

MINUTES

Homes for Good Housing Agency



BOARD OF COMMISSIONERS

Location of the meeting:

Board of County Commissioners Conference Room, Public Service Building, 125 East 8th Avenue, Eugene, OR, 97401

Phone: 541.682.2506

The meeting location is wheelchair-accessible. Anyone needing special accommodations (deaf, people with hearing loss, language translation, chemical sensitivity needs, and large print copies of agenda), please make your request at least 48 hours prior to the meeting.

Wednesday, February 26th, 2020

(1:30 p.m.) Board of County Commissioners Conference Room, Public Service Building, 125 East 8th Avenue, Eugene, OR, 97401

1. PUBLIC COMMENTS – 20 Minutes

(Maximum time 20 minutes: Speakers will be taken in the order in which they sign up and will be limited to 3-minutes per public comments. If the number wishing to testify exceeds 10 speakers, then additional speakers may be allowed if the chair determines that time permits or may be taken at a later time.)

Lena Kartzoff
Maya Sustaita
Julie Hume
Todd Boyle

This is a list of those who gave public comment, a full recording of public comment can be requested by contacting Jordyn Shaw at jshaw@homesforgood.org.

2. COMMISSIONERS' RESPONSE TO PUBLIC COMMENTS AND/OR OTHER ISSUES AND REMONSTRANCE (2 min. limit per commissioner)

Jacob Fox: I can answer one of the two questions that was raised, and Steve Ochs will have you answer the questions that Julie Hume raised about the tax lot.

The answer to your questions is that the transaction is complete, and the ownership has transferred from Homes for Good to the other party in the purchase and sale agreement.

Steve Ochs: Discusses the tax lot. There are no current plans for it, but Homes for Good has been talking to Rob Fallon with the University of Oregon's OregonBILDS program about the potential of students building tiny homes on that site similar to the Cottage Grove project.

Heather Buch: How big is it?

Steve Ochs: It's about a quarter-acre.

Heather Buch: And it's buildable and clean?

Steve Ochs: Yes, it is now. We got a complaint about some drums on the site that were left from the cleanup, and those were removed (they were empty) and they were tested. So, it has a clean bill of health now.

Heather Buch: So, you're thinking about a project similar to the Legion Cottages groundbreaking we just attended?

Steve Ochs: Yes, possibly.

Pete Sorenson: Thanks for answering those questions. I did just wanted to take a moment to mention that the Metro Council of Portland, which covers the regional government in the Portland area, is working on a ballot measure for May 2020 ballot to raise 250 million dollars annually for services to ease chronic homelessness in the Portland Metropolitan Area. The tax that would be levied to provide this money would be 1% for people earning more than \$125,000 a year, or couples who make \$250,000 or more a year. There is also a business income tax for regional businesses, and small businesses would be exempt. In support of this, were the Portland Business Alliance, the Regionals largest Chamber of Commerce.... One thing I think we should do is A) carefully monitor how this goes in the polling to determine whether or not these measures would be worth putting in front of the voters, and B) how they structured it so that the governments that might consider putting up such a tax to ease some of the problems here, could be guided by their experience. So, something I think we need to realize, is that we are not the only ones dealing with the magnitude of the housing issues.

Pat Farr: Pat apologizes that he missed the beginning of Julie's question, but is intrigued at looking at small pieces of property that could potentially be looked at for building small housing or tiny house clusters. Pat Talks about the Legion Cottages Wall Raising event.

Pat talks about the responsibility that Homes for Good has as an organization, that he feels they are meeting very nicely. He talks about the responsibilities of the County, and their greater responsibility of the Continuum of Housing that the County is taxed with.

Joe Berney: Members of the board learned about the sale of the property yesterday, so it is new information. I came onto this board in the middle of huge controversies over the sale. Frankly my sympathies lie with those who are on that end, rather than this end. My understanding was that that ship had sailed, that it was a decision of a previous board, and I think, that I for one, and the entire board will make sure that a public process for the future, so that these types of upsets, antagonists, and lack of communications never occur again, I would hope. It doesn't help this nonetheless.

