

DRAFT
CITY OF CORVALLIS
HOUSING AND COMMUNITY DEVELOPMENT ADVISORY BOARD
MINUTES
August 17, 2016

Present

Ed Fortmiller, *Chair*
 Kara Brausen, *Vice Chair*
 David McCarthy
 Donna Rinaldi
 Carl Price, *Planning Commission Liaison*

Staff

Kent Weiss, *Housing and Neighborhood Services*
Division Manager
 Mark Lindgren, *Recorder*

Absent

Gary Hamilton
 Kenny Lowe
 Dave Henderer
 Bill Glassmire, *City Council Liaison*

SUMMARY OF DISCUSSION

Agenda Item	Information Only	Actions/Recommendations
I. Call to Order/Visitor Comments	X	
II. Review minutes of 6/15/2016		Approved
III. Status Report: Loan funds and recent rehab loans	X	
IV. Review/Recommendation: First Time Home Buyer Program Administrative Policy; NewHome Buyer Assistance Program Administrative Policy		Approved
V. Discussion: HCDAB Annual Report to City Council	X	
VI. Other business	X	
VII. Adjourn		Adjourned at 12:24 pm

CONTENT OF DISCUSSION:

Chair Fortmiller called the meeting to order at 11:31 a.m. Manager Weiss introduced Becky Berglund, Housing Program Assistant, who is filling in for retired staffer Bob Loewen and handling landlord - tenant calls.

I. **VISITOR COMMENTS** - None.

II. **REVIEW MINUTES OF 6/15/2016 HCDAB MEETING**

Minutes were approved as drafted.

III. **STATUS REPORT – LOAN FUNDS AND RECENT REHAB LOANS**

Weiss reported that one First Time Home Buyer (FTB) loan has been approved through the City Manager, and is scheduled to close next Friday (it is the first loan of the year). Hopefully there will be higher level of activity in coming months. He related that former staffer Bob Loewen agreed to come back and handle FTB loans - there are several others in the pipeline.

IV. **REVIEW / RECOMMENDATION- First Time Homebuyer Program Administrative Policy & New Home Buyer Assistance Program Administrative Policy.**

First Time Homebuyer Program Administrative Policy.

Weiss related that staff saw a trend on increasing the loan amount for the program. There is a three-year cycle for policy review.

New Home Buyer Assistance Program Administrative Policy.

Weiss noted that the revised policy reflected mostly housekeeping changes, including the name of the Division, the name of HCDAB, increasing the loan limit from \$15,000 to \$20,000, and allowing co-signers. He stated that staff have increased the loan limit occasionally in the past, where it makes sense, but had to come to the Board to sign off on them.

Vice Chair Brausen said she had initially felt concern on the co-signer provisions, but it appeared that thought had been given to meeting her concerns. Weiss said buyers must meet all income and qualifying criteria.

Board member Price asked if there was a process to allow a co-signer to occupy the house over the life of the loan - say, a parent to be cared for. Weiss replied that it would be difficult for staff to know it had occurred; loan qualification is a point in time issue. If the City imposes income limitation requirements over a long period of time e.g., 15 years, it would discourage people from getting better jobs and improving their household situation. As a household grows, they could have children or have a parent move in. The City will consider an exception for having a parent co-signer move in during the life of the loan. The borrower would explain the situation to staff, and staff would make a recommendation to the City Manager.

Board member Rinaldi felt that prohibiting a parent co-signer from living in the borrower's home was a strange stipulation. Board member Price said two households joining together and pooling their incomes might become ineligible. He noted that lives change, and getting a parent to join a borrower's household may be the only way they can make it through a traumatic period.

Board Member McCarthy moved that the HCDAB recommend to the City Manager approval of both policies. Board member Price seconded; the motion passed unanimously.

V. DISCUSSION – HCDAB ANNUAL REPORT TO THE CITY COUNCIL

Weiss explained the current City Council sought uniformity on reporting from advisory boards and commissions on their work. The Council would like to receive reports in a condensed form, including what the boards and commissions think about the work they're doing. He said boards and commissions are free to decide what they choose to include in their reports.

He offered to draft a report with Chair Fortmiller based on Board input, and bring the draft for review in September. Vice Chair Brausen offered to make the presentation; Chair Fortmiller thanked her for doing so.

Weiss said the reports typically focus on activities and work completed, but solicited other suggestions on what to highlight from the Board as well. Vice Chair Brausen asked about the Resources section of the report form; Weiss explained that it is a blanket report to cover all boards and commissions, which have varying amounts and types of resources. Some have only staff resources. This Board doesn't make final decisions on funding awards, but takes a strong role in recommending federal resources for community projects and activities. He suggested that the Board could recognize the work they do regarding project funding but that those funds are inadequate to accomplish the affordable housing activities and outcomes that the City needs to see, and that additional resources would be very helpful.

Weiss highlighted next year's work plan, including regular activities, such as policy review, allocations of funding and working with agencies. He solicited feedback on any other work for the upcoming year. Board member McCarthy suggested dealing with the cold weather homeless shelter issue. Weiss said some opportunities to do that may come to the Board, relating that the Homeless Oversight Action Council is developing a new governance model and a new way of providing support for projects. The Council may be asked by Corvallis Housing First use its 4th Street site for winter shelter again this year; the Council may seek input and advice from the Board. Weiss outlined a proposal for housing with a preference for veterans in the Bensons Building. Board member Price mentioned a private proposal for a shelter. Weiss agreed the homeless shelter issue was controversial, and that a location is needed.

Weiss gave an overview of one pending set of activities, explaining that the Housing Development Task Force (HDTF) will make recommendations to the City Council on September 7 regarding affordable housing development policies and issues. Under the Task Force's recommendations, the HCDAB would work on program design for new funding being received, and fleshing out details of the recommendations.

Chair Fortmiller asked about upcoming projects. Weiss said he talks to Willamette Neighborhood Housing Services (WNHS) Director Jim Moorefield frequently, and they have at least two potential projects under consideration. Benton Habitat for Humanity takes a modest development approach, completing one or two houses per year throughout the County; the City is funding one home that is currently underway.

Vice Chair Brausen asked about the HDTF's recommendations; Weiss explained that the 17 policy recommendations are divided into categories of near-term, medium-term, and long-term. The five near-term items would come to the HCDAB first, and tentatively would include voluntary inclusionary zoning provisions and a construction excise tax (CET), which could fund affordable housing development under a voluntary inclusionary program, and help partially relieve General Fund support for program operations.

The second HDTF recommendation is to use resources of the CET to pay System Development Charges (SDCs) associated with development of accessory dwelling units (ADUs), roughly \$4,000 to \$8,000. He noted that there have been relatively few ADU applications, with an estimated 44 since 1996. Accessory dwelling units can be a fairly affordable type of housing.

The third recommendation is to waive or offset SDCs for affordable housing projects and consider revising the SDC calculation methodologies. The fourth recommendation is to convene a group of funders, affordable housing developers and financial experts to discuss ways to generate and use donations of land and funding for affordable housing. The fifth and final near-term recommendation is to consider using CET proceeds to expand planning capacity within the Community Development Department to provide a dedicated affordable housing planning focus.

Medium- and long-term recommendations include property tax incentives, community land trusts and urban renewal. The City is challenging the State on its recent law prohibiting voter-approved annexations since a provision requiring voter approval is contained in the City Charter. One HDTF concept is for the City to work with developers on annexations in return for the inclusion of affordable housing in their projects.

Vice Chair Brausen asked if developing a new methodology on SDCs was beyond the scope of the Board. Weiss replied that the Board can have input on the process, but SDCs are Public Works funds. In the next few years Public Works will be hiring a consultant to complete a review of the SDC methodology; at that time, the Board could weigh in. He added that the one thing the review might consider is waiving SDCs for affordable housing projects and adjusting rates on other development, thus not affecting revenue from development.

Vice Chair Brausen said she would like to see promotion of accessory dwelling units, saying that they are a great way to utilize what we already have. Board member Price asked about waiving SDCs; Weiss replied that the CET could be used to pay SDCs on behalf of projects. A Task Force recommendation is for owners of ADUs being allowed to pay off SDCs over ten years with no interest, or to have the City's construction excise tax front that cost, with a 0% amortized loan with a ten-year payback.

Board member Price noted that an ADU can be built fairly cheaply, but SDCs might double its cost, especially when it is owner-built. Weiss said he expected that if people can fit them in, it is something that many will want to do to find retirement income and help pay property taxes. Board member Price said people with boomerang children or aging parents may find them attractive. Board member Rinaldi said having an ADU makes a property more desirable.

In further feedback on what topics to include in the report to the Council, Board member Price said he expected this Board could probably be helpful in some LDC revision issues, as well as making some recommendations of desires and goals on some Comp Plan issues. Weiss agreed there will be opportunities to give feedback during the upcoming Comp Plan review process. At least one goal of the Comp Plan and LDC will be to streamline the LDC for staff, developers and the public. Board member Price said when the LDC is too complex, the public does not feel as involved.

Weiss will bring a draft Board report to the September HCDAB meeting to finalize for the October 4 presentation to the City Council.

VI. OTHER BUSINESS

Weiss reported that the Habitat project that the Board recommended funding for in FY 15-16, on SW Kendra off of SW Philomath Boulevard, is roughly 30% complete. Its passive solar structure should be very efficient, and will likely serve as a Habitat model and generate a lot of national interest. While there are higher upfront costs, residents should see very low energy consumption.

Weiss also reported that construction of 13 units at the Seavy 3 project at Seavy Meadows is also underway. There will be a preference for veterans, and the on-site manager will help coordinate delivery of services as needed. The project should be complete in late fall/early winter.

The supplemental Community Development Block Grant funding RFP is out, with three agencies likely to submit applications next month. The Board may do allocation work in September, with a special meeting perhaps required. Given the complexity of the projects and the compressed time frames needed to meet federal requirements, Weiss said he expected having to allow extensions on the applications. The interested agencies are WNHS, Corvallis Housing First, and Community Outreach.

The next HCDAB meeting, on September 21, will include a public hearing to consider the annual program report that must go to HUD by September 30, along with several other agenda items.

VII. ADJOURNMENT

The meeting was adjourned at 12:24 p.m.