



Oregon Solutions - Gilliam County Attainable Housing Declaration of Cooperation

Co-Conveners: K'Lynn Lane and Julius Courtney

Introduction & Project Snapshot

Gilliam County, consisting of the incorporated cities of Arlington, Condon, Lonerock and surrounding area, is located approximately 2 hours east of Portland. The total population is 1,859 people as of July 2015 (approximately 586 in Arlington, 682 in Condon and 22 in Lone Rock). The community faces an interconnected housing/jobs challenge which threatens its long term survival, like many communities in rural Oregon. Current residents desire Gilliam County to grow by bringing new jobs and businesses into the area, increasing the number of workers and families. However, the housing market has not kept up with job growth resulting in a workforce that is 1) commuting from other areas, 2) living in housing that does not meet their needs, or 3) not relocating to the county despite job offers or existing jobs that can be done anywhere. In a small population community, every family, every student in school, and every job counts to support long term survival.

Available housing to rent or purchase is strongly needed. More space, affordability, and a house in better condition were the top three criteria for those who might be considering moving when looking for a new home or apartment, as indicated by an online consultation conducted by Oregon's Kitchen Table (OKT) in June/July 2017. The OKT consultation questions and results are available online at: www.oregonskitchentable.org/results.

Oregon Solutions

Oregon Solutions (OS) is a program of the National Policy Consensus Center at Portland State University. The mission of Oregon Solutions is to develop solutions to community based problems that support sustainable objectives for the economy, the community and the environment and are built through the collaborative efforts of citizens, businesses, government and non-profit organizations. The OS approach integrates and makes efficient use of public and private investments, elevates the visibility of the project and engages communities in creating solutions. The process provides a neutral forum-a place where various interests and stakeholders can come together as parties in a "Project Team," in a manner that is more neutral than a meeting sponsored or hosted by one of the parties at the table.

Through the Oregon Solutions process, collaboration among parties on the Project Team increases and evolves. The intent is to foster and facilitate agreements amongst the parties about which

potential actions, or suite of potential actions, may be taken to cumulatively lead to successful project outcomes, including identifying who may be appropriate to take specific actions, how and when. This collaborative work product is documented at the end of the OS process in the Declaration of Cooperation (DoC). The DoC, including the stakeholder commitments, is considered to be a "living" document that may evolve with the opportunities for parties to amend by unanimous consent from time to time, to represent changing situations often found during project development, until project completion or until suspended by mutual agreement.

Housing Demographics

Based on statistical demographic data compiled by the Port of Arlington, between 2011 and 2015, there were a total of 833 households consisting of 1,864 people living in single-family homes, 279 people living alone (either in apartments or single-family homes), and 19 people living in group quarters. The total number of housing units in 2015 was 1,154, with 879 occupied between 2010 and 2014. There were 0 building permits for new construction in 2015. A considerable number of unoccupied units are either dilapidated or second homes.

Economy & Employment

Gilliam County is in the heart of the Columbia River Plateau wheat growing region. The economy is based on agriculture - wheat, and beef cattle are the principal products. Farm properties are large, with an average farm size of about 4,200 acres. The largest employers in the county are Waste Management, operating the Columbia Ridge Landfill, and the numerous wind farms.

By levying a host fee of \$2.10 a ton, Gilliam County receives enough money to pay a "Homestead" rebate on the first \$500 of the property tax bills of its inhabitants. This host fee and rebate amount covers the full property tax bill for approximately 7% of county inhabitants, as well as funding other county projects. The County recently paid off its last remaining public debt.

The total number of people employed in 2014 was 793, with a median household income (as of 2015) of \$44,290 and a mean household income \$56,576.

Housing Needs

Working families that earn too much to qualify for affordable housing programs, like USDA direct loan program, are renting submarket-rate housing when they'd prefer to either rent or purchase market-rate housing. Or, they are unable to find any suitable housing and are commuting from outside the County or turning down job offers. Lack of available homes/rentals, cost to purchase and condition of available homes made up the top three reasons for what was preventing people from moving. Members of the community agree Gilliam County needs a variety of housing options that it currently does not have, including rentals such as duplexes, apartments, and single-family homes. Based on the OKT consultation, of those that said that they would like to move, when asked what kind of housing they would be looking for, 41% selected "Single Family Home" and 12% selected "Ranchette." Participants were fairly evenly divided in terms of how much they would be willing to spend to purchase a

home for \$200,000 or less. Similarly very few respondents were willing to pay more than \$900 per month for rent. Rents are significantly lower than urban markets and some of this is due to an aging housing inventory.