Todd, I think bring up a difficult, yet realistic concern, and frankly I think we will see the pendulum shift, I don't know when, of the Federal government actually will start providing resources for less expensive housing. I think localities, and the state are trying to do what we can. But I think as that occurs, it would be helpful for us to think through. One could possibly respond to the real issue that you articulated. I don't think it is something to shy away from, it might actually mean we rethink "How do you do that?" I for one appreciate you bringing that up, although I don't think anyone has the answer. Commissioner Berney continues to talk about the County's efforts and partnerships.

Michelle Thurston: I just wanted to say again, that I appreciate you all. I came in like commissioner Berney and Commissioner Buch late in this. But I personally don't find that there was any behind the

room dealing, I was able to look on the computer, ask questions, find out every step of the process for the sale of the River Road property. And I would just like to say that I don't agree that it was done in a non-public manner. I believe it was a public transaction, and I just want to state that for my benefit, because I did come into it late, and I had a lot of reading, and a lot of questions. And every single question I had was answered by a lot of people, and if there wasn't someone to ask, I was able to go on the computer and find it on their website, and I just wanted to state that for the record.

Heather Buch: I do want to acknowledge your ask about building more affordably for low-income housing. Part of that is a discussion that has been happening between affordable housing developers, probably since the beginning of time. But I think we have had more conversations about those different building styles recently than we have had in the past few years. And I think it is a discussion that I think we need to continue with. We know that the housing style can dictate the cost per square foot and having those different types of housing styles is important for service different people. I know that your advocacy for being able to house people who are 30% AMI or less, and that also is sometimes dictated by the financial grant that is available at the time, but that is a discussion that needs to be ongoing as well.

Heather Buch: Thanks everyone for their comments.

3. ADJUSTMENTS TO THE AGENDA

Due to time: PRESENTATION— Section 8 Wait List Data Review (Beth Ochs, Rent Assistance Division Director) (Estimated 30 Minutes) was postponed.

4. COMMISSIONERS' BUSINESS

Commissioner Jay Bozievich is excused.

5. EMERGENCY BUSINESS

6. EXECUTIVE SESSION- Estimated 15 minutes

On February 26th, 2020 the Homes for Good Board will hold an executive session pursuant to ORS 192.660(e), "To conduct deliberations with persons designated by the governing body to negotiate real property transactions."

7. EXECUTIVE SESSION- Estimated 20 minutes

On February 26th, 2020 the Homes for Good Board will hold an executive session pursuant to ORS 192.660(d), "To conduct deliberations with persons designated by the governing body to carry on labor negotiations."

8. ADMINISTRATION

A. Approval of Minutes: 1/15/2020

Motion to Approve: **Heather Buch**

Second: **Joe Berney**

Minutes are approved unanimously 6/0 with commissioner Jay Bozievich being excused.

B. Executive Director Report (Estimated 10 minutes)

Jacob Fox: Talks about the Legion Cottages Wall Raising Ceremony the past week. He gives an update on the closing of RAD II, which is now under construction. He talks about the 13th and Tyler site, and conversations with the leadership of the neighborhood association about permanent supportive housing on that site, and more potential permanent supportive housing on the Naval Reserve site. Jacob mentions that the Homes for Good team will talk to the entire neighborhood association membership later in March/April and attend their general meeting in May. Jacob talks about neighborhood involvement in the project.

Heather Buch: On that site, has the package been sent off to OHCS for the mini NOFA?

Jacob Fox: No, unfortunately, OHCS has prepared all of the packet, and the Department of Justice, their legal, is where it is still held up.

Steve Ochs: Informs the board that the packet has just gotten back to OHCS staff today, and that it will be released early next week.

Jacob Fox: Just to be clear: we were told the entire time by OHCS that it was going to be released February 5th, and there was a hang-up with their lawyers. So that will be coming out in the next couple of days, and the 9% notice of funding availability is currently out, and we are actively working on that.

Pat Farr: Asks about the unit numbers for the 13th and Tyler site, the 11th and Charnelton Site, and Market District Commons.

Jacob Fox: 40-50 is the current range we are using for 11th and Charnelton, and 15 for 13th and Tyler, and 50 units for Market District Commons which has 15 project-based Section 8 Voucher.

Pete Sorenson: Expresses that he would like Jacob to address the other questions raised in public comment: the articles of incorporation and videoing the meetings.

