

OREGON STATE HOUSING COUNCIL

December 4, 2009



Celilo Garden, The Dalles, OR (6 Units; New Construction; Homeless)

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

OREGON STATE HOUSING COUNCIL

December 4, 2009

TABLE OF CONTENTS

| | |
|--|-----------|
| <u>AGENDA</u> | 1 |
| <u>APPROVAL OF MINUTES</u> | |
| A. Minutes of November 6, 2009 | 3 |
| <u>SINGLE FAMILY REPORT</u> | |
| | 17 |
| <u>NEW BUSINESS</u> | |
| A. <i>Ames Creek Court</i> (Sweet Home, OR), Trust Fund Increase Request | 18 |
| B. <i>St. John's</i> (Portland, OR), Predevelopment Loan Request | 21 |
| C. <i>Canterbury Hills</i> (Medford, OR) Predevelopment Loan Request | 25 |
| D. Additional TCAP Reservation Requests | 30 |



Oregon State Housing Council

725 Summer St NE Suite B
Salem, OR 97301-1266
(503) 986-2005
(503) 986-2132 FAX
(503) 986-2100 TTY
www.oregon.gov/OHCS/OSHC



Council Members
Maggie LaMont, Chair
Scott Cooper
John Epstein
Stuart Liebowitz
Francisco López
Nancy McLaughlin
Jeana Woolley

STATE HOUSING COUNCIL MEETING

December 4, 2009

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 M. LaMont
 - A. Minutes of November 6, 2009 Meeting
- V. RESIDENTIAL CONSENT CALENDAR
None
- VI. SINGLE FAMILY REPORT D. Lanterman
- VII. SPECIAL REPORTS
 - A. One Economy, *Cobi Jackson* and *Dave McConnell*
 - B. State Commission on Children and Families, *Lennie Bjornsen*
- VIII. NEW BUSINESS
 - A. *Ames Creek Court* (Sweet Home, OR), Trust Fund Increase Request T. Penrose
 - B. *St. John's* (Portland, OR), Predevelopment Loan Request S. Cullin
 - C. *Canterbury Hills* (Medford, OR) Predevelopment Loan Request D. Vance
 - D. Additional TCAP Reservation Requests S. Cullin & M. Negoita

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IX. OLD BUSINESS

None

X. REPORTS

- | | | |
|-----------|--|---------------------|
| A. | Loan Grant Approval Limits | B. Gillespie |
| B. | Neighborhood Stabilization Plan Update | R. Malloy |
| C. | Housing Opportunity Bill Rulemaking Update | L. Joyce |
| D. | Federal Stimulus Plan Update | J. Fletcher |
| E. | Report of the Chief Financial Officer | N. Cain |
| F. | Report of the Deputy Director | R. Crager |
| G. | Report of the Director | V. Merced |
| H. | Report of the Chair | M. LaMont |

XI. FUTURE AGENDA ITEMS

V. Merced

ADJOURNMENT

Board Training presented by Oregon ON

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.
November 6, 2009

MEMBERS PRESENT

Maggie LaMont, Chair
Stuart Liebowitz
Francisco López (via phone)
Nancy McLaughlin

MEMBERS ABSENT

Scott Cooper
John Epstein
Jeana Woolley

GUESTS

Raquel Gugliemetti, NWRECC
David Crawford, Geller, Silvas & Assoc.
Tamara Holden, Geller, Silvas & Assoc.
Patricia Ten Eyck, Habitat for Humanity
Jody Ahlstedt, United Community Action
Network
Tom Cusack
Betty Tamm, Executive Director, Umpqua CDC
Jodi Enos, Housing Development Assistant,
Umpqua CDC
Ann Delaney, Architect
Jeff Puterbaugh, AMH/DHS
Rob Prasch, NOAH
Patrick O'Toole, Union Labor Retirement
Association
Dan Steffey, GRES
Martha McLennan, Northwest Housing
Alternatives
Scott Foster, Executive Director, Housing
Authority of Jackson County
Betty McRoberts, Director of Development,
Housing Authority of Jackson County
Darrel Pearce, Options for Southern Oregon,
Inc.
Mark Rozgay, Timber River Development, Inc.
Wayne Armstrong, Armstrong Stafford, LLC
Rolanne Stafford, Armstrong Stafford, LLC

STAFF PRESENT

Victor Merced, Director
Nancy Cain, Chief Financial Officer
Lisa Joyce, Policy & Communication Manager
Dave Summers, Multifamily Housing Manager
Jack Duncan, GHAP Program Coordinator
Craig Tillotson, Loan Officer
Carol Kowash, Loan Officer
Debie Zitzelberger, Loan Closer
Shelly Cullin, Senior Loan Officer
Roz Barnes, Loan Officer
Dolores Vance, Loan Officer
Loren Shultz, Housing Program Advisor
Mariana Negoita, Tax Credits Program Coordinator
Carole Dicksa, HOME Program Manager
Rich Malloy, NSP Program Manager
Mike McHam, Market Analyst and Appraiser
Joyce Robertson, Loan Specialist
Cheryl Resendez, Loan Closer
Frank Silkey, Architect
Tony Penrose, Resource Coordinator
Karen Clearwater, Regional Advisor to the Department
Deborah Price, Regional Advisor to the Department
Bruce Buchanan (via phone), Regional Advisor to the
Department
Vince Chiotti, Regional Advisor to the Department
Jo Rawlins, Recorder

I. CALL TO ORDER: Chair Maggie LaMont calls the November 6, 2009 meeting to order at 9:02 a.m.

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

4 **III. PUBLIC COMMENT: None**

5 **IV. APPROVAL OF MINUTES**

6 **A. Chair LaMont asks if there are any corrections to the September 25, 2009**
7 **Minutes. There being no corrections, the Motion was read:**

8 **MOTION: Liebowitz moves that the Housing Council approve the**
9 **Minutes of the September 25, 2009 Council meetings.**

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

13 **V. SINGLE FAMILY REPORT: Craig Tillotson, Loan Officer, gives an overview of**
14 **the September Single Family Housing Loan Production Report contained in Council's packet.**
15 **There were 29 loans for the month of September, totaling \$4,352,892, with an average loan**
16 **amount of \$150,100; and 348 loans year-to-date, totaling \$54,548,603. For calendar year 2008,**
17 **there were 1,598 loans, totaling \$281,802,764, with an average loan amount of \$176,347.**

18 **VI. SPECIAL REPORTS: None**

19 **VII. NEW BUSINESS:**

20 **A.-D. Crestview Court Apartments (Beaverton, OR), Seed Money Advance Loan**
21 **Request. Grasshopper Village (Prineville, OR), Seed Money Advance Loan Request. High Valley**
22 **Estates (Klamath Falls, OR), Seed Money Advance Loan Request. Viking Village (Salem, OR),**
23 **Seed Money Advance Loan Request. Shelly Cullin, Loan Officer, introduces Raquel Gugliemetti**
24 **of Northwest Real Estate Capital Corp. (NWRECC), and explains that she will be consolidating**
25 **Crestview Court Apartments, Grasshopper Village, High Valley Estates, and Viking Village in her**
26 **presentation because it is the same borrower, the same use of funds, and the same security for each**
27 **request. NWRECC submitted requests for four separate Seed Money Advance Loans in the**
28 **amount of \$40,000 each for four Section 8 preservation projects. Crestview Court is a 48-unit**
29 **family project in Beaverton, OR; Grasshopper Village is a 22-unit family project in Prineville,**
30 **OR; High Valley Estates is a 37-unit family project in Klamath Falls, OR; and Viking Village is an**
31 **87-unit family project in Salem, OR. The Seed Money funds will be used to complete the required**
32 **property reports to complete the financing package, along with architectural services, appraisals,**
33 **survey and organization costs. Security for each is to be secured by Northwest's management fees**
34 **and accounts/notes receivable, with a UCC filing with the Secretary of State, along with a**
35 **Guarantee executed by NWRECC. It is anticipated that the loans will be repaid either at bond**
36 **closing, which is estimated to be March 2010, or when the EQ2 Line of Credit is approved by**
37 **Wells Fargo, whichever occurs first. Cullin explains that the Seed Money Advance Loan Program**
38 **is not widely utilized. It is a \$250,000 revolving loan fund that is 0% interest to nonprofits and a**

1 2% loan fee. The total of the four loans is \$160,000, which leaves a balance of \$90,000 in the
2 fund. The department has received a bond/4% application for each of the projects and is currently
3 receiving due diligence from the borrower. **Cullin** says she believes there is minimal risk for each
4 of the loans and she recommends approval of each Seed Money Advance Loan request in the
5 amount of \$40,000.

6 **MOTION: Liebowitz moves that the Oregon State Housing
7 Council approve a Seed Money Advance Loan in the amount of
8 \$40,000, at an interest rate of 0% per annum, for a maximum of
9 nine (9) months to Northwest Real Estate Capital Corp., for
10 predevelopment costs associated with Crestview Court,
11 Grasshopper Village, High Valley Estates, and Viking Village.**

12 **VOTE: In a roll call vote the motions passed. Members Present:
13 Stuart Liebowitz, Francisco López, Nancy McLaughlin, and Chair
14 Maggie LaMont. Absent: Scott Cooper, John Epstein and Jeana
15 Woolley.**

16 **Cullin** reads an email received by NWRECC from a family that became homeless when
17 devastated by illness and expressing their gratitude for the help they received during that very
18 difficult time in their lives. They said the system works and it has enabled them to “rise again and
19 once more find footing on firm ground.”

20 **Victor Merced** explains that Maggie LaMont and Stuart Liebowitz have conflicts of interest on
21 three separate loans and that, according to Oregon Revised Statutes and the Oregon Government
22 Ethics Law, they will declare their conflicts and refrain from participating in any discussion, but
23 will be asked to cast a vote to meet the requirement of a minimum number of votes necessary to
take official action.

