



## HUMAN SERVICES COMMITTEE

### Agenda

Tuesday, July 19, 2011  
12:00 pm

Madison Avenue Meeting Room  
500 SW Madison

- |                                    |   |
|------------------------------------|---|
| Discussion/ <b>Possible Action</b> | I. Willamette Neighborhood Housing Services<br>Third Quarter Report<br>(Attachment) |
| Information                        | II. Other Business  |

### **Next Scheduled Meeting**

Tuesday, August 2, 2011 at 12:00 pm  
Madison Avenue Meeting Room, 500 SW Madison Ave

### **Agenda**

None at this time

## MEMORANDUM

---

**TO:** Human Services Committee

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

**DATE:** July 7, 2011

**SUBJECT:** Willamette Neighborhood Housing Services Economic Development Allocations Quarterly Reports for the quarter ending March 31, 2011

### 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 provided 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 75% 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 \$14,024.97 (\$10,518.75/\$3,506.22).

### 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 March 31, 2011 (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.

Activity 2 (Seavey CLT): Needed funding has been awarded and refinement of development plans continues.

Activity 3 (assessing future projects): An application for state funding to underwrite a housing rehabilitation/preservation project at WNHS's 50-unit Lancaster Bridge project was developed during the quarter.

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.

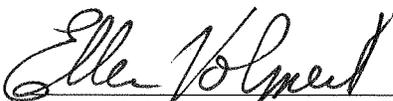
*WNHS Microenterprise Development Activity Support*

During the quarter WNHS held its third orientation session of the fiscal year, and completed a MicroBusiness Program workshop series in which five Corvallis residents were enrolled initially, and from which four graduated. Other accomplishments for the quarter included both business plan development (2 participants) and the launch or continuation of a microenterprise (4 participants).

**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 third quarter of FY10-11.

Review and Concur:

  
\_\_\_\_\_  
Ellen Volmert  
City Manager Pro Tem

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

**WILLAMETTE NEIGHBORHOOD HOUSING SERVICES  
2010-2011 ECONOMIC DEVELOPMENT WORK PLAN  
AND QUARTERLY REPORT  
JANUARY – MARCH 2011**

**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 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 90% finalized. The project Civil Engineer revised the Public Improvements by a Private Contractor (PIPC) applications to the City.
- WNHS applied for and received demolition permits for Alexander Court.
- WNHS applied for building permits at Alexander Court on March 31.

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. An updated estimate of the offsite work was revised to be \$150,000. WNHS was awarded \$150,000 in City of Corvallis CDBG funds to go toward the project to pay for public improvements. The Public Improvements portion of this project are almost approved by the City.

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

In December of 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 in April to Oregon Housing and Community Services (OHCS). This project would include a rehab of all 50 units at Lancaster Bridge. All 50 units would be targeted to serve residents at or below 50% of Area Median Income.

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. Our Homebuyer education workshops have started to pick up again with

the new year. Our numbers are still lower than they were at the same time last year. We believe this is due to the end of the tax credit for first time homebuyers.

*Progress this quarter:*

ACTIVITY	THIS QUARTER ONLY		YEAR TO DATE TOTAL
	PROJECTED	ACTUAL	
Home Buyer Education attendance (graduates)	50	36	55
Class graduates that purchased a home	15	9	38

### 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	6,960,000*
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	181,000
TOTAL VALUE OF APPLICATIONS SUBMITTED FY 2010-2011		\$14,505,000
VALUE OF PENDING RESOURCES		\$12,479,832
VALUE OF COMMITTED RESOURCES		\$3,304,832

\*Based on the Equity Investor offering \$.80 on the dollar for LIHTCs.

**Willamette Neighborhood Housing Services  
Economic Development Grant  
2010-2011 Linn Benton MicroBusiness Program report  
January – March 2011  
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)*

<b>Activity</b>	<b>Total Projected</b>	<b>Actual this Quarter</b>	<b>Year to Date Total</b>
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	3
Conduct three twelve-week microenterprise training classes, helping micro-entrepreneurs increase knowledge of business management and planning	3	1	2
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	2	2
A total of 16 Corvallis potential microentrepreneurs will participate in feasibility/orientation workshops and enroll in the MicroBusiness training program.	16	5	13
Five Corvallis training program graduates will complete a business plan	5	2	2
Five Corvallis training program graduates will open and/or maintain a microenterprise as a result of the outcomes described above.	5	4	4
Within one year of program enrollment, participants who open a microenterprise will	N/A	0	0

realize increased household incomes and assets.			
---	--	--	--

**Administration**

Our previously reported technical transition from NSTEP to Outcome Tracker as our database repository for microbusiness data, has been halted due to the decision transferring the Linn-Benton MicroBusiness Program from WNHS to Linn Benton Community College Small Business Development Center (SBDC) in July 2011. Development of a transition plan to the SBDC is on-going.

**Training**

The Winter Term MicroBusiness class that started January 6<sup>th</sup> at Linn Benton Community College main campus in Albany, concluded on March 17<sup>th</sup>. Five participants from Corvallis enrolled in 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)
- Richenda Hawkins (LBCC Research Librarian)
- Ilene Anderton (A&S Accounting)
- Nadine Davidson (Jeanne Smith & Associates)
- Rudy Asunlo (State of Oregon, Linn Benton Community College Small Business Development Center (SBDC))
- Trevor Griesmeyer (Barker-Uerlings Insurance)
- Brian Egan (Clarity, LBCC SBDC)
- Ryan McLaughlin (Oregon MicroEnterprise Network - MarketLink)
- Marlene Peterson (Campagna Foods)
- Rebecca Badger (Badger Marketing)
- Loyan Roylance (ProWorks)
- Karen Schulz (Oregon State University Federal Credit Union)
- Greg Gerding (Willamette Neighborhood Housing Services)

**Participants**

The workshop concluded with attendance about average, with sixteen graduates, four from Corvallis. Of the four Corvallis resident graduates, three were male, one female. All Corvallis resident participants reported moderate, low, or very low income.

The Corvallis resident business ideas explored in this workshop were a vegetable/flower starts community-based agriculture (CSA) business; a handyman services company; a native landscaping and vegetable gardening company; and a household goods moving services company.

Four Corvallis participants completed a training development plan and all made significant progress in their business plans, but none had completed and submitted their business plans for final review by the end of March.

A Spring Term 2011 MicroBusiness Orientation Session was held in Corvallis on March 28<sup>th</sup>. Eight Corvallis residents attended the Orientation Session in preparation for Spring Term Workshop which will commence in Corvallis on April 6<sup>th</sup>.

### **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 Corvallis participant requested market research assistance from MarketLink this period. Clients are allowed multiple market queries if desired and appropriate, and access to this service for two years after completion of the course.

### **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 February 16<sup>th</sup> with a panel of local Corvallis small business owners from storefronts to web-based businesses. Four past Corvallis graduates of our MicroBusiness Workshops 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, 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.