

Freddie Mac's Workforce Home Benefit

On the heels of the April Workforce Housing Summit, plans are being laid for a mini-workshop on Freddie Mac's award winning program Workforce Home Benefit an employer assisted homeownership initiative. Through Workforce Home Benefit, business can provide a valued benefit to their employees while reaping rewards for their business at the same time.

Across the nation, employer assisted homeownership benefits have proven to be highly successful for large and small employers. Employers offering such programs to their employees find that the benefits far outweigh the costs. Benefits to businesses include:

- * Improved Employer of Choice Reputation
- * Increased Recruiting Abilities
- * Higher Retention
- * Improved Employee Dependability
- * Enhanced Community Commitment

It is anticipated that the workshop will be held this summer. For more details contact Nikki Lucas at the Mid Columbia Housing Resource Center 541.296.5462 or e mail Nikki@midcolumbiahousingcenter.org

New Market Tax Credits will be explored.

In 2000, Congress created New Markets Tax Credits to spur investment in businesses and non-profits located in Low-Income Communities. The credit is earned over a seven year period and is equal to 5% of the investment amount in years one through three and 6% in years four through seven. The credit is equal to 39% of the investment amount over the seven years with a net present value of approximately 30%.

Credits are awarded annually by the CDFI fund, a section of the United State Treasury Department, via a competitive application process. There are generally two types of applicants those applying for credits for their own development projects or those who are applying for credits in order to establish a program that other individuals and businesses can access for capital such as the Enterprise Social Investment Corporation.

Because of the interest in the New Market Tax Credits among some Workforce Summit Attendees, the Mid Columbia Housing Authority/Columbia Cascade Housing Corporation and the Mid Columbia Council of Governments will be sponsoring a mini Workshop to see if New Market Tax Credits can work for us. If you are interested please contact Ruby Mason.



A newsletter of the Mid-Columbia Housing Authority & Columbia Cascade Housing Corporation

Spring/Summer 2007

Directors Cut Follow-Up on the Workforce Housing Summit

The April workforce housing summit was the result of collaboration between local government, business and non-profit organizations who shared a common vision that our community's current and future must have access to affordable housing. Now that the summit is over, our work in helping improve access to affordable housing for our workers has just begun.

The Mid Columbia Housing Authority, Columbia Cascade Housing Corporation and its subsidiary the Mid Columbia Housing Resource Center along with HOPE of Hood River, Mid Columbia Council of Governments and other community partners will assume a post summit role of:

- * Documenting and distributing the results of the afternoon's work sessions to participants and interested parties.
- * Organizing a Housing Coalition composed of interested community members who will act as advocates for workforce housing initiatives.
- * Increasing public awareness through education, media and strategic workshops
- * Providing a home for the coordination of continuing activities to promote the concept of a multi-sector approach to work force housing, and
- * Facilitating the process of generating the regions further refinements and additions to a comprehensive set of regional workforce housing strategies.

To accomplish its goals, the Mid Columbia Housing Authority/Columbia Cascade Housing Corporation/Mid Columbia Housing Resource Center and HOPE of Hood River will be working with individuals and organizations across the region. The participants in the summit who indicate an interest in assuming an active role in the issue of workforce housing will have a real opportunity to directly influence how effective the Columbia Gorge region will be in years to come.

Echoing Representative Walden's remarks "workforce housing is a problem that can be solved when bright people bring their best thinking and creativity to find solutions." We are bright, we have rolled up our sleeves, together we will work to find solutions to address one of the most serious obstacles to living the American dream and sustaining a viable economy".

Ruby Mason
Executive Director

Summit Tackles Affordable Workforce Housing Gap

More than 200 developers, government officials, business people, policy makers, and representatives from nonprofit groups put their collective heads together to identify the most promising strategies for tackling the Columbia Gorge's workforce housing crisis.

The diverse groups gathered on April 6th at the Best Western Hood River Inn for the regions first Workforce Housing Summit.

The event was organized in recognition of the fact that housing prices are escalating at a much greater pace than wages. It is no longer just low income residents that can afford housing. "Workforce housing" is intended to bridge the gap for low, middle and even higher income residents who earn too much to qualify for affordable housing subsidies but not enough to rent or buy a home, according to event coordinators.

