

WALLOWA COUNTY
BOARD of COMMISSIONERS
STATE of OREGON

541-426-7730
FAX: 541-426-0582
TERA ELLIOTT E.A.

CHAIR JOHN HILLOCK
COMMISSIONER TODD NASH
COMMISSIONER SUSAN ROBERTS

commissioners@co.wallowa.or.us

August 2, 2023

Wallowa County Board of Commissioners (BOC)
Regular Board of Commissioners Meeting Minutes

9:00 a.m. Thornton Conference Room
VIA Zoom Meeting
Wallowa County Courthouse

MEMBERS PRESENT: Commissioner John Hillock
Commissioner Todd Nash
Commissioner Susan Roberts

STAFF PRESENT: Tera Elliott, Executive Assistant

OTHERS PRESENT: Bill Bradshaw, Wallowa County Chieftain
Jillian Hofer, Wallowa County Chieftain
Nils Christoffersen, Wallowa Resources
Gary Hulse, Mayor - City of Wallowa

ZOOM ATTENDIES: Jean Jancaitis, Wallowa County Planning Dept. Specialist
Mike McInally

9:00 a.m. – Chair Hillock opened the meeting with the Pledge of Allegiance and prayer.

Consideration and/or approval of Consent Agenda

Consisting of:

- | | |
|---|--|
| 1. Payment of Claims on County Funds | |
| 2. Minutes: | July 19, 2023 – BOC Regular Meeting |
| 3. Employee Action Notice(s): | Joseph Fish – Salary Change, IT Dept.
Paul Pagano – Salary Change, 2% DPSST Advanced Certification – WCSO
Brandon Tanzey – Separation from Service, Road Department |
| 4. Resolution(s): | Resolution 2023-018 – Designating a Newspaper for Publication of WC Foreclosure List |
| 5. Order(s): | Order 2023-2302 – Adopting Interfund Transfer, Solid Waste |
| 6. Contract(s): | None |
| 7. Easement(s): | None |
| 8. Agreement(s): | None |
| 9. Grant Initiation(s) | None |
| 10. Letter(s) | None |
| 11. Policy | None |

Commissioner Roberts moved to approve the Consent Agenda
Commissioner Nash seconded the motion

The vote:
Commissioner John Hillock – aye
Commissioner Todd Nash – aye
Commissioner Susan Roberts – aye

The motion passes

Agenda Items:

Discussion on Housing Opportunities in Wallowa – Nils Christofferson, Executive Director of Wallowa Resources and President of Wallowa Resources' subsidiary Working Homes LLC presented a request for a \$100,000 loan from Wallowa County in support of work-force housing. The funds would be joined to \$120,000 in financing from Wallowa Resources to purchase an existing home and .55-acre lot located on Couch Avenue in Wallowa. A copy of the presentation and the details are attached. Discussion followed.

Commissioner Roberts moved to approve the loan as presented upon discussion and approval of the Wallowa City Council
Commissioner Nash seconded

The vote:
Commissioner John Hillock – aye
Commissioner Todd Nash – aye
Commissioner Susan Roberts – aye

The motion passes

Commissioner Hillock confirmed the property is outside the City boundaries and located in the Urban Growth Boundary. Commissioner Hillock stated the possibility of placing more than one additional home on the property.

Mr. Christofferson stated Working Homes LLC is looking into the possibility of multiple homes on the location. Mr. Christofferson thanked the commissioners for their vote.

Jail Use Agreement between Wallowa County and Union County. Commissioner Roberts advised final edits have been accepted by all parties involved, meeting Wallowa County's criteria.

Commissioner Roberts moved to accept the Jail Use Agreement as presented
Commissioner Nash seconded, stating his appreciation to the Sheriff's Department for transporting people over the mountain to Umatilla County

The vote:
Commissioner John Hillock – aye
Commissioner Todd Nash – aye
Commissioner Susan Roberts – aye

The motion passes

STIF Agreement – Wallowa County and Community Connections. This item is not ready for action today and will be presented again at a meeting in the future.

