

## Moving Forward Despite Uncertainties

Last year the Orcas community donated generously to support OPAL's efforts to build 30 affordable rental townhomes and to take the next steps in starting a community loan fund.

### Thank you!

You made it resoundingly clear that you "get" the need for housing and that you believe in the solutions OPAL has proposed.

Inspired by your dedication, your OPAL team is moving forward – despite several large rocks in our path. In the following pages you will learn more about the uncertainties and our plans.

The bottom line: For the April's Grove rental neighborhood to be built, we need two government programs to do a better job of addressing the needs of remote

rural communities like ours. And for the Island Loan Fund to be launched, we need to raise funds for a loan loss reserve.

For April's Grove, the first step is for the Washington State legislature to allocate sufficient funds to the Housing Trust Fund, and to do so without stipulating the types of projects to be funded. Then, the federal Low Income Housing Tax Credit allocation needs to be increased and the scoring system made more inclusive for rural projects.

**While these two issues are significant, we believe there are multiple pathways to success.** Our legislators are supportive of our agenda and want to help. We are increasing our advocacy in order to help them help us, and we will be asking for you to help too.

And while the April's Grove rental project is delayed, we will seek grants to launch the Island Loan Fund, and continue to meet the need for more affordable homes by moving and renovating one and possibly two houses in 2017 for island families to purchase.

**These are uncertain times. Yet we are no strangers to adversity, and we believe it is more important than ever for us to persevere.**

**"I've been there ...  
I know what it's like not  
to have a home."**

– Irene O'Neill, whose island roots go back to 1886 and the Willis homestead in Olga

See story on page 3



# Next Steps for April's Grove Rental Housing

The need for year-round rentals has grown more acute in recent years. Local businesses have struggled to find employees, long-time islanders have had to move multiple times in a year as the house they rent is no longer available, and young people have left the island because they cannot find a reliable and affordable home.

To address the need, OPAL has signed a purchase and sale agreement and developed plans to build 30 town-homes that will provide year-round housing for a range of income levels and household configurations.

## We made significant progress in 2016:

- You and others donated and pledged over \$1.3 million in support of the project and three years of OPAL's operations;
- We hired the design and construction team and applied for and received permits from the county;
- We were awarded a HUD Community Development Block Grant (CDBG).

## Stay tuned for updates and opportunities for you to help with advocacy.

## WE'RE *doing* THIS!



Unfortunately, at the end of the year, we got bad news that we were NOT selected to receive a grant from the Washington State Housing Trust Fund. That, in turn, meant that the CDBG award was rescinded.

Before making a plan to move forward, we re-examined our assumptions about the island's needs and about how to pay for the project. We affirmed that the April's Grove design meets the most pressing housing needs for the island. And after evaluating the barriers to funding, we developed the strategies detailed in the box below:

BARRIER	STRATEGY
In the 2016-17 budget, the legislature appropriated funds to the Washington State Housing Trust Fund by stipulating populations to be served. This made it very difficult for projects like April's Grove ("rural general-needs housing") to be funded.	<ul style="list-style-type: none"> <li>• Collaborate with housing providers around the state to: (1) educate legislators about the consequences of the funding stipulations, especially for rural communities, and (2) advocate to increase the allocation to the Housing Trust Fund.</li> <li>• Collaborate with others in San Juan County to develop a local funding source in support of affordable housing. This could improve our chances of getting state and federal funding.</li> <li>• Continue with project design and preparing for building permits, which will improve our chances of being funded.</li> </ul>
The federal Low Income Housing Tax Credit program's scoring system makes it hard for rural locations like San Juan County to get funding.	<ul style="list-style-type: none"> <li>• Participate in the annual process to assess the scoring system to improve the chances for projects like April's Grove.</li> <li>• Advocate in support of Senators Cantwell and Hatch's Affordable Housing Credit Improvement Act to increase the size of the credit pool.</li> </ul>

## Irene O'Neill

### "I've been there ... I know what it's like not to have a home."

Her eyes fill with tears when she describes the unexpected kindness. In 1963 Irene and Ken O'Neill bought the "cheapest house" they could find in North Seattle. Ken had just been discharged from the Navy and the young couple was facing tough times. They didn't have the \$60 needed for closing costs. So the seller generously gave them the money. "I still remember his name."