Chair LaMont introduces Nancy McLaughlin, the newest Council member, and welcomes her to
the Council.

E. Consolidated Funding Cycle

1. *Overview.* **Tony Penrose**, Resource Coordinator, introduces **Dave Summers**,
Multifamily Section Manager, and provides a brief overview of the proposed reservations and
projects proposed for funding (pages 34–44 of Council’s packet). He explains that 17
applications were received; 13 were selected for funding reservations; of the 13, 4 projects are
contingent; 8 projects are requesting resources in excess of \$100,000 and are being presented
today; and 4 applications were not turned in during this round due to 9% market conditions or not
being able to complete the application on time. The 5 selected for funding reservations are *29th
Place* (Eugene, OR), an existing 35-unit apartment complex occupied by tenants with serious and
persistent mental illness; *CSI MRDD Group Home* (Aloha, OR), a 4-bedroom home that will
serve intellectually disabled/developmentally disabled adults; *Spruce Place* (Beaverton, OR), a
three story building with 14 one bedroom units for disabled persons with severe chronic mental
illness; *Sunrise Estates Phase I & II* (The Dalles, OR), a 94-unit complex serving low-income
families; and *Seneca Terrace* (Milwaukie, OR), 32 units with Section 8 project based assistance.

1 **Penrose** states that in this CFC round the department forward-allocated some LIHTC, HOME,
2 OAHTC, LIWP, and Trust Fund in an effort to fund the contingent four preservation projects.
3 The four projects are contingent on securing an equity investor and permanent lender by July 1,
4 2010, or return the resources to the department for use in the next CFC round. As in other rounds,
5 30% of the resources were set aside for the populations that have been largely underserved:
6 homeless, chronically homeless, and/or persons at risk of homelessness, and for the continuing
7 goal for preservation projects. **Liebowitz** asks if forward-funding will have an impact on
8 availability for future projects. **Summers** states that yes, it will effect future funding dollars.
9 **Liebowitz** asks if there will be remaining availability above and beyond these four in the Spring,
10 or will these projects take a large share of the funding. **Summers** says there will be more credits
11 than anticipated in 2010. **LaMont** asks if there will come a time that forward committing will
12 even out. **Summers** says it is a common occurrence. **McLaughlin** says the bigger issue is
13 having investors willing to invest. **LaMont** says she knows the economy will eventually turn
14 around, but she wants to make sure there are funds for future projects.

15 2. *Grand Apartments* (Medford, OR). **Carole Dicksa**, HOME Program
16 Coordinator, introduces **Scott Foster** and **Betty McRoberts**, Housing Authority of Jackson
17 County, and **Karen Clearwater**, Regional Advisor to the Department, and gives an overview of
18 the write-up contained in Council's packet (page 45), explaining that the apartments consist of 26
19 studio and one-bedroom apartments located in downtown Medford. 23 of the units are made
20 affordable through HUD's moderate rehab program, which was awarded to the project in 1986.
21 The HOME and Trust Fund requests will be utilized for the rehabilitation of the building in order
22 to preserve the current affordability. The building was originally built in 1915 and is a national
23 historic building. **Foster** states that they have been very close to this project since it was rehabbed
in 1985. They are very familiar with the debts of the project and are able to adequately cover all
the project needs in this application. They are also familiar with the financial capability of the
project and have been operating it for four months with a cash flow that is sufficient to build
adequate reserves for any future repairs. **McLaughlin** says it sounds like there will not be any
relocation of tenants and that it has been handled very well.

15 **MOTION:** **Liebowitz** moves that the Oregon State Housing
16 Council approve a \$600,000 grant reservation of HOME funds
17 and a \$200,000 grant reservation of Housing Development Grant
18 Program funds (Trust Fund) to the Housing Authority of Jackson
19 County, completing the rehabilitation of the Grand Apartments in
20 Medford, Oregon, contingent upon meeting all HOME and Trust
21 Fund Program requirements and conditions of award.

19 **VOTE:** In a roll call vote the motion passed. Members Present:
20 **Stuart Liebowitz, Francisco López, Nancy McLaughlin, and Chair**
21 **Maggie LaMont.** Absent: **Scott Cooper, John Epstein and Jeana**
22 **Woolley.**

21 3. *Trillium Terrace* (Roseburg, OR). **Liebowitz** declares a conflict. He will not
22 participate in discussion but will vote. He previously worked for United Community Action
23 Network. **Carole Dicksa**, HOME Program Coordinator, introduces **Jody Ahlstedt**, United
Community Action Network, and **Karen Clearwater**, Regional Advisor to the Department, and
gives an overview of the write-up contained in Council's packet (page 47), explaining that this

1 project is new construction consisting of eight two and three bedroom units to be located in
2 Roseburg, providing permanent housing for families with a disabled family member. Services will
3 target the psychiatric needs and two units are set aside for homeless families. **Ahlstedt** thanks
4 Karen Clearwater and says that without her guidance and help along the way, they would not be
5 here today. She says that this project is designed after Grandview Homes, which has really helped
6 people and has changed lives. They are seeing families move forward and with severe psychiatric
7 disabilities be able to stabilize their lives, get their children back, get part-time jobs and move
8 forward. Their lives are forever changed because they were able to stabilize their housing. She
9 says that by funding this project the department will be part of the legacy that will last in the state
10 of Oregon and in Douglas County for many decades to come. **Clearwater** adds that this project
11 scored very well in the CFC round, but the department ran out of money. However, the forward
12 allocation designation enables the department to give them an award and not have them go through
13 the cost of reapplying again this Spring. It is forward thinking and is not something the
14 department has done before and it really helps the sponsors.

8 **MOTION: López moves that the Oregon State Housing Council**
9 **approve a \$1,167,492 grant reservation of 2010 HOME funds and**
10 **\$200,000 in Housing Development Grant Program funds (Trust**
11 **Fund) to United Community Action Network, completing the new**
12 **construction of Trillium Terrace in Roseburg, Oregon, contingent**
13 **upon meeting all HOME and Trust Fund program requirements**
14 **and conditions of award.**

11 **VOTE: In a roll call vote the motion passed. Members Present:**
12 **Stuart Liebowitz, Francisco López, Nancy McLaughlin, and Chair**
13 **Maggie LaMont. Absent: Scott Cooper, John Epstein and Jeana**
14 **Woolley.**

14 4. *Aspen Park* (La Grande, OR). LaMont declares a conflict. She will not
15 participate in discussion but will vote. Her daughter is employed by New Day Enterprises, Inc.
16 **Loren Shultz**, Housing Program Advisor, introduces **Tamara Holden**, Geller, Silvis and
17 Associates, and gives an overview of the write-up contained in Council's packet (page 49),
18 explaining that this is a new construction five bedroom group home for disabled tenants with
19 services for the developmentally disabled. **Holden** thanks Bruce Buchanan and the staff at OHCS
20 for supporting this project. She says they had a meeting yesterday and discussed the loan with
21 Banner Bank. They may have the resources available to cover costs and there may not be a need
22 for a loan.

19 **MOTION: López moves that the Oregon State Housing Council**
20 **approve a \$247,653 HOME fund reservation to New Day**
21 **Enterprises, Inc. for completing the new construction of Aspen**
22 **Park in La Grande, Oregon, contingent upon meeting all HOME**
23 **requirements and conditions of award.**

22 **VOTE: In a roll call vote the motion passed. Members Present:**
23 **Stuart Liebowitz, Francisco López, Nancy McLaughlin and Chair**
Maggie LaMont. Absent: Scott Cooper, John Epstein and Jeana
Woolley.

1 5. *Neu Place* (Roseburg, OR). **Liebowitz** declares a conflict. He will not
2 participate in discussion but will vote. He is currently employed by Umpqua Community
3 Development Corporation. **Mike McHam**, Market Analyst and Appraiser, introduces **Betty**
4 **Tamm**, Executive Director, and **Jodi Enos**, Housing Development Assistant, Umpqua Community
5 Development Corporation, **Ann Delaney**, Architect, and **Karen Clearwater**, Regional Advisor to
6 the Department, and gives an overview of the write-up contained in Council's packet (page 51),
7 explaining that this project is an acquisition/rehab combined with some new construction. The
8 units will serve both physically and developmentally disabled individuals. **Tamm** thanks Council
9 for considering the project. She says it will serve two different kinds of disabilities and will meet a
10 new niche in Roseburg. There is nothing like it for people who are independent. They have
11 worked with a lot of potential family members and the target population in developing this and it is
12 fun to see the excitement in the potential clients, many of whom work in workshops in the area.
13 **LaMont** points out that there is substantial money listed as tentative foundation dollars and asks if
14 there is an update on those dollars. **Tamm** says yes, a significant amount has been committed by
15 NeighborWorks America and a couple of other grant sources. Meyer Memorial Trust is very
16 supportive of the project and invited an application upon receipt of state funding.

17 **MOTION: McLaughlin** moves that the Oregon State Housing
18 Council approve a \$1,308,684 grant reservation of HOME funds to
19 Umpqua Community Development Corporation (CDC), for
20 completing both acquisition/rehabilitation and new construction of
21 *Neu Place* in Roseburg, Oregon, contingent upon meeting all
22 HOME requirements and conditions of award.