OLCC Permit for Joseph Canyon Lodge, LLC

Commissioner Nash moved to approve the application by Joseph Canyon Lodge LLC for an OLCC Permit
Commissioner Hillock seconded

The vote:

Commissioner John Hillock – aye
Commissioner Todd Nash – aye
Commissioner Susan Roberts – aye

Other Business:

Jillian Hofer asked about businesses having trouble finding employees. Discussion followed.
Bill Bradshaw asked for more details on the Jail Use Agreement.

Adjournment:

The official meeting adjourned at approximately 9:22 a.m.

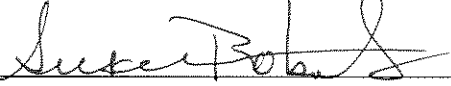
Respectfully submitted by:

Tera Elliott, Executive Assistant

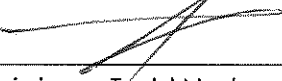
WALLOWA COUNTY BOARD OF COMMISSIONERS



Commissioner John Hillock



Commissioner Susan Roberts



Commissioner Todd Nash



ATTEST: Tera Elliott, Executive Assistant

WC BOC Housing Loan Hearing 8.2.23

Opening Remarks – Nils D Christoffersen, President, Working Homes LLC

Thank you for the opportunity to present our proposal this morning.

For the record, I am Nils Christoffersen, Executive Director of Wallowa Resources, and President of Wallowa Resources wholly owned subsidiary Working Homes LLC. Today I am speaking to you on behalf of Working Homes LLC.

Working Home LLC is a registered non-profit in the State of Oregon that is working to advance economic vitality through investments in workforce housing that is accessible and affordable to the current and future workforce of Wallowa County. This housing is commonly referred to as starter homes.

Its creation emerged from a long, slow boil of recognition that a shortage of affordable housing is a real problem in Wallowa County. Back in 2008-2009, the Wallowa County Economic Action Plan, with support from the Rural Development Action Team, identified “workforce housing” as a core part of the integrated vision and priority strategies. The recommendation offered the following:

“The city and county governments must take an active role in the provision of renovated and new workforce housing by partnering with a to-be-formed community development corporation, or more specifically a community housing development organization, that can handle federal funds...This new non-profit should partner with local government to ensure the proper mix of housing types and costs through the downtown development areas.”

Over 700 residents of Wallowa County contributed to that effort. Back then, they recommended that the county require 30% of all new homes were developed as affordable / moderate income homes.

The need for workforce housing was part of Bruce Dunn’s campaign for County Commissioner, and workforce housing was a central focus of Wallowa County’s Economic Advisory Committee which the Board of Commissioners created following Bruce’s passing. Local capacity and attention were diverted for several years in response to COVID. Our effort picks this up again. This Board of Commissioners has done the same in reserving some of the federal funding the County received to support workforce housing, and as represented in HB 3317.

Today, the need is even greater than first identified 15 years ago. The shortage that was recognized then has been made worse by the shift in housing stock (and investment) to high-end homes – including second homes and vacation rentals. This has been driven by many factors – including increased state, western and national media promotion of all Wallowa County has to offer.

Income disparity in Wallowa County has risen sharply. Combined with stronger demand for second and vacation homes, the last ten years have seen Wallowa County’s typical house value grow by 130% while median household income increased by only 36%. Last month the median house price in Wallowa County was \$395,000. A few years ago, it was \$275,000. Pressure on our housing market remains strong – fewer than 20% of home listings are priced at less than \$300,000 these days.

There’s a growing mismatch between home prices and what our local workforce can afford.

Working Homes wants to contribute, in partnership with local government, local employers, developers and contractors, in meeting this challenge. We need more starter homes – that allow households earning anywhere from \$37,000 to \$95,000 a year to live in a decent home and maybe raise a family. This range aligns with needs that our school districts, health care providers, sheriff's department and a broad range of private businesses and local non-profits have identified as critical to recruit and retain staff.

We're exploring many different options – including both new housing and renovation and improvement of existing housing. Our consideration of an opportunity in Joseph has generated the most attention.

