OREGON STATE HOUSING COUNCIL

May 7, 2010

Madrona (formerly the Rose Quarter), Portland, OR
132 Units, Acquisition/Rehab, at or below 40% median/homeless

Oregon Housing and Community Services
725 Summer Street NE, Room 124 A/B
Salem, OR 97301
503) 986-2005

OREGON STATE HOUSING COUNCIL

May 7, 2010

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Oregon State Housing Council

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STATE HOUSING COUNCIL MEETING

May 7, 2010
9:00 a.m.
Oregon Housing and Community Services
725 Summer Street NE, Room 124 A/B
Salem, OR 97301

AGENDA

I.	**CALL TO ORDER**	**M. LaMont**
II.	**ROLL CALL**	**M. LaMont**
III.	**PUBLIC COMMENTS**	**M. LaMont**
IV.	**APPROVAL OF MINUTES** **A.** Minutes of April 2, 2010 Meeting	**M. LaMont**
V.	**RESIDENTIAL CONSENT CALENDAR** None	
VI.	**SPECIAL REPORTS** **A.** *Governor's Energy Plan,* **Diana Enright,** Department of Energy	
VII.	**NEW BUSINESS**	
	A. *LaGrande Retirement* (LaGrande, OR), Predevelopment Loan Request	**S. Cullin**
	B. *Morrow Estates* (Boardman, OR), Trust Fund Increase Request	**D. Zitzelberger**
	C. *Owens Adair* (Astoria, OR), Housing Preservation Fund Loan & Weatherization Grant Request	**S. Cullin**
	D. *Chaucer Court* (Portland, OR), Predevelopment Loan Request	**D. Vance**
	E. *Crestview Court* (Beaverton, OR), Predevelopment Loan Request	**S. Cullin**

VIII. OLD BUSINESS
None

IX. REPORTS

A.	Hardest Hit Fund Update	**R. Crager/L. Joyce/M. Kaplan**
B.	Neighborhood Stabilization Plan Update	**R. Malloy**
C.	Federal Stimulus Plan Update	**J. Fletcher**
D.	Legislative Concepts & Policy Option Packages	**L. Joyce/J. Fletcher**
E.	Housing Council Strategic Plan Updates	**J. Epstein**
F.	Report of the Chief Financial Officer	**N. Cain**
G.	Report of the Deputy Director	**R. Crager**
H.	Report of the Director	**V. Merced**
I.	Report of the Chair	**M. LaMont**

X. FUTURE AGENDA ITEMS **V. Merced**

Adjourn by 11:15

11:30 – 2:00 Joint Meeting w/ CAPO

OREGON STATE HOUSING COUNCIL
Minutes of Meeting

Oregon Housing & Community Services
Large Conference Room, 124 A/B, First Floor
725 Summer Street N.E., Suite B, Salem, OR 97301
9:00 a.m.
April 2, 2010

MEMBERS PRESENT
Maggie LaMont, Chair
Scott Cooper, via phone
John Epstein
Stuart Liebowitz
Francisco López
Nancy McLaughlin
Jeana Woolley

MEMBERS ABSENT

GUESTS
Michelle Deister, Legislative Fiscal
Tom Cusack
Rita Grady, Polk CDC
Tamara Holden, Geller Silvas & Assoc.
Ryan Fisher, OHA/CAPO
Keith Wooden, Housing Works

STAFF PRESENT
Victor Merced, Director
Rick Crager, Deputy Director
Nancy Cain, Chief Financial Officer
Bob Gillespie, Housing Division Administrator
Pegge McGuire, Community Resources Division Administrator
Bill Carpenter, Chief Information Officer
Lisa Joyce, Policy & Communication Manager
Dave Summers, Multifamily Section Manager
Vince Chiotti, Regional Advisor to the Department
Karen Chase, Regional Advisor to the Department
Betty Markey, Housing Division Policy Advisor
Shelly Cullin, Senior Loan Officer
Roz Barnes, Loan Officer
Mariana Negoita, TCAP Program Manager
Tim Zimmer, Weatherization Program Manager
Rich Malloy, NSP & Policy Coordinator
Roberto Franco, Single Family Section Interim Manager
John Fletcher, Financial Management Division Policy Advisor
Mary Carroll, Manager HPRP
Jo Rawlins, Recorder

I. CALL TO ORDER: Chair LaMont calls the April 2, 2010 meeting to order at 9:06 a.m.

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

III. PUBLIC COMMENT: None

IV. APPROVAL OF MINUTES

A. Chair LaMont asks if there are any corrections to the February 26, 2010 Minutes. There being no corrections, the Motion was read:

MOTION: Epstein moves that the Housing Council approve the Minutes of the February 26, 2010 Council meeting.

VOTE: In a roll call vote the motion passes. Members Present: Scott Cooper, John Epstein, Stuart Liebowitz, Francisco López, Nancy McLaughlin and Chair LaMont. Abstained: Jeana Woolley.

V. <u>RESIDENTIAL CONSENT CALENDAR</u>: None.

VI. <u>SPECIAL REPORTS</u>:

A. *Primer on Plan to End Homelessness,* **Roberto Franco,** Single Family Section Interim Manager, and **Mary Carroll,** State Coordinator of Homeless Prevention and Rapid Re-housing Program. **Franco** distributes a copy of a PowerPoint presentation and explains that the Ending Homelessness Advisory Council's (EHAC) strategic plan includes finding opportunities for Council members to be part of the initiatives and be part of the efforts to end, prevent or stop homelessness in their communities and regions. **Carroll** explains that she is staffing EHAC now and that one of the goals is to help provide resources and assistance to local jurisdictions who either do not have their plan, or are in the process, or those that have completed one, but it is not being implemented. EHAC has a subcommittee to look at the status of the state and where there are plans and where they need to provide some assistance. The U.S. Interagency Council on Homelessness (USICH) is doing a survey now in all the counties, which will provide the latest up-to-date information. **Crager** adds that the issue of "ending" homelessness has always been something that people do not take seriously. Over the years homelessness was treated as a temporary situation, but people end up back on the streets if they are not provided with the necessary support services they need and not provided some form of permanent solution. Data has proven that if you get people into permanent housing and stabilize them using supportive services, they can be successful. In terms of 10-Year Plans, the plans across the states that have been successful have had political champions behind them.

Woolley asks if they have any data from the successful programs about people who do not have mental illness, families that are jobless, or runaways, how long it takes for people to begin to change their lives, and what a meaningful timeframe is to commit to. **Carroll** says it depends upon the demographic. There is a very good program that serves Washington, Multnomah, Clackamas and Clark Counties called Bridges to Housing. That program serves families who are homeless and have some kind of addiction or mental illness, and even child welfare services. The program was developed to give them permanent housing and then intensive support for two years in linking people with mainstream services. The goal was to house 300 families over ten years. They will meet the numerical goal. They have found that families need the services longer than two years. The families who did stay in the program did very well and stabilized. They key was housing. **Woolley** asks if there is a minimum that we are asking them to build into the program based on what we know about what is working and what is not. **Franco** explains that the one funding initiative at OHCS is Housing PLUS, where there is both the funding for development and the funding for supportive services. The program is for four years with rental subsidies or supportive services. That was based on two factors: One was checking with what other organizations were doing and for how long. The second is the funding available and the number of units OHCS expected to produce. Developers were also asked to bring other supportive services to the table. Some have Section 8 vouchers, so they use the Housing PLUS dollars to pay for the supportive services, and some other groups are using other federal or state money that they have to supplement the $6,500 and stretch it to ten years. The Housing PLUS units in the Portland Metro area have more resources, so they did not need or request the resources that we have. A lot of the Housing PLUS resources have been allocated in the rural communities, and those communities offer the biggest challenge due to lack of employment and transportation. **Crager** states that one of the things the department was asked to do from the Housing PLUS initiative was to come back to the legislature and provide information. **López** asks if it is fair to say that Multnomah County has received a lot of resources because of political advocacy. He says the department needs to be able to show the results of a successful program and asks if there is data to back this model. **Carroll** says yes, and that she will send it to Council members. **Crager** states that there is also an EHAC task force specific to this issue of how we replicate the plans throughout the state.

Liebowitz comments that he would not be harsh with the public about their views on transitional housing. The department's policy for a long time was to promote transitional housing as a gateway to permanent housing. Now we are trying to un-persuade the public that it is a good idea to use the Housing First model. The most difficult aspect he has seen for a long time is funding for services that exist, whether dealing with homelessness or low-income, and that is the gaping hole. Housing PLUS is a great idea with great shortcomings. If you are really going to commit with permanent housing and social services, that commitment must have attached to it a service commitment. **López** says it is about the holistic approach to homelessness, not just a roof. Transitional housing is needed for certain populations and it is still valid. **Crager** adds that in no way did he mean to imply that transitional or emergency shelters are not needed. His point is that there has been a philosophy that if you do that type of housing, then everything is fine. **Merced** says that Stuart's point is well taken. At the national level, those with the loudest voices tend to be from the states that have real issues with urban homelessness. In many ways we are unique because we do have a large urban population that is homeless, but have an even larger population of rural homelessness. That case has not been effectively made at the national level. **Woolley** comments that the more information EHAC has about the faces of homelessness, the more effective the argument will be at the political level. It is not a one-size-fits-all solution. We need more and better data about what homelessness looks like. **Franco** says that as the Council moves forward with its strategic plan and initiative, they would be glad to provide any kind of information they may need. **LaMont** asks if there is a sample plan that can be made available to communities that have not started. She says that most of their commissioners associate homelessness with a homeless person sitting on the streets in Portland.