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

24 6. *The Cedars* (Grants Pass, OR). **Mike McHam**, Market Analyst and
25 Appraiser, introduces **Darrel Pearce**, Operations & Residential Assistant with Options for
26 Southern Oregon, Inc., and **Karen Clearwater**, Regional Advisor to the Department, and gives
27 an overview of the write-up contained in Council's packet (page 53), explaining that this project
28 is new construction serving the chronically mentally ill. The services will be directed at low
29 income, chronically mentally ill adults and will be provided by Options. **Pearce** explains that
30 they are looking at the "little village" concept, with individual units built around a courtyard, with
31 a meeting room and the opportunity to socialize. They have included many green features that
32 include orientation of the building, both for privacy and for the exposure to the sun to afford
33 natural light; low flow toilets; compact fluorescent light fixtures; and water retention with a rain
34 garden. **McLaughlin** asks how difficult it was to get HUD to go along with the redesign of the
35 project. **Pearce** says not at all. **LaMont** asks if the 811 is for subsidized units. **Pearce** says yes,
36 it is project-based. It is 30% and targeted to low and very low-income residents. **LaMont**
37 comments that it is exciting to be able to provide new units. Although preserving units is very
38 necessary, this is one of the few resources left to try and meet the needs.

39 **MOTION: Liebowitz** moves that the Oregon State Housing
40 Council approve a \$437,250 grant reservation of HOME funds to
41 Options for Southern Oregon, Inc., for completing the new

1 **construction of The Cedars in Grants Pass, Oregon, contingent**
2 **upon meeting all HOME requirements and conditions of award.**

3 **VOTE: In a roll call vote the motion passed. Members Present:**
4 **Stuart Liebowitz, Francisco López, Nancy McLaughlin, and Chair**
5 **Maggie LaMont,. Absent: Scott Cooper, John Epstein and Jeana**
6 **Woolley.**

7 7. *Chaucer Court* (Portland, OR). **Jack Duncan**, GHAP Program Coordinator,
8 introduces **Patrick O'Toole**, Union Labor Retirement Association, and **Vince Chiotti**, Regional
9 Advisor to the Department, and gives an overview of the write-up contained in Council's packet
10 (page 54), explaining that this project is a seven-story building with 84 units, with 83 having
11 project-based assistance, and is contingent upon weatherization program requirements. It is
12 located in the South Park Blocks and is on national, city of Portland, and state historical
13 registers. The tenants will be paying 30% of their incomes. Rents and expenses are set by HUD.
14 The major funding sources are federal tax credits, Trust Fund, weatherization, Portland
15 Development Commission, and a permanent loan. **Chiotti** states that this is a very unique
16 building and that Mr. O'Toole's organization has managed it for the past several years.
17 **Liebowitz** asks if they can outline some of the energy efficiency and weatherization items that
18 will go into the building. **O'Toole** says the principal focus of the entire renovation is the
19 windows. They are steel cased windows that were originally installed and they provide very
20 little insulation and are rotting in place. **McLaughlin** asks if there is any other rehab being done.
21 **O'Toole** explains that it will be extensively renovated, and will be done with residents in place
22 as much as possible. It needs complete water and electrical replacement, and the HVAC needs to
23 be redone. There is an atrium at the top of the building that needs to be replaced, and the roof
24 will need to be replaced. The units will need fixture replacement and carpets and paint. **Chiotti**
25 adds that the sponsor has been working as closely as possible with Multnomah County for
26 stimulus money for the weatherization; however, stimulus money cannot be used for windows,
27 so they will have to wait and see how that goes.

28 **MOTION: Liebowitz moves that the Oregon State Housing**
29 **Council approve a \$251,864 conditional grant reservation of Low**
30 **Income Weatherization Program funds to Union Labor**
31 **Retirement Association, completing the new construction,**
32 **acquisition and/or rehabilitation of Chaucer Court in Portland,**
33 **Oregon, contingent upon meeting all Low Income Weatherization**
34 **Program requirements and conditions of award.**

35 **VOTE: In a roll call vote the motion passed. Members Present:**
36 **Stuart Liebowitz, Francisco López, Nancy McLaughlin, and Chair**
37 **Maggie LaMont. Absent: Scott Cooper, John Epstein and Jeana**
38 **Woolley.**

39 8. *Uptown Towers* (Portland, OR). **Jack Duncan**, GHAP Program Coordinator,
40 introduces **Dan Steffey**, Guardian Management, and **Vince Chiotti**, Regional Advisor to the
41 Department, and gives an overview of the write-up contained in Council's packet (page 56),
42 explaining that this is a nine story, 72-unit building located near Pacific Stadium in Portland, with
43 all units having project-based assistance, serving the elderly population. **Steffey** points out that

1 this building was built by the contractor in a way that made conversion to a condo very simple.
2 There will be new windows, new roof and ventilation system. A second elevator was added a few
3 years ago. He says that from the developer's standpoint, they feel they have a true partnership
4 with OHCS in working on these projects. **Chiotti** says that the department has a goal through the
5 legislature to preserve 1,598 units and that this project and the previous one presented will get the
6 department to 10% of that goal. **McLaughlin** asks if the renovations will be able to be done with
7 tenants in-place. **Steffey** says yes. **Liebowitz** asks if the Enterprise grant is general or specific.
8 **Steffey** says it is for specific weatherization items, and it is a competitive grant. **Liebowitz** asks
9 if he can give an example of some of the specific items. **Steffey** says they are windows, HVAC
10 systems, ventilation, and a new roof.

11
12 **MOTION: McLaughlin moves that the Oregon State Housing**
13 **Council approve a \$207,000 conditional grant reservation of Low**
14 **Income Weatherization funds to Guardian Development LLC,**
15 **completing the acquisition/rehabilitation of Uptown Tower in**
16 **Portland, Oregon, contingent upon meeting all Low Income**
17 **Weatherization Program requirements and conditions of award .**

18
19 **VOTE: In a roll call vote the motion passed. Members Present:**
20 **Stuart Liebowitz, Francisco López, Nancy McLaughlin and Chair**
21 **Maggie LaMont,. Absent: Scott Cooper, John Epstein and Jeana**
22 **Woolley.**

23
24 9. *Quimby Apartments Renewal* (Bend, OR). **Tony Penrose**, Resource
25 Coordinator and CFC Manager, introduces **Martha McLennan**, Executive Director, Northwest
26 Housing Alternatives, and **Vince Chiotti**, Regional Advisor to the Department, and gives an
27 overview of the write-up contained in Council's packet (page 58), explaining that this project is a
28 preservation project located in Bend and sponsored by Northwest Housing Alternatives. These
29 are one-bedroom units serving low-income seniors with disabilities, and has Section 8 project-
30 based assistance. **McLennan** comments that she appreciates the partnership they have with
31 OHCS in terms of providing affordable housing across Oregon. This project is another one of the
32 preservation projects and many of the seniors who live at Quimby have lived there for many
33 years. The property has been a well maintained property, but it does have aging systems. This
34 project is part of a package of three they are doing. The tenants will stay in place during the
35 rehab. Upgrades include energy upgrades to improve the indoor air quality and energy efficiency.

36
37 **MOTION: Liebowitz moves that the Oregon State Housing**
38 **Council approve a \$1,230,363 grant reservation of 2010 HOME**
39 **funds to Northwest Housing Alternatives, Inc., completing the**
40 **acquisition/rehabilitation of Quimby Apartments in Bend,**
41 **Oregon, contingent upon meeting all HOME program**
42 **requirements and conditions of award.**

43
44 **VOTE: In a roll call vote the motion passed. Members Present:**
45 **Stuart Liebowitz, Francisco López, Nancy McLaughlin and Chair**
46 **Maggie LaMont. Absent: Scott Cooper, John Epstein and Jeana**
47 **Woolley.**

1 **F. High Desert Commons** (Redmond, OR), Predevelopment Loan Request. **Shelly**
2 **Cullin**, Senior Loan Officer, introduces **Mark Rozgay**, Timber River Development, Inc., and
3 **Deborah Price**, Regional Advisor to the Department, and gives an overview of the write-up
4 contained in Council's packet (page 59), explaining that Timber River Development has requested
5 a \$375,000 predevelopment loan to pay off an existing land loan they have with Stearns Bank that
6 has matured. This project is a proposed 20-unit family project in Redmond. The unit mix consists
7 of two and three-bedroom units. Rents are targeted at 30% and 50% of area median income. The
8 preliminary market assessment completed in February, 2009 indicates a need for affordable
9 housing units at low and very low incomes. The only risk at this time appears to be the
10 competitive nature of the CFC. The sponsor has been notified that the Spring 2010 CFC will have
11 50% of its resources dedicated to preservation projects, which means a much more competitive
12 process for new construction projects. The sponsor is willing to take that risk and to proceed with
13 this request. If the sponsor is unsuccessful in the next CFC, Rural Development will pull their
14 \$1M obligation. Based on that, Cullin has requested that the predevelopment loan commitment
15 letter reflect that the borrower must begin pursuing options to repay this predevelopment loan if
16 approved sooner than the two year term if unsuccessful in the 2010 CFC. In addition, she
17 recommends that the motion reflect that this predevelopment loan be for a one year term with one
18 six month extension allowed.

19
20 **McLaughlin** asks on the tax credit equity, what their assumption was. **Rozgay** says they have an
21 investor that specializes in RD and rural projects, and they have a reasonable amount of confidence
22 that they will be able to place this project. **McLaughlin** asks what the underwriting assumption is
23 -- cents on the dollar. **Rozgay** says it is \$.65. **LaMont** asks on the RD funding, if that comes with
subsidy to the units. **Rozgay** states that at the time they got the obligation there was not rental
assistance offered or, if there was, it was very small nationwide. They have not asked that
question recently. They are hopeful that some of the tenants will have access to Section 8
vouchers. **LaMont** says it is her suggestion that it never hurts to ask. **Liebowitz** comments that
given the previous difficulties, he is curious, contemplating the worst case scenario, what direction
they would go in terms of paying off the loan. **Rozgay** states that they have a number of projects
that are backed up waiting for ARRA funds. When the loan comes due they would be in a position
to have a bank that would loan them the money.

