

- ACTION -

POLICY ADVISORY BOARD (PAB) for the Washington County Community Development Block Grant (CDBG) Program and HOME Investment Partnerships Program, **November 18th, 2021 7:00 pm** via Zoom.

POLICY ADVISORY BOARD MEETING MINUTES

The following persons were present:

PAB REPRESENTATIVES:

Banks	*Stephanie Jones
Beaverton	Javier Mena
Cornelius	*Luis Hernandez
Forest Grove	*Mariana Valezuela
Gaston	*David Meeker
Hillsboro	Chris Hartye
King City	*Micah Paulsen
North Plains	*Trista Papen
Sherwood	Tim Rosener
Tigard	*Liz Newton
Tualatin	*Bridget Brooks

*Denotes Primaries

OCD STAFF:

Jennie Proctor, Program Manager
Lauren Thomas, Administrative Specialist II
Ann Hawkins, Housing & Community Development Specialist
Natalie Williams, Housing & Community Development Specialist
Mari Valencia-Aguilar, Housing & Community Development Specialist
Andree Tremoulet, Housing & Community Development Specialist

GUESTS:

Brooke Harrison, TetraTech Engineer

Chair Stephanie Jones called the meeting to order at 7:00 pm.

1. **APPROVAL OF September 16, 2021 MINUTES**

Liz Newton MOVED TO APPROVE the September 16th, 2021 MINUTES.
Mariana Valenzuela SECONDED. Motion CARRIED. (11 yes, 0 no)

2. **CITY OF GASTON 3RD STREET IMPROVEMENTS CONTINGENCY REQUEST**

Natalie Williams reviewed the Gaston contingency.

The City of Gaston was awarded \$170,000 in FY 2018-2019 for it's Third Street Improvements Project. It is now seeking an additional \$42,150 CDBG funding to make much needed repairs to the waterlines on Third Street. The existing condition of the Third Street waterline is poor. During the relocation of a fire hydrant and subgrade replacement for the current third street improvements project, it was discovered that the existing waterline does not have sufficient

coverage and the PVC material currently in place is now considered obsolete for that usage. The service connections at the main had corroded to the point of breakage and the line had to be shut down for one day due to a failed joint.

The decision to hold a special Gaston City County session to approve the additional waterline improvements was made so the City could take advantage of the current construction contract. By adding this work to the current contract through a change order instead of performing the work under a new project, the City can save in several areas, as described below:

- Mobilization, demolition, erosion control, traffic control and other overhead costs already included in the current project. The estimate savings would be \$8,000 to \$11,000.
- Removal and replacement of subgrade and asphalt installed during the current contract. The estimated savings would be \$12,000 to \$15,000.
- Engineering, bidding services and construction management of a new project. The estimated savings would be \$25,000 to \$30,000.

The total estimated savings to the City by including the water improvements in the existing construction contract is \$45,000 to \$56,000. It should also be noted that the cost of the C900 PVC pipe that would be used for this project has increased by approximately 80% to 120% over the last twelve months and suppliers have indicated that costs will continue to increase. The estimates provided above do not include this potential escalation in materials cost. The estimates above also do not include costs associated with City staffing and administration of the project. Lastly, the fact that residents along Third Street and the neighboring School District would ask why the road is being torn up again may not have a monetary cost but does come at a cost to the city. The current contractor, D&D Concrete, has agreed to perform the installation of approximately 500 ft of pipe, new valves and fittings, connections to existing services and to the existing main, abandonment of the exiting pipe, testing and disinfection for \$84,300. The unit costs provided by the contractor have been compared to the existing contract and other utility projects and are found to be acceptable.

A full Environmental Assessment was completed for the Third Street Project which means that no further environmental action is required. The additional waterline work has no environmental or archeological impact. No additional right-of-way, easements, or permits are required.

The City's water demand and consumption records indicate losses in the system as high as 50%. The City of Gaston must pay the City of Hillsboro for this volume of water but cannot recoup any of the cost by billing a customer. In an effort to mitigate this costly waste, the City has begun preventative maintenance as the water budget allows. The preventative maintenance includes leak detection studies- as well as valve and hydrant replacement. The last leak detection study was performed in 2017 and covered only a portion of the City.

The Public Works Director estimates that the cost to perform a leak detection study for the entire City would range between \$10,000 to \$12,000. The City recently took advantage of another street project to replace two fire hydrants and has replaced three additional hydrants under separate work orders. The estimated cost to replace a single hydrant is \$9,500 to \$13,000. The City has received an informal quote for the replacement of a small diameter 300 ft waterline for approximately \$50,000. It has been difficult for the City to be aggressively proactive; however, as smaller immediate repairs take precedence over larger preventative maintenance repair types.