Photo: Orcas Island Senior Center

Irene O'Neill

Irene and Ken lived in that house for many years, raising four children and carefully watching their budget. "We scrimped. We reused and recycled. I'd raid a dumpster to get something we couldn't afford."

In 1981 they returned to Orcas, where both had grown up. Irene's roots go back four generations to 1886 and the Willis homestead in Olga. She explains, "Dad and Mom gave a piece of land to us. We would have never been able to live on the island without inherited property. We were very grateful to be a part of the original homestead."

Irene has been a loyal OPAL supporter since 2005 when she baked a pie for the Library Fair. She says, "We need houses for working people and families. There was a time when my husband and I could have used help so much. I've been there. I know what it's like not to have a home. Now that I'm retired, I'm glad to share. I find the more I give, the more I get back."

She has pledged to make monthly donations to OPAL for three years. What does she like about monthly giving? "It's broken down into small increments. I might not be able to give \$500 right now, but I can give \$15 a month. It's amazing how it adds up. And OPAL's letter at the end of the year with my total gift is really nice. I put it in my stack to give to the tax man."

**If you'd like to learn more about monthly giving, call Elaine at 376-3191.**

## Who is in Search of a Rental on Orcas?

**They come in once a week, sometimes more frequently. When they learn there are no vacancies, a few persevere and complete an application. But many do not. Their stories are often heartrending; here's a sampling:**

A young couple with an infant who live in a 28-foot trailer connected to an aging septic system.

A single mom who works as a housekeeper and has two teenagers; they rent two rooms in a drafty house with broken heaters and mold-covered window sills.

A single mom with three school-age kids. She grew up on Orcas and recently returned. Since then she's been successfully self-employed. For the past two years her family has lived with relatives in a house at risk of foreclosure.

A woman who cares for an aging family member who's nearing the end of life; they've been displaced because the landlord has sold the house they were renting.

A widow who has a back injury and subsists on Social Security and a small pension from her late husband's job. She lost her home when the landlord defaulted on the mortgage.

A woman who works in the healthcare field and solo-parents a teenager; for the past year they've lived in an RV.

An artist and single mom who lives in a loft with her two school-age children; they use an outhouse since there's no indoor toilet.

A couple in their 30s with a 10-year-old child who lived in a rented trailer. They needed to move out in six weeks because the landlord had arranged for a family member to move in.

**In 2016 the OPAL Reddick Apartments had an occupancy rate of 99.53%. What does this mean? Translated into real terms, it means that on all but 14 days of the year, all seven apartments were occupied.**

# Continuing to Meet the Island's Housing Needs

Yes, OPAL is busy advancing two major new initiatives – rental housing and the loan fund. But at the same time, the everyday work of creating and sustaining affordable housing on our beloved island goes on.

## Moving Another House

OPAL owns a lot on Mountain View Street in Eastsound and has been working with Nickel Brothers (the house-moving company) to move a "recycled" house to it.

**This spring a three-bedroom houseboat, currently on Lake Union in Seattle, will be moved to become OPAL's 104th ownership house – and its 11th moved and "recycled" house!**

The owners of the houseboat generously offered to donate it to OPAL, along with funds toward moving costs. As you can imagine, the move has presented some new challenges, but over the past few months, the details have fallen into place. And the house, where the owners raised their family, will become home to another family on Orcas.



*Julie Brunner, housing manager, mentors buyers and helps them obtain financing*

We anticipate this house move can be completed without any state or federal subsidy. OPAL will use private donations to pay for moving the house, building the foundation, and making any needed upgrades.

This means the house can be sold to an island household whose income is greater than 80 percent of the Area Median Income (AMI), which is the limit set by state and federal funders. In the case of a family of four, that limit would be \$53,450 a year. There

are families in OPAL's application pool who would qualify. Serving islanders whose incomes are above 80 percent of AMI is a need we are not yet meeting as well as we'd like. Jeanne Beck, OPAL stewardship and project manager, is quarterbacking this house move.