Special Thanks

To the Sponsors

The Workforce Housing Summit would not have been possible without the support of the following organizations: Oregon Housing and Community Services, Griffith Motors, NEF, Freddie Mac, UBS, Washington Mutual, Windermere, Port of Hood River, Wells Fargo, Columbia River Bank, City of Hood River, Sherman County, Skamania County, Wasco County, Hood River County, Bicoastal Media, Q104, Hood River News and The Dalles Chronicle.



"Rising home prices locally, have clearly outpriced wage growth and is one of the most serious obstacles to living the American Dream."

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The day long event was structured to accomplish several things:

- * Create an awareness and consistency of understanding among attendees about the increasing inability of the region to provide affordable workforce housing as an essential component of a strong economy.
- * Allow attendees to hear case studies from a panel of major regional employers about the impacts of a lack of workforce housing.
- * Expose attendees to examples from other areas of programs and strategies that have proven effective in improving the affordability and availability of workforce housing.
- * Allow attendees to discuss, prioritize and refine a collection of workforce strategies gathered as a result of extensive research by the planning group and to gather any additional ideas from the workgroups of attendees.

While Hood River and Skamania have long been recognized as having high housing process in the Gorge with average house sales process averaging \$271,000 in Hood River and \$215,000 in Skamania County, average home prices at \$162,000 in Wasco and \$179,000 in Klickitat County are not far behind.

Looking state wide, home prices have appreciated at rates which rank Oregon as the 5th fastest in the U.S. Over just the last five years, Oregon's average home prices rose by 68.9%. However, during the same period, Oregon's average wage per job increased by just 15.6%. In fact, in much of Oregon the average median home prices equals close to 10 years worth of average gross household earnings, compared with nationwide average of homes equaling 5 years of average earnings.

Renters aren't any better off. In 2005, 48% of renters in Oregon paid 30% or more of their household income toward rent, while 25% paid 50% or more for rent, higher than the U.S. Average.

US Representative Walden addresses summit

Keynote speaker, U.S. Representative Greg Walden, said that workforce housing is a growing issue that affects much of Oregon and much of the nation as well as communities

in the Columbia Gorge. Citing state and national statistics, Representative Walden noted that "rising home prices locally have clearly outpaced wage growth" and "is one of the most serious obstacles to living the American Dream".

Representative Walden praised the community for "rolling up its sleeves and taking big problems" such as workforce housing. He said that communities must be proactive in generating solutions and collaborating with business and community groups to establish and carry out initiatives that work best for communities. "That's exactly what's happening here and you should be congratulated for taking an important step."

Representative Walden concluded his remarks by saying that "the important thing to remember is that workforce housing is a problem that can be solved when bright people bring their best thinking and creativity to find solutions. You are here, you are bright, and you have rolled up your sleeves to address one of the most serious obstacles to living the American dream and sustaining a viable economy".



The Presentations:

Following U.S. Representative Greg Walden's opening remarks, three panels tackled the issue of work force housing from three vantage points, Why workforce housing matters; What local Employers Think and What are the innovations in workforce housing. In a nut shell, here are the observations from each panel:

Why Does Workforce Housing Matter?

Moderated by Dan Spatz of the Columbia Gorge Community College, the panel of Bob Francis, Hood River City Manager, Sherry Kaseberg, Sherman County Commissioner, Paul Pearce Skamania County Commissioner, Dennis Ross, City of Maupin Mayor, David Sauter, Klickitat County Commissioner and Robb Van Cleave, City of The Dalles Mayor painted a compassionate picture of the impact on their respective communities when people can't afford to live where they work:

- * Economic development is impeded because businesses have difficulty in recruiting new employees or retaining existing employees. Also, new businesses are reluctant to relocate to the area.
- * Public safety and education are jeopardized because of the difficulty in recruiting or retaining teachers, health care professionals, police and fire personnel.
- * Safety personnel, such as police and fire, living out of the area experience an increased response time to emergencies or to provide back up in a disaster.
- * Decreased civic and community engagement

Local Employer Perspectives

Moderated by Laura Comini, Executive Director of The Dalles Area Chamber of Commerce, the panel of Ken Bailey, Owner/Operator Orchard View Farms, Dr. Pat Evenson-Brady, Superintendent Hood River School District, Cathy Bourgault, Director Human Resources for Providence Hood River Memorial Hospital, Chuck Hinman, General Manager Best Western Hood River Inn and Janet Smith, Director Human Resources, Skamania Lodge each had a different experience of the availability of workforce housing for their particular businesses. However, panelists agreed on the importance and potential impact for the lack of workforce housing.