Today I'm asking for the County to support an investment in the City of Wallowa that will renovate a 1920's era 5 BR / 2 BA house on a ½ acre lot – zoned to allow additional housing. We have an accepted offer on the property and are completing final stages of due diligence following a home inspection. We anticipate spending up to \$50,000 on renovation and improvement of the existing house. We also have a firm commitment for funding from a community development corporation to build a new second 2 BR / 1 BA home on the lot. We will initially offer both homes for rent at a rate the local workforce in Wallowa can afford. In the future, we may sell one or both homes to workforce buyers.

From the funding you recently set aside to support workforce housing, I'd like you to consider loaning our Wallowa Project investment \$100,000 over a five-year term at 5% interest. This structure creates the opportunity for the County to have a revolving loan fund to support future investments too. The Wallowa Resources Board has already approved a \$120,000 loan on the same terms, from its unrestricted cash balance. Combined these two loans will allow us to close on the property this month, begin renovation to the existing house, and proceed with our plans to build a second home.

We've had several conversations with the Mayor of the City of Wallowa, and the President of the Wallowa City Council, who support our efforts and want to see even more done. I am scheduled to meet with them at their next Council meeting.

Additional details regarding our loan request, the project in Wallowa and our financial plan for that project are included in the memo provided to each of you for this meeting.

Thanks for your consideration – I'm happy to answer any questions you might have.

Working Homes, LLC

401 NE 1st Street, Suite A, Enterprise, OR 97828 • Phone: (541) 426-8053 • Fax: (541) 426-9053

July 31, 2023

Memo to Wallowa County Board of Commissioners

RE: RLF Draw to support Workforce Housing Development in the City of Wallowa

Working Homes LLC, a wholly owned subsidiary of Wallowa Resources Inc, was incorporated in December 2022 to support the development, delivery, and management of affordable workforce housing across Wallowa County.

Media coverage and community conversation has focused on opportunities we're considering in the Cities of Enterprise and Joseph.

This memo concerns an immediate opportunity to develop and deliver housing in the City of Wallowa. We have an accepted offer on a 0.55-acre lot with an existing 5-BR / 2-BA home (originally built in the 1920s). The lot has an existing well, city sewer, and power connection. Wallowa County and the City of Wallowa have confirmed that the zoning would accommodate at least two more houses, perhaps as many as four more.

We intend to purchase the lot (705 Couch Ave, Wallowa, OR 97885 – in the Wallowa Evergreen Sub-Division), do some improvements to the existing house, and immediately begin building a new 2-BR / 1-BA house adjacent to the existing home. Both houses will be available for rent by 2024 – with the existing home targeted for the first quarter of 2024 (or earlier), and the new house for the second quarter of 2024.

Following our Community Meeting in Enterprise (June 27, 2023), the Mayor of Wallowa, Gary Hulse, and the President of the Town Council, Scott McCrae, have both expressed support for the project and offered their assistance. We are scheduled to meet in regular Council session the evening of August 15.

According to the U.S. Dept. of Housing & Urban Development, affordable rent (60% AMI) in Wallowa County for a 5-BR home would be \$2,000/mo or less, and a 2-BR home would be \$1,051/mo or less. **We believe the affordable rent rate in the lower valley is less.** Our revised business plan tentatively set rents of \$1,200/mo for the larger home and \$850/mo for the smaller home. Local market rents in Wallowa are lower than the federal affordability benchmark for Wallowa County which are influenced by higher household incomes and rents in the upper valley – influenced in part by the vacation housing market.

We will establish deed restrictions on the properties to ensure the workforce housing will remain affordable over the long term.

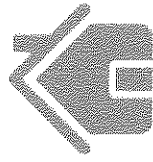
Interested renters for both houses will provide information on income (sources and amounts) typical with any rental or mortgage agreement. The larger home would be restricted to tenants earning a household income of 120% or less of Area Median Income, and rental of the smaller home would be limited to tenants with a household income of 60% or less of Area Median Income - for 10 years. After the initial ten-year period, we will re-evaluate the appropriate income level for the smaller home relative to local market conditions as well as Area Median Income at that time.

