



## HUMAN SERVICES COMMITTEE

### Agenda

Tuesday, April 5, 2011

12:00 pm

Madison Avenue Meeting Room

500 SW Madison

#### Discussion/**Possible Action**

- I. Willamette Neighborhood Housing Services  
Second Quarter Report  
(Attachment)

#### Information

- II. Other Business

#### **Next Scheduled Meeting**

Tuesday, April 19, 2011 at 12:00 pm

Madison Avenue Meeting Room, 500 SW Madison Ave

#### **Agenda**

Boys and Girls Club of Corvallis Annual Report

## MEMORANDUM

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**TO:** Human Services Committee

**FROM:** Ken Gibb, Community Development Director 

**DATE:** March 15, 2011

**SUBJECT:** Willamette Neighborhood Housing Services Economic Development Allocations Quarterly Reports for the quarter ending December 31, 2010

### **I. Issue**

Under the terms of the Economic Development Allocations Program funding agreements between the City of Corvallis and Willamette Neighborhood Housing Services (WNHS), review and acceptance of WNHS quarterly reports by the City is required in order for operational funding payments to continue.

### **II. City Funding**

The City's FY 10-11 budget provides Economic Development Allocations funding to Willamette Neighborhood Housing Services for two separate purposes: \$14,025 in general operations funding support, and \$4,675 to support WNHS microenterprise development activities. Through the end of the quarter discussed herein, WNHS received 50% of those funding allocations. Payments throughout the fiscal year are being made monthly in amounts not to exceed \$1,168.75 for general operations and \$389.58 for microenterprise support. Payments for both programs combined through the end of the quarter reported herein totaled \$9,349.98 (\$7,012.50/\$2,337.48).

### **III. Discussion**

Within 30 days of the end of each quarter, WNHS is required to submit reports on their City-funded activities for review by staff and acceptance by City Council. The City's Housing Division carries out the staff-level review of WNHS activities, evaluating the reported accomplishments using the activities proposed in the agency's applications for Economic Development Allocations funding as a guideline.

#### *WNHS General Organizational Support*

The WNHS funding agreement for organizational support during FY 10-11 outlines a set of five activities that the organization will pursue through its work plan using City Economic Development resources during the year. These include:

1. Continue work on Alexander Court/Seavey Meadows, a 48-unit multifamily housing project.
2. Construct seven new single family homes to be sold through WNHS's Community Land Trust (CLT) program.
3. Continue search, site evaluation, and acquisition activities related to future projects.
4. Assist low and moderate income households with the purchase of their first home.
5. Pursue partnerships and collaborative relationships with other agencies and entities to maximize the effectiveness of housing development and assistance resources.

#### *WNHS Microenterprise Development Activity Support*

The WNHS funding application for microenterprise development support during FY 10-11 outlined a set of six activities that the organization would pursue with the assistance of City Economic Development resources. These included:

1. Enroll at least 16 microentrepreneurs from Corvallis during the FY 10-11 grant period.
2. Help at least 80% of enrollees complete an individual training plan.
3. Conduct three twelve-week, 30-hour microenterprise training classes.
4. Help at least 80% of enrollees graduate from the class with 85% reporting satisfaction with the education they received.
5. Help at least 33% of enrollees complete a business plan and help 100% of Valley Individual Development Account (VIDA) Microbusiness participants complete a business plan.
6. Help at least 30% of enrollees start, maintain or expand a microenterprise within 12 months.
7. Pursue partnerships and collaborative relationships with other agencies and entities to maximize the effectiveness of economic development resources, enhance the microenterprise education program, and facilitate the success of program participants.

#### **IV. Review of Activities**

The WNHS quarterly reports for the period ending December 31, 2010 (copies of which are attached) outline the progress the organization has made under its two Economic Development Allocations funding agreements in many of the activity areas outlined above.

### *WNHS General Organizational Support*

The report on general organizational support reflects varying degrees of progress and success in four of the five work plan areas.

Activity 1 (Alexander Court/Seavey Meadows): Full project funding has been awarded and final design work continues. During the quarter, final City Council approval for the sale of the project's Seavey Meadows site was received.

