

MINUTES
HOUSING AND URBAN DEVELOPMENT ADVISORY COMMITTEE

Wednesday February 11, 2009
350 Commercial NE - 5:00 PM

MEMBERS PRESENT

Mark Wieprecht - Chair
Michael Bufalino
Craig Carlson
Barbara Chesbrough
Brett Gomsrud
Darr Goss
Levi Herrera-Lopez
Sean Nikas
Maria Palacio –Vice
Evelyn Roth

MEMBERS ABSENT

Dan Dorn - E

STAFF PRESENT

Rena Peck
Therese Van Vleet
Toni Payseno
Ligali Harruna
Sue Ballard

GUESTS

Bruce Crane
Sara Duncan
Larry Blair
Forrest Peck
Rick Gaupo
Jerry Croft
Phil Dean
Nicole Utz

1. CALL TO ORDER

Chair Wieprecht called the meeting to order at 5:03 PM, noting a quorum was present.

2. APPEARANCE OF INTERESTED CITIZENS

Chair Wieprecht noted there were no citizens in attendance to address the Committee on matters other than those items appearing on the agenda.

3. APPROVAL OF MINUTES

Mr Bufalino **MADE A MOTION**, seconded by Ms Chesbrough, to approve the minutes of January 28, 2009, as presented. The **MOTION CARRIED** unanimously.

Ms Peck asked if the Committee would like to bus tour on February 26, 27, or 28 and requested they get back to her via e-mail. The tour should take approximately four hours.

Ms Peck declared a conflict of interest as her husband runs the Salem-Keizer Community Development Corporation MERIT program. The Interface Network, Inc, Latino Microenterprise Development Program, presenter was not able to attend; the presentation will be rescheduled.

4. 2009-2010 CDBG and HOME Applicant Presentations

**A. Salem-Keizer Community Development Corporation (SKCDC) – CHDO Program
Amount Requested: \$40,000 | Source: HOME**

Mr Crane, SKCDC Executive Director, stated the Community Housing Development Organization (CHDO) funds would be used to continue to build capacity to provide resident services including homeownership education and counseling, financial literacy training and other services and programs targeting specific populations such as Spanish speaking and developmentally disabled tenants living in their Mill Creek Meadows development. The CDC provides rental and referrals to community services. Their goal is to provide direct services to their residents; such as Latino mom's program and movie night with their disabled tenants. The Latino moms meet weekly with folks from the neighborhood, who also have children up to age five, as an empowerment and networking program. The SKCDC would like to provide this type of service at other sites. At Mill Creek Meadows their developmentally disabled tenants receive direct services such as movie night and cooking activities with outside persons.

Q. How much is the SKCDC requesting for this program and is counseling provided?

A. This request is for \$40,000 which will help support a full time staff person. Currently they have a volunteer, supporting a half time staff person who implements these programs. Counseling is provided for home ownership, participants are encouraged to attend the MERIT program and participate in the individual development accounts (IDA) savings program.

Q. Is this a new position, will it be a new hire? Will that person write grants?

A. The SKCDC will look at hiring an additional person to deliver direct services, if full funding is received. This position would not write grants. Mr Crane and two other staff persons write grants. Ms Peck noted only 5% of the total allocation can be provided to CHDOs, and another CHDO has also applied for funding.

**B. Salem-Keizer Community Development Corporation (SKCDC) – Gerth Street Project
Amount Requested: \$300,000 | Source: HOME**

Mr Crane noted SKCDC will purchase an existing property on Gerth Street and conduct rehabilitation work to create 16 units of quality affordable housing. Rehabilitation will include new gutters, electrical upgrades, exterior corrections and interior repairs. SKCDC has provided oversight of twelve rehabilitative construction projects to meet their mission of providing safe, quality, affordable housing. They have completed two new construction projects where they provided oversight and management of contractors, architects and consultants. The total project cost is \$880,000, the \$300,000 requested would leverage over \$500,000 in loans. They have a letter of intent from the owner, who has not put the property on the market. This allows time to acquire funding.