24
25 **MOTION: McLaughlin moves, as amended, that the Oregon State**
26 **Housing Council approve a Predevelopment Loan in the amount**
27 **not to exceed \$375,000, at a current interest rate of 5% per annum**
28 **for the term of one year, with one six month extension allowed if**
29 **CFC resources are awarded, to Timber River Development, Inc. to**
30 **pay off the current conventional loan on the land associated with**
31 **the development of High Desert Commons in Redmond, Oregon.**

32
33 **VOTE: In a roll call vote the motion passed. Members Present:**
34 **Stuart Liebowitz, Francisco López, Nancy McLaughlin and Chair**
35 **Maggie LaMont. Absent: Scott Cooper, John Epstein and Jeana**
36 **Woolley.**

37
38 **G. Shaver Green** (Portland, OR), Additional Housing PLUS Allocation Request.
39 **Shelly Cullin**, Senior Loan Officer, introduces **Wayne Armstrong** and **Rolanne Stafford**,
40 **Armstrong Stafford, LLC**, and explains that this project is in need of additional Housing PLUS in
41

1 the amount of \$127,545 to fill a financing gap in the development. The project is an 85-unit
2 affordable workforce housing development in northeast Portland. She gives an overview of the
3 write-up contained in Council's packet (page 64). In September of 2007, Housing Council
4 approved the bond financing weatherization, and the original Housing PLUS grant for the
development of the project. Additional department resources included 4% Low Income Housing
Tax Credits and Oregon Affordable Housing Tax Credits. The Portland Development
Commission has provided \$3.5M to the project. The project was completed in June 2009 and was
leased up within two months.

5 **Cullin** explains that this project has had some extraordinary things occur beyond the control of
6 the developer. They had challenges getting their first general contractor, the second contractor
7 filed bankruptcy one month after closing on our bond, and then the project lost their equity
8 investor 30 days prior to closing. Fortunately Key Community Development Corp. stepped in as
9 the investor and underwrote this deal in 30 days. The bankruptcy by the second contractor caused
10 a four month delay in construction, which meant that the project would not able to be completed
11 on a schedule that was agreed to in the partnership agreement, causing some downward
12 adjustments. With the four month delay in construction the project was incurring construction
13 loan interest, which increased the construction interest line item by \$160,000. The largest cost
14 overrun for the project was an error by the Portland Department of Transportation. They
15 inadvertently issued the building permits without reviewing civil drawings. In 2009 Portland
16 Department of Transportation required the developer to reapply for a permit, which resulted in
17 revisions to street lighting, wider sidewalks, different landscaping, changes to their storm drain
18 system and relocating a charging station. Most of the work had already been completed, which
meant that this all had to be redone. The total cost of the changes was \$480,000. The borrower
did receive an additional allocation of 4% LIHTC when they submitted their final application;
they did have additional basis items, and so they did receive an additional \$400,000 in equity,
which is not part of the cost overruns. The Finance Committee approved a \$100,000 recoverable
Trust Fund grant that will provide repayment of \$10,000 per year for ten years. In addition, the
borrower has requested the Housing PLUS dollars of \$127,545. If approved they would have a
total of \$322,545. The borrower has increased their deferred developer fee by \$100,000 which
leaves a gap of \$160,000. The borrower has approached the City of Portland for assistance in
filling this gap and Commissioner Fish's office is working with the Bureau of Housing staff to
help find some additional resources to fill the gap. **Armstrong** adds that the project is fully
leased up and they are transitioning to permanent financing. This is a Gold LEED certified
building, built on a former Brownsfield site in Portland. In the last three weeks they have
received an Architectural Institute of America Award for design, and also an award for best
affordable housing project in the five western states.

19 **Merced** states that he had several conversations yesterday with Commissioner Fish about this
20 project and expressed the department's disappointment in the role that PDOT had to play in this
21 gap situation. Commissioner Fish did not think it was a problem in terms of looking at some of
22 their internal resources to help out. He just needed a bit more time to study the issue. The City is
23 in the project for a very large amount. **LaMont** asks if, with the additional \$127,545 in Housing
PLUS, it means that more units are going to be participating in that program and, if so, how
many? **Cullin** says that they have not changed the number of units and that it remains at 14 at a
cost of \$23,000 per unit.

1 **MOTION: McLaughlin moves that the Oregon State Housing**
2 **Council approve an additional allocation of Housing PLUS in the**
3 **amount of \$127,545, for a total Housing PLUS award of \$332,545**
4 **to Armstrong Stafford LLC for Shaver Green, located in**
5 **Portland, Oregon.**

6 **VOTE: In a roll call vote the motion passed. Members Present:**
7 **Stuart Liebowitz, Francisco López, Nancy McLaughlin and Chair**
8 **Maggie LaMont. Absent: Scott Cooper, John Epstein and Jeana**
9 **Woolley.**

10 **VIII. OLD BUSINESS: None.**

11 **Francisco López disconnects from meeting at 11:00 a.m.**

12 **IX. REPORTS:**

13 **A. *Council Meeting Calendar for 2010.* Chair LaMont states that this item will be**
14 **deferred to another time due to the fact that not all Council members are present. Merced**
15 **encourages Council members to make sure they look at the dates and to please advise of any**
16 **potential conflicts.**

17 **B. *Neighborhood Stabilization Plan Update.* Rich Malloy, Neighborhood**
18 **Stabilization Coordinator, reports that the department has about \$1M of funds obligated under**
19 **NSP I. Some of the funds have been expended and there are 15 sub-recipients, nine of which are**
20 **larger cities or counties, and there are 6 nonprofits. Some of the cities are starting to move pretty**
21 **quickly and have good waiting lists on their down payment assistance using NSP, and the**
22 **nonprofits are starting to acquire properties. In terms of the state program, the state has reserved**
23 **a couple of million dollars for the department to provide loans to people buying foreclosed**
24 **homes in areas not covered by the cities. There is a lot of lender interest in bringing borrowers to**
25 **the program. The department has just implemented a down payment and rehab loan program.**
26 **There is a group called the National Community Stabilization Trust, a nonprofit out of**
27 **Washington, D.C., that would get lenders to give the department the first opportunity to look at**
28 **making offers on properties before they go on the market. The NSP II status is that HUD is**
29 **reviewing it and the department is supposed to get a funding award announcement in December.**
30 **Merced asks if there is anything that the department needs to do to encourage some facilitation**
31 **with our Congressional delegation on the NSP II application. Malloy says he doesn't think it**
32 **would hurt. McLaughlin asks, with regard to the National Community Stabilization Trust, if it**
33 **is a new nonprofit or if it was a subset of an existing nonprofit. Malloy says he doesn't know**
34 **how long they have been around. Merced suggests that if any communication is sent to the**
35 **Congressional delegation that it be done jointly by Chair LaMont and himself to express support**
36 **of the \$26M on the NSP II application. LaMont says that she agrees.**

37 **C. *Housing Opportunity Bill Rulemaking Update.* Lisa Joyce, Policy &**
38 **Communication Manager, distributes copies of concept papers on the Housing Opportunity Bill**
39 **(HB 2436) (formerly known as the Document Recording Fee) with regard to the General**
40 **Housing Account, the Home Ownership Assistance Account (HOAA), and the Emergency**
41 **Housing Account (EHA), and gives an overview of the process the department is using for**

1 implementing that piece of legislation. She reports that the department gathered feedback at five
2 different community meetings around the state, and the department has updated the resource
3 allocation strategies to reflect the feedback that was received during those meetings. The key
4 theme across the state was flexibility. The Housing Opportunity Bill became effective the end of
5 September, and the department expects its first quarterly deposits to come in early 2010. Rules
6 will be heard on November 23 at 2:00 at OHCS. Permanent rules will be adopted on December
7 22. **Liebowitz** asks who determined the allocation split between multifamily, the EHA, and the
8 HOAA. **Joyce** says it was determined by the legislature. **Liebowitz** says he is concerned that it
9 was determined outside the department's power. When you see such a large increase in
homelessness, the percentage dedicated to that difficulty, and the need is significant for
emergency need and long-term, it seems a very minimalist allocation for that population when
the state is pledging to end homelessness in ten years. **Joyce** says she does not disagree with him,
but the department does have support from legislative leadership around this issue. She says the
department is fortunate in that there were ARRA funds dedicated to homelessness prevention
and rapid rehousing. **Liebowitz** says that is the type of message he would like Council and
OHCS to articulate to the legislators whenever they have the opportunity. **Joyce** says she would
be happy to do so. She states that there is a conference coming up later this month on Ten Year
Plans to End Homelessness, with the keynote speaker being co-chair of Ways and Means Peter
Buckley. She says she will send a note to Housing Council with that information.