The rural market is smaller and developers typically have additional transportation cost for sub-contractors and supply deliveries which come from at least 50 miles away in Hermiston or the Dalles.

Oregon Solutions Process

In late October 2016 Governor Brown's Regional Solutions staff attended a meeting of local people in Gilliam County who wanted to improve workforce housing in Gilliam County and suggested an Oregon Solutions process. The group contacted Oregon Solutions, an assessment was conducted and Governor Brown signed the letter designating the Gilliam Attainable Housing effort an Oregon Solutions project in February 2017. She selected Julius Courtney and K'Lynn Lane to serve as Co-conveners.

The charge to the Project Team from Governor Kate Brown's Oregon Solutions designation letter says (in part),

"the co-conveners will lead a team of stakeholders and community members to work collaboratively to collect and analyze data, develop housing strategies, solicit public feedback, and identify implementation tools. The aim is to improve the existing housing stock and also to increase new construction starts in Gilliam County...I expect this project team will explore a variety of strategies including some form of a public-private partnership."

A project team was assembled and the kickoff meeting was in March. We have met a total of seven times. Private sector participation on the Project Team has been strong. The project team participants include:

Public sector

- City of Arlington
- City of Condon
- Gilliam County
- Governor's Regional Solutions staff
- Port of Arlington
- State Housing & Community Service

Non-Profit sector

- Arlington Chamber of Commerce
- Columbia Hills Manor
- Condon Chamber of Commerce
- Pioneer Community Development Corporation

Private sector

- Bank of Eastern Oregon
- China Creek Properties
- Mission Construction
- Pillar Consulting
- Radar Holdings Inc.
- Tatone-Smith Real Estate
- Vernon Grey Design
- Waste Management
- Several local landlords

A complete participant list is in Appendix A.

Solutions Moving Forward

Based on what was learned during the assessment phase, the Oregon Solutions Project Team looked for ways to mitigate risk and/or create incentives to trigger private sector activity to build new housing and rentals and also to improve existing structures. It was also clear that some kind of public-private partnership would be needed to provide those incentives. The Project Team originally generated a list of more than 50 potential solutions and strategies. This has been winnowed down to 9 potential solutions sorted into three tiers.

Top Tier

1. Financial incentives to build, or move into, single family and/or multi-family options
2. Working with property owners to renovate and repair rentals
3. Working with property owners to demolish dilapidated homes and trailers, (includes abating asbestos)

2nd Tier

4. Creating a revolving loan fund
5. Grants to extend utilities (water, sewer, streets, internet fiber, phone etc.)
6. Landlord toolkit

3rd Tier

7. Relaxing system development charges and hook-up fees
8. What would it cost to provide infrastructure to vacant lots in Condon
9. Develop city owned lots in Condon and Arlington

The top five solutions involve a public-private partnership between Pioneer Community Development Corporation (PCDC) and all levels of local government.

Landlord Toolkit Created

Several Project Team members are long-time local landlords. They created a 48 page "Landlord Toolkit." The goal is to make it easier for other local property owners to make the decision to rent out their existing vacant properties. The Toolkit is a practical "how to" document with several sections including preparing the property, screening prospective tenants, rental agreements, ongoing management, etc. Please contact Lori Anderson for questions about, or to receive a copy of the Toolkit (contact information can be found in Appendix A).

Public-Private Partnership to Oversee Incentive Fund

The Project Team is recommending that Pioneer Community Development Corporation (PCDC) partners with Gilliam County to offer a variety of incentive programs for attainable workforce housing. Gilliam County would provide **\$1,250,000** of funding to Pioneer Community Development Corporation. This will be a mix of revolving loans and grants. **This would be sent in 3 separate County fiscal year payments to PCDC: one half in Fiscal Year 2017, one quarter in Fiscal Year 2018.** PCDC would manage and administer the incentive fund. PCDC would adopt policies based on recommendations from the Oregon Solutions Project Team. These policies

would be developed in consultation with the County Court to determine appropriate allocation of funds to the private sector. PCDC would also be responsible for administration, accounting and tracking of financial payments and repayments.

