

**OREGON STATE HOUSING COUNCIL**  
**Telephone Conference**  
**Minutes of Meeting**

Oregon Housing & Community Services  
*Large Conference Room, 124 B, First Floor*  
725 Summer Street N.E., Suite B, Salem, OR 97301

**9:00 a.m.**

**December 18, 2009**

**MEMBERS PRESENT**

Maggie LaMont, Chair  
Scott Cooper  
John Epstein  
Stuart Liebowitz  
Nancy McLaughlin  
Jeana Woolley

**MEMBERS ABSENT**

Francisco López

**GUESTS**

Doug Chrisman

**STAFF PRESENT**

Victor Merced, Director  
Rick Crager, Deputy Director  
Bob Gillespie, Housing Division Administrator  
Dave Summers, Multifamily Housing Section Manager  
Bruce Buchanan, Regional Advisor to the Department  
Shelly Cullin, Senior Loan Officer  
Joyce Robertson, Loan Closer  
Jo Rawlins, Recorder

**I. CALL TO ORDER: Chair Maggie LaMont** calls the December 18, 2009 meeting to order at 9:00 a.m.

**II. ROLL CALL: Chair LaMont** asks for roll call. **Present: Scott Cooper, John Epstein, Stuart Liebowitz, Nancy McLaughlin, Jeana Woolley and Chair Maggie LaMont. Absent: Francisco López.**

**III. PUBLIC COMMENT: None**

**IV. NEW BUSINESS:**

**A.** *Buttercreek Apartments* (Hermiston, OR); *Fairview Apartments* (Ontario, OR); *Boardman Apartments* (Boardman, OR), Pass-Through Revenue Bond Financing Request, Housing Preservation Funds Request, Weatherization Grants Request, and Trust Fund Grants Request. **Shelly Cullin**, Senior Loan Officer, introduces **Doug Chrisman** of Chrisman Development & Management, Inc. **Cullin** gives an overview of the three projects:

*Buttercreek* is currently a 91-unit project with 70 units receiving project-based rental assistance. As part of the rehab, studio units will be converted to one- and two-bedroom units. Rural Development has approved this conversion proposal. When the rehab is completed, there will be a total of 86 units. Rural Development will provide an additional 15 units of rental assistance, for a total of 85 units having rental assistance, plus one manager unit. Rehab costs are approximately \$28,600 per unit. The more extensive rehab work includes converting the studios to one-and two-bedroom units, constructing a new office, shop and storage building, laundry room improvements, siding and window trim repairs, exterior door replacements and painting, adding additional floor and attic insulation, replacing stairways, refinishing decks, replacing balcony guardrails, repaving parking lots, reroofing all buildings, and replacing water heaters, refrigerators, air conditioners and kitchen countertops.

*Fairview* is a 40-unit project, with 36 units of rental assistance. At the time of transfer RD will provide an additional three units of rental assistance and the project will have one manager unit. Rehab costs are approximately \$31,600 per unit. The rehab includes remodeling the office, replacing all windows, replacing exterior doors, adding attic insulation, residing and painting all buildings, replacing stairways, repairing, sealcoating and striping parking areas, reroofing the buildings, replacing gutters, replacing playground equipment, landscaping, replacement of water heaters, refrigerators, air conditioners, range hoods, kitchen countertops and sinks, bathroom countertops, and installing smoke detectors.

*Boardman* is a 12-unit project, with 9 units of rental assistance, and at the time of transfer will receive an additional three units, for 100% project-based assistance. Due to the small size of this project, there will be no on-site manager. Rehab costs for this project are \$60,000 per unit. The distribution of per-unit costs are higher due to the small size of the project. The rehab includes construction of a new office, replacing windows, residing, reroofing and painting all buildings, replacing stairways and rebuilding decks, repairing, repaving and re-striping parking lots, landscaping, replacing water heaters, refrigerators, ranges, range hoods, installing smoke detectors, replacing kitchen and bathroom countertops and sinks, replacing bath fans, replacing vinyl flooring, painting interior of all units, and upgrading the laundry room.

At the time of transfer for all three projects RD will have provided 21 additional units of rental assistance to the state. Current rents are above market, but within the LIHTC program rents. However, with 100% rental assistance for all the projects, tenants will only pay 30% of their income for rent. Market information indicates that vacancy rates for affordable units in the three communities is under 4%. The affordable rent projects survey reported waiting lists and the local housing authorities have indicated waiting lists for Section 8 vouchers of 8-24 months. Financing for the projects comes from various sources. US Bank and RD have underwritten these projects as one project. Department resources are provided separately to each project. The bond will be purchased by US Bank, with US Bank providing a permanent loan using the Oregon Affordable Housing Tax Credits. **Cullin** gives an overview of the underwriting for each project. She says US Bank is completing their underwriting analysis write-up and will be submitting for loan approval by the end of December, anticipating a loan approval by January 5, 2010. RD anticipates final approval by mid-January, just prior to the bond sale. US Bank is the lender on several of the department's projects that have been stalled, so the only issue now is a workload issue for them to complete write-ups. They have completed credit underwriting on the borrower, and it is just a matter of getting the write-ups done and submitted. RD has submitted their loan approval; however, their loan committee is not scheduled to meet until the first part of January, and it is anticipated that they will look at this as soon as they can. The bond sale is scheduled for January 19-22. She says the financing team members are all highly experienced with affordable housing, including the bond and tax credit transactions. The principals of Chrisman Development and Management, Doug and Tony Chrisman, have developed, owned and managed affordable and market rate housing and commercial properties since 1989. They currently own 450 units and manage 482 units, most of which are affordable housing projects that include some variation of department resources. They are very experienced with the acquisition and rehabilitation with RD properties. Deposits to operating reserves for those properties started in June 2007, there is approximately \$160,000 in the reserve accounts, and they have not been accessed in the last two years. A review of other properties from their real estate operating schedule shows all properties with DCRs from 1.10 to 4.0, with reserves totaling approximately \$757,000. The Chrismans are very experienced developers and have experience with all of the department financing programs.

**Epstein** says these deals make sense for the department because they are coming with renewable RD rent subsidies and RD is leaving money in the projects. If the projects are not kept affordable, then RD may not take these funds and move them to another new project. So what the department is doing is preserving the RD subsidies it has in Oregon and giving more to each of these projects. **Cullin** says that is correct. **Epstein** points out that it is a lot of money per unit, and some could argue that for the money to preserve a unit in Boardman, you could build brand new. **Cullin** says that based on the conversations the department has had internally and with its partners, it appears people are wanting to see more rehab done on projects, so costs on these kinds of projects may go up more than in the past. **Epstein** states that this is the department's role with regard to preservation, and that is why Council would approve these, because they are coming with subsidies that would