10 **D. Federal Stimulus Plan Update.** **Nancy Cain**, Chief Financial Officer, distributes
11 a copy of the most recent ARRA Report dated November 5, 2009. She reports that the biggest
12 thing that has happened is the completion of the first required report deadline. Weatherization
13 funds have all been allocated, and the monitoring visits have started, which will be a key part of
14 the funds to actively monitor the subrecipients. **Merced** asks her if it would be possible to tally
15 the number of homes. **Cain** says they have the numbers on a quarterly basis, and that once the
16 new system is in place they can do that on a real-time basis. **Merced** says he thinks that would
17 be good for future updates. **Liebowitz** asks if the department knows how many jobs are being
18 created or are resulting from weatherization dollars coming in. **Cain** explains that is a required
19 number that the department reports, and there is differing guidance from different federal
20 agencies on how that is to be calculated and reported. They will report hours funded with federal
21 stimulus dollars. **Merced** says that it has been a bureaucratic nightmare, with conflicting
22 information, unclear guidelines, rules and regulations. **McLaughlin** asks if the department has
23 disbursed more funds than what it has received on the low income and weatherization and
commodity assistance. **Cain** explains that there will always be timing differences. The
department incurs costs throughout the month, but only draws once a month, and then awaits
reimbursement from the federal government. Subrecipients are different in that the department
gets the request, asks for the funds and then disburses the money within 24 hours. All of the
funds for Homelessness Prevention and Rapid Re-housing have been committed and services are
beginning to be delivered. There has been some work on the OPUS reporting system. The
Community Services Block Grant has been underway for awhile and monitoring is underway.
The Temporary Emergency Food Assistance Program has received the second year award, which
was greater than the first year award. It was adjusted due to the unemployment rate, among
other things. The Commodity Assistance Program continues to be distributed throughout the
state. All members of the Oregon Volunteers! Program, or AmeriCorps, have been trained and
are now in service, and site visits will occur this month. **McLaughlin** asks what the number is of
AmeriCorps members. **Cain** says 50-60.

1 **E. Report of the Chief Financial Officer.** Nancy Cain reports that Treasury, Fannie
2 Mae and Freddie Mac have been working to try and develop a program that would help housing
3 finance agencies be able to issue bonds again. That initiative was released on October 19, and
4 her division has been in overdrive working on that program. The key components need to be
5 committed and obligated by December 31, 2009. McLaughlin asks when the department has to
6 make a decision. Cain says by December 1, 2009. LaMont asks that Council be updated with a
7 quick e-mail on how it is going and what the decision is.

8 **F. Report of the Director.** Victor Merced says that what Council has approved
9 today will provide housing for chronically mentally ill, people with developmental disabilities,
10 the elderly, preservation of both rural and urban, low income, and new construction, and he
11 thanks Council for supporting the department's recommendations.

12 He reports on his recent Governor's ERT trip where they visited Lincoln City, Newport, Toledo,
13 Yachats and Albany. He says they got a good perspective on some of the needs of those coastal
14 communities. The impact of the relocation of the National Oceanic Atmospheric Administration
15 to the coast would be 75 – 100 jobs, which points out the need for additional investments by the
16 department for workforce housing.

17 The department is getting encouraging signs from its Congressional delegation that there may be
18 an extension of TCAP for one more year.

19 Measures 66 and 67, which are the tax measures that would repeal the increase in taxes that the
20 legislature approved last session, may have a significant impact on state agencies. The
21 department is going through budget exercises as requested by the Governor, looking at the
22 General Fund portion of our budget. Roughly, the estimate is a \$750M General Fund hole, of
23 which there is \$400M in reserves to cover some of that. The remainder would be a hit to the
24 agencies. Liebowitz asks if that analysis would be available for reporting at the next Council
25 meeting. Merced says yes. McLaughlin compliments the department for being creative in a lot
26 of the projects presented to Council today. Merced says the agency has some very creative
27 thinkers that are constantly thinking of ways to do things differently.

28 **G. Report of the Chair.** Chair LaMont reports that the retreat was an enjoyable
29 process. It was a great opportunity to identify ways in which Council can assist the agency. She
30 says it needs to be a working relationship and that theme went through the whole meeting. They
31 reviewed the charges of the Council, figured out what the challenges and opportunities were, and
32 then set priorities, ending up with seven. If an item was of interest to a Council member, or they
33 were participating in something similar, that area was assigned to that member. They agreed it
34 would be beneficial to have retreats on an annual basis.

35 Chair LaMont says she would like to have the visual part of project presentations reinstated.

36 **X. FUTURE AGENDA ITEMS.** Victor Merced says the following will be part of the
37 December Agenda:

- 38 • Budget Update
- 39 • Oregon ON Training (one hour)
- 40 • One Economy's efforts in Oregon
- 41 • Housing Council Retreat Updates will be given at the January 2010 meeting

1 **Chair LaMont** adjourns the meeting at 12:45 p.m.

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Maggie LaMont, Chair **DATE**
Oregon State Housing Council

Victor Merced, Director **DATE**
Oregon Housing & Community Services.

Monthly Single Family Housing Loan Production Report

Month: October

2008

2009

| | 2008 | | Counties | Index** | Current Month | | Year to Date | |
|--|---------|--------------|------------|---------|---------------|--------------|--------------|--------------|
| | # Loans | \$\$\$ Loans | | | # Loans | \$\$\$ Loans | # Loans | \$\$\$ Loans |
| | 12 | 1,356,086 | Baker | 6.28 | | | 6 | 492,404 |
| | 21 | 3,440,282 | Benton | 4.39 | 1 | 210,680 | 12 | 1,712,451 |
| | 106 | 20,992,525 | Clackamas | 5.45 | | | 12 | 2,199,283 |
| | 3 | 505,224 | Clatsop | 5.33 | | | 1 | 222,883 |
| | 21 | 3,737,811 | Columbia | 5.45 | | | | |
| | 49 | 7,255,472 | Coos | 5.89 | | | 6 | 943,042 |
| | 13 | 2,310,226 | Crook | 5.57 | | | 1 | 86,734 |
| | 5 | 954,025 | Curry | 7.72 | | | | |
| | 86 | 17,083,257 | Deschutes | 5.07 | 1 | 92,623 | 24 | 3,188,907 |
| | 39 | 5,905,636 | Douglas | 5.79 | | | 3 | 369,918 |
| | | | Gilliam | 5.48 | | | | |
| | 2 | 197,244 | Grant | 6.11 | | | | |
| | 4 | 465,761 | Harney | 6.16 | | | | |
| | 3 | 578,747 | Hood River | 7.52 | | | | |
| | 119 | 21,393,544 | Jackson | 5.31 | 2 | 231,529 | 18 | 2,821,879 |
| | 5 | 758,957 | Jefferson | 5.88 | | | 1 | 71,920 |
| | 49 | 9,292,516 | Josephine | 5.99 | | | 8 | 1,527,078 |
| | 80 | 11,374,842 | Klamath | 5.82 | 1 | 67,168 | 9 | 1,062,758 |
| | 9 | 1,322,664 | Lake | 6.28 | | | | |
| | 95 | 16,222,636 | Lane | 4.99 | | | 17 | 2,407,772 |
| | 7 | 874,622 | Lincoln | 5.82 | 1 | 176,000 | 2 | 319,467 |
| | 39 | 5,467,478 | Linn | 5.21 | 2 | 292,375 | 9 | 1,100,787 |
| | 8 | 854,045 | Malheur | 6.26 | | | 5 | 511,817 |
| | 117 | 18,602,806 | Marion | 4.90 | 3 | 325,605 | 40 | 5,709,589 |
| | 3 | 294,016 | Morrow | 5.57 | | | 1 | 107,142 |
| | 434 | 83,366,547 | Multnomah | 5.45 | 6 | 1,405,893 | 133 | 22,925,567 |
| | 20 | 3,014,842 | Polk | 4.90 | | | 7 | 1,172,251 |
| | | | Sherman | 5.35 | | | | |
| | 2 | 364,145 | Tillamook | 5.96 | | | | |
| | 30 | 3,295,317 | Umatilla | 5.47 | | | 17 | 1,995,710 |
| | 15 | 1,614,620 | Union | 5.41 | | | 7 | 791,477 |
| | | | Wallowa | 5.87 | | | 1 | 100,980 |
| | 6 | 890,376 | Wasco | 5.38 | | | | |
| | 148 | 28,768,854 | Washington | 5.45 | 2 | 233,462 | 22 | 3,808,463 |
| | | | Wheeler | 6.67 | | | | |
| | 48 | 9,247,640 | Yamhill | 5.45 | | | 5 | 933,661 |

TOTAL 1598 281,802,764

TOTAL 19 3,035,335

TOTAL 367 56,583,938

Ave Loan Amt 176,347

Ave Loan Amt 159,754

Ave Loan Amt 154,180

High Need

High Number = low affordability e.g. \$300K median home price divided by \$30K median income = 10

Low Number = more affordable e.g. \$300K median home price divided by \$50K median income = 6

1
2 **Memorandum**

3
4 **To:** Housing Council

5 **From:** Tony Penrose, Resource Coordinator and CFC Manager

6 **Finance Committee Meeting Date:** December 4, 2009

7 **Requested Action:** Approve additional Trust Fund Ames Creek Court.

8 **Project Sponsor:** Willamette Neighborhood Housing Services

9 **Property:** Ames Creek Court

10 **Affordability Commitment:** Ames Creek Court, 50 years with 39 yrs remaining;

11 **Target Population:** Seniors

12 **RECOMMENDATION/MOTION:** Approve an additional \$98,821 in Trust Fund to Ames
13 Creek Court for an accumulative award of \$198,821.

REQUEST FOR INCREASE IN FUNDING

Project Names: Ames Creek.

Project Overview: During the dissolution of Linn County Affordable Housing (LCAH), Willamette Neighborhood Housing Services (WNHS) was asked by LCAH to assume a portfolio of 7 affordable projects. Sunset Corners II was assumed, rehabbed and WNHS took over as owner in 2008. Carolina 100, Carolina Court, and Sunset Corners I, were all approved by Finance Committee for a combined \$625,000 in OAHTC and closed November 10, 2009. In this current request NOAH will refinance the Ames Creek Court current loan using OAHTC and the \$98,821 in Trust Fund along with \$95,184 of outside sources will be used for needed rehab and loan pay-downs.