Activity 2 (Seavey CLT): The majority of needed funding has been awarded and refinement of development plans continues. A contractor for construction of the CLT homes has been selected.

Activity 3 (assessing future projects): The development of a combined housing rehabilitation/new housing construction project scope of work and financial proforma was initiated during the quarter; discussions with a potential partner continue.

Activity 4 (home buyer education): The numbers of both program attendees/graduates and of graduates purchasing a home were below projected outcomes.

Activity 5 (partnerships): Nothing reported.

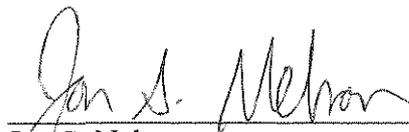
### *WNHS Microenterprise Development Activity Support*

During the quarter WNHS held its first orientation session of the fiscal year, and completed a MicroBusiness Program workshop series in which eight Corvallis residents were enrolled initially, but from which only two graduated. Achievement of other FY 10-11 work plan goals for the WNHS Microenterprise Development Program will occur in subsequent quarters, and will be reported as they are accomplished.

## **V. Action Requested**

The WNHS quarterly reports demonstrate the organization's general compliance with the terms of the City's Economic Development Allocations funding agreements. Staff requests a Human Services Committee recommendation of City Council acceptance of both WNHS reports for the second quarter of FY10-11.

Review and Concur:

  
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Jon S. Nelson  
City Manager

  
\_\_\_\_\_  
Nancy Brewer  
Finance Director

attachments

**WILLAMETTE NEIGHBORHOOD HOUSING SERVICES  
2010-2011 ECONOMIC DEVELOPMENT WORK PLAN  
AND QUARTERLY REPORT  
OCTOBER-DECEMBER 2010**

**The WNHS work plan and city economic development goals**

*Economic Development Policy: Support the development of a supply of adequate housing which is affordable to employees of existing and future businesses (Goal 6.03.022h):*

Activity 1: Continue work on the Alexander Court-Seavey Meadows Project, 49 units of multifamily housing at two sites in Corvallis.

During this quarter WNHS:

- WNHS signed an agreement with Enterprise Community Partners to be the Tax Credit Investors for the Alexander-Seavey project. WNHS also chose Umpqua Bank to provide the Construction loan for the project. The permanent loan is currently being underwritten by the Network for Oregon Affordable Housing (NOAH).
- WNHS staff is working on the various due diligence lists for the Tax Credit Investors; the Construction Loan; and the permanent loan.
- Construction documents for both projects are being created and are about 75% finalized. The project Civil Engineer began the Public Improvements by a Private Contractor (PIPC) application to the City.
- On December 6<sup>th</sup>, the Corvallis City Council approved a motion to sell 3.46 acres of Seavey Meadows to WNHS for \$150,000, for the development of this project as well as future phases.

Activity 2: Continue work on the Seavey Meadows Homeownership Project, 6 single family Community Land Trust homes for first-time homebuyers.

The City of Corvallis awarded a CHDO reservation of \$800,000 for the Seavey Meadows homeownership project. Sara Bergsund of Bergsund Delaney Architects has begun preliminary house/ site layouts for the proposed houses. The offsite (infrastructure) estimate to complete the work was received in October 2010. The initial estimate to complete the work is \$100,000. WNHS will apply to the City for CDBG funds to cover these project related expenses. In conjunction with the Architect, an project estimate/ RFP was initiated with 4 local contractors. All four Contractors submitted estimates/ bids to complete the house construction and WNHS chose a contractor for the project.

Activity 3: Continue search, site evaluation, and acquisition activities related to future projects.

In December 0f 2010, WNHS acquired the investor's ownership interest in Lancaster Bridge, as it was the 15<sup>th</sup> year of the Tax Credit period for the project. WNHS is working with the Housing Development Center of Portland to submit a 2011 CFC funding application to the Oregon Housing and Community Services (OHCS). This project would include a rehab of all 50 units at Lancaster Bridge and the new construction of 12 units for the third phase of Seavey Meadows. All 62 units would be targeted to serve residents at or below 50% of Area Median Income.