## Annual Resales of Six to Eight Homes

Experience tells us that six to eight OPAL houses change ownership every year. Each resale is a unique and often complex process, and also an opportunity to make sure the quality of the houses is maintained.

Every house is evaluated to determine what improvements can be added to the formula for the resale price. Repairs may be needed. Once the price is approved, applicants on OPAL's list of pre-qualified buyers are notified that the house is available.



*Jeanne Beck, stewardship and project manager, is OPAL's house-mover-in-chief*

When a buyer is identified, Julie Brunner, OPAL housing manager, works to find the best source of financing. She helps the buyer with the mortgage loan application – sometimes there’s more than one. Then Julie ushers the loan application through the approval process, which may take six months or longer.

## Qualifying More Families for Homeownership

Julie's other important work is providing financial counseling to prospective homebuyers. The application process has several steps, one of which involves making sure the individual or family can qualify for a mortgage loan. If finances need to be cleaned up, Julie helps work through that process. In a typical year, Julie spends 100 hours or more assisting island families in this way.

## Managing Apartments

OPAL owns 29 affordable apartments – seven at our office site and 22 more in Lavender Hollow – and these units don't manage themselves! Elaine Shiozawa, OPAL office manager, is responsible for the seven Reddick



Elaine Shiozawa, office manager, oversees the Reddick Apartments

Apartments across from the OPAL office, handling applications and departures, solving tenant issues and collecting rents. She also manages the business rental spaces.

A separate management company, Ad-West Realty Services, oversees the Lavender Hollow apartments, under the supervision of OPAL staff.

## Exploring Alternative Building Options

A goal of the OPAL board and building committee in 2017 is to research other possibilities for providing affordable housing on Orcas. In particular, we want to investigate the current state of

**modular housing** – the industry has changed since we last researched this approach 10 years ago. We'll also look at what's being done with **container houses**, a modern approach using shipping containers. Finally we'll study the feasibility and applicability of "**tiny houses**," dwellings of less than 500 square feet.

## Assisting Homeowners, Stewarding Neighborhoods

OPAL staff – and Jeanne Beck in particular – continues to provide guidance to OPAL homeowners when issues come up regarding repairs, maintenance or other work on their homes. Jeanne also supports the neighborhood associations as they work through projects, budgets and neighborhood issues.

## Keeping You Informed

Of course, we will continue to stay in touch with all of you, keeping you up-to-date, and seeking your support. Judy Whiting, OPAL publications and outreach manager, is the staff person most involved in this key aspect of our ongoing work.



Judy Whiting, publications and outreach manager, keeps you current



“Because I wanted to buy a non-conforming property, there was no chance of getting a loan from a bank. Without private backing, I couldn’t even make an offer. I got a great deal on my place and I’m slowly making it a legitimate house. I’ll have no trouble paying back my loan.”

– Andy Nigretto, fifth generation islander, is co-owner of Sticks and Stones Outdoor Services and competes professionally in Mixed Martial Arts

## Board of Trustees

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- Anne Bertino
- Vicki Brems
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- Tim Fuller, Vice President
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- Pegi Groundwater
- Kurt Hunt
- Margaret Mills
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- Ian Van Gelder, Secretary

## Next Steps: The Island Loan Fund

After jumping through legal and regulatory hoops (of which there have been many!) and adopting basic policies, OPAL is working toward the launch of a pilot phase for the Island Loan Fund.

Like the rental project, this effort is another way to increase access to affordable housing in order to strengthen and sustain the Orcas community.

The loan fund will use pooled investments from local individuals to make loans to islanders who are creditworthy, but who are not currently able to secure a bank loan to buy a home (an OPAL home or another affordable property). It might be that they have no credit history or alternative credit, deferred student loans, seasonal income and/or multiple jobs, or the property does not conform to bank standards. (See Andy's story at left.)

Investors will earn lower-than-market rates of return, but will have the satisfaction of knowing their dollars are being put to work locally, strengthening our island community and economy.