Jacob: We don't video the meeting, we do however take minutes and there is an audio recording along with wording on our website in which if you want a copy of the audio you can request it. If the Board is interested in this meeting being filmed, you can tell me that, and we can figure out what that would cost, what that would be to embed that video on our website, and I can come back to you with the details about making that happen.

Pete Sorenson: And the incorporation?

Jacob Fox: So, I don't believe there are any articles of incorporation for Homes for Good, but I am working with Lane County and Lane County leadership on some questions of governance. So, there are some documents of when Homes for Good was created back in the 1940s, so for me that would be the parallel with articles of incorporation. Our by-laws, I do not think are on the website, and those would be updated as part of our governance discussion, but they are public record and we could put them on the website.

Pete Sorenson: So, I think the answer to the question about incorporation is that there aren't articles of incorporation, and that it is a state statute that sets up the agency.

Jacob Fox: I would say that there is probably a Lane County Board order from the 40's that Lane County would find that would establish us as an agency.

Pat Farr: Expresses interest in video recording the meetings and making them available.

Jacob Fox: Mentions that Homes for Good will be asking the Board to meet in the New Administration building once everyone is moved in, so they would need to figure out how to set up cameras in that space.

Joe Berney: Suggests looking into the cost of equipping the new administration building with the capability of recording the meetings. Then having Homes for Good staff make the recommendation to the Board.

- C. **ORDER 20-26-02-01H**— In the Matter of Adopting and Ratifying the Collective Bargaining Agreement with AFSME Local 3267 and Approving Changes to Wages, Benefits and Other Provisions. (Bailey McEuen, Human Resources Director) (Estimated 10 Minutes)

Patt Farr: Declares a potential conflict of interest, having a family member being a steward of AFSCME, but doesn't see it as an actual conflict of interest, so he will stay for the discussion and decision.

Bailey McEuen: Explains the context of bargaining and the process so far. She then goes into explaining the non-monetary changes to the contract. Bailey then goes through the monetary changes including a 6.5% wage increase, consistent with the CPI index over the past three years in which the contract has not been opened, effective January 15th, 2020—the date of the last board meeting since the item was not able to make it on that agenda in time.

Jeff Bridgens: Talks about the financial impact of the wage increases over the next three years.

Jacob Fox: Talks about the dependence on Real Estate development, and the services that are made possible through this.

Joe Berney: I don't disagree at all but I think you bring up an interesting point, because if I heard you correctly, Homes for Good as Mr. Boyle discussed, needs to look at alternative ways to provide for those who are living at 30% AMI, which is not a lot of Real Estate Development I'm guessing, but at the same time the course we are on is going to require that. I don't see those things as mutually exclusive, but I am wondering if that dye is cast in such a way that it creates a marginal cost of moving in that direction, versus exploring some other non-development options.

Jacob Fox: I think it would be good to dedicate 60-90 minutes of a board meeting to have a healthy discussion, it would be really good to talk that through. Todd's model,

which is building units for \$50,000-\$100,000 really requires you to have a source of funding other than the Tax Credit and requires you to be able to get land for free. So, Public Housing, which we developed in the 50's, 60's, 70's, and 80's was the Federal government funding both large and small developments of apartment communities across the nation. So, then that stopped, and we use the Tax Credit, which in my opinion is a flawed tool, but it's the only tool we have. High wealth individuals and companies are making money off the Tax Credit, and it works to develop for low-income people, but it would be fun to have that conversation. And I think your point Joe, is if we build a mobile home park, and someone gives us the land to do it, and we purchase the units from \$60,000-\$90,000 from a manufacturer, would we be willing to do that and not earn the same fee that we do on tax credit properties, is an interesting question. And just an aside, we have these Family Self-Sufficiency case workers, and HUD gives us money to fund those, but not enough money for costs in total. So Real Estate Development is bridging the gap between all these Federally funded neat powerful positions, so it is just something I want the Board to understand and be aware of.

Commissioners express interest in having a deeper discussion on this topic.

Joe Berney: I would like to say that Tax Credits are a flawed tool, but they are one of the only tools you have. And the net effect of the most recent tax cuts is to decrease the amount that wealthy individuals have to put into the tax credit program, and those Tax Credits are also used for things other than supported housing, so it is a complex environment that we are having this discussion.