VII. <u>NEW BUSINESS</u>:

A. *Jen's Place* (Dallas, OR), HOME and Trust Fund Increase Request. **Roz Barnes,** Loan Officer, introduces **Rita Grady**, Polk CDC, **Tamara Holden**, Geller Silvas & Associates, and **Karen Chase**, Regional Advisor to the Department. **Barnes** states that this project is proposing to provide five units of supportive drug and alcohol free housing for single parents and their children, and that residing in a safe and stable home will enable residents to move toward self-sufficiency and pursue educational goals and employment opportunities. She gives an overview of the write-up contained in Council's packet. **Grady** says this is a very valuable beginning in Polk County to address the needs of single parents with children who have completed their treatment plan and are moving into recovery. There are a lot of services offered and they will work with them to improve their education, and they will work with the court system so they can reclaim their children. They will participate in outpatient drug and alcohol treatment to improve their employment opportunities. With Council's help they can start construction the first of May. **Liebowitz** says the question is not about whether it is a good project; the real question to be considered is whether our resources ought to be dedicated to this or wait for ADF to come up with the $200,000. If they make an announcement in July, they could start construction knowing that at some point the funding would be released. **Barnes** says yes, but they are putting out $1M in ADF funds, which will be disbursed in $200,000 increments, which will fund about five projects. If they use the $200,000 for Jen's Place, which is already in the process, that will reduce one project that may become affordable housing. By waiting for that we would cut down the amount of affordable projects through ADF. **Holden** comments that right now construction costs are low. If they wait until Fall the prices and costs will go up and this is a good opportunity to take advantage of those lower costs. **Woolley** asks how long their construction contract is good for. **Grady** says it has not been signed yet. They started their bidding process and funding projections before they submitted to the CFC, and the contractor has pretty much held to that, but he cannot guarantee anything beyond May. If they wait until Fall they will have different numbers to work with. **Gillespie** adds that we need to consider the relationship of the department with DHS and the ADF funds. We have had this partnership for a good number of years. ADF funding never solely funds a project. When we get those resources to the department we then fund future projects out of it. It is a trade-off for present day projects versus future projects. **Liebowitz** comments that the original application assumed that it would be getting the $200,000. In terms of construction costs rising, no one really knows, but it is hard to imagine in this current economy that we will see booming construction costs over the next three months. It comes down to whose pot gets dedicated. **Gillespie** says he sees it as a certainty that we have the funding in place, that we can get something going and get a project started. If we come up with the ADF funding later we will use it on another project. **Crager** states it is unfortunate that the ADF funds are not there and that we are in this position in terms of putting some other dollars forward. This is a project that is just waiting on this particular source. **LaMont** asks if the funds that are dedicated to this will come out of the CFC cycle, or if they are funds that are available. **Gillespie** explains that the department has a lot of funds that it works with and they anticipate future funding, so it will come out of resources that might be available for future CFCs. **Crager** adds that, in terms of the current CFC allocation that they are planning, allocating these funds will have no impact on the CFC for this year. **Merced** asks if they were to go ahead and put in an application to DHS for the funding, can they say with any specificity that there is no guarantee that this resource will be made available for this project. **Grady** says they would be competing with everyone else at this point. **Epstein** says he thinks Council needs to amend the motion to add that they must break ground by May 15, 2010.

> **MOTION: Woolley moves that the Housing Council approve an additional $87,666 in HOME and an additional $94,445 in Trust Fund to Polk CDC for the construction of Jen's Place, on the condition that they break ground by May 15, 2010.**
>
> **VOTE: In a roll call vote the motion passes. Members Present: Scott Cooper, John Epstein, Stuart Liebowitz, Francisco López, Nancy McLaughlin, Jeana Woolley and Chair LaMont.**

VIII. <u>OLD BUSINESS</u>: None

IX. <u>REPORTS:</u>

A. *Neighborhood Stabilization Plan Update.* **Rich Malloy**, NSP Program Coordinator, distributes a Summary Report and gives an overview. He says the key points to keep in mind is that the funds are 33% obligated as to what we know. There is a small amount that the subrecipients have not submitted to the department. The way that some of the subrecipients administer the program is that they held back funds that will go out in big chunks over the next three months. The department is on task to commit the entire $19M by September 15. Oregon is behind compared to other states, but he is optimistic that things will move along considerably in the next 60 to 90 days. At the last Council meeting he talked about reallocating some funds, and he is working with grantees to find out from them if they can get this done. Regarding NSP II, they are waiting for the agreements to come back, so there is no real news on that. **Merced** asks where we are at in terms of obligations. **Malloy** states that by September 15 all of the money must be obligated. There are no benchmarks that HUD has given us compared to anyone else. Closer to 60% would be a much better place to be. The challenges have been on the financing mechanisms on the down payment assistance side. He says that HUD wants units tracked. **Woolley** asks if he thinks we are going to be able to get to the goal line. **Malloy** says the only way they will get there is when they make this reallocation and get it to those three or four subreceipiants that have the capacity to get it done. **Woolley** asks if that is why they are making that consideration at this point. **Malloy** says that if it were left where it is now, we would not make the goal. **Merced** says it is a mid-course correction. **Malloy** states that they anticipated that when they did the action plan for the program. **Epstein** asks if the $30,000 chunks are for existing homeowners. **Malloy** says it is for down payment assistance, and it is just an average number. They can buy the home and use some of the money for other rehab. **Woolley** asks if it could be anyone putting the housing back into the marketplace. **Malloy** says correct. In addition to that, with the nonprofits, if they buy a house for $200,000 they will sell that house and get first mortgage proceeds of $150,000 so they can buy another one. Over time, the nonprofit can initially do six units, but they could theoretically do 12, 15 or 18 over a period of time. The end of the grant period is 2013. **Epstein** asks if, for example, PDC is taking this money and enhancing their down payment assistance programs. **Malloy** says he is not sure. They could use that in the $175,000 to $250,000 range to close the affordability gap. **Epstein** asks about how the program is marketed. **Malloy** explains that the demand and the interest of the lenders is there, but what has been the challenge going back to the beginning of the program is using this type of subsidy and the regulations that come with it to work with first mortgage lending requirements and their ability to sell those loans on the secondary market. **Woolley** asks who is administering the program in Portland. **Malloy** says it is the Portland Housing Bureau and PDC. **Woolley** says perhaps we could find out how they are administering, or if they are working with certain banks. **Malloy** says they took a lot of loan applications and have a waiting list. **Merced** adds that they are working with a network of other nonprofit homeownership programs. **Epstein** asks where to direct calls about the program. **Malloy** says to direct them to him. **LaMont** asks if it is hard to get the money obligated in rural areas. **Malloy** says that in some parts of the state it has not been as much of a problem, as in other parts. If it needs to be redistributed they would look at where the capacity lies. He says it is more difficult in the suburbs. **Crager** comments that on NSP II, OHCS is taking the $1,285,000 and leveraging that with a portion of the document recording fee, and DHS has preliminarily committed some resources to be able to drive that toward permanent supportive housing.

B. *Federal Stimulus Plan Update.* **John Fletcher**, Financial Management Division Policy Advisor, and **Tim Zimmer,** Weatherization Program Manager. **Fletcher** distributes copies of the OHCS ARRA Awards and Status and Cumulative Financial Status to Date. He says that in the next ten days they will be gathering information about outcomes and sending that information to the federal government. He expects the next monthly report to Council to focus more on outcomes. He says the department's ARRA programs are on track and on schedule. Even though there was some slow start up in weatherization in terms of time, they are now working at a pretty good level. The timeline goals overall for the program are being met. **Woolley** asks if the targets and completions are units. **Zimmer** says yes, it would be a single dwelling. **Epstein** asks if this is for families up to 120% of median income. **Zimmer** says it is actually 200% of the federal poverty level, which is approximately 72% of state median income. **Epstein** asks if a nonprofit that owns housing that services people at that income level would be eligible. **Zimmer** says yes. **Woolley** asks if a private individual would be eligible and how it is being disbursed. **Zimmer** explains that it is being disbursed by the department contracting with about 20 different agencies across the state. Three are county organizations, three are tribes, and the rest are community action programs. If an individual is interested in weatherization they would directly contact the community action program. **Epstein** asks if this would be a chance for nonprofits to get their housing stock weatherized. **Zimmer** says yes. The program has more money now than ever before. **Epstein** says he just wants to make sure it is getting marketed. **Pegge McGuire,** Community Resources Administrator, says that the department is doing a lot of work with all the CAP agencies who are doing a lot of outreach. Everyone has their own plan about how they are going to do the work. They have submitted work plans to Tim. Some of those agencies prefer to work through their waiting lists first. Others take this as an opportunity to do some things they want to do in the community. We are doing some extra work on our end in talking with our partners. In Multnomah County it is the Office of Schools and Community Partners. **Crager** asks her to talk about the preservation piece. **McGuire** says that when they heard that this money was coming, one of the first things they did was to work with the CAP agencies and asked them to set aside some of the money and to encourage them to work in their communities on preservation properties. Most agreed to set aside 10% of their funds to specifically target preservation properties. They also work with the tribes. **Fletcher** adds that one other question Council had asked about was how long a typical weatherization job lasts. The answer is about two years until the funding runs out. There is more market consciousness about energy efficiency than their used to be; therefore, there are more opportunities. So some of the jobs may continue even if the funding runs out.

