

Workforce Housing Models and Solutions Webinar  
September 28, 2021

Answers to Questions not Addressed at the Webinar

**Curt Berger**

1. How many of the homes have been resold again after the initial owners who purchased?
  - none
2. How are the homes marketed?
  - First home was sold with a closed bid, all the others have been sold through local realtors
3. Can families of students buy the homes?
  - Anyone can buy our homes, open market.
4. Is there any special consideration for insurance or liability of students on the job site?
  - My construction classes are treated as normal CTE classes on school property, so we are covered insurance wise as any class/students in the district.

**Gust Tsiatsosu**

1. How to get cities on board with this type of project? Incentives/buy ins/ what needs to be in place so that the city will consider the project?
  - Most cities would support this type of project if they are of the cottage home development mindset. What I have noticed is that they want the burden of risk and expense to all be on the developer, if cities are not on board, that is a matter of voting people in who will get on board. Be like John Day, make it hard for developers to ignore your city.
2. Did you decide what type of housing to build first, or did you try to find land first and then figure out what types of homes to build?
  - We not only recognized a need for 1-bedroom homes, we were told by different agencies and statistics that this was the biggest need in our area.
3. Are all the homes sold or are some operated as rentals? Is there something about veterans that makes those projects financially viable?
  - Homes are rented at HUD rates for area incomes. Our grant was awarded through a program that was specific to veterans and only allowed veteran tenants. Our area had larger than average need for veteran housing.
4. How many of the veterans employed in the workforce?
  - Several came and went. Usually, 2-3 were on hire at a time.
5. Who owns the homes?
  - I am the managing member of a for-profit LLC that owns them. We have a 60-year commitment to OHCS for the rental contract
6. Who manages the properties and tenants?
  - NEOH.
7. What was the city or county's role in either the Baker City or La Grande cottage home development?

- City did very little but approve our applications. The county commissioners in union county did a great job of recommending and supporting the need the state for our grant approval.

### **Katie Ullrich**

1. Are there income limits for homebuyers? How many of the buyers are employed in the workforce? Retirees?
  - The model itself can be used to serve homebuyers between 30-120% AMI, depending on the grant funding we get. A majority of our buyers have been employed in the regions workforce. In Lincoln County we did a partnership that provided grants to residents that were employed at major employers in Lincoln County. We do have some homeowners that are retired and permanently disabled as well, but most are employed.
2. What is the definition of affordable, especially for the second homeowner?
  - For all homebuyers we cap their mortgage payments at no more than 38% of their gross monthly income - to ensure affordability. For the 2nd and all future buyers the price is set through a resale formula that looks at increase in appraised values. So, the homeowner can sell for what they paid (not including any grant money provided by Proud Ground), plus 25% of the change in appraised values. There are other resale formulas that are used across the country as well. Grounded Solutions Network is a great resource to learn about affordable pricing and resale formulas. [groundedsolutions.org](http://groundedsolutions.org)
3. What services do you offer to homeowners who might be interested in donating their home (selling at below market price)?
  - We are also a licensed real estate brokerage so we can represent that seller as a realtor in selling their home to a low/moderate income homebuyer at an affordable price.
4. Are there any covenants which require a certain level of maintenance or landscape care?
  - Yes, our land lease agreement and covenant require the homeowner maintain the land and home in good habitable condition at their own expense.
5. What sources did Proud Ground use to develop a pool of funds that can be used to buy out lenders of foreclosed homes?
  - Proud Ground has access to low interest short term loan funds to purchase homes back at foreclosure. Thankfully we don't need it very often.

### **Nick Green**

1. Are local employers showing more interest in housing development or employer-assisted housing? What does that partnership look like?
  - Short answer is yes.
  - Our highest growth industry is Healthcare, and the largest employer in that industry is Blue Mountain Hospital. The conservative forecast from our Economic Opportunity Assessment is that industry is forecast to have 154 new healthcare positions over the next 20 years.
  - The hospital is a special district, so they agreed to partner on the urban renewal area that allow the city to capture 100% of the tax base for all new homes built in order to recapitalize our incentive payments. In other words, John Day's urban renewal agency that administers the incentive program gets all of the new taxes created for a 5-7 year period, and once those incentives have been repaid, the eight tax jurisdictions that include the City of John Day and Blue Mountain Hospital get to split up the now 10x larger tax base. In that sense, one of our largest public employers is participating

indirectly by deferring their gains from the tax increase for the first 5-7 years, which makes the URA a public-public partnership from their perspective.

- Our largest private employers are in Agriculture, Forestry and Construction. One of those companies, Iron Triangle, is doing the land development for Ironwood Estates Phase 2 and Phase 3, so they are directly investing labor and equipment plus the land into those master planned communities, and we are also investing cash, labor and equipment from the City in addition to the URA's contribution, so that's a public private partnership.

2. What is average wage in you community?

- Our average household income is about \$29,000 per year; with 57% low to moderate income households. Not sure on the wage.

**Jason Dietz**

1. What evidence do you require to prove someone is in the workforce? How is ongoing compliance monitored?

- Work in Summit County: meaning work at least an average of 30 hours per week per year for an employer providing goods and/or services in Summit County or based in the Summit County.
- Required Documentation: Each adult applicant in the household must submit the following documentation along with their applications:
- Copy of driver license or other government issued photo ID.
- Copy of two most recent paystubs from all jobs, including par-time & seasonal positions, Employer offer letter from any job(s) started in the last 3 months, Employer verification of employment if the paystubs do not show the hours worked, Self-employment information for ANY amount of Schedule C, partnership or S Corporation income. Self-employment: You must provide products or services specifically within Summit County – working remotely for an out-of-county employer will likely not qualify
- For Compliance we do a baseline annual deed monitoring along with random more in depth audits. Additionally, we investigate any reports of compliance issues that come up throughout the year.

2. What kind of deposit and first and last months rent do you require for the long term hotel room rentals? What kind of cooking equipment is allowed? Who manages the rental housing that is publicly owned?

- The monthly rental rate is \$850/mo.
- The Security Deposit is \$300 and we don't require the last month rent to sign the lease. \$1150 (first month + Deposit) is the move in amount.
- Rooms come with a microwave, coffee maker and refrigerator. They could have a crockpot but other cooking devices are not allowed in the rooms. There is a common kitchen plus a dining area with additional hot plates and toaster ovens.
- We hired a property management company to manage the project. The Hotel is owned by a private group and master leased by the County.

3. Where does the housing authority receive its funding from?

- The housing authority and most of our housing projects and programs are funded by a .6 of 1% sales tax that daylight in 2026 but is on the ballot to be extended an additional 20 years. Plus an additional .125 of 1% sales and use tax that is perpetual.