The incentives are intended to stimulate the following four types of activities:

- New single family construction
- New multi-family construction
- Renovate and/or repair existing homes to be offered for resale or as new rental inventory (Builders, developers and contractors would buy an existing home and renovate it and then rent it out. Tenants could choose to “rent to own.” PCDC could be in first position or second position on the loan.)
- Demolishing dilapidated homes and trailers, asbestos and lead based paint mitigation, and utility extension

Based on local private sector feedback, it is clear that the most useful incentive to offer builders and developers would be low interest construction loans not to exceed 18 months. Homeowner applicants must pre-qualify for a permanent mortgage loan equal to or greater than the total amount of the construction loan before any construction work can begin.

Cash grants would also be available to prepare lots for development. This could include demolition of existing dilapidated homes and trailers, asbestos and lead based paint mitigation, and utility extension.

Allocation Framework of Incentive Funds

We recognize that the local housing situation and private sector capacity may vary significantly from year to year. So, we avoid selecting hard target allocation amounts and instead favor flexibility. We recommend that for the 2017, 2018 and 2019 fiscal years that the following be used:

- The incentive funds are flexible and may be allocated by the PCDC Board within any of the four programs: (1) New single family construction, (2) New multi-family construction, (3) Renovate and/or repair existing homes to be offered for resale or as new rental inventory, (4) Demolishing dilapidated homes and trailers, asbestos and lead based paint mitigation, and utility extension. They may also be used for emerging new priorities as determined by the PCDC Board in consultation with the County Court.
- At least 50% of the funds will be available to local builders, developers and contractors. Local is prioritized as businesses in Gilliam County first, and then businesses from Oregon counties adjacent to Gilliam (Morrow, Sherman and Wheeler.) Then everyone else.
- Up to 10% of funds may be dedicated to increasing PCDC staffing FTEs to ensure proper program development, implementation, incentive recipient oversight and administration.

Guiding Principles

The Project team agreed that the incentive programs are guided by the following principles:

- Collaboration and partnership are required to stimulate private sector activity.
- Improve the quantity and quality of attainable housing in Gilliam County in the short term and long term.
- Flexibility is necessary because the local housing situation and private sector capacity to do work can vary from year to year.
- Program incentives should be available with priority given to local builders, developers and contractors.
- However, we acknowledge there are not enough local builders and contractors to solve the problem. Meaning, we also need to attract builders, developers and contractors from outside the community to do work in Gilliam County.
- These incentive funds are NOT intended for outsiders to engage in large scale “speculation” and tie up significant numbers of rentals, lots or houses.
- Housing challenges and solutions can look different in the north and south ends of Gilliam County. While an exact 50-50 distribution is extremely unlikely given the many variables involved with housing projects, we intend for incentive funds to be reasonably divided between north and south ends of the County.
- Transparency is critical.
- Accountability is needed both to the public and also among the collaborative partners who will sign the Oregon Solutions Declaration of Cooperation. PCDC will make quarterly reports to the County Court. These reports will include a fiscal accounting shortly after the June 30th end of the fiscal year.

Commitments

The goals and aspirations represented in the following pages form a public statement of intent to participate in the project, to strive to identify opportunities and solutions whenever possible, to contribute assistance and support within resource limits, and to collaborate with other team members to cooperatively address the workforce housing situation in Gilliam County.

Team members acknowledge that the best solutions depend upon the cooperation by all entities at the table. Accordingly, they recognize that each party has a unique perspective and contribution to make and legitimize interests that need to be taken into account for the project's success.

The Oregon Solutions process and the Declaration of Cooperation represent the goals and aspirations of the stakeholders which participated in the Oregon Solutions process for the Gilliam Attainable Housing Project. These goals and aspirations are necessary to maintain the involvement of the project stakeholders, provide a mechanism for each stakeholder to continue to actively participate and serve as a roadmap to guide us towards success.

This Declaration of Cooperation, while not a binding legal contract, is evidence to, and a statement of, the good faith and commitment of the undersigned parties. The undersigned parties to this Declaration of Cooperation have, through a collaborative process, agreed and pledged their cooperation to the following actions:

Oregon Solutions

Oregon Solutions was tasked by the Governor to assist the co-conveners in managing this project team and providing a neutral forum in which team members could work productively together.