Explanation of owner transfer: WNHS is working with NOAH and OHCS to financially restructure the remaining 3 projects, Ames Creek, Sommerville and Cascadia. Under LCAH the projects had maintenance needs, limited replacement reserves, and financial difficulties. WNHS took over managing the properties nearly 3 years ago and has been working on improving cash flow problems, inadequate property management, construction deficiencies and assessing rehabilitation needs, of the projects at this time. The rehab will focus on required needs in order to bring Ames Creek back to a viable project. **Ames Creek:** There are currently two loans with NOAH on this project. By the time of transfer of the GP, WNHS expects balances of the two loans to be \$320,235 and \$25,380 (assuming closing occurs in January 2010). WNHS will pay off the small loan completely, and reduce the second loan to \$290,000. In conjunction with the pay-down the loan will be re-amortized at the current OAHTC rate 3.98% over the remaining term (estimated to be 244 months at the time of closing) and the maturity date will be modified to 4/1/2020 to correspond with the expiration of the Oregon Affordable Housing Tax Credit. The payments will be reduced by \$357.28/month from the current \$2,092.76 to \$1,735.48. The principal balance of the loan at maturity would be \$172,977. At that time WNHS will need to refinance the loan. Trust Fund will assist in the loan pay-down and for rehab of \$87,936.

Steps Taken to Address inadequacies: WNHS understands the financial restructuring is essential. By refinancing with rehabilitation they can stabilize operations and lower expenses on the site. They continue to work with property management companies on unit turnaround, upkeep, and stabilizing vacancy rates for the remaining three sites. The Pro-forma show reserves for replacement sufficient for ongoing upkeep of the properties until year 15 at LIHTC re-syndication, which will occur in 5 years.

Verification of available program funds:

Tony Penrose, HDGP Program Manager

Attachments:
Project Summary

PROJECT SUMMARY

| | |
|---------------|-----------------------|
| Project Name: | Ames Creek Apartments |
| Date: | 10/08/09 |
| County | Linn |

SOURCES

| | |
|-----------------------------|------------------|
| OHCS Grants & Equity | -\$98,821 |
| OHCS Loans | \$0 |
| NON-OHCS Grants | \$95,184 |
| NON-OHCS Loans | \$290,000 |
| Applicant Contributions | \$0 |
| Other Funds | \$0 |
| TOTAL FUNDING SOURCE | \$484,005 |

USES

| | |
|--------------------|------------------|
| Acquisition | \$345,615 |
| Construction/Rehab | \$87,936 |
| Development Costs | \$50,454 |
| Total | \$484,005 |

FIRST YEAR INCOME & EXPENSES

| | Without OAHTC | With OAHTC |
|---------------------------|---------------|------------|
| Rental Income | 153,528 | 129,360 |
| Other Income | 2,300 | 2,300 |
| Gross Potential Income | 155,828 | 131,660 |
| Less Vacancy | (7,791) | (6,583) |
| Effective Gross Income | 148,037 | 125,077 |
| Annual Operating Expenses | 98,388 | 98,388 |
| Net Operating Income | 49,649 | 26,689 |
| Annual Debt Service | 28,871 | 20,826 |
| Primary Debt Coverage | 1.72 | 1.28 |



Oregon

Theodore R. Kulongoski, Governor



Housing and Community Services

North Mall Office Building
725 Summer Street NE, Suite B
Salem, OR 97301-1266
(503) 986-2000



FAX (503) 986-2020
TTY (503) 986-2100
www.ohcs.oregon.gov

Memorandum

To: Finance Committee/State Housing Council

From: Shelly Cullin, Loan Officer
Housing Finance Section

Date: November 24, 2009

Re: **St. Johns** – Predevelopment Loan

EXECUTIVE SUMMARY

Borrower: Innovative Housing, Inc.

Property: (Jowers Property) 8803 N. Lombard, Portland, OR 97203

Loan Amount: **\$323,000 – Predevelopment Loan**
1% Loan Fee

Loan Term/Rate: 2Year Maximum @ 5% Interest

Repayment: Estimated construction loan closing June 2011, or sale of land.

Security Value: \$380,000 – LTV is 85%
.12 acres (5,231 SF) located at 8803 N. Lombard, Portland

Use of Funds: Acquisition of Property

Security: Trust Deed recorded in 1st lien position

Loan Guarantee: N/A

Fund Availability: \$3,912,000

Finance Committee: November 24, 2009

Voting to Approve: _____
 Voting to Decline: _____
 Absent: _____

/s/ Rick Crager

Date: November 24, 2009

Rick Crager, Finance Committee Chair

RECOMMENDED MOTION: Approve a Predevelopment Loan in the amount not to exceed \$323,000, at a current interest rate of 5% per annum for a maximum of two (2) years to Innovative Housing, Inc. for the acquisition of property for a to-be-developed affordable housing project located at 8803 N. Lombard, in Portland, Oregon.

PREDEVELOPMENT LOAN REQUEST

Innovative Housing St. John's Project

Project Description: The target population for the proposed St. John's Project is family workforce housing, for families between 30% and 60% of area median income. The St. John's community is interested in seeing a mixed income development. The project will also have eight permanent supportive housing units. The project will have one, two, three and four bedroom units, for a total of 55 units.

The project is located in the heart of the St. John's community of North Portland. St. John's began as an independent community in 1865, and has retained its small town feel. Small shops and independent businesses line the main street of Lombard. Old buildings and newer establishments combine to make an eclectic streetscape. Many different uses are in close proximity to one another, such as retail, housing, commercial, entertainment, recreations, gathering spaces and parks. In 1915, St. John's became a part of Portland, but has been undervalued as a resource for the urban area. The site is within walking distance of most major services, including parks, schools, recreation centers, grocery stores, restaurants, movie theater, health clinic and churches. Lombard is a major bus route, and there is a stop directly in front of the property.

Innovative Housing, Inc. (IHI) will be working with a neighborhood/business committee on the development of the St. John's project. IHI will be submitting an RFQ response in order to acquire the vacant land next door to the proposed parcel (for the predevelopment loan request). The neighborhood/business committee for St. John's, along with staff at the City of Portland's Bureau of Environmental Services (BES), will select the project team. Areas of particular focus for the (RFQ) community and the project will be sustainability, public amenities such as a plaza, commercial storefronts on Lombard, a building design that respects and blends with the historic character of the area, mixed income units and encouragement of alternative transportation options. Multifamily rental housing is an identified area of need for the St. John's community.

IHI's acquisition of the Jowers property is a key component of their overall project design and response to the upcoming City BES RFQ, which is out this month. Together, the Jowers property (5,231 sf) and the BES-owned property (15,197 sf) create a large enough parcel to greatly improve the feasibility of a housing development project. IHI's acquisition of the Jowers parcel will improve their proposed project and chances for a successful outcome in the City RFQ.

Even though the project would not begin within 12 months, acquiring the property now is critical for assembling a site large enough for a viable housing development. The current owner is in financial trouble and must sell the property now, if IHI does not acquire it before the end of the year, an investment partner of the seller will take it in exchange for cash. If this happens, it may not be available for affordable housing in the future.

Preliminary Market: There has been no market study completed yet for the proposed multifamily project. However, the City of Portland Bureau of Environmental Services, Request for Qualifications for Downtown St. Johns Brownfield Project (the site next to the Jowers site), indicates the following goals:

- Provide opportunities for new housing along the Lombard main street near the St. Johns Town Center;
- Rental and/or ownership options;
- A mix of market and below market rates to the extent financially feasible;

- (General Goals, BONUS) Mix of incomes available to those below 50% Median Family Income for rental units;
- Mix of larger family sized units with 3+ bedrooms and smaller units.

Use of Funds: The predevelopment loan will be used to acquire the proposed property at 8803 N. Lombard, in Portland, Oregon.

Security for Loan: An appraisal dated October 16, 2009 indicates an “as is” market value for the subject property of \$380,000. The Loan-To-Value is 85%. The property consists of a .12 acres or 5,231 square foot parcel zoned Csd (Storefront Commercial with a design overlay). If the land needs to be sold to pay off the predevelopment loan, the (current) appraisal indicates the property should be able to achieve an 18-month marketing period and exposure time.

The property has one vacant approximately 4,982 SF ground floor retail space with approximately 1,200 mezzanine area, and an approximately 3,080 SF second floor space with twelve vacant SRO units. The second floor of the building was estimated to have been vacant since 1985; the ground floor retail has been vacant for two years. Both floors of the building are effectively in a shell condition with some deferred maintenance.

Repayment Plan: The first plan for repayment will be the closing of the construction loan, estimated to be June 2011. The sponsor will submit a 2011 CFC application. If not successful, the sponsor will offer the property to the successful applicant of the BES RFQ.

Availability of Funds: There are available funds for this request, along with four other predevelopment requests.

| | |
|-----------------------------|---------------|
| Predevelopment Loan Program | \$6,550,000 |
| Projects Currently Funded | (2,638,000) |
| Balance Available | \$3,912,000 |
| NOAH LOC | (\$ 100,000) |
| St. Johns | (\$ 323,000) |
| Canterbury Hills | (\$ 500,000) |
| Reserved for Land Banking | (\$1,500,000) |
| Available to Lend | \$1,489,000 |

Permanent Financing Sources:

| Uses | | Sources | |
|-------------------|---------------------|----------------------|---------------------|
| Acquisition | \$ 603,000 | PDC HOME | \$ 2,300,000 |
| Construction | \$9,406,823 | LIHTC Equity | \$ 6,263,374 |
| Development | \$2,911,551 | Weatherization | \$ 100,000 |
| | | Trust Funds | \$ 100,000 |
| | | GHAP | \$ 800,000 |
| | | BETC | \$ 100,000 |
| | | Brownfields Grant | \$ 33,000 |
| | | Metro Grant | \$ 125,000 |
| | | Deferred Dev Fee | \$ 300,000 |
| | | Perm Loan (w/OAHTC) | \$ 2,250,000 |
| | | Market Rate Loan | \$ 550,000 |
| Total Uses | \$12,921,374 | Total Sources | \$12,921,374 |

1 **Borrower/Development Team Experience:** IHI will be the developer and sponsor of the project, and
has two development staff people. The project team, at this time, includes LRS Architects, Walsh
2 Construction and Income Property Management – IPM manages eight of IHI’s properties and has a
strong working relationship with IHI. IHI has 23 years experience operating housing subject to various
3 funding and compliance requirements and 18 years of experience operating multifamily housing
developed with federal low income housing tax credits. IHI began functioning as a Managing General
4 Partner for the Foster Apartments Limited Partnership in 1991. Since that time IHI has become the
Managing General Partner of six limited partnerships that own multifamily properties ranging in size
from 40 to 95 units.