The lease agreement will include details regarding rent payments and their due dates, requirements to pay City sewer fees, guidelines on care of the house and property in consideration of its owners/managers as well as the neighbors. Household income would be allowed to increase over the course of occupancy during their tenancy without jeopardizing their eligibility to continue renting the home.

The Proposed Financial Plan:

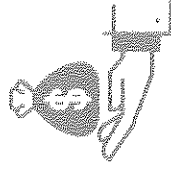
Project financing includes a \$120,000 loan from Wallowa Resources (approved) combined with a potential \$100,000 loan from Wallowa County. Both loans would carry a 5.0% annual interest rate, a 20-year

Over the last decade,



the typical house
grew in value by

130%

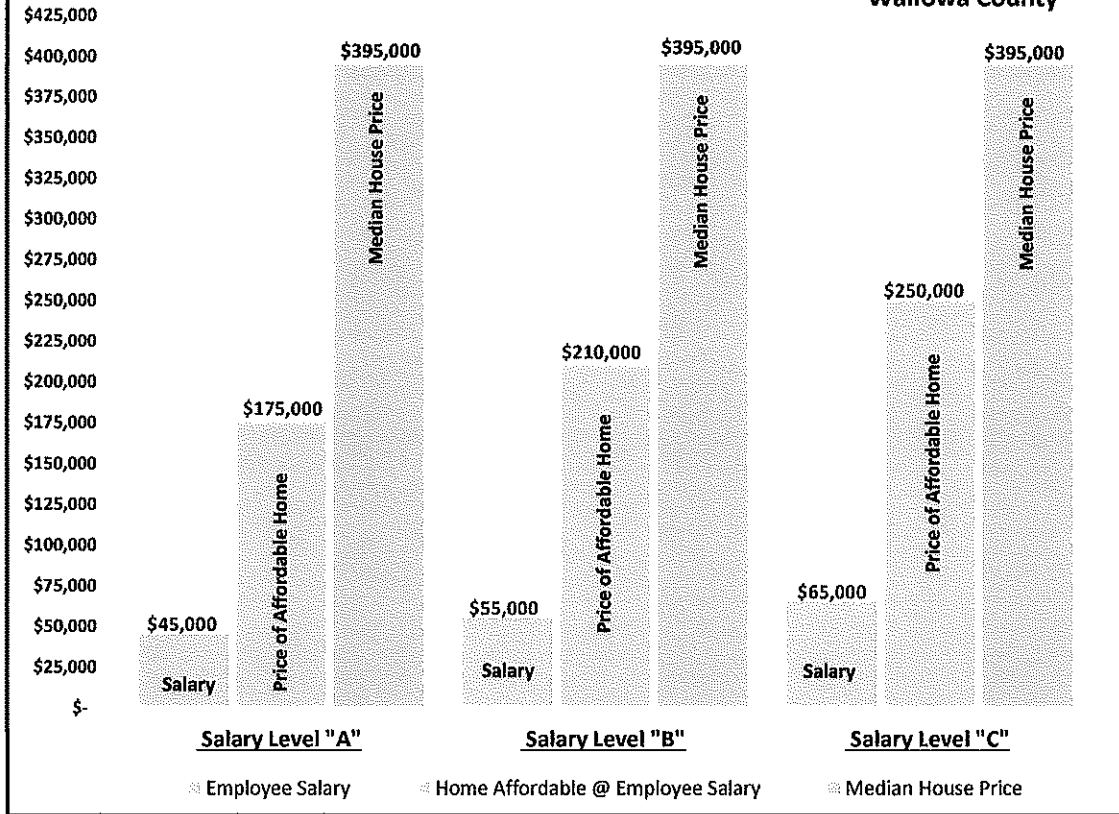


median household
income increased
by only

36%

Households earning the median income
would have been able to afford only 27%
of the homes sold in 2022.

Mismatch Between Home Affordability & Market Prices - Wallowa County



Salary Level "A" - Emergency Dispatchers, Chefs/Head Cooks, Paramedics, Laborer
 Salary Level "B" - Deputy Sheriffs, HVAC Mechanics, US Postal Workers, Substitute Teachers, Childcare, Transportation
 Salary Level "C" - Teachers, Carpenters, Skilled Construction