C. *CFC / Needs Analysis.* **Bill Carpenter,** Chief Information Officer, distributes a copy of the 2009 CFC Needs Analysis Assessment, explaining that for many years Bob Gillespie, Housing Division Administrator, has wanted to move the CFC away from funding the highest scoring applications and to find a way to encourage more applications for populations that had the largest unmet need for housing. With that goal in mind, in 2007 a Needs Analysis was devised that looked at special populations and workforce housing and tried to find a data based methodology for assigning priorities to those populations. That was rolled out for the first time in the Fall 2008 CFC. It worked pretty well, but there were some tweaks that were needed, and so some changes were made. There were two cycles, Spring and Fall, in 2009. The department received 55 applications, and got appeals from 12 projects that wanted to get different priorities than what we had. In the CFC cycle there is a 30% set aside for department priorities. The goal is 55% of the remaining awards for the projects in urban entitlement areas and 45% for projects in rural areas. In 2008, the department met the set aside, but the majority of that funding went to urban entitlement areas and we were low on the rural side. It is hard to hit the targets exactly when you have a relatively small number of projects. In 2009, the department exceeded its goal for the set asides. Most of the remaining funding went to rural areas last year. There were a number of conversations about using US Census data and American Community Survey data. The American Community Survey data is getting better and covering smaller jurisdictions. They were able to get updated 2007 and 2008 data for all of the counties except for the smaller ones, like Sherman and Grant. In 2011, they will be receiving yearly updates from

the American Community Survey data for all jurisdictions in the state. 9 of the 12 appeals were successful. The department did a survey of people who participated in the CFC cycle and asked them a number of questions about the cycle. The responses were generally positive; the appeals process was viewed as fair and reasonable. He said he received a letter from Stuart Liebowitz asking some questions about the appeals process and that initiated some discussions. As a result of those discussions it became quite clear that there were two kinds of appeals; some are data, and some are policy questions. He says they have separated those and in the 2010 cycle, appeals for the data come to him for a decision; appeals that are policy based go to the Housing Division Administrator. In looking at the 2009 process, the special needs analysis seems to be working to encourage housing to meet high priority populations in the areas they serve. With the current market conditions, it is unlikely that the market will be able to meet the highest priority needs in all of the counties. **McLaughlin** asks him to explain the charts that follow the graph in the handout. **Carpenter** says that if there is an elderly priority two in Baker, that means they were a priority two in 2008-09, and they will remain that for the current cycle. For each county there are charts that show the number of units of housing available by special population and the population number for that county of that special population. We then simply divide those and determine the percentage of housing that is available for that special population.
Woolley asks if the priorities get set relative to the needs within each county. **Carpenter** says yes. **Cooper** asks how they can do prioritization for counties that do not have data from the American Communities Survey. **Carpenter** says not very well. For a handful of the smallest counties, they are still having to rely on the 2000 Census data. **Gillespie** adds that they do not use the Census data on the special needs populations or on workforce housing. **Carpenter** says that on special needs they have more up-to-date data. **Cooper** says he thinks this is a premature and deficient system which penalizes the small rural counties and he has an issue with the way the department is doing this. **LaMont** says it will be so noted.

D. *Housing Council Strategic Plan Updates.* **Crager** distributes a draft copy of a brochure of the Council's strategic plan and asks for Council's comments within the next two weeks. **Epstein** reports that he and Nancy Cain were not able to connect this last month, so they will present their action plan on the Fiscal Forward Thinking goal next month. **LaMont** distributes a copy of ideas that came from her meeting with Victor on the goal to more effectively define the role of the State Housing Council and create a structure which best facilitates performing its role. She gives an overview of the meeting notes and asks for Council's input. **Woolley** asks for clarification of the goal. **Crager** says that when Council had the discussion in November it consisted of two parts. There was some discussion as it relates to more effectively organizing the meeting and how to structure the meeting. There is also a portion on what needs to be done from a statutory standpoint and defining the Council's role. There was also a discussion with Dee Carlson from the AG's office about how there was some confusion within the statutes and how to more effectively define the role of the Council. He says that what Chair LaMont has presented are some general ideas. At the last meeting, on the other five initiatives, there were actions plans that showed the steps and the timeframes. He suggests that it might be good to put this into the same type of action plan. He says a legislative concept placeholder has been submitted as it relates to potentially revising some of the statutes. **LaMont** says she may not have expressed it well, and that the whole idea in doing this is to open up time for the Council to have those discussions. **Merced** says that is correct, and that at the retreat one of the barriers that was identified was the way Council was set up and he has always found that the times spent after most of the agenda items are covered are the more in-depth conversations. **Woolley** says she is fine with that and would appreciate receiving a copy of all the action plans.

Woolley says there are a couple of suggestions she doesn't know that she would agree with. When projects come back to Council for additional money, there tends to be an in-depth discussion about those because Council wants to have a better understanding. It seems there are more issues around those and they shouldn't be placed on a consent agenda. Things that could go on the consent agenda would be minutes, the single family housing report, and other routine items. **LaMont** says that is what they discussed. Anything they thought was controversial would not go on the consent calendar. She was thinking about the projects asking for TCAP money. Council knew those projects were coming back because there was a gap. She was trying to get away from having the same presentation four times for the same project. **Woolley** says she agrees and thinks they can have short presentations on the items they have materials for, and that it would be helpful to Council to have the write-ups presented in a similar format. **Merced** points out that it is a twofold advantage for the Council. It enables staff to think more strategically about their presentations to the Council so they can focus on the key points; and he reemphasizes that the open forum idea is for Council to present issues they feel ought to be addressed. **LaMont** says she would like to set time on the agenda for suggested forum topics for the next's month's meeting, and suggests the first topic be to define the role of the State Housing Council. **Crager** proposes having a portion of the agenda for policy reports. **Woolley** says that at the retreat Council members signed up for committees; the detail work would go on in the committees, and recommendations would be brought back to the Council. **McLaughlin** states that is what the partner input group is working on. They are creating two distinct committees to provide advice and counsel to Housing Council and there will be Council members on those committees.

Woolley asks who the intended audience is for the brochure. **Crager** says it is intended to be informational to the general public and is an attempt to try to define some of the key policy work that Council will be taking on in this biennium, so as time goes along and the strategic initiative changes, Council will be able to provide information to the general public on what the Council is working on. **Woolley** says that if it is to be used for the public, it would be good to include the names of the Council members for each initiative so they know who they should talk to. It would also be good to have the more specific priorities per biennium under each of the areas. **Crager** says a final draft will be presented at the May meeting for Council's review and approval.

E. *Report of the Chief Financial Officer.* **Nancy Cain** reports the following:

- Lately she has been working on the budget, Legislative Concepts that are due April 9, and trying to get the single family program started. Monday morning an e-mail was received from the US Treasury saying they would like to give the department $88M, which has reset department priorities. She has asked the department's mortgage servicer to research what will be necessary for the department to prevent the borrowers, especially in the Bend area, from going into foreclosure. **LaMont** asks if, with the NSP money, those loans would be eligible to be resold. **Cain** says that in certain areas, yes. **Merced** comments that he heard there were two positive reports on foreclosures. One is that CFED issued a report that those who had gone through the Individual Development Account program are less likely to be delinquent. Secondly, those who have gone through homebuyer education training prior to being a first time homebuyer were more likely to be in a stable housing situation now. **Cain** says that a few months ago she saw a report about an analysis that was done that showed it was three times the default rate if a borrower was able to get into a home with no equity.

- Her division has been working on what the revenue gap could be between funding operations and expenditures and she thinks they have that gap covered this biennium.
- ARRA reporting is coming up. It is the third report and the third way of doing it, but there is a new system that hopefully will work well.
- Regarding the new issuance bond program that was discussed at the last Council meeting – she is hopeful the market conditions will be such that the department can start looking at whether spring is the right time to get back into the market. As of March 31, Treasury has stopped buying mortgage-backed securities, and they have been phasing out their program where they buy mortgage-backed securities. Supposedly, March 31 ended that arrangement. There are differing views now on whether or not that is going to significantly impact mortgage rates. As a lending organization, we need those rates to go up to be competitive.
- As of March 31, the department's delinquencies are down from 6.16% to 5.79%; foreclosures have gone up with 52 properties currently in foreclosure. **Merced** asks how big the single family portfolio is. **Cain** says it is somewhere around 8,000 loans, and although 52 is a lot, it is not out of 8,000 loans. **Crager** adds that the department has a very strong portfolio and he is proud of the fact that the department has operated a program that has been conservative and the performance shows that. **LaMont** asks what the process is for the department disposing of those properties. **Cain** explains that they have realtors remarket them. Most of the properties have some sort of mortgage insurance. The only way that they are not insured is if they had a loan-to-value of less than 80% at the time of purchase.