Oregon Solutions commits to the following:

- Highlight this Coalition on the Oregon Solutions website and in other promotional materials.
- Take the lead in re-convening the project team within the first year anniversary of the signing of this Declaration.
- Co-convener K'lynn Lane agrees to lead the Oregon Solutions re-convening meeting in about one year.
- Co-convener Julius Courtney agrees to lead the Oregon Solutions re-convening meeting in about one year.
- Julius Courtney, as a PCDC board member assist in creation of policies and procedures to implement the incentive program.


K'lynn Lane
Co-convener

Date 1-23-2018


Julius Courtney
Co-convener

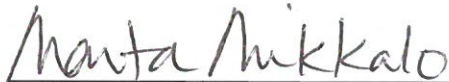
Date 1/23/18

Laurel Singer
Oregon Solutions Acting Director

Date _____

Arlington Chamber of Commerce

- Supports the creation of a public – private partnership between Gilliam County and Pioneer Community Development Corporation, in which the County funds a housing incentive program that is managed and administered by PCDC.

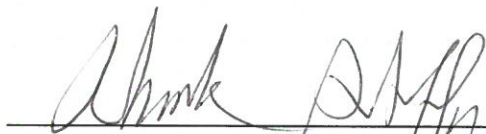


Marta Mikkalo, President
Arlington Chamber of Commerce

Date 1-23-18

Bank of Eastern Oregon Supports the creation of a public – private partnership between Gilliam County and Pioneer Community Development Corporation, in which the County funds a housing incentive program that is managed and administered by PCDC.

- Rhonda Shaffer, as a PCDC board member assist in creation of policies and procedures to implement the incentive program.



Rhonda Shaffer, VP Consumer Lending Manager
Bank of Eastern Oregon

Date 1-23-18

China Creek Properties

- Supports the creation of a public – private partnership between Gilliam County and Pioneer Community Development Corporation (PCDC), in which the County funds a housing incentive program that is managed and administered by PCDC.
- The incentive framework of construction loans and grants recommended by the Oregon Solutions project team is attractive and it is likely that I will apply to use these incentives.

Charles Burdick, China Creek Properties board member

Date _____

Jennifer Burdick, China Creek Properties board member

Date _____

China Creek Properties

1 message

Rachel Weinstein <rachel.weinstein@co.gilliam.or.us>
To: Julius Courtney <laylapuppy28@gmail.com>

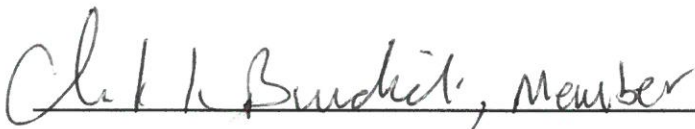
Wed, Jan 10, 2018 at 12:18 PM

Julius,

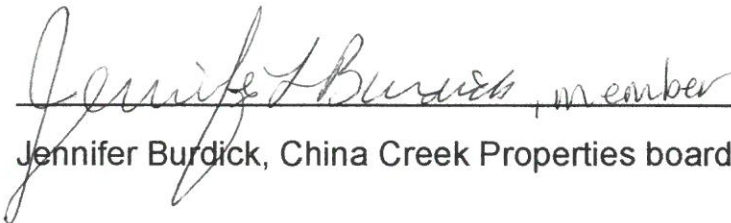
Below is the language in the DOC for China Creek:

China Creek Properties APPROVED

- Supports the creation of a public – private partnership between Gilliam County and Pioneer Community Development Corporation (PCDC), in which the County funds a housing incentive program that is managed and administered by PCDC.
- The incentive framework of construction loans and grants recommended by the Oregon Solutions project team is attractive and it is likely that I will apply to use these incentives.



Charles Burdick, China Creek Properties board member

Date 1/13/18

Jennifer Burdick, China Creek Properties board member

Date 1-13-18

Darrel Potter, China Creek Properties board member

Date 1-13-18

Jeanette Potter, China Creek Properties board member

Date 1-13-18

Darrel Potter member
Darrel Potter, China Creek Properties board member

Date 1-23-18

Jeanette Potter, Member
Jeanette Potter, China Creek Properties board member

Date 1-23-18

City of Arlington

- Supports the creation of a public – private partnership between Gilliam County and Pioneer Community Development Corporation, in which the County funds a housing incentive program that is managed and administered by PCDC.
- City Council will review progress through annual reports.