Motion to approve: **Michelle Thurston**

Second: **Pete Sorenson**

This motion passes unanimously 6/0 with Commissioner Jay Bozievich being excused.

- D. **ORDER 20-26-02-02H**— In the Matter of Authorizing the Executive Director to Apply for Oregon Housing and Community Services and Oregon Health Authority Funds for the Permanent Supportive Housing Community at 13th and Tyler Streets in Eugene, Oregon (Nora Cronin, Project Development Manager) (Estimated 10 Minutes)

Steve Ochs: This board order asks permission to respond to the Mini NOFA for the 13th and Tyler. He explains the PSH cohort that the agency has been participating in, the general specifications of the project, and the context of the Mini NOFA (Notice of Funding Available).

Motion to Approve: **Heather Buch**

Second: **Pete Sorenson**

This motion passes unanimously 6/0 with Commissioner Jay Bozievich being excused.

- E. **ORDER 20-26-02-03H**— In the Matter Authorizing the Executive Director or the Executive Director's designee to execute the Sale of Properties as authorized through the

Rental Assistance Demonstration (RAD) Program. (Spencer McCoy, Project Developer)
(Estimated 10 Minutes)

Spencer McCoy: Talks about the closing of RAD II and the start of construction.

Joe Berney: Asks if this is the time to ask about how the realtors were chosen to sell the homes?

Steve Ochs: Yes. Steve talks about the RFP process that was ran in November of 2016. Four companies responded to the RFP, and three were interviewed. Steve talks about the proposed relator fees, and St. Clair being the lowest at 1.5%. There were discussions about breaking up the portfolio and giving it to several relators, but they found that relators weren't able to offer as low of fees if they split up the portfolio.

Joe Berney: That was over three years ago. Have you updated the RFP, and confirmed that they are willing to do it for the same rate, and have you given other relators the opportunity to compete with those fees?

Steve Ochs: This relator has really stuck with us over this time. Even though the process has been really slow over the past three years, we have had monthly meetings where the relator has been at the table, and we have been referring residents to them if they are interested in purchasing their homes. They have been at the table the whole time and are sticking to their price. At one point they had actually hired someone specifically to help with these sales, and since the sales have been so slow to get started, they had to let go of that person, and now ramp back up again now that we are finally getting to that point. When we did the initial RFP we thought it was going to be all units in one phase, and that just never materialized.

Joe Berney: Would it be of any value to coordinate these efforts with the new City of Eugene and County Shelter Strategist?

Steve Ochs: We have been in touch with her since she started, but we have not been in contact with her about these sites in specific.

Steve Ochs: Talks about the surveys for the residents, and the process. Twenty families were interested in purchasing their homes, and about nine have gotten pre-approved to purchase their homes or another unit.

Jacob Fox: Talks about DevNW as a community partner Homes for Good is working with.

Pete Sorenson: Asks about what communication there has been with the residents about the selling of these units.

Steve Ochs: Talks about the Uniform Relocation Act and the notices that they received. He then talks about the process of relocating tenants and the resources, including the consultant that is working with each family.

Pete Sorenson: Asks about the outreach to the cities, and school districts of the affected areas.

Steve Ochs: These communications have been focusing on the individual families that are being moved from the units.

Michelle Thurston: Is there any work with the Veterans department to sell these houses to veterans?

Steve Ochs: We haven't, but that is a great idea. Steve talks about the other communications that will be going out to the community in general about the sales of these home.

Motion to approve: **Michelle Thurston**

Second: **Heather Buch**

This motion passes unanimously 6/0 with Commissioner Jay Bozievich excused.

- F. **ORDER 20-26-02-04H**— In the Matter of Approving Contracts 20-P-0015 and 20-P-0016 for Tax Credit Counsel Services for Homes for Good Housing Agency (Steve Ochs, Real Estate Development Director) (Estimated 10 Minutes)

Steve Ochs: Explains the RFP process. Homes for Good had five respondents.

Motion to approve: **Heather Buch**

Second: **Michelle Thurston**

This motion passes unanimously 6/0 with Commissioner Jay Bozievich excused.

- G. **DISCUSSION**— Rental Assistance Demonstration (RAD) Program Scattered Site Property Sale Policy for Homes for Good Employees. (Jacob Fox, Executive Director) (Estimated 10 Minutes)

Jacob Fox: Talks about the RAD journey and the process of selling the 100 scattered site homes. This discussion is to talk about whether Homes for Good should allow their staff to make offers on the homes. He talks about potential conflict of interest. Jacob also talks about the first-time home-buyer preference for the first ten days of sale, and how many staff fall into this classification.

Pete Sorenson: Do other Housing Authorities allow employees to purchase homes?

Jacob Fox: I don't know the answer to that because not many agencies have single family homes and duplexes. I can contact Home Forward, because in 2005-2007 they sold 180 single family homes, so I can see if that happened.

Joe Berney: Expresses concern of insider information, and the sales not being publicized enough, and employees having special access.

Jacob Fox: Proposes that Homes for Good works with their attorneys.

Michelle Thurston: My only concern would be one- are they management or line-staff, and two- are they buying the house to turn around and rent or sell it, or is this person wanting to buy their first house, or using it as a money-making tool.

Heather Buch: If we are allowing the public to buy these homes and publicizing that, employees and staff are part of the public, and it seems to me that they should have the same opportunity as the general public. I understand the conflict of interest question, but if it was just staff first it would be a clear violation, but if they have the same opportunity and same time-line as anyone inside the community, or even outside the community, that would pass muster, and I think legal will confirm. On the same with the general public, if Joe Smith, lets say wants to buy a property and eventually wants to flip it that's their prerogative, I mean I don't think you can not sale based on what their going to do with a property later, and I think that would be a transaction violation. I would think that that might not be a question that you can ask or base a sale off.

Char Reavis: Brings up different types of loans and mentions Habitat for Humanity and them not being able to sell those homes for an amount of time.

Heather Buch: But is there going to be a requirement that these homes be affordable in perpetuity?

Steve Ochs: No. In fact, we have to sell them at fair market value. Steve then talks about how for the first ten days the relator will only be talking offers from first time homebuyers. He talks about the first twelve sites that we sold, and how none of those houses got out of that ten-day window.

Joe Berney: I am disappointed that this is not limited to first-time home buyers who are going to occupy the homes themselves, instead of just first-time homebuyers.

Pete Sorenson: In addition to my question about whether other housing authorities have a policy to allow policies to buy, I am quite interested in having a policy like Commissioner Berney just described, of having the intent to sell to people who need to buy a home, a first-time homebuyer, who if they can occupy the property within a reasonable amount of time, they can continue to live in it. But if their object is to buy it and sell it, that is not the kind of buyer we are looking for. I think we have other responsibilities beyond fair market value.

Also are their any limit on the number of properties that employees can buy?

Steve Ochs: It would be one, because if they buy more than one, they would no longer be a first-time homebuyer.

Pete Sorenson: Well yeah, but there isn't a requirement that they be a first-time homebuyer, but offered for the first ten days, and then if that falls through then I could

be opened up to all comers, so why have it open up to all comers if the demand is for first time homebuyers?

Jacob Fox: The price point for these houses is a first-time homebuyers dream, and 100 of them are going on the market which is an opportunity which is extremely rare in this community. So, the homes are priced in the 200s, and in the first twelve, all of them went to first time homebuyers. So as Steve said, maybe one or two may go past the first ten days and not go to a first-time homebuyer.

Joe Berney: If you are so sure that there will be a rush to purchase, why couldn't we have them for first-time owner-occupied homebuyers, and for longer than a ten-day period?

Steve Ochs: We would look into the legality, and we would probably have to do a deed restriction for them not to be able to sell it for a certain period of time, which we have not looked into.

Joe Berney: If are a Public Housing Agency, and our intent is providing housing to people who otherwise would not have that shelter, and now we have the opportunity to bring housing to those who have never bought, and intend to live in it, then that seems most consistent with our mission.

Jacob Fox: That is our intent and has been all along.

Joe Berney: Then why would you have a ten-day restriction?

Jacob Fox: I think that is valid, and our intent is our intent. Can we flex it based on your feedback? That is something we will need to look at.

9. OTHER BUSINESS

Adjourn