F. *Report of the Deputy Director.* **Rick Crager** reports the following:

- He says the big question is what are we going to do with the $88M? -- and distributes a draft copy of Hardest Hit Fund Project Management Overview. This is not money that was applied for, and is part of the Troubled Asset Relief Program (TARP). TARP funds are being allocated by the US Treasury to states that are hardest hit by unemployment, foreclosures, and housing values that have gone under. There were five states that were allocated this money back in February, and is part of the Obama Administration's response to the housing crisis. On Monday it was announced that five more states were going to be allocated funds and Oregon was one of those. There were 14 counties in the state of Oregon that were identified with excessive unemployment. The reason Oregon was included is because of unemployment in those 14 counties; not necessarily statewide unemployment. The other piece that was important to the US Treasury was that state housing finance agencies be involved in the administration of these funds because they have a record for working with these types of programs. Not all HFAs are the same across the nation. Some are privatized, have hefty balance sheets, and some do more than what we do. We were recognized nationally as a good organization that could administer an innovative program that would respond to the issue. The timeframe that we have at this point is that the department will get final rules and regulations within the next two weeks. Once the rules come out we will have six weeks to provide a proposal to the US Treasury on how this $88M would be used and where it would be used. They have told us that the money will be available to the state; however, there needs to be an emphasis on those 14 counties that have high unemployment. Part of the rules around this is that this $88M cannot be directly given to state government. Many HFAs that are not privatized, have situations similar to OHCS, and there will have to be another type of entity that receives the funds that meets the definition. Once that is established, it has to be regulated and fully controlled by the HFA. The solution is that most HFAs are creating their own nonprofit, LLC, or corporation, and providing the administrative oversight to that entity. According to the US Treasury they are willing to look at any type of proposal that we put forth. Whether OHCS has the authority to do that is something that is being examined. There will need to be a contract in place between the US Treasury and the newly formed entity by October of 2010. The money would then flow to that entity. Then there would be an agreement in place between that entity and OHCS to provide the administrative oversight. In terms of a target population, we need to focus on the high unemployment areas, targeting low- and moderately-low income individuals that are currently unemployed, or have been or are delinquent in their current mortgage. The department will be working with DCBS in putting a comprehensive project management team in place. There are three tracks to this; 1) administrative; 2) project design and communication; and 3) data. All this work needs to be done in the next eight weeks and there needs to be a point person who can work on this full time. He is assuming the temporary project manager role. The $88M does include some administration.

Woolley: I am trying to understand what the opportunities are. It seems like one of the problems with most of the TARP programs directed at homeowners is that you have to be drowning or nearly drowned before anyone pulls you out of the water. With the way these programs work they are being funneled through the banks, and the banks are not willing to close the gap and take the hit on the books. They are not really working these programs. Most of the people who are drowning are not low income, they are working folks who have lost their jobs or middle-income people who have lost their jobs. You will have to focus it at a higher level if you really want to slow the problem down. We typically direct it at folks who do not have resources. I am curious about the internal discussions that you have had. Where are you in terms of thinking about how this money ought to be directed in order to shore up the housing market in Oregon? **Crager** says she is right in terms of who we have traditionally served in our programs, but we are going to go beyond that. That becomes an administrative question. The nice thing about having an entity outside of us is that it enables more latitude in terms of who we serve. We do have some flexibility within our existing statute to go higher than we had traditionally served. There will be a new population that these programs serve that go beyond what we typically do. The bank piece has been one of the challenges at the federal level. The complaints that have come from our federal delegation is the difficulty in utilizing the existing programs. One of the HFA programs he heard about is one that has been designed to get people money to help with their mortgage while they are in training to build new job skills. **Woolley** says that it needs to be directed differently than anything else that is out there or the $88M will be spent without making too much difference. There needs to be alternatives to the relief programs that are out there that are not reaching the people hardest hit. **Crager** explains that when he says low income, he is thinking from a single family standpoint, meaning that people are 70% to 100% AMI. By statute we could go up to 120%. **López** says he agrees and that it is the working class and middle class families that will be affected the most by the recession, and that Central Oregon should be the focus. **Merced** adds that the department has been getting calls from homeowners, local partners, and highly leveraged corporations. This money is not for foreclosure counseling. The other issue is that there were five states who received funding before we did. There are some interesting proposals. One in Connecticut targets unemployed individuals. Servicers have been willing to forebear payment of their mortgage for six months or so if the person is enrolled in a job training program. That would mean making a connection with the community colleges and to make an arrangement so they get priority in the training programs. The major phase is getting public input. **Woolley** says she does not think all the money should be spent on services. **Crager** says that Treasury has been very clear about who this money will go to. **Woolley** comments that second mortgages are also dragging people down. **Crager** states that second mortgages were mentioned as well, and that one of the most common constituent calls has been the homeowner trying to work through the current programs to get their loan modified, and all the barriers they are running into. We need to create a flexible, user-friendly program so that we can help. **Woolley** asks if Council will get to see what the department is doing before it is submitted. **Crager** says absolutely, and to the extent that Council would like to be engaged in some of the project management teams, he would love for them to be involved. **McLaughlin** suggests that if there is something Council can push off that is in the works, they should do that because this has to be the top priority for the department. **Merced** says that Council will be valuable as they go out and do the forums.

- The department is in the process of putting together the 2011-13 budget in preparation for the 2011 legislative session. There was a kick-off for all the state agencies to get instructions on the processes they will have to go through. The news they received was dire. They are looking at a $2.5B deficit going into 2011-13. Some of the initial policy option package concepts will identify to the governor and to the legislature what the needs around the state are. Looking at the current deficit, he guesses that there will not be a lot of money for anything new if we continue the way it is described. The prediction is a very, very slow recovery. All agencies will be asked to look at 25% general fund and lottery fund reductions. The department does not have a lot of general fund, but what we do have are the most basic need programs -- the homeless programs and the food programs. The department will continue to look at creative ways to use its already existing resources to meet those needs.
- Strategies regarding the document recording fee are in the process of being kicked off. We are also working on the homeownership initiative, and down payment assistance has moved up as a top priority.

G. *Report of the Director.* **Victor Merced** reports the following:

- We were both ecstatic and cautiously optimistic and nervous about the $88M. He spoke with Senator Merkley, who said he did not know until a day before the announcement. He hopes that people got a sense of confidence from his television interview.
- The department is being asked to participate in discussions and METRO and Portland about what kind of proposal they might put together for the $100M nationwide sustainability initiative; $5M for metropolitan communities that Portland is eligible for; and $2M for smaller rural communities (he believes Roseburg is considering applying for those funds). That initiative is to showcase how housing, transportation and environmental policies can work in communities. We do not know if it is going to require a contribution from the department, but we will do whatever we can to make those opportunities successful. LCDC is meeting with him on Monday to talk about an opportunity that they see of working together and applying for some of the money for planning efforts. He would like to maximize some opportunities with the congressional delegation to make these move forward. Both Wyden and Merkley are very supportive of the HFA initiative. **Woolley** asks who they are working with at METRO. **Merced** says it is Greg Wolf, of former Governor Kitzhaber's Community Solutions group, and Bob Liberty. **Woolley** asks, based on what he knows about it, if it would be directed towards low-income housing or housing in general. **Merced** says it will be housing in general. The department is there to offer the low-income housing perspective, and that a lot of the initial dollars are going to be for planning.
- The department has been working on a streamlining initiative with the asset and property management division to streamline its inspections and compliance efforts because Section 8 tenants go through five or six different inspections every year. Kim Herman was invited to be the keynote speaker at the kickoff of this effort, which was well received.
- Today is the State of the State speech by the Governor.

- Secretary Chu from the Department of Energy is making a visit to Oregon to highlight the department's Energy Rebate Appliance Program. It has been recognized as one of the most successful programs and has only been underway for a month.

H. *Report of the Chair.* **LaMont** says she has been on the road a lot and asks that Council be advised of anything they can do to help.

X. FUTURE AGENDA ITEMS.

- **May** – Joint meeting with CAPO.
- **June** – Hopefully a report from Tom Potiowsky and the Governor's office.

Chair LaMont adjourns the meeting at 1:00 p.m.

Maggie LaMont, Chair **Oregon State Housing Council**	**DATE**	**Victor Merced, Director** **Oregon Housing & Community Services**	**DATE**

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Memorandum

To: Finance Committee/State Housing Council

From: Shelly Cullin, Loan Officer
Housing Finance Section

Date: April 27, 2010

Re: LaGrande Retirement – Predevelopment Loan Request

EXECUTIVE SUMMARY

Borrower:	La Grande Senior Apartments, LLC
Property:	La Grande Retirement 1612 Seventh Street, La Grande, OR
Loan Amount:	**$498,343**
Loan Term/Rate:	2 years @ 5% Interest
Repayment:	Bond Sale closing anticipated for Fall 2010 (Potential Risk Sharing project)
Security Value:	"AS IS" Market Value - $1,400,000
Use of Funds:	To complete acquisition with OHAP (NOAH) interim financing – predevelopment loan funds used for equity gap
Security:	Trust Deed in second lien position on subject property (Behind NOAH OHAP Loan); and first lien position on 243 acres of farmland in Wallowa County
Loan Guarantee:	Chrisman Development & Management, Inc.
Fund Availability:	$3,126,029
Finance Committee:	April 27, 2010

Voting to Approve: ____
Voting to Decline: ____
Absent: ____

/s/ Rick Crager
Rick Crager, Finance Committee Vice-Chair

Date: *April 27, 2010*

RECOMMENDED MOTION: Approve a Predevelopment Loan in the amount not to exceed $498,343, at an interest rate of 5% per annum, for a maximum of two (2) years to La Grande Senior Apartments, LLC, for the acquisition of La Grande Retirement, located in La Grande, Oregon; contingent on NOAH OHAP loan approval.

PREDEVELOPMENT LOAN REQUEST
La Grande Retirement Center Apartments

Project Description: La Grande Retirement Center Apartments is a 46-unit senior and disabled apartment complex located in La Grande. The project is an expiring HUD Section 8 property and currently has 46 units of HUD Section 8 project-based rental assistance. The original Section 8 HAP Contract expires in September 2011. The complex is located a few blocks from the historic downtown of La Grande, new downtown shops, restaurants and businesses.

CD&M Inc. currently has an executed purchase and sale agreement, which took over a year to negotiate. They are currently the property manager for the project. There are 13 partners in the ownership structure which are very elderly, and with varying degrees of sophistication. The Chrisman's propose acquiring the property now through the NOAH OHAP so that they can retain site control while developing the permanent financing structure.