Jeff Bufton, Mayor
City of Arlington

Date _____

City of Condon

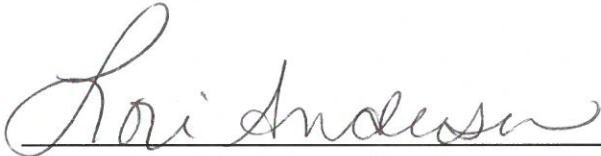
- Supports the creation of a public – private partnership between Gilliam County and Pioneer Community Development Corporation, in which the County funds a housing incentive program that is managed and administered by PCDC.
- City Council will review progress through annual reports.

Jim Hassing
Jim Hassing, Mayor
City of Condon

Date 1-23-18

Columbia Basin Electric Co-op (CBE)

- Supports the creation of a public – private partnership between Gilliam County and Pioneer Community Development Corporation, in which the County funds a housing incentive program that is managed and administered by PCDC.



Lori Anderson, Board Member
Columbia Basin Electric Co-op

Date 1-23-18

Columbia Hills Manor

- Supports the creation of a public – private partnership between Gilliam County and Pioneer Community Development Corporation, in which the County funds a housing incentive program that is managed and administered by PCDC.
- Serve on Outreach Committee: (1) Assist to identify property owners interested in asbestos removal and demolition of dilapidated homes. (2) Assist connecting with property owners who have already indicated they are interested to rehabilitate or build on property they own in Gilliam County. ???



Nancy Proctor, Director
Columbia Hills Manor

Date 1/23/2018

Columbia Ridge Landfill - Waste Management

- Supports the creation of a public – private partnership between Gilliam County and Pioneer Community Development Corporation, in which the County funds a housing incentive program that is managed and administered by PCDC.
- The landfill will provide free tipping fee for materials from dilapidated homes or trailers located in Gilliam County that are demolished.



Kip Eagles, District Manager
Waste Management

Date 1/23/18

Condon Chamber of Commerce

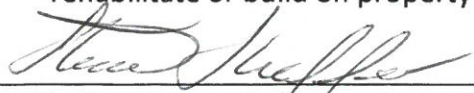
- Supports the creation of a public – private partnership between Gilliam County and Pioneer Community Development Corporation, in which the County funds a housing incentive program that is managed and administered by PCDC.
- Shares Landlord Toolkit with current and potential landlords
- Serve on Outreach Committee: (1) Assist to identify property owners interested in asbestos removal and demolition of dilapidated homes. (2) Assist connecting with property owners who have already indicated they are interested to rehabilitate or build on property they own in Gilliam County.


 K'Lynn Lane, Executive Director
 Condon Chamber of Commerce

Date 1-23-18

Gilliam County

- Supports the creation of a public – private partnership between Gilliam County and Pioneer Community Development Corporation (PCDC), in which the County funds a housing incentive program that is managed and administered by PCDC.
- Will work with PCDC to create the public-private partnership through the appropriate legal/contractual structure including a mechanism for the future return of the revolving and term loan funds.
- County Court will review progress through quarterly reports.
- Rachel Weinstein to serve on Outreach Committee: (1) Assist to identify property owners interested in asbestos removal and demolition of dilapidated homes. (2) Assist connecting with property owners who have already indicated they are interested to rehabilitate or build on property they own in Gilliam County.

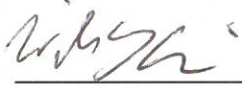

 Steve Shaffer, County Judge
 Gilliam County

Date 1-23-18

Grover Beach Homes, LLC

- Supports the creation of a public – private partnership between Gilliam County and Pioneer Community Development Corporation (PCDC), in which the County funds a housing incentive program that is managed and administered by PCDC.

- The incentive framework of construction loans and grants recommended by the Oregon Solutions project team is attractive and it is likely that I will apply to use these incentives.



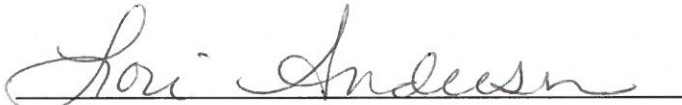
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Grover Beach Homes, LLC

Date 1/23/18

Lori Anderson, Landlord

- Supports the creation of a public – private partnership between Gilliam County and Pioneer Community Development Corporation (PCDC), in which the County funds a housing incentive program that is managed and administered by PCDC.
- Will review and update Landlord Toolkit as needed on a bi-annual (every 2 years) basis.
- Will share and be the primary contact person for questions related to the Landlord Toolkit.