Q. Do you rent to people? What are the requirements?

A. SKCDC purchases property to rent to people with 60% or less median income. They are like other landlords, except their units are provided at lower than market rate and they accept Section 8 housing vouchers. SKCDC is a non-profit corporation.

Q. What type of contingency funds does the project have for maintenance?

A. This project has a contingency of \$4,000 to satisfy the annual reserve, which is \$250 per unit. The City has a standard set aside for initial projects. Rehabilitation will be \$90,000 per unit for this project. The roof is good and the windows are new.

Q. How large are the units and who are tenants, i.e. single families, disabled?

A. The units are one bedroom. The tenants are often single or couples. Renovation for disabled clients is more expensive. Currently one third of the tenants have incomes at the 30% level; 50% are Hispanic; three fourths are low income with a rent debt burden at 30% or less. This housing is accessible to low income persons.

Q. If partially funded, could this project still progress and at what level will it still be viable?

A. The goal is to carry over \$36,000 from FY08-09 money and add whatever is allocated to this project. Private funding could be sought, up to \$50,000, or a smaller property could be sought to make the project work.

**C. Salem-Keizer Community Development Corporation (SKCDC) – MERIT Program
Economic Opportunities | Amount Requested: \$36,000 | Source: CDBG**

Mr Peck, director of the SKCDC MERIT program, noted the Micro-Enterprise Resources, Initiatives and Training (MERIT) program is housed at the Chemeketa Small Business Center (CSBC). It will provide access to business basics training for 24 City of Salem low to moderate-income entrepreneurs, who will be followed for two years after completion of the 20-hour Microenterprise Training class. Goals include: Six entrepreneurs will have started their businesses within six months and an additional five will start a business within 24 months. A microenterprise is a very small business with 5 or fewer employees with start-up financial needs of less than \$35,000.

Microenterprises are often started by people who have difficulty getting business training and credit through traditional means, such as those with low-income, minorities, immigrants, women, the disabled and welfare recipients. The program utilizes materials developed by the Kauffman Foundation to help people break the cycle of poverty by problem solving. Part of the money will be used to provide scholarships for class members to attend other classes in the CSBC. A peer mentoring program began last year, they have topical discussions. While located in the CSBC this program is not in the Chemeketa budget and requires outside funding. The program targets underserved persons. They refer persons to the SKCDC matched savings program, for business start-up or expansion. They are requesting \$1,500 per client, which is below the \$2,500 national average.

Q. Who has been served?

A. Clients describe themselves as 82% white, 22% Native American, 3.5% Black, and 5.5% Hispanic; 27% self identify as having a disability and 63% are women, often single moms.

Q. What is the total project cost and are there other sources of funding?

A. The project has an annual budget of \$45,000 and partial funding is being requested from Yamhill and Polk counties.

D. Salem Housing Authority (SHA) – Security Deposit Program

Amount Requested: \$30,000 | Source: HOME

Mr Dean, Salem Housing Authority Project Manager, noted the program helps families access housing when they might otherwise not. The program expects to assist about 71 families with security deposit assistance during FY 2009. The average amount of assistance will be approximately \$430 per household based on the FY 2008 program. Eligibility will be based on families who participate in the Housing Choice Voucher and Moderate Rehabilitation programs. Out of 53 families, over half were very low income, disabled or elderly with fixed incomes.

Q. Are security deposit funds returned to the program if the family moves?

A. When a family moves the deposit is given to them to use on another deposit. Often, the landlord keeps a portion for cleaning. Participants are not eligible to apply again for two years, with an initial one year contract.

Q. Does the family have to provide matching funds?

A. No. The SHA pays up to a maximum of one month contract rent as a deposit; \$443 is the average. Need is verified by examining bank accounts and income streams.

Q. Are there non-citizens being served?

A. The "Citizen Rule" applies with the Section 8 program; HUD rules apply. If a family has a non-citizen, the family receives less assistance. Non-eligible persons cannot be assisted with HUD funds.

E. Salem Housing Authority (SHA) – Interim Assistance Program

Amount Requested: \$79,300 | Source: CDBG

This program provides rent or security deposit assistance to help low-income families and individuals facing a temporary, unexpected income reduction or increase in living expenses. Eligible households must reside within Salem city limits, they must meet eligibility criteria, and they will be accepted on a first-come, first-served basis. The program helps resolve or prevent homelessness by preserving their housing (rental assistance) or helps gain suitable housing (security deposit). It's anticipated 168 clients can be served at an average cost of \$472.

Ms Utz, program manager, noted it's a once-a-year assistance program, open to the entire community. The program provides help with job searches, food stamps, etc. In the month of December 2008 SHA used \$40,000 and currently only \$7,000 remains of the allocation. SHA helps clients seek assistance with church, family, and Section 8 housing before this program steps in. Client income must be under 60% median-income levels and income is verified through third party sources.

Ms Peck noted this program has historically been funded through the 15% public service allocation. Last year it was funded with the 15% public service allocation but UDD managed the program. This year, if funded, will again be part of the 15% public service allocation.

Q. How much went to the community last year?

A. \$64,000 goes out to the community with the balance for administration. The same amount is being requested.

F. Salem Housing Authority (SHA) - Robert Lindsey Towers (RLT) Structural Phase II

Amount Requested: \$200,000 | Source: CDBG

Mr Blair, project manager, stated the requested funds would be used to replace two elevators and the 62-station monitored emergency nurse call system, which is part of the building's life safety systems. The high-rise is 34 years old and these systems are beyond their projected life and are experiencing frequent failures which pose safety hazards to the 64 residents, as well as exposing the Agency to liability for injuries. Parts for both systems are no longer available and both systems would be replaced completely if approved. There is approximately \$6,000,000 deferred maintenance for SHA buildings; and maintenance for this building will delay maintenance for other buildings, if these funds are not secured.

Q. Will the nurse call system be replaced with similar units or personal units?

A. HUD requires the replacements be in place call units, they are pull cord units.

Q. When will the project start?

A. Construction will begin in July 2009.

Q. How much will go to contractors and how much will be internal?

A. All of the block grant would go to contractors. The designs have been purchased and are ready to go.

Q. If this project is not fully funded, which portion would get done?

A. These are fire and life safety issues and funds would be pulled from other programs to do the entire project.

Q. Are all residents elderly and what is the elevator capacity?

A. All are elderly. The building is a protected "shelter in place" structure. One elevator is large enough for transporting emergency equipment.

Q. What type are the elevators? Don't elevators have a longer life?

A. The elevators are made by Westinghouse. They don't know why they have worn out in just 34 years. There are also code issues with the buildings; this is part of a much larger renovation project.

G. Salem Housing Authority (SHA) – Meadowlark Village Project

Amount Requested: \$50,000 | Source: CDBG

Mr Blair said the funds would be used to replace the 214 aluminum windows and 30 sliding doors in the 1973, 30 unit affordable apartment complex, with energy efficient vinyl frame, argon, low-e units. An annual energy savings of approximately \$10,000 is anticipated for the residents. The improvements will also increase the aesthetic appeal for marketability and would assist the facility in passing HUD inspections. They will use energy tax rebates as matching funds as well as capital funds. While resident incomes can be up to 80% median income saving on their utilities will help their budgets. Construction would begin in August 2009, with completion by October 30, 2009. Residents would not need to relocate.

Q. Can the project be accomplished with less funding and will it be completed this year?

A. If full funding is not received it can be balance with capital funds, but the project would be pushed off for three or more years if no funding is received.

H. Teton Nonprofit – Englewood East Apartments Project

Amount Requested: \$133,000 | Source: CDBG

Mr Croft, Executive Director of the Housing Authority, said the SHA manages Englewood East for Teton Non-Profit. The funds would be used to modernize 50 affordable apartments to include countertops, lighting, closet doors, cabinet doors, window blinds and carpeting. The funds would be matched with Teton funds, which would be used for common hall up-grades: carpeting, painting, decorating and T-8 fluorescent tubes and ballasts. The vacancy rate, normally 1-2 %, was 6% last year. Many clients chose newer facilities, such as Jason Manor and Providence Place. These improvements will help market the facility and help reduce the vacancy rate. Construction would begin July 15, 2009, with an estimated completion date of October 30, 2009. Photos were provided. Resident incomes must be under 60% median income to qualify. Mr Croft provided a "fall back" handout for all SHA projects with consequences/solutions if funding is reduced.

Q. Do residents have the same income levels in Jason Manor and Providence Place?

A. Yes, they are the same. All facilities run on a thin margin of profitability. They would like to see this property stay viable.

I. Habitat for Humanity (H4H) – Windsor Place II

Amount: \$100,000 plus \$9,000 City of Salem System

Development Charges (SDC) | Source: HOME and SDC waiver

Ms Duncan, H4H Community Development Organizer, noted the funds would be used to purchase two developed lots on Windsor Island Road in Keizer for non-profit construction of two new two-four bedroom homes for the purpose of creating home-ownership for individuals earning 60% and below median income. As a result of this

project, two families will have long term affordable housing. Construction should begin in March 2010.

Habitat received funding in FY 2005-06 for four lots, but they could only complete two, and part of the funding was returned. They are now in a position to purchase lots which have already been developed. The Keizer community had stepped up to raise funds to build two homes per year for five years. They feel it is important to keep the momentum, but the largest hurdle is land purchase (which they need as leverage to acquire other funding).

Q. What will they do if funding is cut? Can just one lot be purchased?

A. It is one lot for two homes.

Q. How can the Committee provide funding when Habitat doesn't finish homes? What are their goals? What other funding does Habitat have for this project?

A. Funding has been secured to build two houses. The land is required for the project. The Keizer "Leadership Team" is planning fund raisers for Keizer to raise money and volunteers. Habitat has positive relationships with businesses and churches. Mr Gaupo said Habitat has struggled with land development. One unforeseen issue in the past was the engineering firm they used went under. The delays have all been related to land development. Recent projects such as Ford and Wendy have been completed in a timely manner. Ms Duncan agreed purchasing undeveloped land puts pressure on the process. Once the land is developed, raising funds for the house is not a problem. This lot has been developed.

Q. How far along is development? Are other lots available? Are the developments "green" and energy efficient?

A. The permits have been approved. The developer is using permeable concrete, which took time to push through Keizer planning. Keizer has limited lots and developed lots are more expensive. Habitat is committed to purchase the lot next to the other two Habitat homes. They have a good relationship with the developer who is selling the lot at cost, and had taken the risk to help Habitat. All projects are energy efficient, but they don't have a "green" standard.

Q. Can other funds be secured to purchase the land?

A. Few funds are available. Habitat has sought funds in the past from Meyer Memorial for the Mildred Lane project.

J. Habitat for Humanity (H4H) – Samaritan Lane II
Amount Requested: \$120,000 | Source: CDBG

Ms Duncan provided handouts. She noted the funds would be used to purchase two developed lots on Samaritan Lane for non-profit construction of two new two-four bedroom homes for the purpose of creating home-ownership for individuals earning 60% and below of median income. The homes will be sold to low income families with a no interest loan. As a result of this project, two families will have long term affordable housing. Their goal is to build seven homes in 2010. These funds would help Habitat acquire lots to build 5-8 homes per year. Habitat is no longer asking for funds to develop land, they are purchasing developed lots.

Q. How many people apply to the program each year?

A. The need is great. Approximately 70-80 families attend classes, but only five to seven families are chosen each year. Once chosen, Habitat likes to place the family in their home within 24 months. Families are selected based upon who can make payments. Currently, there are over 200 children sleeping in Habitat homes. Projects are often "theme builds" to help garner support, i.e. "Women build," "Faith Build," and "Thriving Grant".

5. NEXT MEETING

Remaining 2009-2010 CDBG and HOME Applicant Presentations

6. ADJOURN

Chair Wieprecht adjourned the meeting at 6:58 PM, noting the next meeting will be February 25, 2009, 5:00 P.M. for applicant presentations.

For more information visit the Department web page at www.cityofsalem.net. The meeting was audio recorded.