5 **Comments and Recommendations:**

- 6 *
- 7 *
- 8 *
- 9 *
- 10 *

11 /s/ Shelly Cullin
12 Shelly Cullin, Senior Loan Officer
13 Multi-Family Housing Section

14 **Finance Committee Comments:** Committee concerned about the delay in submitting CFC application
(2011). It is critical to the BEQ RFQ that IHI purchase the (Jowers) property, so make their RFQ
15 application stronger, with having control of the adjacent site. Additionally, the schedule for selection of
a successful candidate for the BES property will not occur prior to the submission of the CFC
16 applications; therefore, they would not have site control, which is a CFC threshold requirement.

17 Also, the RAD has advised that they may wait one more round, due to the priority of 50% of the CFC
resources dedicated to preservation projects only. The borrower is aware that the predevelopment loan
18 is for a 2-year term, and basically they have one-shot at a successful CFC application.

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



Oregon

Theodore R. Kulongoski, Governor



Housing and Community Services

North Mall Office Building
725 Summer Street NE, Suite B
Salem, OR 97301-1266
(503) 986-2000
FAX (503) 986-2020
TTY (503) 986-2100
www.ohcs.oregon.gov



Memorandum

To: Finance Committee/State Housing Council
From: Dolores Vance, Loan Officer
Multifamily Housing Section
Date: November 20, 2009
Re: Canterbury Hills - Predevelopment Loan

EXECUTIVE SUMMARY

Borrower: Housing Authority of Jackson County (Canterbury Hills LLC)
Property: Canterbury Hills - 50 Family Units
4.25 Acres located at Arrowhead Drive near Hondeleau Lane, Medford, Oregon
Loan Amount: \$500,000 - Predevelopment Loan
Loan Term/Rate: 2Year Maximum @ 5% Interest
Repayment: (1) Estimated December 2010 Construction Loan Closing (assumes successful Spring 2010 CFC application); or (2) Sale of land
Security Value: \$590,000 - LTV is 84.75%
Use of Funds: Predevelopment costs for acquisition
Security: Trust Deed recorded in 1st lien position
Loan Guarantee: n/a
Fund Availability: \$3,912,000

Finance Committee: November 24, 2009

Voting to Approve: 5
Voting to Decline: 0
Absent: 3

/Rick Crager/

Date: November 24, 2009

Rick Crager, Finance Committee Chair

RECOMMENDED MOTION: Approve a Predevelopment Loan in the amount not to exceed \$500,000, at a current interest rate of 5% per annum for a maximum of two (2) years to the Housing Authority of Jackson County, for acquisition of the land associated with the development of Canterbury Hills in Medford, Oregon.

PREDEVELOPMENT LOAN REQUEST
Canterbury Hills

1
2 **Project Description:** The proposed Canterbury Hills Apartments is composed of two parcels (3.00
3 acres and 1.25 acres) located at Arrowhead Drive near Hondeleau Lane, in Medford, Oregon. The
4 parcels will be adjusted to include 3.47 acres on the westerly portion for the proposed building site
5 for 50 units, common area, and parking, while the remaining 0.78 acres could support 8 additional
6 units outside of this Project's scope. The site is located directly across from the newer commercial
7 area on Highway 62 in Northeast Medford. The commercial area contains Costco, WalMart, Lowes
8 and numerous other commercial and service establishments, including the Social Security
9 Administration office and ACCESS, Inc. The site is part of a newer subdivision built in the late
10 1990's and early 2000's and sits above the surrounding countryside with nice views. The
11 neighborhood includes single family and duplex type development. The rentals in the neighborhood
12 are in the mid to upper end. There is no affordable housing nearby.

13
14 The current owners received approval to develop a Planned Unit Development for 42 Townhomes
15 to be sold individually (known as Glen Hill park). With the decline in the market, the site for
16 Canterbury Hills became available for the Sponsor to purchase for much needed workforce housing.

17
18 Planned road improvements near the site will give residents access to the commercial area across
19 Highway 62 and to the residential neighborhood to the east, including a new signalized intersection
20 north of the neighborhood. The road improvements are funded and work is expected to commence
21 in spring 2010.

22
23 Canterbury Hills will consist of 50 units of family workforce housing to be affordable to residents
24 earning 50% or less than the area median income. There will be at least 6 Project Based Housing
25 Choice Vouchers in the Project. The Project will include a combination of townhomes and flats
26 similar to the Housing Authority's new Scenic Heights Project (48 units in Central Point) and their
27 soon to be built Snowberry Brook Project (60 units in Ashland). Canterbury Hills will provide a
28 mix of units including 16 one-bedroom, 24 two-bedroom, and 10 three-bedroom units.
29 Additionally, there will be a 1,236 square foot community room and large playground complete
30 with areas for tots and older children, plus a basketball court.

31
32 **Need for Predevelopment Funds:** The Sponsor received a CFC Award for their developing
33 project, Snowberry Brook in Ashland and is contributing a substantial amount of cash to that
34 Project. Additionally, they invested cash to purchase the Grand Hotel (Medford) to preserve its
35 subsidized housing. The above reasons contribute to the Sponsor's desire to supplement their cash
36 contribution of \$90,000 for purchase of the site for Canterbury Hills, which led to their
37 Predevelopment Loan request.

38
39 **Preliminary Market/Needs Assessment:** The Sponsor provided a market information with the
40 application, which includes the following points:

- 41 • The Housing Authority has not experienced a vacancy problem in this economic climate
42 among the 1000+ units of affordable housing that they own. Vacancy rate of the units
43 owned by the Housing Authority is under 4%.
- 44 • The latest Census data indicates the areas' workforce population is more rent burdened than
45 previously report. The latest data from the American Family Survey indicates 84.6% of
46 Medford Workforce renters are rent burdened. The State has the Rogue Valley as one of its
47 highest priority for Workforce housing.

- The Southern Oregon Rental Owners Association is showing a decrease in rental vacancy rates. Projects, such as Scenic Heights (48 units in Central Point, construction completed in June 2009 and owned by Sponsor), leased up in a matter of weeks.
- There is a high vacancy rate in the number of single family homes and condo projects that have entered the rental market. These units are being offered at much higher rents in order to make mortgage payments. Families cannot afford those higher rental rates and are doubling up occupancy or moving in with family members, etc.
- According to building permit data, no new market rate rental housing is under construction, which could lead to an increase in demand and decrease in supply of housing when the economy improves.
- The site for Canterbury Hills is a new opportunity for the Sponsor to build in this very desirable area of Medford. The site is within ½ mile radius of shopping, employment, governmental services, public transportation, schools and medical services. There is no other affordable housing nearby this site.
- The Sponsor is confident that this Project would lease up “today” if it was completed. This confidence is partly attributed to their success in rent up of a new construction property they recently purchased when the previous owner defaulted. That project, which requires 80% AMI residents, is performing satisfactorily with adequate cash flow.

Use of Funds: The Predevelopment funds of \$500,000 will be used towards of acquisition of the site, which has a purchase price of \$590,000.

Security for Loan: An appraisal from PGP Valuation Inc., dated October 29, 2009, indicates an as-is market value for the subject property of \$590,000 which supports the purchase price. The Loan-To-Value is 84.75%. The property consists of a 4.25 acre parcel, zoned MFR-15/PD (Multiple Family Residential/15 dwelling units per acre/Planned Development Overlay), that is currently unimproved. The proposed 50 units are within the minimum of 42 and maximum of 62 dwelling units applicable to the site. The appraisal of the site with a value of \$590,000 assumes that the current PUD may be terminated at a negligible cost. The Sponsor will pursue removal of the PUD as soon as they take ownership.

The site slopes down from north to south, with a steep slope located almost most of the northern border. There is an irrigation canal (Hopkins Canal) and associated 20 foot easement that runs the length of the southern border of the subject parcel.

Per the appraisal report, the site has suitable topography for residential development and considers the site an average multifamily site in Medford. However, the appraisal summary states: “Overall, the subject has an above average location in the north-eastern portion of the city with easy access to Interstate-5 and Highway 62.”

The site is in Flood Zone C, which is an area outside of the 100-year flood plain.

The highest and best use of the site is described in the appraisal as: “...the highest and best use for the subject “as vacant” is residential land for development of rent restricted apartments or multifamily development when feasible. The feasibility of development at this time is beyond the scope of this assignment; however, it is noted that there are no recent sales of multifamily land in the immediate market area that have been planned for apartment development.”

The site's market exposure was described in the appraisal as "It is noted that marketing time for the subject, if listed as of the date of the report, would also likely be 1 or 2 years. Often, completion of land sales can take over 1 year while the buyer obtains permits/approvals."

Environmental and Soils: The Sponsor has obtained a "Phase 1 Environmental Site Assessment" dated as of November 2009, from Agate Engineering, Inc. The report revealed no evidence of recognized environmental conditions in connection with the property. It also indicated that there are no documented wetland areas or other Waters of the State/US on the property and that the Oregon Department of State Lands does not consider the portion of the Hopkins Canal that is aligned across the site to be jurisdictional waters of the State.