At this time, the Chrisman's will be applying through the 2010 Consolidated Funding Cycle. In addition, if 4% LIHTC exchange is approved through Congress, they would consider a Risk Sharing/$4% transaction.

The proposed rehabilitation activities include, but are not limited to: laundry room repairs and laundry equipment replacement; replace all interior doors and fire doors; remodel office; replace windows and framing; landscaping, replace sidewalks; repair roof and construct gutter drains; new fire/sprinkler system; replace glass sliding patio doors; replace decks and railings; replace kitchen sinks/faucets, cabinets and countertops; replace bath sinks/faucets, vanity, toilets, and medicine cabinets; replace air conditioners; replace elevator; and miscellaneous interior and exterior repairs. Total proposed rehabilitation budget is $1,574,400.

Use of Funds: Predevelopment loan funds will be used to pay for the balance of the equity required for the acquisition (purchase price of $1,400,000), the department's prepayment penalty and transfer charges, NOAH loan fees, and reimbursement for predevelopment expenses. Sources and Uses for the interim financing include:

Sources	
NOAH OHAP Loan	$1,050,000
OHCS Predev Loan	498,343
	$1,548,343

Uses	
Acquisition	$1,400,000
Closing Costs	8,500
OHCS Prepayment/Transfer Charges	39,710
Development/Fees	91,633
	$1,548,343

Potential permanent Sources & Uses include: *(2010 CFC Application)*

Sources	
Bank of Eastern Oregon w/OAHTC	$1,075,000
9% LIHTC Equity	1,969,898
Preservation Grant	840,002

Trust Fund/GHAP	100,000
Deferred Developers Fee	100,000
	$4,084,900
Uses	
Acquisition	$1,414,000
Rehab/Construction Costs	1,574,400
Development Costs	1,096,500
	$4,084,900

Security for Loan: The predevelopment loan request for La Grande Retirement is to be secured by a second Deed of Trust on the property, behind the OHAP first mortgage. An appraisal completed September, 28, 2009 indicates an "AS IS" Market Value of $1,400,000. Using (only) La Grande Retirement as security, the loan-to-value for both loans is 111%. The borrower will provide additional security in the form of 243 acres of farmland located north of Wallowa. There are no liens on the property. In addition, Chrisman Development & Management will provide a guarantee for the department's predevelopment loan.

Repayment Plan: Repayment of the predevelopment is anticipated at construction loan closing anticipated for November/December 2010, if awarded 2010 CFC resources. If not awarded, the borrower will reapply in 2011, or will re-evaluate the possibility of a bond/4% transaction, which could close by the end of the year.

Availability of Funds: There are available funds for this request, along with two other predevelopment loan requests presented to the May 7th Housing Council.

Predevelopment Loan Program:	$6,250,000
Less: projects currently funded	(3,023,971)
Reserved for NOAH LOC	(100,000)
Funds available to Lend	**$3,126,029**
Chaucer Court	(595,000)
Crestview Court	(800,000)
LaGrande Retirement	(500,000)
Arleta Park	(400,000)
Sisters Habitat (prospect)	(85,000)
85th – Geller Silvis (prospect)	(500,000)
Old Scholls Farm	(175,000)
Balance Remaining to lend as of 5/1/10	**$ 71,029**

Borrower/Development Team Experience: Chrisman Development and Management, Inc. (CDMI) has a long and successful history of developing, rehabilitating and managing affordable housing throughout the state. CDMI was started by Doug and Tony Chrisman in 1989. The business acquired a number of properties in 1989 and acquired its first affordable housing property in 1991. Since 1989, CDMI, working in partnership with local non-profit partners has developed or rehabilitated 17 affordable housing projects, with a total of 500 units. CDMI manages their entire portfolio of affordable properties. They have experience with funding resources from OHCS, RD and HUD. CDMI currently has 28 employees.

Comments and Recommendations:

* La Grande Retirement is a Section 8 property with a mortgage maturity and HAP contract expiration of September 2011.

* The borrower has provided adequate security for the predevelopment loan request.

* The borrower is experienced with all of the department's financing programs; and has not adverse compliance reports.

* Preservation of project based rental assistance (HUD or RD) is a priority for the Department.

* I would recommend approval of the requested Predevelopment to complete the acquisition of La Grande Retirement by Chrisman Development & Management, Inc.

/s/ Shelly Cullin
Shelly Cullin, Loan Officer
Multifamily Housing Section

Finance Committee Comments: Verify the zoning or farm tax exemption to obtain a clear value of the farm property. Motion approved, committee just wanted clarification in the file.

Vote to Approve: Victor Merced, Rick Crager, Nancy Cain, Pegge McGuire, Bill Carpenter, Marlys Laver, Bob Gillespie, Dave Summers
Absent:
Abstain:

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Memo

To: State Housing Council

From: Debie Zitzelberger, Loan Officer
Multifamily Housing Section

Date: April 27, 2010

Re: Morrow Estates – **Request for Additional Funds**

Project Name:	**Morrow Estates**
Project Address:	20 duplex buildings, Boardman, OR
County:	Morrow
Sponsor Name:	Community Action Programs of East Central Oregon (CAPECO)
Property Owner:	Morrow Estates Limited Partnership General Partner: Morrow Estates Inc (CAPECO as the sole member) Limited Partner: Morrow Estates Inc.
Funding Request:	$550,000 OAHTC $100,000 Trust Fund

No. of Units:	40
Population:	Family
Years Affordable:	50 yrs (1/1/2046)
Consultant:	Geller Silvis & Assoc David Crawford
Property Manager:	Neal Management Team

Finance Committee: April 27, 2010

Voting to Approve: 7
Voting to Decline: ___
Absent: 1

/ S /
Rick Crager, Finance Committee Chair

Date: April 27, 2010

MOTION: To approve a conditional reservation of up to $100,000 in Housing Trust Fund to assist Community Action Programs of East Central Oregon refinance and rehabilitate Morrow Estates located in Boardman, Oregon.

REQUEST FOR INCREASE IN FUNDING TO AN EXISTING PROJECT
Morrow Estates

Project Overview: The property, built in 1994, is arranged in a "U" shape in a cul-de-sac (Anderson Circle) with the open side facing south. All of the roadways are lined with concrete sidewalks and there are no fences between the lots, making the development very pedestrian friendly. A community building with main office and laundry area occupies one centrally located site. Each of the other sites contain one duplex structure. The duplexes contain a variety of unit sizes, each having a covered carport adjacent to the entries, for a total of 20 buildings and 40 units. The owner has indicated the property has some deferred maintenance issues and some significant capital replacement needs. The tax credit limited partner has exited the partnership and CAPECO wishes to preserve the affordable housing for at least the next 30 years.

Funding Request: The sponsor has requested a conditional reservation of OAHTC be issued in order for them to work more effectively with potential lenders willing to participate in the Program. The sponsor indicates they have had preliminary discussions with several lenders and they have indicated they believe they will be more successful in securing a lender in these market conditions if they have received a conditional reservation letter from OHCS for the additional OAHTC resources.

The Sponsor has indicated that design and construction flaws have taken their toll on the property over the last 15 years, requiring on-going extraordinary maintenance and the need for several major building components to be replaced (including the HVAC systems). In addition, the high interest rate and size of the principal of the original loan has resulted in the property being unable to generate sufficient cash flow at times over the last fifteen years of operation, requiring CAPECO to loan the property over $180,000 in operating funds during this period. The current interest rate on the property's permanent loan results in a unsustainable level of cash flow and insufficient funds for ongoing capital replacements. Re-syndication of the property with a new allocation of LIHTC would be very difficult given the current LIHTC investors' appetite for rural rehabilitation properties. Because of the financial under-performance of the property, replacement reserves alone are not enough to meet the critical repair needs. Additional resources from OHCS would help CAPECO refinance the existing loan with new OAHTC, which would lower the interest rate, increase cash flow and provide additional capital towards the property's preservation. The Housing Trust Fund would assist in needed capital repairs to the property.

Proposed / Current Rents

Unit Size (s)	# of Units	% Area Medium Income	Proposed Net Rent w/OAHTC
1-Bedroom	2	45%	$335
1-Bedroom	7	46%	$345
1-Bedroom	1	46%	$345
2-Bedroom	2	47%	$433
2-Bedroom	9	48%	$443
2-Bedroom	7	48%	$443
3-Bedroom	7	51%	$551
4-Bedroom	2	52%	$618
4-Bedroom	2	52%	$618
3-Bedroom	1	50%	$535

Current Project % AMI	Current Net Rents
50% low HOME	$335
60% HOME	$345
60%	$345
50% low HOME	$433
60%	$443
60% HOME	$443
60%	$551
60% HOME	$618
60%	$618
Manager's Unit	

Proposed Rehabilitation Work/Budget:
Rehabilitation work includes exterior vinyl soffit repair, privacy screen replacement, satellite dish relocation, new gutter systems, entry doors, insulation in attic caulking windows and doors. Interior improvements include replace kitchen countertops, bathroom counters, kitchen sinks, kitchen faucets, bathroom faucets, furnaces, broken windows, hot water tanks, add heat pumps, install new HVAC system, and seal ducts. The total cost of the repairs is estimated at $394,245.

Current / Proposed Operating Budget:
The Project currently receives OAHTC pass-through, resulting in no change to the rents w/new financing. The current OAHTC term is 20 year and expires upon termination of the tax credit or termination of the loan. The current NOAH loan will be terminated and a new loan will be secured.