### What’s needed to launch the pilot phase:

- Have conversations with prospective investors. The goal is to create an initial investment pool of roughly \$1 million.
- Get grants or donations sufficient to fund a 10 percent loan loss reserve.
- Refine the procedures for accepting investments and for accepting and approving loan applications.
- Get the word out that OPAL is accepting applications for mortgage loans through the newly created Island Loan Fund.
- Make the first three or four loans to creditworthy Orcas residents!



# Introducing Gé

*(It's Orgelina's Nickname in Portuguese.)*

Orgelina Wiese has been with OPAL for just a year. In her position as accounting specialist, her primary responsibility is accounts payable. This clever and creative woman joined us after a two-year stint at Roses Bakery. She also works as a bookkeeper for Darvill's Bookstore. She "loves the certainty of numbers."



*Orgelina Wiese, accounting specialist*

Gé, as she is known to us, has had another long career in social work, beginning in her native Brazil, then working in Bolivia. Her next stop was Boston and then Nantucket where she met her spouse, Brian. They married, moved to California and she once again returned to social work.

After 12 years as a social worker in the San Francisco Bay area, it was time for a change. Gé's creative side inspired her to become a lampshade designer. She worked for a small lamp shop creating custom lamps and shades.

Self-described as someone who is both left- and right-brained, Gé loves being creative and embracing community. On the creative side, she has been a women's garment designer, trained and worked as a coach supporting others to live a creative life, enjoyed aesthetic pruning and found metal sculpting.

After visiting our island for the first time in 2003, she and Brian fell in love with Orcas. They vacationed here for the next 10 years, until they built their home in 2014. They have lived here full time since then.

*Welcome, Orgelina!*

## Thanks to Your Support:

OPAL serves 132 island households, representing 5 percent of the island's year-round population.

Among OPAL residents, 130 working adults hold down 171 jobs. While many are self-employed, 60 Orcas businesses and organizations depend on employees who live in OPAL homes.

OPAL residents volunteer for 47 different community organizations.

## Save the Date to See April's Grove and Have a Picnic

On Wednesday, July 12, from 5 to 7 p.m., you'll have a chance to visit April's Grove, the location of OPAL's next construction project - rental townhomes. We'll walk the property to see where the buildings will be placed. Fun will be had. Games, too.

OPAL will provide a picnic. Event details will be provided in late spring, so please put the date on your calendar now. Come and celebrate the community's enthusiastic support for affordable rentals, OPAL style. What could be more fun?



Photo: Ter Williams



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## IN THIS ISSUE

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## Showing of the film *Arc of Justice* and OPAL Annual Meeting

Tuesday, April 25, 5:00 p.m. at Oddfellows Hall • Families and their children welcome

## Let's Have Some Fun Together and Be Inspired

**On Tuesday, April 25, at 5 p.m., join us for the OPAL annual meeting at Oddfellows Hall.**

We'll hold a brief business meeting; certify OPAL's newest trustee, Pegi Groundwater; then watch the short film *Arc of Justice* before enjoying a potluck meal together.

Remember to bring a plate, bowl and silverware. Last names A to H bring something warm (entree, soup, etc.); I to S bring something cool (salad, fruit plate, cheese, etc.) and T to Z bring a sweet treat. Each dish should serve 8 to 10 people.

*Arc of Justice* is a 22-minute documentary about New



Photo: New Communities

*The roots of the CLT movement go back to a farm in Georgia.*

Communities, Inc. It is set in southwest Georgia and provides a different perspective on the CLT movement. Follow this link to view a brief trailer with introductions by John Lewis and Shirley Sherrod: <https://www.arcofjusticefilm.com/synopsis/>

The film is being provided by the national CLT organization, Grounded Solutions Network.

It is hosted by the OPAL homeowners who are participating in the ambassador initiative, Eros Belliveau, Rusty Diggs and Carla Stanley.

The ambassador initiative selects residents of CLTs and other inclusionary housing programs to develop their leadership and advocacy skills. They meet quarterly, in person or by webinars, in order to advance national policies on affordable housing.

Visit us online at [www.opalclt.org](http://www.opalclt.org)