statewide, plus \$5,000,000 Oregon Affordable Housing Tax Credits.

4. Multifamily Weatherization

Purpose:

To obtain a program management contractor to implement, manage and provide strategies for one or more multifamily low-income energy efficiency programs. Ideas will be sought from the energy efficiency industry. This represents a new approach to utilizing dedicated Multifamily Weatherization funds.

Tentative Release Date: March 16, 2015 (tentative)

Tentative Close Date: April 15, 2015 (tentative)

Amount Available: \$6,000,000, sourced from designated public purpose charge

Open 2015 Offerings

The four proposed offerings would be in addition to the three currently open and active NOFA's, outlined below:

1. Preservation

Purpose:

To provide an opportunity for individuals and organizations interested in preserving rental subsidies in expiring federal project-based rental assistance contracts, or maturing federal loans, to apply for funding for acquisition/rehabilitation of qualified multifamily housing rental projects.

Opened: November 6, 2014

Closes: March 31, 2015

Amount Available: \$9,106,464 from Lottery-backed Bonds (LBB), available statewide

Current Applications: \$7,555,000

Remaining: \$1,448,536

2. Low Income Housing Tax Credit

Purpose:

To allocate Oregon's Low Income Housing Tax Credits on a regional basis to develop affordable multifamily housing that serve qualifying low-income and very low-income populations

Opened: January 30, 2015

Closes: April 17, 2015

Amount Available: \$8,900,000 allocated regionally, plus other funding sources

3. HOME

Purpose:

To allocate Oregon's HOME funds in the "balance of state" to develop affordable multifamily housing that serve qualifying low-income and very low-income populations

Opened: January 30, 2015

Closes: April 17, 2015

Amount Available: \$3,500,000 in "balance of state" region, plus other funding sources

"Balance of state" is all of Oregon, excluding the metro area and the non-metro participating jurisdictions (Clackamas County, Multnomah County, Washington County, Salem/Keizer, Corvallis, and Eugene/Springfield).

Next Steps

With State Housing Council approval and guidance, OHCS will work in all due haste to prepare the offerings as described and to notify the housing development community about available funds, together with their intended purpose and timing.

As with the last few NOFA processes, OHCS also intends to assemble a scoring and selection committee comprised of external and internal subject matter experts. Such committees will be chartered to review and make recommendations to the OHCS Director and per Oregon statute, the State Housing Council.



Oregon
Housing and Community Services

Governor Kate Brown

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

Date: March 6, 2015

To: Margaret S. Van Vliet, Director;
State Housing Council Members

From: Claire Seguin, Assistant Director Housing Stabilization

Subject: Rent Guarantee Program

Attachments: Program Description
Comparison Table for Rent Guarantee Program vs. Housing Choice

Per your request, I have provided a summary report on the Rent Guarantee Program. I have also taken the liberty of providing a side by side comparison of the Rent Guarantee Program and the current Housing Choice Program.

I hope you will find this helpful as the Housing Council discusses ways to impact housing stability.

Respectfully,

Claire Seguin

Claire Seguin
Assistant Director Housing Stabilization



Oregon

Governor Kate Brown

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

Date: March 6, 2015
To: State Housing Council Members
From: Claire Seguin, Assistant Director Housing Stabilization
Subject: Rent Guarantee Program

PURPOSE

The purpose of the Rent Guarantee Program was to improve housing options for high risk tenants through rental education and for participating landlords through payment of unpaid rent or damage losses.

BACKGROUND

The Rent Guarantee Program was internally developed in 2005 by OHCS and funded through the Housing Finance Account with an initial allocation of \$500,000. There are no specific Oregon Revised Statutes (ORS) or Oregon Administrative Rules that govern this program. Authority is derived from enabling legislation specific to OHCS and the general laws affecting administrative bodies with applicable legal requirements including, ORS 456 and 458, ORS 456.559(1)(d) and (h), 456.625(12), 456.720, and OAR 813-350.

The purpose of the Rent Guarantee program was to mitigate poor credit, criminal history, or past tenant performance which cause a significant impediment to rental lease approval. Appropriate training in personal budgeting, tenant/landlord relationships and other relevant education was designed to assist those trained in becoming more attractive and successful tenants. Providing guarantees to prospective landlords was funded to further induce landlords to offer housing to persons who have received such training, but who otherwise might not be deemed by landlords as acceptable tenants.