Lori Anderson

Date 1-23-18

Mission Construction

- Supports the creation of a public – private partnership between Gilliam County and Pioneer Community Development Corporation (PCDC), in which the County funds a housing incentive program that is managed and administered by PCDC.
- The incentive framework of construction loans and grants recommended by the Oregon Solutions project team is attractive and it is likely that I will apply to use these incentives.



Bill Kirwan, Owner

Mission Construction

Date 1/23/18

Pillar Consulting

- Supports the creation of a public – private partnership between Gilliam County and Pioneer Community Development Corporation, in which the County funds a housing incentive program that is managed and administered by PCDC.
- As a PCDC board member assist in creation of policies and procedures to implement the incentive program.



 Jeff Schott, Owner
 Pillar Consulting

Date 1/23/2018

Pioneer Community Development Corporation

- Supports the creation of a public – private partnership between Gilliam County and Pioneer Community Development Corporation, in which the County funds a housing incentive program that is managed and administered by PCDC.
- Work with Gilliam County to create the public-private partnership through the appropriate legal/contractual structure including a mechanism for the future return of the revolving and term loan funds.
- Develop policies and procedures to implement the incentive programs by January 15, 2018.
- PCDC will hire appropriate staff levels to ensure successful implementation and oversight.
- Communicate to the public about the new incentive programs.



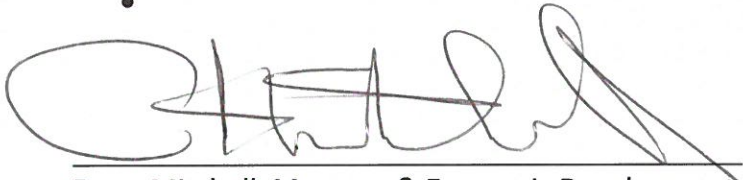
 Rob Turrie, Executive Director
 Pioneer Community Development Corporation

Date 1-23-18

Port of Arlington

- Supports the creation of a public – private partnership between Gilliam County and Pioneer Community Development Corporation, in which the County funds a housing incentive program that is managed and administered by PCDC.

- Peter Mitchell, as a PCDC board member will assist in creation of policies and procedures to implement the incentive program.



Peter Mitchell, Manager & Economic Development Officer
Port of Arlington

Date 1/23/2018

Radar Holding LLC

- Supports the creation of a public – private partnership between Gilliam County and Pioneer Community Development Corporation (PCDC), in which the County funds a housing incentive program that is managed and administered by PCDC.
- The incentive framework of construction loans and grants recommended by the Oregon Solutions project team is attractive and it is likely that I will apply to use these incentives.

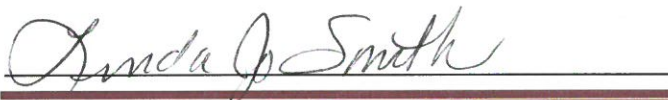


Maggie Cooper, Representative
Radar Holding LLC

Date 1/24/18

Tatone-Smith Real Estate Group LLC

- Supports the creation of a public – private partnership between Gilliam County and Pioneer Community Development Corporation (PCDC), in which the County funds a housing incentive program that is managed and administered by PCDC.
- Serve on Outreach Committee: (1) Assist to identify property owners interested in asbestos removal and demolition of dilapidated homes. (2) Assist connecting with property owners who have already indicated they are interested to rehabilitate or build on property they own in Gilliam County.
- Serve on a committee that would reconvene every two years to maintain and re-evaluate/edit the Landlord Tool Kit.



Date Jan 24, 2018

Linda Smith, Owner
Tatone-Smith Real Estate Group LLC

Vernon Grey Design

- Supports the creation of a public – private partnership between Gilliam County and Pioneer Community Development Corporation (PCDC), in which the County funds a housing incentive program that is managed and administered by PCDC.
- The incentive framework of construction loans and grants recommended by the Oregon Solutions project team is attractive and it is likely that I will share the highlights of these incentives with my clients seeking my home design services in preparation of their construction projects.
- Consider contracting my services with project design and construction document oversight / consultation based upon my 40+ years of experience in the home-building industry.



Vernon Grey, Owner
Vernon Grey Design

Date 1/25/18