It is unknown why this utility improvement was not included in the scope of work for the original application. The Public Works Director, Grant Writer and City Engineer that were involved in the original application no longer work for the City.

Brooke Harrison, Project Engineer with TetraTech, was present for the meeting to answer any questions however, there were none.

Bridget Brooks MOVED TO APPROVE the additional \$42,150 contingency request to Project #0101 to enable the City of Gaston to complete the waterline replacement that lays directly under the project site during construction of the Third Street Project. Micah Paulsen SECONDED. Motion CARRIED. (9 yes, 0 no)

3. BRIEFING ON THE MANUFACTURED HOUSING COMMUNITIES – PART 1 DATA AND RISK

Jennie Proctor introduced Andree Tremoulet, who is a part-time temporary staff person with the Office of Community Development (OCD). Andree has been working on special projects for us.

Andree presented part 1 data for the manufactured housing communities. During the 2020-2024 Consolidated Planning process, the Con Plan Work Group discussed strategies to address different areas of need across all types of affordable housing. One of those needs had to do with the risk to manufactured home park communities, a significant source of lower-cost, unsubsidized, owner-occupied housing in Washington County. The concern stemmed from the possibility that residents of manufactured housing communities might be displaced as the economic and land development landscape continued to heat up and land prices rose. A study of this risk was deemed a priority strategy to address early in the five-year planning horizon.

Washington County's 4,000 to 4,500 "mobile homes" (officially called manufactured homes or manufactured housing) in 42 manufactured housing communities (MHCs) are likely the County's largest source of unsubsidized affordable housing. Most residents are homeowners. Their continued presence depends on a delicate balance between the interests of landowners and

homeowners. This arrangement---owner occupied homes located on rented spaces owned by a landlord---is called divided asset ownership. It results in lower housing costs for homeowners but also comes with the potential risk of displacement. For investors, it results in a reliable income stream with less upfront investment than apartments.

For homeowners, who are primarily older adults and families with modest incomes, displacement can be catastrophic. It results in the loss of their home (their primary asset), their community, and an affordable place to live. It uproots families from supportive ties and schools. For older adults, loss of home and all that is familiar sometimes precipitates a move into assisted living or a subsidized skilled nursing facility.

The trauma to older adults of an involuntary move has been associated with negative health impacts and the possibility of a shortened life span. Importantly to policymakers, the loss of this housing also increases the demand for subsidized housing.

The vulnerability of this housing sector is not an abstract concern; for Washington County, it is real if not imminent. Washington County led the state in MHC closures during the real estate boom of 2001 – 2007. The County lost fifteen MHCs to closure for redevelopment, displacing approximately 1,100 households. In most cases, the closures were a form of suburban gentrification. While laws adopted in 2007 by the Oregon Legislature and changes in the housing market have forestalled additional closures in the County since and just about eliminated them statewide, a few closures for redevelopment are occurring in the Portland Metro area. In addition, some homeowners in the Metro region have faced displacement due to rising rents for spaces in their manufactured housing communities.

Section 1: Data Findings

1.1: Washington County has 42 manufactured housing communities (MHCs) with 4,000 to 4,500 spaces for homes.

1.2: Nearly half (45%) the manufactured homes in MHCs countywide are in unincorporated Washington County and just over half are in cities.

1.3: Manufactured housing communities (MHCs) provide a significant portion of Washington County's lower-cost housing and are likely one of the County's largest sources of unsubsidized affordable housing.

1.4: The "average" manufactured home in an MHC in the County is a 38-year-old doublewide.

1.5: MHCs primarily serve two population groups: older adults and younger family households, both of whom are seeking independence and lower-cost single family home ownership. Within the region, manufactured housing

residents are more likely to identify as White for race and Latinx for ethnicity than households overall. They are more likely to be disabled.

1.6: Manufactured homes have an inherent value to the people who own them. A family or individual with a modest income can own a manufactured home while keeping monthly expenses affordable. It is their housing of choice; many prefer it to other options available to them.

1.7: The industry has a range of MHC owner types. It has changed over time.

1.8: While Washington County does have a variety of MHC owners, ownership is relatively concentrated among a handful of investors. The investment goals and choices these five owners have an outsized impact on this housing segment.

Section 2: Risk Analysis Findings

2.1. During the real estate boom of 2001-2007, fifteen MHCs closed in Washington County, displacing approximately 1,100 households.

2.2. Beginning in 2007, the Oregon Legislature adopted measures to assist residents displaced by a closure.

2.3. Divided asset ownership drives the inherent vulnerability of residents to displacement, but it also contributes to the affordability of MHCs.

2.4. Washington County faces two primary forms of displacement involving MHCs: a) closure and redevelopment of entire MHCs, and b) individual displacement due to rent increases that residents cannot afford.

2.5: Displacement of individual homeowners through rent increases and other means is occurring now in Washington County.

2.6: Displacement through MHC closures has not occurred in Washington County since 2007.

2.7: Closure of MHCs for redevelopment may not be imminent, but the likelihood of closure is expected to increase over time as land values increase and MHC infrastructure ages. Two main factors affect the likelihood of future closures: the profitability of redevelopment, and the investment goals and personal preferences of the MHC owner. A third potential factor is deteriorated MHC infrastructure due to lack of maintenance and investment.

2.8: Washington County has a variety of MHC owners, and, broadly speaking, investment goals may vary somewhat by investor type. Ultimately, the choice to redevelop is an individual decision affected by the personal preferences of the owner.

2.9: The impacts of displacement can be devastating financially and psychologically for individuals. Park closures also reduce the quantity of the County's lower-cost housing stock and increase the demand for subsidized housing.

At the December meeting, Andree will present part 2 which includes eleven potential actions in four strategy areas that could help address the stability of this segment of the County's lower cost housing market.

The PAB discussed things cities have done to preserve these communities and discussed opportunities for potential interventions and policies to help homeowners and tenants in these manufactured home communities.

Jennie discussed the County's Housing Production Opportunity Fund. It was originally approved in 2016 for \$300,000 for the first few years and is now for \$4 million with a projection out for 5 years. The OCD and the Housing Authority created an allocation plan for this funding: \$2.5 million to multi-family rental, \$1 million to homeownership, and \$500,000 for special needs housing (such as manufactured home communities that are interested in resident-owned cooperatives).

4. UPDATE ON FY22/23 CDBG AND HOME APPLICATIONS

Ann reviewed the applications received and application cycle timelines for CDBG and HOME FY22/23.

On October 8, 2021, applications were due for CDBG and HOME assistance for the 2022-2023 funding cycle. Staff received a total of eight CDBG applications and three HOME development applications.

A current review of the applications indicates that the sponsors requested a total of \$905,000 in CDBG funds and total of \$3,000,000 in HOME funds. The following is a breakdown, by category, of the number of requests received and the total amount of federal funds requested. These do not include set-asides.

Funding Source	Program Category	Applications submitted	Total amount of CDBG funds requested
CDBG	Infrastructure Improvements	1	\$475,000
CDBG	Public Facilities	1	\$250,000

CDBG	Public Services	6*	\$180,000
		CDBG Subtotal	\$905,000
HOME	Housing Development	3*	\$3,000,000

The three HOME applications are:

- BRIDGE Housing Corporation – Belleau Woods (\$600,000)
- Community Partners for Affordable Housing, Inc. – Woodland Hearth (\$1,200,000)
- REACH Community Development, Inc. – Dartmoth Crossing (\$1,200,000)

The six CDBG Public Services applications are (each for \$30,000):

- CASA for Children, Inc. – Crucial Advocacy for Washington County Children in Foster Care
- Ecumenical Ministries of Oregon – Second Home
- Family Promise of Tualatin Valley – Housing Case Management Services
- Good Neighbor Center – Expanded Childcare/Preschool Programming and Subsidy
- Project Homeless Connect – PHC Day Center
- St. Vincent de Paul, Tigard Conference – Rent and Utility Assistance

The one CDBG Infrastructure application is:

- City of Cornelius – South 12th Ave Pedestrian Corridor (\$475,000)

The one CDBG Facilities application is:

- Just Compassion of East Washington County – Campus Development (\$250,000)

The timelines for the 2022-2023 were reviewed:

Action	Due Date
CDBG Application Proposal Workshop HOME Application Proposal Workshop	August 25, 2021 August 26, 2021
Letter of Intent Due (CDBG only)	September 17, 2021
Application Proposals Due	October 8, 2021
Staff Evaluations Completed & Distributed	January 13, 2022
Sponsor Presentations	January 27, 2022

Policy Advisory Board (PAB) Rates Applications	January 30, 2022
PAB Approves List of Projects	February 10, 2022
PAB Approves Draft Action Plan	April 14, 2022
Board of Commissioners Approves Action Plan	May 3, 2022
Projects Funded – Program Year Begins	July 1, 2022

Staff requested that PAB members mark these very important dates on their calendars and requested that they designate one representative from their jurisdiction to be in attendance for all the planned meetings or activities.

5. MISCELLANEOUS AND ANNOUNCEMENTS

The next PAB meeting will be on December 9th.

Chair Stephanie Jones adjourned the meeting at 8:26 pm.