The lack of affordable housing and resulting high housing costs will be ultimately responsible for a slowdown in the economy or will cause or contribute to labor shortages by acting as a brake on in-migration of new employees while spurring out-migration of both workers and employers

Innovations in Workforce Housing

Moderated by Jill Arens, Executive Director of the Gorge Commission, the panelists of Kate Allen, Executive Director of Enterprise's Portland Office, Kurt Creager, Senior Vice President, CDK Partners, Samantha DeKoven, Metropolitan Planning Commission, Chicago, Ill and Terry McDonald, Executive Director, St. Vincent DePaul Society, Eugene, Oregon provided a snapshot of Innovations in Workforce Housing. Some of the innovations noted include:

- * Community Land Trusts
- * Equity Cooperatives
- * Mutual Housing Associations
- * Employer Assisted Housing

Workgroup Results

Following the morning presentations, attendees attended one of four workgroups of their choice:

- * How Can We Improve Access and Affordability? Strategies for housing providers, land holders, realtors



and builders to increase housing affordability and accessibility.

- * What Can the Public Sector Do? Additions, changes or refinements to regulations impacting the cost and availability of land and housing, the timeliness of development and the location, mix and determination of housing types.
- * What Can Employers Do? Employer driven strategies to assist employees with housing either by affecting wages and benefits, assisting with the lending process, or by the direct provision of land and or housing
- * What Can Be Done on the Money Side? Strategies to improve effectiveness and availability of funding sources for development, ownership of workforce housing.

Summit Planning Committee:

Ruby Mason, Executive Director Mid Columbia Housing & Columbia Cascade Housing Corp. Co-Chair	Kim Manie-Oskoi, Regional Advisor Oregon Housing and Community Services
John Arens, Executive Director Mid Columbia Council of Governments Co-Chair	Scott McKay, Director Mid Columbia Senior Center
James Arp, Providence Hood River Memorial Hospital	Paul Pearce, Skamania County Commissioner
Ruth Chausse, President Mid Columbia Association of Realtors	Craig Schmidt, Hood River County Chamber of Commerce
John Hutchison, Mid Columbia Housing Resource Center	Link Shadley, Mid-Columbia Economic Development District
	Cindy Walbridge City of Hood River

Our Mission

The Mission of the Mid-Columbia Housing Authority/Columbia Gorge Housing Authority is to "provide adequate and affordable housing, economic opportunity and a suitable living environment, free from discrimination to those who find barriers due to disability, special needs or income".



SUMMARY WORKGROUP RESULTS

Workgroup Results:

How Can We Improve Access & Affordability

Facilitated by Ruth Chausee President of the Mid-Columbia Realtors Association and Richard Sassara of HOPE, popular strategies of this workgroup identified the need for:

- * Community (s)to assume and maintain ownership of land used for affordable housing, commonly referred to as a Community Land Trust
- * Increasing the visibility of existing housing programs that encourage low and moderate first time home buyers.
- * Conducting a comprehensive needs assessment on workforce housing demands prior to developing region wide public programs
- * Increase the supply of land through redevelopment of industrial and commercial properties. Target public sector purchase of rural lands and the donation of publicly owned lands.
- * Increase the adaptability of new homes by designing flexible, adaptable, and or unpartitioned spaces to accommodate changing space needs. (unfinished basement or attic. Also referred to as Flex-Housing.)
- * Facilitate shared housing or the occupancy of a dwelling unit by two or more unrelated individuals sharing kitchen, bath, living and dining space.
- * Increase the use of standard and modular dimensions, prefabrication of housing components and standard plans.
- * Encourage non profit organizations to develop homes, retain ownership and rent them out.
- * Increase emphasis on infill construction, the development that makes use of vacant or underutilized land and buildings.
- * Promote the use of “Equity Cooperatives” where residents contribute equity in exchange for shares that entitle them to occupy one of the units and use the common amenities.