	2009 Budget	12 Mo. Actual	Proposed w/OAHTC
Rental Income	$206,745	$180,369	$212,556
Vacancy	($14,472)		($15,298)
Other Income	$6,466	$5,110	$5,984
TOTAL INCOME	$198,739	$185,479	$203,242
Operating Expenses	($152,418)	($176,259)	($154,380)
Debt *	($37,279)	($40,810)	($28,724)
Reserves	($8,244)	($8,004)	($12,000)
Cash Flow	**$798**	**($39,594)**	**$8,138**

* Current Debt: $585,000 @ 6.34%, 25 years (current principal balance = $375,207)
Proposed Debt: $550,000 @ 3.25%, 30 years

Uses / Sources:
Due to the recent change in the State Housing Council's policy to review any grants that exceed $400,000 in aggregate, this request is being presented to the State Housing Council for review and approval.

USES (Rehab)		**NEW or ADDITIONAL SOURCES FOR REHAB**	
Acquisition	$387,807	Trust Fund	$100,000
Construction	$394,245	Permanent Loan w/OAHTC	$550,000
Development	$139,207	ARRA Wx Funds	$200,000
		Replacement Reserves	$47,511
		Operating Reserves	$18,748
TOTAL USES	**$916,259**	**TOTAL SOURCES**	**$916,259**

EXISTING PROJECT's OHCS SOURCES	
Trust Fund	$100,000
NOAH Loan w/OAHTC	$585,000
HOME Grant	$500,000
LIHTC	$1,336,000

- ARRA Wx Funds –CAPECO has completed an energy audit, has allocated the funds, and is ready to proceed with the work.
- Replacement Reserves – NOAH currently controls the account and is agreeable to releasing 100% of the reserves for the rehab. Monthly deposits into the reserve account will continue with the loan restructure and is expected to be at a higher rate than currently required.
- Operating Reserves – NOAH currently controls the account. The reserves will remain with the property after the loan restructure and will not be used for rehabilitation.

LIHTC Requirements/Term: The current LIHTC Declaration of Land Use Restrictive Covenants requires 100% of the units in the Project to be rented to individuals or families whose income is 60% or less of area family adjusted median gross

Continued on next page

income. The owner agreed to extend the income and rental restrictions to remain in place for a period of 50 years (January 1, 2046). The LIHTC Limited Partner, US Bank, has exited the partnership (as of April 9th, 2010); donating it's limited partner interest in Morrow Estates Associates LP to CAPECO..

/ Debie Zitzelberger /
Debie Zitzelberger, Loan Officer
Multifamily Housing Section

/ David W. Summers /
David W. Summers, Manager
Multifamily Housing Section

/ Tony Penrose /
Tony Penrose, Trust Fund Program Manager
Multifamily Housing Section

Finance Committee Comments: Approved the motion as written.

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MEMORANDUM

Date: April 20, 2010

To: Finance Committee/State Housing Council

From: Shelly Cullin, Senior Loan Officer

Re: Owens Adair – Housing Preservation Fund Loan & Weatherization Grant

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EXECUTIVE SUMMARY

Borrower:	Clatsop County Housing Authority
Property:	Owens Adair (46 units) – 1508 Exchange Street, Astoria OR (Section 8 HAP Contract – 100% of the units)
Loan Amount:	$587,000
Loan Term/Rate:	4 yrs. 3 mos. (estimated) - @ 2.00% interest rate
Security:	Trust Deed recorded at closing
Use of Funds:	Rehabilitation work

Finance Committee: April 27, 2010 Voting to Approve: ___ Decline: ___ Absent: ___

/s/ Rick Crager
Rick Crager, Finance Committee Chair

April 27, 2010
Date

RECOMMENDED MOTION: Approve a Housing Preservation Fund Loan for Owens Adair to Clatsop County Housing Authority for rehabilitation activities approved by the Department. The first CIF Loan payment will begin March 15, 2012, which is the first month following the maturity of the existing OHCS mortgage. The CIF loan term is estimated to be 4 years and 3 months at an interest rate of 2%.

HOUSING PRESERVATION FUND LOAN REQUEST
Owens Adair

BACKGROUND: In early 2008, the Department chose to allocate $1,500,000 of Housing Preservation Funds to support the preservation of the Department's current loan portfolio of affordable housing projects which are secured with Section 8 project-based rental assistance contracts. In March 2008, an information letter went out to the owners of existing Section 8 projects asking them to submit a letter of interest to the Department by May 15, 2008 with a brief description of rehabilitation work and plans to extend their rental assistance for up to 20 years beyond the current expiration. The new loan payments would be deferred until the existing mortgage with OHCS was paid in full. In late 2008, The Department chose to reduce the portfolio allocation to $1,200,000, due to the fall-out of projects

Four (4) project owners responded with interest, requesting further information about the Department's offer. Only one project, Owens Adair decided to move forward with their request.

Project Description: Owens-Adair was built in the early 1930's as St. Mary Hospital. Fifty years later, HUD awarded a $335,000 block grant to fund the purchase of the building and land, preliminary architectural drawings and other start-up costs. On December 4, 1981, Owens-Adair was purchased by Clatsop County Housing Authority (CCHA) with 46 one-bedroom units to house the senior and disabled. Oregon Housing and Community Services funded a $1,752,000 loan to secure the low-income affordable apartment building for qualifying county residents. The building is now recognized on the National Register of Historic Places. While the building is kept in pristine condition for routine maintenance and repairs, the building is in need of some significant renovations. The original elevator still serves all the tenants in the building to access the 36 units located on the 2nd through 4th floors. The elevator parts are old and some are no longer being manufactured making repairs difficult. The roof leaks causing damage to the walls, window frames and sashes, and ceiling areas. A section of the parking lot has had some buckling and cracking of the pavement. The windows are still the original from the 1930's construction. The 240+ single-pane wood windows are not energy efficient and are cumbersome and hard to use by the elderly residents. In addition to the repairs, the owners have proposed the installation of a back-up generator. The generator is necessary to operate essential equipment for the residents during power outages. For example, in December 2007, the Oregon coastal communities were hit with hurricane-force winds causing severe damage to power sources. Owens Adair's tenants were without heat, elevator, security doors and cooking equipment for five days. CCHA would like to make these necessary repairs in order to better maintain the long-term viability of the building and enhance the residents comfort and security. The Department's Architect, Frank Silkey, has inspected the building, reviewed the renovation proposals, and concurs with the owner's renovation plan.

Use of Funds: The scope of rehabilitation proposed by the Housing Authority includes: tile roof repair, elevator repair/upgrades, back-up generator, new exterior windows, parking lot repairs, and two additional ADA unit improvements. Owens-Adair is listed on the historical register and must pass the historical commission's approval for any exterior work (including approval of window specifications) and any renovation work is subject to prevailing wages.

Current renovation cost estimates have been provided by the contractor. The Housing Authority is currently preparing their procurement process and anticipates having final cost estimates at the time of Housing Council approval. They have also hired a project manager/owner's representative to work with the contractor and subcontractors. Sources include the Housing Preservation Fund Loan, replacement reserves, (possible) weatherization funds, and Housing Authority reserves. The borrower is currently working with the Department's Architect to complete the Weatherization program documentation for eligible activities.

Uses	Contractor Proposal
Elevator Repairs	$148,700
Tile Roof Repair	$19,350
Parking Lot Repair	$4,376
Window Repair	$347,216
Seal Exterior	$21,110
Generator	$136,709
Project Manager/Owner's Rep	$32,000
2 Additional ADA Units *	$22,881
Architect & Engineer Costs	$9,000
Relocation Costs *	$36,000
Total Rehab Costs	**$777,342**

Sources	
HPF/CIF	**$587,000**
Replacement Reserves **	**$100,000**
Subtotal	**$687,000**
Weatherization Grant	**$50,000**
Housing Authority resources	**$40,342**
Total	**$777,342**

* Relocation Costs are an conservative estimate for when the elevator work is to be done; however, some tenants have indicated that they can use the stairs and probably would not elect to be relocated. If there are not enough resources to do the 2 additional ADA units at this time, when the OHCS mortgage is paid off, the balance of the replacement reserves will be released to the owner and they can complete at that time.

** Replacement Reserves: current balance is approximately $131,839. The current rehab scope anticipates using $100,000 of those reserves. The current monthly deposit is $1,760; therefore, at the time of mortgage maturity there should be a balance of approximately $69,000.

Borrower Capacity: The Clatsop County Housing Authority (CCHA) has owned and operated Owens Adair since 1981. The Department has monitored the project for asset and property management compliance. There have been no significant findings or issues regarding the physical asset or compliance with HUD or the bond financing regulations. CCHA is planning on continuing ownership and management of Owens Adair into the foreseeable future. CCHA owns a total of 104 units; 46 Section 8 with project-based rental assistance (Owens Adair); 8 HOME/Trust Fund units; 8 Housing Plus units; and, an additional 42 units of affordable housing (does not have OHCS financing). For clarification, CCHA does not administer housing choice vouchers for the area; Northwest Oregon Housing Authority is the regional housing authority that administers the individual Section 8 Housing Choice Vouchers.

Security and Loan Repayment: The Department will execute standard loan documents, loan agreement, trust deed, and promissory note. The trust deed will be recorded prior to any disbursement of funds. Repayment of the loan will occur once the existing OHCS mortgage has matured on February 15, 2012. The first payment of the HPF/CIF loan will begin March 15, 2012. The term of the loan is estimated to be 4 years and 3 months using the same level of payment that was required on the OHCS first mortgage.

