



**HOUSING AND COMMUNITY DEVELOPMENT COMMISSION
MINUTES
August 20, 2014**

Present

Ed Fortmiller, Acting Chair
Dave Henderer
Kenny Lowe
Gerry Perrone
Roger Lizut, Planning Commission Liaison

Absent

Judy Gibson, Chair
Kara Brausen
Gary Hamilton
Dan Brown, City Council Liaison

Staff

Ken Gibb
Kent Weiss
Joe DeMarzo
Bob Loewen
Chris Westfall

Visitor

Jennifer Jordan

SUMMARY OF DISCUSSION

Agenda Item	Action/Recommendation
I. Consideration & Approval: HCDC Draft Minutes of June 18, 2014	Approval
II. Status: Loan Funds & Recent Rehab Loans	Information Only
III. Housing Division Reorganization	Information Only
IV. HOME Program Performance Review	Information Only
V. Other Business: Status of Jackson Street Fund Raising Efforts Status of Julian Hotel Apartments Rehab Project September 17 Hearing on CAPER	Information Only Information Only Information Only

CONTENT OF DISCUSSION

I. Consideration & Approval: HCDC Draft Minutes of June 18, 2014

Acting Chair Fortmiller opened the meeting, asking for consideration of the HCDC draft minutes of June 18, 2014. The minutes were approved unanimously.

II. Status: Loan Funds and Recent Rehab Loans

Housing Program Specialist Loewen noted that one First Time Home Buyer (FTB) loan is in progress and expected to close by the end of the month. Regarding rehabilitation loans, Loewen noted that one has closed since the last meeting, adding that several are in the application/review process.

III. Housing Division Reorganization

Housing Division Manager Weiss introduced Ken Gibb, Community Development Director, and Chris Westfall, Code Compliance Supervisor. Weiss then handed out copies of the old Housing Division organization chart and the recently reorganized Housing and Neighborhood Services (HNS) Division organization chart. Mr. Gibb provided a brief overview of the structure of the Community Development (CD) Department, noting that it consists of four divisions: 1) Administration; 2) Planning; 3) Development Services; and 4) the new HNS Division. Administration consists of Mr. Gibb and Management Assistant Marci Laurent. The Planning Division processes land use applications, with the most recent being Campus Crest the decision for which consists of approximately 5,500 pages of documentation to date. Planning staff also work with historic preservation issues, as well as long-range planning projects. Regarding the Development Services Division, Mr. Gibb noted that staff are responsible for building project plan review, permitting and inspections, and until recently, the Code Enforcement program which has been supervised by Westfall for several years.

Continuing, Mr. Gibb noted that in regard to the recent reorganization within CD, Development Services will continue to be responsible for building code related compliance, and Westfall will move to the new HNS Division to supervise code compliance efforts for the City's existing neighborhood livability codes. These codes address solid waste issues such as couches and abandoned vehicles, as well as land use issues related to neighborhoods, such as complaints regarding a home-based business. Mr. Gibb noted that neighborhood livability will be the focus of the new program within the new HNS Division. He added that a new Property Maintenance Code (PMC) is still being reviewed by Council, but it was decided to move the HNS reorganization forward independent of the addition of a PMC.

Weiss directed Commissioners to the organization chart handouts, noting that one detailing FY 13-14 Housing Division structure and functions will look familiar as it is how the division has been operating for the last several years. In regard to the second organization chart for the new Housing and Neighborhood Services Division, Weiss noted that the Division Manager position will remain essentially the same, with the addition of Code Compliance management. The Senior Administrative Specialist duties will remain the same. Of the two current Housing Program Specialist positions, one will become a Community Relations Specialist position. The

newly configured position will consist of duties related to neighborhood/community outreach and liaison, landlord/tenant outreach and education, down payment assistance loan program oversight, and fair housing information and referral. The remaining Housing Program Specialist position will continue to provide rehabilitation loan program delivery, CDBG/HOME project management, and lead-based paint risk assessments.

Continuing, Weiss noted that the new HNS Division will also include a Code Compliance component. Westfall will supervise a .5 FTE Code Compliance Specialist, as well as Code Compliance casual staff who will be available on-call as necessary. Responsibilities within this new component will include neighborhood livability code compliance, internal code compliance coordination and code-related education and outreach.

Commissioner Lizut noted that it has been his experience that much of the public's confusion with code language stems from interpretation of the "shalls" and the "shoulds." He asked that this be kept in mind as code language is being finalized, opining that things can be more clear when they are included as "shalls" rather than "shoulds." Weiss responded that for the most part, the codes that HNS staff will be working with do include things that fall into the "shall" category. Mr. Gibb added that there will also be opportunities for public education through the efforts of both the Community Relations Specialist and Code Compliance staff. Commissioner Henderer asked how much of CD's code work will be left in Development Services following the reorganization of the department. Mr. Gibb responded that Development Services staff will address approximately two-thirds of the code cases (related to building code), with about one-third of the cases (related to neighborhood livability) shifting to the HNS Division with the Code Compliance staff. Westfall added that when he began work with the City in 2007, neighborhood livability was the intended focus of his duties, but that as time went by, he was pulled into building code cases as well. With the new reorganization, there will be a clearer separation between the two areas of code compliance, with Westfall being able to once again focus on neighborhood livability issues.

Westfall provided a brief background of his code-related work experience in Oxford, Ohio, the home of Miami University. He noted that although the city of Oxford and the student population at the college were smaller than Corvallis and OSU, there were similarities between the two communities including the fact that the college had a major impact in the community. Westfall noted that outreach and education were found to be the most important elements in code compliance efforts in the Oxford community. He added that when people were more knowledgeable about their situations, they were better able to solve problems on their own. Outreach activities included an informational website, neighborhood walk-arounds by the Mayor, City Councilors and staff to provide connectivity, as well as neighborhood clean-up days that connected students with full-time residents. Westfall noted that he is looking forward to similar opportunities for public outreach in the Corvallis community in the near future.

Acting Chair Fortmiller asked how the HCDC may be affected by the reorganization of the Housing Division and the addition of Code Compliance staff. Weiss noted that HNS staff will likely share code compliance information with the Commission more frequently than in the past with the Rental Housing Code program, but in the near term, it is not intended that the HCDC would have any additional oversight responsibility like it currently does with the CDBG and HOME programs. Weiss added that more will become known as program design is finalized and implemented as to whether HCDC's role will change in regard to the Code Compliance program.

IV. HOME Program Performance Review

Weiss handed out copies of a HUD-generated HOME Program Performance report as of 06/30/14, noting that staff has shared pieces of this information with the Commission in the past. The report is being provided today in its entirety because it has significance for the City in a good way. Weiss noted that the report provides a snapshot of the City's HOME program, adding that all communities that receive HOME funding are included in HUD's database from which the report is pulled. HUD evaluates each participating jurisdiction's (PJ) performance using several standards and averages. Weiss noted that there are currently six PJs in Oregon: Eugene-Springfield, Salem, Washington County, Clackamas County, Portland, and Corvallis.

Continuing, Weiss noted that because Corvallis is a small area, it has struggled in some of the report's evaluated areas in the past. The total amount of HOME allocation received since 2001 is \$5,808,922. In regard to program progress, Corvallis' percentage of funds committed is 92.37%, which is slightly below the state and national average and ranked fourth in Oregon. Weiss noted that this percentage will increase to about 97% once the Julian Apartments rehab project funds are included. Regarding percentage of funds disbursed (92.13%), Corvallis is slightly above both the state and national averages, ranking second in the state. Corvallis' leveraging ratio for rental activities is 3.81 which is below the state average of 5.4 and the national average of 5.49. Weiss noted that this is mostly due to the number of fairly small projects completed as of 06/30/14. Once the Lancaster Bridge and Julian Apartments projects have been included, the leverage ratio will increase significantly, and Corvallis should move from ranking fifth in the state to somewhere closer to the top. Corvallis is ranked first in the state in percentage of completed rental disbursements relative to all rental commitments at 100%; the state average is 98.48% and the national average is 93.04%. The final component of the report's program progress section is the percentage of completed Community Housing Development Organization (CHDO) disbursements to all CHDO reservations. Corvallis is currently ranked fifth in the state at 81.42% as many related projects are not yet under construction and completed. The state average in this area is 88.17%, with the national average at 85.41%. With two CHDO projects soon to get underway, Corvallis should again soon move from a ranking of fifth in the state to a ranking closer to the top.

The second category included in the report is low-income benefit. In regard to the percentage of 0-50% Area Median Income (AMI) renters to all renters served, Corvallis ranks first in the state at 100%, with the state average at 89.70% and the national average at 82.47%. Corvallis ranks second in the state at 61.11% in regard to the percentage of 0-30% AMI renters to all renters served. The state and national averages are much lower at 49.70% and 46.59% respectively.

Lease-up is the third category captured in the report, with Corvallis ranking first in the state at 100% in occupied rental units to all completed rental units. The state average is 99.96%, with the national average at 97.32%.

Overall, Corvallis ranks second in the state in HOME Program performance. Weiss noted that this is a large improvement as historically, Corvallis has ranked sixth of six PJs in the state. He added that this positive trend comes mostly as a result of strong partnerships and great projects in the community.

Concluding, Weiss directed Commissioners to the Red Flag Indicators portion of the report, noting that this is the section where HUD points out any negatives in performance. HUD has established thresholds in several areas and if these are not met, the PJ receives a red flag. Corvallis has traditionally had at least one red flag, and at times, has had two red flags. These have been in the areas of percentage of completed CHDO disbursements to all CHDO reservations, and allocation-years not disbursed, which means that the PJ is not moving their HOME funding fast enough. Weiss noted that because Corvallis has been able to move the funds much faster recently than in past years, it no longer has any red flags. Weiss noted that he has recently heard from HUD staff in the Portland office who noted their pleasure that Corvallis' overall HOME Program performance is showing good strength.

V. Other Business: Status of Jackson Street Fund Raising Efforts

Weiss handed out copies of a report provided by the Jackson Street Youth Shelter (JSYS) in regard to their fund raising efforts for their Transitional Living Facility purchase. He reminded Commissioners that \$75,000 in CDBG funding was awarded to JSYS during the last allocation process, with the requirement that the agency provide updates on their fund raising progress at least every two months. Weiss noted that staff has since requested that JSYS submit monthly status reports. As was reported by the agency in their previous report, they do not yet have any other funding in hand. They do have applications pending with the Oregon Community Foundation and the Collins Foundation. Site visits by representatives of the foundations are expected to take place this month. Additionally, two unnamed major donors have indicated interest, but are likely waiting to see if other funding is received before committing funds. Weiss noted that staff will provide a newly updated report from JSYS during HCDC's September meeting.

Status of Julian Hotel Apartments Rehab Project

Weiss noted that permits have been issued for the Julian Hotel Apartments rehab project. The closing appointment for the project's funders is scheduled to take place tomorrow. Following closing, Willamette Neighborhood Housing Services (WNHS) can proceed with the rehabilitation as the tenants have already been temporarily relocated to other units while the work is taking place.

September 17 Hearing on CAPER

Weiss noted that the FY 13-14 Consolidated Annual Performance Evaluation Report (CAPER) public hearing will take place during the beginning of HCDC's next meeting on September 17.

There being no further business, the meeting was adjourned at 12:50 p.m.