OHCS conducted an application process to select nonprofit grantees. The grantees determined which clients would be eligible for enrollment in the Rent Guarantee program. Implementation included: determination of participant eligibility; recruitment of landlords to participate in the program; development and maintenance of program contracts with landlords; processing and

submission of landlord claims to OHCS for payment; assurance of participant completion of tenant readiness education; and program requirement compliance, recordkeeping and reporting.

Eligible participants were those individuals with a household income at or below sixty percent (60%) of median family income and who successfully completed a tenant readiness class/training. Participants could not exceed a period of twelve (12) consecutive months in the program. Allowable claim expenses included: repairs for damages beyond normal wear and tear; unpaid rent; court and legal fees related to eviction; removal/disposal of tenant generated debris and pet or service animal damages if such animals were included in the lease.

Prior to ending the program there were ten grantees: Community Action Program of East Central Oregon (CAPECO), Community Action Organization (CAO), Clackamas County Social Services Division (CCSSD), Families Forward, Home Forward, Housing Authority of Yamhill County, JOIN, Mid-Willamette Valley Community Action Agency (MWVCAA), Northwest Oregon Housing Authority (NOHA), and Sponsors, Inc. The last three years of the program found only six of the ten grantees actively using the program. The following table is based on their annual reports.

Utilization

	2012	2013	2014
Potential Participating Households	222	222	209
Actual Participating Households	139	142	110
Households Terminating Early	19	11	6
Number of Claims Paid	12	8	7
Total Claims Payment	\$7,284.11	\$6,808.50	\$7,344.58

Client Characteristics

	2012	2013	2014
Total People Served	321	276	208
Total Children Served	136	114	66
Total Veterans Served	7	11	11
Total Ex-offenders Served	53	10	2
Total Homeless Served	159	126	108

Data from provider reports

OHCS provided the Rent Guarantee program until June 30, 2014. Rent Guarantee was terminated because its funds were reallocated to the legislatively created Housing Choice Landlord Guarantee Program.

CURRENT SITUATION

The department has no replacement program designed to provide reimbursement to open market landlords for unpaid rent or damages caused by high risk tenants who do not receive a HUD voucher. Some high risk persons may be willing to participate in rent education curricula if necessary as a condition prior to executing a rental agreement. We know some landlords are hesitant to accept rental applications from tenants with limited income. A program that reimburses landlords for unpaid rent and/or damages may sufficiently boost a prospective tenant's application into the acceptable condition for approval.

Comparison of Rent Guarantee Program with Housing Choice

Component	Rent Guarantee	Housing Choice
Funding Allocation	Approximately \$500,000	Approximately \$475,000
Program Dates	Terminated 6/30/2014	Implementation 7/1/2014
Service Provider(s)	Community Action Agencies, Housing Authorities, and Nonprofit Partners	OHCS
Reporting Requirements	Quarterly to OHCS	Monthly to Advisory Committee and Biennially to Legislature
Geography	Service areas of participating providers	Statewide
Potential Participating Households	289 Maximum <i>(includes grantees with zero utilization)</i>	All Voucher Holders
Tenant Households Enrolled in Compliance with Program Guidelines	142 in 2013	Participation Enrollment is not Required
Tenant Eligibility	Limited to Renter Education graduates	All Housing Choice Voucher Holders are Automatically Enrolled for Participation
Landlord Guarantee Amount	Maximum \$2,000	Maximum \$5,000
Tenant Readiness Education Requirement	Yes	No
Who Provides Education	Approved Tenant Readiness Providers	Does Not Apply
Tenant Repayment Required	No	Yes
Average Claim Amount	\$962	\$4,812
Eligibility Requirement	High Risk Tenants (prior evictions, poor credit, criminal history, etc.) Voucher are eligible	Voucher Holders Only
OHCS Role	Contract Administration through Local Service Providers	Program management with Individual Landlords and Collection of Individual Client Reimbursements
Court Judgment Required	No	Yes
Payment Administration	Service Providers	OHCS
Who Works with Individual Landlords	Service Providers	OHCS

- Some data pulled from provider reports.