/s/ Shelly Cullin
Shelly Cullin, Loan Officer
Multifamily Housing Section

April 27, 2010 Finance Committee Discussion: A Weatherization Grant of up to $50,000 was approved if resources can be found and the borrower provides eligible weatherization activities as part of the scope of the rehab.

Vote to Approve: Victor Merced, Rick Crager, Nancy Cain, Pegge McGuire, Bill Carpenter, Marlys Laver, Bob Gillespie, Dave Summers
Vote to Decline:
Absent/Abstain:

Oregon
Theodore R. Kulongoski, Governor

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What We Do Matters!

Memorandum

To: Finance Committee/State Housing Council

From: Dolores Vance, Loan Officer
Multifamily Housing Section

Date: April 27, 2010

Re: **CHAUCER COURT** – Predevelopment Loan

EXECUTIVE SUMMARY

Borrower:	Chaucer Court Union Manor Limited Partnership (Chaucer Court Union Manor GP, LLC, general partner) (Union Labor Retirement Association, its member)
Property:	Chaucer Court, 1019 SW 10th Ave, Portland, OR 97205
Loan Amount/Fee:	**$595,000 – Predevelopment Loan; 1% Loan Fee**
Loan Term/Rate:	2-Year Maximum @ 5% Interest
Repayment:	Estimated construction loan closing October 2010.
Security Value:	Appraised Market Value of $7,200,000 0.23 acres (10,000 SF)
Use of Funds:	Acquisition and equity gap for 84 units of affordable housing
Security:	Trust Deed recorded in 2nd lien position (1st lien position NOAH OHAP Loan & PDC in 3rd position)
Loan Guarantee:	N/A
Fund Availability:	$3,126,029
Finance Committee:	April 27, 2010

Voting to Approve: 7
Voting to Decline: ___
Absent: 1

/s/ Rick Crager
Rick Crager, Finance Committee Chair

Date: April 27, 2010

RECOMMENDED MOTION: Approve a Predevelopment Loan in the amount not to exceed $595,000, at a current interest rate of 5% per annum for a maximum of two (2) years to Chaucer Court Union Manor Limited Partnership for the acquisition of Chaucer Court located at 1019 SW 10th Ave., in Portland, Oregon, contingent upon NOAH and PDC loan approvals and US Bank approval of the borrowing entity.

PREDEVELOPMENT LOAN REQUEST
Chaucer Court

Project Description: Chaucer Court is an existing affordable housing project located at the southwest corner of SW 10th and Salmon in downtown Portland. The project has a HUD Housing Assistance Program Contract for 83 of its 84 units, which expires October 21, 2011. The target population is for low income elderly and disabled tenants with income below 60% of area median income. Due to the HUD project based assistance, tenants pay only 30% of their income for rents. Chaucer Court is an existing OHCS portfolio project with occupancy over the last year at more than 97%.

Chaucer Court was built in 1924 as a regional headquarters for the Oddfellows fraternal organization. In 1980, a total interior reconfiguration was completed, converting the building into seven (7) stories, with six (6) stories of HUD housing. Three floors were added to the interior and a central atrium was cut down the middle to provide interior light and hallway access to all units. The building now consists of 79,175 square feet; providing 84 units (29 studio and 55 1-bedroom units, including the manager's unit), common areas, storage, and commercial area. The 7,195 square feet of commercial area on the ground floor is currently occupied by a long-term commercial tenant as a bicycle shop.

When the building was reconfigured, it was placed on the National Registry of Historic Buildings, the Portland Landmarks Commission and the State Historic Registry. The building is located near the South Park Blocks, the Portland Art Museum, the YWCA (senior center), and various residential buildings, including low income housing, apartments and condominiums, Safeway, various retail and office uses, and is located on the Portland Streetcar line. Street parking is available.

The Borrower proposes to acquire and preserve the building as Section 8 housing for an additional 20 years, serving the same populations, and to extend the useful life through a significant capital improvement program. Additionally, they have a tremendous opportunity to increase the energy efficiency and sustainability of the building through window replacement, redesign of the HVAC, roof replacement, exterior repair and interior finish replacements. The Borrower has been working very close with the architect and the contractor to obtain building permit approval by July 1, 2010.

Borrower/Development Team Experience: Union Labor Retirement Association (ULRA) is a nonprofit corporation that has been in operation since 1962, possessing extensive experience owning and managing federally-regulated and assisted affordable housing serving this exact population. They currently own 900 units between Portland, Oregon and Vancouver, Washington, with additional units in Alaska. In 2009, ULRA established Chaucer Court Union Manor Limited Partnership for the single-asset entity ownership of Chaucer Court. US Bank and USCDC (equity investor) are in the 'pre-flight' process to include Concepts in Community Living as co-general partner within the partnership.

ULRA, as developer and sponsor of the project, has assembled a development team including Walsh Construction Co., Carleton Hart Architects, GoodJames Consulting (Dahe Good), and Manor Management Services, Inc. (MMS). The team has kept the tenants up-to-date regarding inspections, timelines, relocation issues and general information about the preservation of the HUD rental assistance, the proposed change in ownership, and well as the proposed rehabilitation of the building.

Walsh Construction Co., an experienced leader in affordable housing construction, rehabilitation, green building techniques, community development and community outreach, will be General Contractor. Carleton Hart Architect, also leaders in rehabilitation of affordable housing, will lead the design team. Their experience includes recent historical preservation projects in the Portland/Vancouver area. GoodJames Consulting has served nonprofit and for profit developers since

2004. Manor Management Services, Inc., (MMS), has extensive experience managing federally regulated low income housing for seniors in Oregon, Washington and Alaska and currently operate over 20 affordable and other senior communities. ULRA and MMS have no other projects in the development stage, so staff can devote their attention fully to Chaucer Court.

Use of Predevelopment Funds: Network for Oregon Affordable Housing (NOAH) is the proposed first lien-holder for the acquisition of the project through their OHAP loan fund program ($4,750,000). The Department's predevelopment loan will be used to complete the equity gap for the acquisition of the Project. The Portland Development Commission (PDC/Bureau of Housing) will provide subordinate debt ($2,650,000) towards the acquisition costs, reserves, and predevelopment expenses.

The predevelopment funds will be used for predevelopment and acquisition costs for the project. The interim financing is as follows:

Uses		**Sources**	
Acquisition	$7,145,000	NOAH OHAP	$4,750,000
OHCS Loan Fee	$ 5,600	OHCS Predevelopment Loan	$ 595,000
Title and Escrow	$ 17,814	PDC Loan	$2,650,000
Legal Fees	$ 10,000		
NOAH Loan Fee/costs	$ 57,500		
Impound Accounts	$ 36,500		
Operating Reserves	$ 167,086		
Closing Costs – Other	$ 10,500		
Predevelopment cost reimbursement	$ 545,000		
Total Uses	**$7,995,000**	**Total Sources**	**$7,995,000**

Security for Loan: An appraisal dated January 22, 2010 indicates an "as is" market value for the subject property of $7,200,000. Based on this appraised amount, the Loan-To-Value for the NOAH loan is 66.48%, while the NOAH and OHCS combined Loan-To-Value is 74.24%. A portion of the PDC loan will be secured, up to acquisition market value, and the balance will be unsecured. The property consists of a 0.23 acres or 10,000 square foot parcel zoned RXd (Central City Plan District – Downtown Subdistrict - West End Subarea), with an existing 79,175 square foot, seven (7) story building. The 83 residential units are currently 99% occupied and the 7,195 square foot commercial space has a long-term tenant (The Bike Gallery).

Repayment Plan: The first plan for repayment will be the closing of the construction loan and LIHTC equity, estimated to be October 2010. The Borrower has already submitted a CFC application and has received an award for Housing Development Grant Program, Low-Income Weatherization, OAHTC, and LIHTC. If not successful in closing the construction loan in October 2010, the next anticipated date of closing is January 2011.

Availability of Funds: There are available funds for this request, along with two other predevelopment requests to be presented at the May 7, 2010, Housing Council Meeting.

Predevelopment Loan Program:	$6,250,000
Less: projects currently funded	(3,023,971)
Less: reserved for NOAH LOC	(100,000)
Funds available to Lend	**$3,126,029**
Chaucer Court	(595,000)
Crestview Court	(800,000)

LaGrande Retirement	(500,000)
Arleta Park	(400,000)
Sisters Habitat (prospect)	(85,000)
85^{th} – Geller Silvis (prospect)	(500,000)
Old Scholls Farm	(175,000)
Balance Remaining to lend as of 5/1/10	**$ 71,029**

Estimated Permanent Financing Sources and Uses:

Uses		Sources	
Acquisition	$7,282,914	PDC	$2,800,000
Construction	$6,303,419	LIHTC Equity	$6,089,391
Development Costs	$3,766,663	Weatherization	$ 251,864
		Trust Funds	$ 100,000
		Cash	$ 203,586
		Cash Flow during rehab	$ 86,438
		Historic Tax Credits	$1,621,717
		Weatherization (Washington Co)	$ 550,000
		Deferred Dev Fee	$ 850,000
		Perm Loan (w/OAHTC)	$4,800,000
Total Uses	**$17,352,996**	**Total Sources**	**$17,352,996**

Comments and Recommendations:

* Borrower is addressing preservation of affordable housing;
* Borrower has experience with affordable housing development and has received a CFC award;
* There is adequate security for the predevelopment loan request;
* Staff recommends approval of Chaucer Court Union Manor Limited Partnership's request for $595,000 in predevelopment loan funds.