Workgroup Results:

What Can Employers Do?

Facilitated by Bob Francis, City of Hood River Manager and Link Shadley, Project Manager, Mid Columbia Economic Development, popular employer strategies identified by this workgroup included:

- * Survey employees to determine which programs of employer assisted housing might be most effective (e.g., down payment assistance, closing cost assistance, etc)
- * Promote Homebuyer and financial literacy education classes
- * Individual DevelopmentAccounts
- * Participate in group mortgage orientation plan where lender voluntarily reduces mortgage interest rates, closing points, and/or application fees in return for a bulk mortgage lending commitment or some other expectation of a certain level of mortgage lending activity.
- * Purchase and/or develop housing to sell to employees at below market rates.
- * Provide Down payment loans and/or closing cost assistance for employees
- * Guarantee all or a portion of a mortgage
- * Subsidize mortgage interest rate such as paying multiple points at the time of closing.
- * Request that mortgage revenue bonds (commonly issued by local and state agencies and some private real estate lenders) issue taxable bonds paying below a market rate, which the employer would purchase.

Workgroup Results:

What Can the Public Sector Do?

Facilitated by Cindy Walbridge, Senior Planner City of Hood River, Ruby Mason, Executive Director Mid Columbia Housing Authority/Columbia Cascade Housing Corporation and Dottie DeVaney, the most popular strategies for the public sector to do included:

- * Develop Land Banking
- * Better coordination and uniformity among jurisdictions on land use ordinances
- * Increase tax rate on 2nd owner occupied homes
- * Increased tax rate on “McMansions”
- * Encouraging higher density development in employment centers with areas in immediate proximity to jobs
- * Preferential expansion of urban growth boundary for the creation of workforce housing
- * Mandatory link between the construction of market rate housing and low and moderate income housing (Also called Inclusionary zoning)
- * Establish regulations that encourage (especially in terms of cost reductions) the rehabilitation of existing housing
- * Increase zoning for more multi-family development at medium and high densities
- * Collect a fee from the transfer of title for real property (Also referred to as a Real Estate Transfer Fee)
- * Voluntary agreements between cities and landowners to dedicate a certain portion of developable land to affordable housing as a condition for annexation into the city or inclusion into the urban growth boundary.

Workgroup Results:

What can be done on the Money Side?

Facilitated by John Hutchison of the Mid Columbia Housing Resource Center and Kim Manie-Oskii of the Central Oregon Housing Authority the most popular strategies on the money side included:

- * Use New Market Tax Credits as a funding source for non-residential (economic development) portions of mixed-use development, thereby making a development with affordable housing more feasible.
- * Support efforts to increase the regional housing trust fund that may receive and distribute dedicated sources of public funds toward development, rehabilitation and preservation of affordable housing units.
- * Increase mortgages options from 15 and 30 years to 50 or 60 years.
- * Increase loan financing options through local banks
- * Increase use of Historic Rehabilitation Tax Credit that encourages the preservation and reuse of the nation’s built environment by offering federal tax credits to owners of historic properties

- * Tax all demolitions or only on the demolition of residential housing with proceeds directed toward a housing trust fund.
- * Assess a fee on commercial/residential development (including office, retail and hotel space) which is paid into an affordable housing fund.
- * Promote federal housing tax credits that are awarded to projects for acquisition, rehabilitation or new construction of rental properties.
- * Promote and expand tax free saving accounts (called Individual Development Accounts) to be used for first time homeowner costs, including the costs of acquiring, construction or reconstruction a residence and any regular settlement, financing or closing costs.

Tools and Resources:

Future Directions for

Oregon and Washington

Bob Gillespie of Oregon Housing and Community Services, Bob Repine, Oregon Economic Development and Kim Herman of the Washington State Financing Commission outlined current and planned programs and initiatives to address the problem of work force housing. Among the programs discussed were:

- * Existing state programs to help low to moderate income first time homebuyers.
- * Low income tax credit programs
- * Tax exempt bond financing for affordable housing