WNHS was approached by an organized group, who want to partner in a future development for people living with Multiple Sclerosis. WNHS will determine in the next few months if a potential strategy exists and what other options might be available.

Activity 4: Assist low and moderate income households with the purchase of their first home.  
 Services include: *Home Buyer Education and Counseling* – In 2010-2011 we will provide Home Buyer Education to about 200 households and help at least 75 of those households buy a home after receiving services.

*Progress this quarter:*

ACTIVITY	THIS QUARTER ONLY		YEAR TO DATE TOTAL
	PROJECTED	ACTUAL	
Home Buyer Education attendance (graduates)	50	4	19
Class graduates that purchased a home	15	5	29

### Leveraging city to non-city funding sources

The following summarizes the year-to-date status of requests for financial support submitted in support of 2010-2011 activities.

SOURCE	REQUEST	RESULTS
<b>OPERATING SUPPORT</b>		
Low Income Housing Tax Credits (LIHTC)	870,000*	870,000*
	8,700,000	8,700,000
Housing Trust Funds	200,000	200,000
Oregon Affordable Housing Tax Credits (OAHTCs)	2,125,000	2,125,000
CASA of Oregon	600,000	600,000
Network for Oregon Affordable Housing (NOAH)	2,100,000	2,100,000
Community Framework Self Help-Housing Opportunity Program	90,000	90,000
NeighborWorks® America	120,000	110,000
Meyer Memorial Trust/Foreclosure Assistance Grant	30,000	30,000
Department of Justice Foreclosure Grant	35,000	35,000
HUD Housing Counseling Grant	55,000	48,832
<b>CAPITAL SUPPORT</b>		
NeighborWorks® America/Round 1	450,000	
TOTAL VALUE OF APPLICATIONS SUBMITTED FY 2010-2011		\$14,505,000
VALUE OF PENDING RESOURCES		\$13,681,168
VALUE OF COMMITTED RESOURCES		\$823,832

**Willamette Neighborhood Housing Services  
Economic Development Grant  
2010-2011 Linn Benton MicroBusiness Program report  
October - December 2010  
Contact: Greg Gerding Phone: (541) 752-7220 ext. 308**

**The MicroBusiness work plan and City Economic Development Goals**

*Support financial and technical assistance programs that are available to business startups, small business development, local product development, and environmentally responsible modernization (Goal 6.03.022i)*

*Facilitate partnerships with public, non-profit, educational, and private sector organizations to maximize the effectiveness of economic development resources (Goal 6.03.022j)*

*Support programs, projects, and activities which encourage local spending, thereby sustaining the local economy (Goal 6.03.022f)*

Activity	Total Projected	Actual this Quarter	Year to Date Total
Conduct three feasibility/orientation workshops in Corvallis to help potential microentrepreneurs decide the feasibility of their business idea, as well as determine their business capabilities.	3	1	1
Conduct three twelve-week microenterprise training classes, helping micro-entrepreneurs increase knowledge of business management and planning	3	1	1
Through microenterprise training and one-on-one technical assistance, microentrepreneurs will complete a business plan, giving their business a sustainable foundation and the proper planning to access credit.	4	0	0
A total of 16 Corvallis potential microentrepreneurs will participate in feasibility/orientation workshops and enroll in the MicroBusiness training program.	16	0	8
Five Corvallis training program graduates will complete a business plan	5	0	0
Five Corvallis training program graduates will open and/or maintain a microenterprise as a result of the outcomes described above.	5	0	0
Within one year of program enrollment, participants who open a microenterprise will realize increased household incomes and assets.	N/A	0	0

## **Administration**

During this reporting period we continued our technical transition from NSTEP to Outcome Tracker as our database repository for microbusiness data. Fall Term 2010 forward, all client data has been entered into Outcome Tracker. Historical program data, held in NSTEP, is being migrated into Outcome Tracker. Migration of all data is expected to be completed in the first Quarter of CY 2011.

## **Training**

The Fall Term MicroBusiness class that started September 21<sup>st</sup> at Linn Benton Community College Lebanon Center in Lebanon, concluded on November 30<sup>th</sup>. Eight participants from Corvallis enrolled in the workshop as reported last quarter, however due to a variety of reasons, including location, only two completed the workshop. The workshop consisted of 12 sessions. Small business planning and oversight from the instructor, informative sessions with our guest speakers, and regularly scheduled exercises in class greatly assisted our clients as they progressed their way through the steps of developing their business strategy and business plans.

### **Guest Speakers**

Jessica Stanley (Rocket Queen Cupcakes)

Ilene Anderton (A&S Accounting)

Nadine Davidson (Jeanne Smith & Associates)

Trevor Griesmeyer (Barker-Uerlings Insurance)

Brian Egan (Clarity, Linn Benton Community College Small Business Development Center (SBDC))

Ryan McLaughlin (Oregon MicroEnterprise Network)

Marlene Peterson (Campagna Foods)

Karen Schulz (Oregon State University Federal Credit Union)

Greg Gerding (Willamette Neighborhood Housing Services)

Brenda Baze (Cascade West Council of Governments, Financial Services)

### **Participants**

The workshop concluded with lighter attendance than average, with sixteen graduates, two from Corvallis. Of the two Corvallis resident graduates, one was male, one female. Neither Corvallis resident had any reportable income.

The two Corvallis resident business ideas explored in this workshop were a handyman services company and a social media website, specializing in cultural perspectives, generating income through affiliate sales.

Both Corvallis participants completed a training development plan and both made significant progress in their business plans, but neither have yet to complete and submit their business plans for final review.

## **Market Research Assistance**

Having solid market research is an important part of developing a strong business plan; providing sound, knowledgeable assumptions and reasonable expectations of future markets activity, and it's an area that many of our clients struggle with. Through MarketLink, a program of the Oregon

Microenterprise Network (OMEN), clients receive assistance in gathering research on their industry. This research often includes market size and potential, competition, market saturation, pricing information, and sometimes in-depth specialized marketing trend data depending upon how marketing queries are structured. We work closely with clients to create marketing queries, which are sent to a market researcher at OMEN who compiles an industry report or creates a potential contact list for them. One past Corvallis participant requested market research assistance from MarketLink this period. Customers are allowed multiple market queries if desired and appropriate, and access to this service for two years after completion of the course.

### **Business Mentoring**

All clients have the opportunity to be paired with a mentor through ExperienceXchange, a business mentoring program that we offer in collaboration with the Corvallis Independent Business Alliance (CIBA), Corvallis-Benton Chamber Coalition, Downtown Corvallis Association, and the Small Business Development Center of Linn-Benton Community College. Participants are matched with existing business owners and professionals. The goal is to provide them with support, encouragement, and access to resources in the community. Most of the people participating in ExperienceXchange are in business or are in the process of starting up. Participation had slackened over the past year and we have recently re-invigorated our ExperienceXchange marketing efforts, including a presentation to the CIBA general membership.

### **Networking Sessions**

Current and past participants are invited to take part in periodic business networking sessions. These sessions are facilitated by the program instructor and program manager, and involve a guest speaker or panel of speakers who discuss different topics. Participants have the opportunity to ask questions of the guest speakers and network with each other. We schedule networking sessions in conjunction with our MicroBusiness Workshop. We held a networking session on November 22<sup>nd</sup> with the Director, SBDC chairing a panel with two SBDC Small Business Advisors. A past Corvallis graduate of our MicroBusiness Workshop participated in the networking session.

### **Previous Program Graduates Participation**

We continue to have a number of clients who participate in the program on an on-going basis from previous workshops. These clients are utilizing our networking, mentoring, counseling, micro loan, or Valley Individual Development Account (VIDA - a matched savings account) programs and are thus leveraging the program going forward from when they participate in a workshop. Clients are allowed access to program tools and resources for two years following workshop program completion. Successful and articulate program graduates often volunteer or are invited as Guest Speakers during the workshops, such as Rebecca Stanley, Rocket Queen Cupcakes did this term.

It is important to note that often participants may graduate from the workshop in one term or one grant period, but not complete their business plan or start their business until one, two or more quarters later, often in a following grant period. Such is the case in this 2010-2011 fiscal year. For example, three Corvallis graduates submitted a completed business in October but they were Spring term clients.