/s/ Dolores Vance

Dolores Vance, Loan Officer
Multifamily Housing Section

Finance Committee Comments: No additional substantial discussion

Vote to Approve: Victor Merced, Rick Crager, Nancy Cain, Pegge McGuire, Bill Carpenter, Bob Gillespie, Dave Summers
Absent: Marlys McNeil
Abstain:

Oregon
Theodore R. Kulongoski, Governor

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Memorandum

To: Finance Committee/State Housing Council

From: Shelly Cullin, Loan Officer
Housing Finance Section

Date: April 27, 2010

Re: Crestview Court Apartments – Predevelopment Loan Request

EXECUTIVE SUMMARY

Borrower:	Northwest Crestview Court LLC
Property:	Crestview Court 4600 SW 141st Avenue, Beaverton
Loan Amount:	**$800,000**
Loan Term/Rate:	2 years @ 5% Interest
Repayment:	Bond Sale closing anticipated for Fall 2010 (Potential Risk Sharing project)
Security Value:	"AS IS" Market Value - $2,800,000
Use of Funds:	To complete acquisition with OHAP (NOAH) interim financing – predevelopment loan funds used for equity gap
Security:	Trust Deed in second lien position on subject property (Behind NOAH OHAP Loan)
Loan Guarantee:	Northwest Real Estate Capital Corp.
Fund Availability:	$3,126,029
Finance Committee:	April 27, 2010

Voting to Approve: 8
Voting to Decline: ___
Absent: ___

/s/ Rick Crager
Rick Crager, Finance Committee Vice-Chair

Date: *April 27, 2010*

RECOMMENDED MOTION: Approve a Predevelopment Loan in the amount not to exceed $800,000, at an interest rate of 5% per annum, for a maximum of two (2) years to Northwest Crestview Court LLC, for the acquisition of Crestview Court, located in Beaverton, Oregon; contingent on NOAH OHAP loan approval.

PREDEVELOPMENT LOAN REQUEST

Crestview Court Apartments

Project Description: Crestview Court Apartments (Crestview) is a 48-unit fully subsidized Section 8 building for extremely low income residents located in urban residential area of Beaverton. The building has a HUD project based Section 8 contract for 48 units. The initial HAP contract expired in March 2010, and the current owner has renewed for one year to March 2011. All residents of Crestview have incomes at or below 30% of AMI. The complex consists of four 3-story buildings constructed in 1980, and includes laundry facilities and 70 parking stalls.

The sellers are willing to work with the Northwest Real Estate Capital Corp. (Northwest) to keep the project affordable only through the current HAP Contract expiration date of March 2011. They will pursue a market rate transaction should this transaction not be successfully transferred by March 2011. They are not interested in keeping the project off the market for another preservation proposal. Due to the unknown nature of the financial and investor markets, NWRECC can not guarantee to close by the March 2011 date, therefore, they are pursuing interim acquisition financing through NOAH's OHAP Loan Fund so that NWRECC can obtain site control and continue to work on their permanent financing strategies. The OHAP loan is for $1,900,000 for a term of 3 years @ 7.25% interest. The first year DCR is approximately 1.30.

Use of Funds: Predevelopment loan funds will be used to pay for the balance of the equity required for the acquisition. The purchase price is $2,800,000. Additional resources will include either a seller note of funds from the EQ2 Predevelopment Loan through Wells Fargo that NWRECC has received. The contribution from NWRECC, as reflected below, includes predevelopment expenses such as: property reports, environmental reports, appraisal, survey, capital needs assessment, architectural services, and organizational costs.

Sources and Uses for the interim financing include:

Sources	
NOAH OHAP Loan	$1,900,000
OHCS Predev Loan	800,000
NWRECC Predev costs	81,070
Seller Note or EQ2 Loan	277,500
	$3,058,570

Uses	
Acquisition	$2,961,960
Development costs & Fees	96,610
	$3,058,570

Potential permanent sources include:

US Bank conduit TE Bond w/OAHTC	$3,900,000
4% LIHTC Equity *	946,295
Housing Preservation Grant	697,047
Deferred Developers Fee	197,493
Cash flow during rehab	73,000
Gap	350,401
	$6,164,236

OR –

Risk Sharing TE Bond	$3,390,000
4% TC Exchange @ .85	1,462,456
Housing Preservation Grant	697,047
Deferred Developers Fee	197,493
Cash Flow during Rehab	73,000
Gap	344,240
	$6,164,236

Security for Loan: The predevelopment loan request for Crestview is to be secured by a second Deed of Trust on the property, behind the OHAP first mortgage. An appraisal (engaged by US Bank) completed October 25, 2009, to determine the purchase price, indicates an "AS IS" Market Value of $2,800,000. US Bank then engaged an appraisal for the permanent financing which was completed December 15, 2009. The following values are indicated:

Restricted Rent Value – As Renovated	$2,410,000
Restricted Rent Value – As Is	$1,990,000
Value of Tax Credits	$1,050,000
Beneficial Financing	$1,770,000

Both appraisals were completed for US Bank and have been assigned to NOAH. For the interim financing NOAH uses the lesser of "As Is" Market Value vs. Restricted Rent Value. The NOAH Loan of $1,900,000 is 95% Loan-to-value, using the Restricted Rent Value. With the department's predevelopment loan of $800,000, the loan-to-value using the Restricted Rent Value is 135% Loan-to-value.

It is the department's practice to use the "AS IS" Market Value in determining loan-to-value. In this instance, the loan to value for the two loans is 96%.

Additional security provided by NWRECC would be their management fees and accounts/notes receivable, as provided for the Seed Money Advance Loan security. A Security Agreement would be executed with the borrower.

Repayment Plan: Repayment of the predevelopment will occur at the time of bond sale or construction loan closing, anticipated to be in the Fall of 2010. The borrower has submitted an application for bond financing with OHCS using either the conduit program or the Risk Sharing Loan Program. NWRECC plans to include Crestview as part of a three project tax-exempt bond portfolio.

Preliminary underwriting and due diligence has been completed. Several of the 3rd party reports and construction costs estimates have been received. The project was initially stalled with the unknown status of the lending and equity markets.

Availability of Funds: There are available funds for this request, along with two other predevelopment loan requests presented to the May 7th Housing Council.

Predevelopment Loan Program:	$6,250,000
Less: projects currently funded	(3,023,971)
Reserved for NOAH LOC	(100,000)
Funds available to Lend	**$3,126,029**
Chaucer Court	(595,000)
Crestview Court	(800,000)
LaGrande Retirement	(500,000)
Arleta Park	(400,000)
Sisters Habitat (prospect)	(85,000)
85th – Geller Silvis (prospect)	(500,000)
Old Scholls Farm	(175,000)
Balance Remaining to lend as of 5/1/10	**$ 71,029**

Borrower/Development Team Experience: Northwest is a 501(c)(3) organization whose mission is the acquisition and rehabilitation of affordable housing, particularly HUD and RD subsidized. They completed preservation of 16 Oregon multifamily properties totaling 447 units of Section 8 subsidized affordable housing over the last three years. The two portfolios were financed with short-term, tax-exempt bonds utilizing 4% tax credits, state tax credits, grants, cash flow generated during rehab, and deferred developer fees. The proposed four-project portfolio will use similar financing with long-term TE bonds. In 2007, Northwest completed the preservation of a 10-property portfolio (197 units) in Idaho using 9% Competitive Tax Credits and FNMA financing. Another Idaho three-property portfolio is in the financing process. Two properties received reservations from IHFA for 2010 tax credits in September and the third is under final review.

Northwest currently operates and manages 65 multifamily affordable housing properties totaling 2,847 units in six states. This includes properties managed through Tamarack Property Management Company, acquired by Northwest in 2008. This company was established in Montana in 1986 and operates in three states. Northwest, also, provides administrative services to another 16 properties totaling 398 units in three states. The properties are affordable through federal rent contracts (HUD or RD), LIHTC regulatory agreements, other public financing or a combination. Northwest has been managing LIHTC properties since the 2005, and operates an active program compliance section through its central office. Northwest presently owns 33 properties of the portfolio it manages.

Comments and Recommendations:

* NWRECC currently has four Seed Money Advance Loans with the Department at $40,000 each. They do not have, nor have they applied for a predevelopment loan from the department. They anticipate repayment of the four SMALs by the end of May, at the same time they anticipate the acquisition closing for Crestview.

* The Wells Fargo EQ2 loan is a predevelopment loan program offered for nonprofits. The terms for the NWRECC loan are: $600,000 for 5 years at 1% and unsecured.

* The seller executed a Purchase and Sale Agreement with Northwest in September 2009 after trying to work with an out-of-state buyer who failed in their attempts to package the financing in this difficult economic market. The current owner has renewed the HAP contract for one year and continues to work with NWRECC for the acquisition; however, they have also submitted the "opt out" notice and it is there intention to not renew.

* Crestview is a preservation project with 48 units of project-based rental assistance for Oregon families. HUD's web site identifies only one other Section 8 project-based property in Beaverton: Spencer House Apartments, serving its low-income population.

* Preservation of project based rental assistance (HUD or RD) is a priority for the Department.

* I would recommend approval of the requested Predevelopment to complete the acquisition of Crestview Court Apartments by Northwest Real Estate Capital Corp.

/s/ Shelly Cullin
Shelly Cullin, Loan Officer
Multifamily Housing Section

Finance Committee Comments: No additional substantial discussion.

Vote to Approve: Victor Merced, Rick Crager, Nancy Cain, Pegge McGuire, Bill Carpenter, Marlys Laver, Bob Gillespie, Dave Summers
Absent:
Abstain: