

MINUTES

Homes for Good Housing Agency



BOARD OF COMMISSIONERS

Location of the meeting:

This meeting will be conducted via public video call and conference line (see details below).

Wednesday, October 20th, 2021 at 1:30pm

To prevent the spread of COVID-19 Homes for Good conducted the October 20th, 2021 meeting via a public video call with dial-in capacity. The public was able to join the call, give public comment, and listen to the call.

1. PUBLIC HEARING– 10 Minutes

Homes for Good Housing Agency (Agency) will hold its joint public hearings of its Board and its Public Contract Review Board regarding adoption of two Construction Manager/General Contractor (CM/GC) alternative contracting method exemptions for construction of the Bridges on Broadway and Four Corners affordable housing projects.

Steve Ochs introduces the Public Hearing.

No Public Comment

2. 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.)

None

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

Laurie Trieger: Thanks staff and Chair Thurston who attended and coordinated the visit from Kate Brown to tour The Keystone last week.

Char Reavis: Congratulates Michelle Thurston on her certificate from the Housing Narrative Justice Fellowship.

Michelle Thurston: Talks about attending the National NAHRO with Char, and congratulates Char Reavis on being asked to serve an additional two-years on NAHRO's Commissioner's Committee.

4. ADJUSTMENTS TO THE AGENDA

None.

5. COMMISSIONERS' BUSINESS

Pat Farr is excused from the meeting.

Heather Buch switches to phone only at 2:10pm and returns to video at 2:50.

6. EMERGENCY BUSINESS

7. ADMINISTRATION

A. Executive Director Report (Estimated 10 Minutes)

Jacob Fox talks about the visits from both Governor Brown and Senator Wyden in the last week.

Talks about the current round of Landlord Compensation Fund distribution and OERA County Rent Assistance, and the next round of OERA funds. He then commends Beth Ochs and the Rent Assistance team in the issuance of Emergency Housing Vouchers.

Touches on the Geo-tech findings on Lazy Days, which will be discussed more in the board order. Jacob then announces that Homes for Good will be receiving 1 million dollars from the Transportation, Housing and Urban Development Appropriations Bill from Senator Merkley.

Jacob addresses the upcoming governance change, and recruiting for the new board after the first of the year. This will require the board to approve extending Michelle Thurston's term until the new board is seated, since her term expires at the begging of the year. This will require a board order that will come to The Board in December.

B. Approval of 9/29/21 Board Meeting Minutes (Estimated 5 Minutes)

Motion: **Char Reavis**

Second: **Heather Buch**

The minutes are passed 6-0 with Commissioner Farr Excused.

C. **PRESENTATION**— Quarter 3 Staff Excellence Awards (Jacob Fox, Executive Director) (Estimated 5 Minutes)

Beth Ochs announces Natalie Dybens as a Quarter 3 excellence award winner. She talks about Natalie's onboarding during Covid, and some of the pilot programs she has been able work on over the past year.

Jacob Fox commends Natalie on her work within the administrative building, and her skill in working with clients in traumatic states.

Wakan Alferes introduces Jason Cronk as the second Quarter 3 excellence award winner. She talks about his work at Bridges on Broadway, and his skill both in the maintenance work, as well as his customer service skills in connecting with the people Homes for Good serves.

Michelle Thurston talks about her positive experiences and interactions with both Natalie and Jason, and thanks both of them for their service.

Heather Buch congratulates Natalie and Jason.

- D. **ORDER 21-20-10-01H** — In the Matter of the Joint Order of the Board of Commissioners and Local Contract Review Board Exempting the Construction of the Four Corners and Bridges on Broadway developments from Competitive Bidding Requirements and Directing the Use of the CMGC Alternative Contracting Method. (Spencer McCoy, Project Developer) (Estimated 10 minutes)

Spencer McCoy introduces both the Four Corners and Bridges on Broadway projects, and the benefits of being able to have a CMGC selected early as part of this method. Spencer notes that this is approving the method, not a specific contractor, which would be selected later.

Joe Berney: What does CMGC stand for, and why was it chosen?

Spencer McCoy: So it stands for a Construction Manager General Contractor, and what allows us to do is enter into initial contract, there's later advised by the GMP instead of going through a standard bidding process that would happen closer to construction, and as I mentioned, the timing makes it difficult for us to go through a bidding process now when we're not actually planning on starting construction until May of 2023, so a big reason is that we want to start working with general contractor early prior to submitting funding applications without having the information needed to go out to bid.

Joe Berney: And how will you be selecting the general contractor?

Spencer McCoy: We would go through a competitive process, so we issue an RFP and respondents are encouraged to provide proposals to us, and then we have a selection committee that evaluates those proposals and selects a top respondent.

Joe Berney: And is there any reason why we could not utilize Lane County's approach to Community Benefits bidding in going down this path?

Spencer McCoy: I would have to defer to Steve or Jacob to address the CBA. I don't know the details of how that would affect this process.

Joe Berney: Why was this advertised in King County Washington?

Spencer McCoy: We are required to advertise in the Daily Journal of Commerce (DJC) and the closest one to us is in King County Washington.

Motion: **Heather Buch**

Second: **Joe Berney**

The motion is passed 6-0 with Commissioner Farr Excused.

- E. **ORDER 21-20-10-02H** — In the Matter of Authorizing the Executive Director or Designee to Apply for HOME funds and other gap financing for the Four Corners Development in Eugene, Oregon (Spencer McCoy, Project Developer) (Estimated 10 minutes)

Spencer McCoy introduces and gives background on the Four Corners project, which is a partnership with Sponsors Inc. which is to be 50 to 60 unit permanent supportive housing development located next to the newly renovated parole and probation facility, the entrance to Highway 99 in Eugene.

Motion: **Joe Berney**

Second: **Char Reavis**

Jacob Fox notes that this is both an approval to apply for HOME funds as well as gap financing, which will be SDC waivers.

The motion is passed 6-0 with Commissioner Farr Excused.

- F. **ORDER 21-20-10-03H** — In the Matter of Authorizing Purchase and Financing of a 5-acre property at 51209 Blue River Drive, Vida Oregon (Steve Ochs, Real Estate Development Director) (Estimated 10 minutes)

Steve Ochs talks about the speed of this acquisition, and the involvement of the Oregon Community Foundation. He gives background for the site, and the short-term solution of providing temporary housing on the site, and then long-term subdividing the property into one-acre parcels and potentially providing home-ownership opportunities.

Char Reavis asks about FEMA trailers for temporary Housing.

Steve Ochs: From my understanding, there's only 10 trailers that have been allocated to folks up the McKenzie River at this point, and those are going to be up at the Basketball Academy and for temporary housing. And then, from my understanding, folks have been allowed to purchase the trailers, but they have to pay for moving them and have to find a location for a long-term. So actually, lazy days or this parcel could be a destination for those trailers once they need to be moved from the basketball academy, so that's something that's on the radar. I know Lane County staff were already looking for funding and things like that to assist folks in that process later on. I don't know about any additional outside those 10 FEMA trailers.

Heather Buch: So, there's up to 17 units of the Basketball Academy. There's actually a very, very small amount of people on the list that qualify for FEMA housing. So, I don't know that there will be anybody on that particular list if they're able to put them in a FEMA house. There are a FEMA houses, and one of the thoughts for this parcel, it's worth a discussion that I kind of doubt it, because FEMA has very strict qualifications for that. But I do believe there's extra mobiles, I would probably suggest we look at maybe non-FEMA from that site. Jacob, I'm sure you have some other in mind.

Jacob Fox: Yeah, I think that's kind of the next pivot for us, this came up quickly, we're working closely with the County to think about what temporary housing solutions could be brought to the site. So, we're going to look at any, and all opportunities with the vision of moving quickly.

Motion: **Joe Berney**

Second: **Heather Buch**

The motion is passed 6-0 with Commissioner Farr Excused.

- G. **ORDER 21-20-10-04H** — In the Matter of Authorizing Purchase and Financing of property at 52511 McKenzie River Highway, Blue River Oregon known as Lazy Days Mobile Home and RV Park (Steve Ochs, Real Estate Development Director) (Estimated 10 minutes)

Steve Ochs: Gives an update about the Lazy Days Mobile Home Park property, and the findings of the geological examination, and it has been deemed a low-risk site. Homes for Good has not received a final report, but if there is a major finding in the final report, Homes for Good will be able to back out of the purchase and sale agreement. Steve talks about short term and long-term housing options for the site.

Joe Berney asks about the vision for the number of units long-term on the site.

Steve Ochs: There are 21 spaces that are approved for mobile home or manufactured, and then 15 for RVs. So, for the 21 manufactured home spots, it could be 21 manufactured homes, modular constructed homes, or tiny homes.

Joe Berney: Those are quite different.

Steve Ochs: Yes, the legislation from the state allows for sites approved for manufactured home to also allow the other types, so it all might be one type of home, or it may be a mix if that is what is best for the individual tenants, or depending on what funding we get from the state, they may be all manufactured homes.

Joe Berney: So, we don't know yet.

Steve Ochs: Correct.

Motion: **Heather Buch**

Second: **Laurie Trieger**

The motion is passed 6-0 with Commissioner Farr Excused.

- H. **WORK SESSION** — Real Estate Development Pipeline, Funding Sources, and Community Benefit Agreement Updates. (Steve Ochs, Real Estate Development Director) (Estimated 45 minutes)

Steve Ochs introduces the presentation.

Nora Cronin gives an overview of the Real Estate Development department, the types of partnerships Homes for Good is developing, and different funding sources. Nora goes over the timeline of upcoming development projects in the pipeline.

Aisha McCoy introduces The Nel giving an update on construction and supply chain issues that have come up in the process.

Jacob Fox addresses ongoing funding issues to fund 24-7 staffing for the building which is extremely important for Permanent Supportive Housing Projects. Jacob will be making a formal request to the City of Eugene to increase HOME funding for the project.

Aisha McCoy introduces the Bridges on Broadway project. She talks about the conversion process and adding in fully accessible units into the project. Homes for Good will be applying for funding next year with a target construction start of early 2023.

Laurie Trieger: Are we expecting these to be singles?

Aisha McCoy: Yes, they will be studio units for individuals.

Joe Berney: As I recall there were more than 50 room, and there is additional space to add rooms, is that correct?

Aisha McCoy: Yes, so there was unfinished space on the 4th floor that we can convert into units. Right now, we are still working with the architects to determine how many get can get into that space. We are working on adding the fully accessible units as well, which are slightly larger, so that may reduce the number of total rooms to fit them in.

Nora Cronin talks about other factors that may affect the building, one being the fact that the elevator only goes up to the third floor, and if units are added to the fourth floor, the elevator must be extended.

Spencer McCoy introduces the Four Corners project which will be a partnership with Sponsors, Inc.

Steve Ochs introduces the Lazy Days Mobile Homes and RV Park site. He talks about the progress that has been made clearing the site since the fire. He then introduces the Blue Rive Drive site and talks about the burn area on the property.

Joe Berney suggests looking into ways of making the Mobil Home Park Net-zero since much of the area is burned, and there is a lot of sun exposure.

Steve Ochs introduces the Quince Street site where it is located in Florence.

Laurie Trieger asks about the timeline for this project.

Steve Ochs: We are looking at about a year for site review and establishing partnerships, which means we would get it ready for a 2023 funding application, and then construction would start a year after that, and then completion the year after. So, looking at somewhere around a 2025 completion.

Char Reavis mentions the need for housing in Florence, and some other developments in the area.

Steve Ochs talks about potential outreach for the area.

Joe Berney: Does any of this property border the river?

Steve Ochs: No. Quince Street separates the property from the river.

Joe Berney: Can you see the river from this property?

Steve Ochs: You can, although because of the vegetation, it is not a clear view.

Joe Berney: I also saw that the Glenwood project is scheduled for something like 2025 as well, is that just because of staff capacity, or is it financing, because maybe if it is financing, we can shorten that?

Steve Ochs: It is a little bit of both, but I think we are hoping to follow the momentum that is building in that area, and if things are moving, we won't just be sitting on our hands. So, if things get moving here with a developer selection, we will try to coordinate our timing to get funding with that.

Jacob Fox talks about different funding from the state, and then an increase in Homes for Good staff capacity as they prepare to add another Project Developer to the team.

Laurie Trieger: We are not imagining this as permanent supportive housing correct?

Jacob Fox: We are imaging a more traditional approach where maybe a subset of the housing is set aside for a specific population that would require more services, but not a full PSH development.

Jay Bozievich: I am really happy we have an option on this piece. I think the need for Florence in Workforce Housing, like what we did at 6th and Oak is desperate. There is nothing in the rental market price range of what the service workforce that serves our tourists in Florence. So, I really hope that we can look at that particular aspect of Affordable Housing strongly with this development. There are so many businesses that have to limit hours because their workers have to commute from Eugene to work in Florence, because there just isn't housing in Florence.

Jacob Fox: Another thing that we've done some early visioning around is also Affordable Home Ownership, maybe we partner with DevNW. So, definitely workforce, though we're also wanting to explore the possibility of affordable home ownership as well

Steve Ochs goes over the slide of "Future Developments: Sites and Areas to Look At".

Jacob Fox talks about a couple specific sites owned by the city of Eugene.

Steve Ochs goes over the slide of "Visioning Real Estate: Future Board Involvement"

Laurie Trieger suggests setting a substantial amount of time aside in a future meeting to really run through the list of ways the future board can be involved.

Expresses that she is a big advocate for ad-hoc task forces for specific sets of times, but not for lots of long on-going committees and subcommittees as an ongoing structure.

Jacob Fox clarifies that the points on the screen are meant to be proposed committees, but these are ways that the board can interact and give input of future real estate development activities.

Joe Berney: Personally, I think this is the wrong list. Personally, I think if you are going to have a new governance structure, the new board should decide.

Char Reavis: One of the things Homes for Good is doing better at, but not quite there yet is the target populations and the housing types, and even the site selection. I think you are doing the right thing, but it would be great if we could have input early on. We will go tour the new properties for the groundbreaking or the grand openings, and we make comments like “why did we not do this, or why did we do it this way,” and I would really like our board who has a different lens to be able to have that input prior to the point in which something can’t be changed.

I would like to know more about when we do the community engagement before we start building, and I would like to hear more about what people think. I think it would be great to have a timeline that goes back a further time before building to be able to provide input.

Steve Ochs: Talks about pre-development funds and potential investments with the RAD sale money and CCO Reserve Pre-development funds.

Jacob Fox expresses his interest for a revolving pre-development fund, and the use for land acquisition.

Wakan Alferes outlines the per-unit cost of operations for permanent supportive housing versus Public Housing and PBV, and Affordable Housing & Tax Credit Housing. Talks about the increased need in funding for Resident Services per unit.

Jacob Fox: We are working on a plan with Lane County to create a sustainable way to fund services in our permanent supportive housing communities. We just aren’t there yet, so we don’t have any specific requests at this point.

Laurie Trieger: This is the cost of operations and services, do we have a comparison on the cost of developing the different types, or are they not that different?

Wakan Alferes: There is a different in the cost to develop them, but there is usually a larger amount and variation of the funding we can get for the capital expenses, where for the services, we are a little but more limited and have to be more strategic about how we can leverage those funds.

Nora Cronin: Off the cuff, we haven’t done a full analysis of the cost difference in looking at what elements we add to those communities specifically because they are PSH, and how much those elements cost. I think what makes it kind of tricky in this day and age is the has just been the general rise in construction costs over the past three years, so it might not be an apples-to-apples comparison, but we can definitely take a look at those per unit costs.

Steve Ochs goes over the "Community Benefit Agreement: Analysis" slides.

Nora Cronin talks about different "Right to Cooling" conversations that are happening on the state level and what responsibilities and requirements that might come for Housing Developers to include cooling spaces or cooling in all of their units, and measures to make sure housing is more prepared for disasters. Nora talks about how this may affect project costs in the future.

Joe Berney: This isn’t the time to get into it on a granular level, but it is clear to me that no one has taken me up on the offer to meet on the side and explain this, but this is not an analysis of what a Community Benefit Bidding Protocol allows, it does not have to lead to any higher prices, the County has

already experience that. *He then talks more about the Senate Bill legislation.* This doesn't have to add costs, and I don't know where you are getting these cost increases from, and the institutional pushback from Homes for Good on this is disappointing. I am not asking to do anything that would increase costs. I think we haven't been able to dig into this as a board, and you haven't used me as a resource, and this analysis you are give the board is not a wholistic view. I just want to say that I don't agree with the analysis.

I did meet a few months ago with you and Jacob, and if I recall, you explain to you that there are some funds that really are a low-bid. They really are targeted to be competitive for a low-bid, and I think we had a discussion about how we can start developing a strategy to change that, and there's been no follow-up on that, at least with me.

We can look at requirements that are being discussed that might add costs, but as long as we look at that and we don't look at who's getting work out of things and what the multiplier of that in our local community, I guarantee you are just increasing the demand for subsidized housing generationally.

Michelle Thurston: Would this process make us less competitive with OHCS funding, is that a possibility?

Jacob Fox: Every conversation we have had, is that this is going to increase labor costs if we require Family Health Benefits to be paid by all subs or larger subs. It is going to increase costs, and that cost is going to be passed off to us, and at a time that construction costs have never been more challenging, and the state scores our applications competitively by our per-unit cost. And that is where we are stuck, we can't get it to where it doesn't increase our costs at a time where we don't have sources other than increasing our perm-loans.

Joe Berney: Again, three months ago I offered to work with you so it wouldn't do that, and I haven't heard from you.

Heather Buch: I know the big concern is that we still need to remain competitive, so clearly that is not something we want to impact in the Community Benefits Bidding Protocol. I am a strong proponent of it, and there are many aspects that could be incorporated that don't impact the bottom line or the competitiveness. If anything, there are multiple items in that kind of protocol that if documented in application, could make the project look more attractive to whoever is reviewing them. I don't think the folks at OHCS or the Housing Stability Council know much about the Community Benefits Bidding Protocols, and the onus is really on us to educate them on what it is and isn't, because that will affect how they put together the applications for organizations like us who aren't just interested in doing the good that we already do, but multiplying the factor of that using a Community Benefits Bidding Protocol. I really encourage us to look at those factors that make our applications more attractive without really impacting competitiveness. I think there are still discussions that we can have there, and I would really like us not to just drop the subject because of the conversations of competitiveness.

Jay Bozievich: I would like to first point out that we don't know that the Community Benefits Bidding Protocol increased, decreased, or came in correctly with Lane County's contracts because we didn't do standard bidding side-by-side. The only thing we know is that we came in under the estimated budget for the project, it doesn't mean that we wouldn't have come in even lower had we done traditional bidding.

Second, we have contractors in this community that have contracts that help their workers pay for their housing, that work well outside of this community. What you start to do with this when you are saying everything has to be local, is you are no longer moving money around the economy. Joe and I will have arguments about this, but I will say that the economist will argue whether there is benefit to trying to make everything local. We all know what happened prior to the Great Depression when we tried to make economies local. I support staff being cautious, and unfortunately there is a lot of administrative burden for staff to bid a project with both processes.

Joe Berney: I think staff should do more work on this, I don't think it is all black and white, I don't think it is all local or not all local. Let's look at where we can apply there principles. Lets look at the components, because there will be some components that will make applications more attractive as Commissioner Buch stated, so lets no throw the baby out with the bathwater, and lets see what we can implement. The race to the bottom is not a race that Homes for Good should be participating in.

Jacob Fox: We will follow up on the request from Commissioner Buch, and what Commissioner Berney is encouraging, and that is to look at the various parts, and what elements could be part of a Community Benefits Bidding Protocol, and we will continue the dialogue with the Board.

7. OTHER BUSINESS

Adjourn.