The Sponsor provided a copy of the Marquess & Associates, Inc, Geotechnical Investigation Report, dated December 29, 2004 and Supplemental Geotechnical Investigation Report, dated June 11, 2007, which the current owner had previously requested for construction of 42 townhouses on the site. The reports concluded that "From a soil and foundation engineering standpoint, it is our opinion that the proposed structures can be constructed as proposed provided the recommendations contained in this report and the 2004 report are incorporated into the design and construction of the project."

Repayment Plan: The first plan for repayment will be if the Sponsor receives an award of 2010 CFC resources. If this occurs, the sponsor will repay the predevelopment loan at the time of construction loan/partnership closing, estimated for December 2010. If CFC resources are not awarded, the sponsor will consider selling the land to pay off the predevelopment loan.

Availability of Funds: There are available funds for this request, along with four other predevelopment requests.

| | |
|-----------------------------|------------------------|
| Predevelopment Loan Program | \$6,550,000 |
| Projects Currently Funded | (2,638,000) |
| Balance Available | \$3,912,000 |
| NOAH LOC | (\$ 100,000) |
| St. Johns | (\$ 323,000) |
| Canterbury Hills | (\$ 500,000) |
| Reserved for Land Banking | (<u>\$1,500,000</u>) |
| Available to Lend | \$1,489,000 |

Permanent Financing Sources:

| USES | | SOURCES | |
|-------------------|--------------------|--------------------------|--------------------|
| Acquisition | \$ 620,000 | LIHTC Equity | \$6,089,391 |
| Construction | \$6,511,066 | HOME | \$ 600,000 |
| Development | \$2,463,325 | HDGP | \$ 100,000 |
| | | LIWX | \$ 100,000 |
| | | Permanent Loan | \$2,175,000 |
| | | Cash - Sponsor Loan | \$ 150,000 |
| | | Deferred Development Fee | \$ 350,000 |
| | | BETC | \$ 30,000 |
| TOTAL USES | \$9,594,391 | TOTAL SOURCES | \$9,594,391 |

Borrower/Development Team Experience: The Housing Authority of Jackson County (HAJC) will serve as the Project Sponsor, Developer and Managing Agent for Canterbury Hills. HAJC currently has two other projects under development; Snowberry Brook in Ashland which was

approved in the Spring 2009 CFC cycle; and the Grand Apartments in Medford, which was approved in the Fall 2009 CFC cycle.

The Sponsor also owns six other projects that have received OHCS funding. Those projects include:

| Project Name | City | Target Population | OHCS Sources |
|---------------------|---------------|----------------------|--|
| Scenic Heights | Central Point | Family | LIHTC, OAHTC, HDGP, LIWX |
| Rogue River Estates | Medford | Elderly/Disabled | Conduit, LIHTC, OAHTC, HPF, HAP Contract |
| Maple Terrace Apts | Medford | Family | LIHTC, OAHTC, HOME, HDGP, LIWX |
| Penny lane Apts | Central Point | Family | OAHTC, HOME, HDGP, LIWX |
| Quail Run Apts | Shady Cove | Family | Risk Sharing, LIHTC, HDGP |
| Lilac Meadow | Medford | Family & Farm Worker | LIHTC, OAHTC, HOME, HDGP, LIWX, OR FWTC |

Adroit Development Co., Inc has been retained as the Construction Manager and General Contractor. As the construction manager, Adroit will be responsible for the review of the architectural plans for constructability and cost effectiveness, as well as for preconstruction cost estimating and the provision of the construction budget. This is the same firm that was used for construction of the recently completed Scenic Heights project (48 unit CFC project in Central Point) and currently involved with the construction of Snowberry Brook (60 unit CFC project in Ashland).

Comments and Recommendations:

- * The Housing Authority of Jackson County will be the Borrower of this Predevelopment Loan. They are contributing approximately 15% of the purchase price from cash resources, plus closing costs to acquire the site. They will purchase the site as The Housing Authority of Jackson County. Therefore an additional Loan Guarantee would not be applicable for this Project at this time.
- * Karen Clearwater, the RAD for the area covering this Project, has worked with this Sponsor on other projects is very satisfied with the performance of this Sponsor and the quality of their Projects.

/Dolores Vance/
Dolores Vance, Loan Officer
Multifamily Housing Section

Finance Committee Comments:

None

Vote to Approve: Victor Merced, Rick Crager, Bob Gillespie, Nancy Cain, Bill Carpenter
Absent: Dave Summers, Marlys McNeill, Pegge McGuire
Abstain: none



Oregon
Theodore R. Kulongoski, Governor



Housing and Community Services

North Mall Office Building
725 Summer Street NE, Suite B
Salem, OR 97301-1266
(503) 986-2000
FAX (503) 986-2020
TTY (503) 986-2100
www.ohcs.oregon.gov



MEMORANDUM

Date: November 24, 2009

To: Finance Committee and State Housing Council

From: Shelly Cullin, Senior Loan Officer and
Mariana Negoita, LIHTC Program Manager

Re: Increases for TCAP Projects

BACKGROUND: In the TCAP and Exchange competitive round last August, the Department advertised all of the funding available for both programs. Due to changes in project's funding structures, the Department has received a small amount of TCAP resources back from the project pool of reservations. It is not a substantial amount to undergo an entirely new competitive round, but it is funding available to commit to projects that continue to have financing gaps eligible to TCAP. The Department is making all remaining TCAP funding available to the projects that were reserved funding by Housing Council in August and September. Time is of the essence to get 75% of the TCAP funding committed by February 16, 2010.

(See attached excerpts from the August and September Housing Council packets for project specific details.)

RECOMMENDATION: We recommend to Finance Committee and the State Housing Council to allow staff to complete the underwriting process for each TCAP project and determine the final TCAP amount, not to exceed the eligible basis amount of the project or what is needed to make the project financially feasible.

RECOMMENDED MOTION: To approve an increase in TCAP funds to: Astoria Gateway II, not to exceed \$1,700,000; Bridge Meadows, not to exceed \$2,500,000; Hood River Crossing, not to exceed \$2,400,000; The Knoll at Tigard, not to exceed \$1,200,000; Miracles Club, not to exceed \$1,300,000; The Rockwood Building, not to exceed \$2,400,000; Roosevelt Crossing Transit, not to exceed \$3,000,000; Upshur House, not to exceed \$2,500,000; Walnut Park, not to exceed \$1,200,000.

TCAP Project Submittal Form
Project Information

| | | | | |
|----|----------------------------|--------------------------|------------------------------------|-------------------------|
| 2 | Project Name: | Astoria Gateway II | No. of Units: | 33 |
| 3 | Project Address: | Lot 47 Mill Pond Village | Population Served: | Workforce Families |
| 4 | County: | Clatsop | Construction Type: | New Construction |
| 5 | Sponsor/Developer Name: | Shelter Resources, Inc. | Years Affordable: | 50 |
| 6 | Sponsor/Developer Contact: | Len Brannen | Architect: | Ron Grimes Architects |
| 7 | Project Number: | 2767 | Contractor: | Lovelace Construction |
| 8 | | | Property Manager: | Legacy Management Group |
| 9 | Total Project Costs: | \$7,249,991 | Total Cost per Unit: | \$219,697 |
| 10 | Residential Costs: | \$7,249,991 | Construction Cost per Square Foot: | \$123.65 |

7 Tax Credit Assistance Program Gap Request \$1,170,000

Rent Information w/OAHTC

| Unit Size (s) | # of Units | % Area Medium Income | Project Rent (Net) | Market Rent from Application (Net) | Fair Market Rent (Less Utility Allowance) |
|---------------|------------|----------------------|--------------------|------------------------------------|---|
| Studio | 1 | 30% | \$256 | \$465 | \$411 |
| 1 bedroom | 16 | 40%-58% | \$372-\$561 | \$630 | \$509 |
| 2 bedroom | 15 | 40%-58% | \$445-\$672 | \$745 | \$630 |

| Source of Funds | | | | | | |
|----------------------|--------------------|-----------|-------------------------------|--------------------|-----------|--|
| OHCS Funds | | | Other Sources | | | |
| Source | Amount | Committed | Source | Amount | Committed | |
| LIHTC (Equity) | \$4,154,112 | No | USDA RD 515 Loan | \$1,000,000 | Yes | |
| HOME | \$420,000 | Yes | Deferred Dev. Fee | \$180,879 | Yes | |
| Trust Fund | \$100,000 | Yes | | | | |
| OAHTC NOAH Loan | \$225,000 | Yes | | | | |
| TCAP | 1,170,000 | Pending | | | | |
| Total Sources | \$6,069,112 | | Total Non OHCS Sources | \$1,180,879 | | |
| Total Sources | \$7,249,991 | | | | | |

| Uses of Funds | |
|--------------------|--------------------|
| Acquisition | \$547,500 |
| Construction/Rehab | \$4,995,000 |
| Development Costs | \$1,707,491 |
| Total Uses | \$7,249,991 |

18 Project Description: The proposed project includes 33 apartments and common areas in a 4 story wood frame, elevator served structure. Plans for the proposed building include 1 studio, 17 one-bedroom and 15 two-bedroom units targeting Clatsop County service workers and young families earning 30%-60% of AMI.

19 Need: There is a strong need for affordable workforce housing in Astoria and nearby Warrenton. Until the Astoria-Gateway I Apartments were completed, no other multi-family new construction had been built in Astoria for 15-20 years. The existing multi-family housing stock is substandard, quite old and not adequate for many households on limited incomes. Existing multi-family housing also tends to be located in less convenient locations. Market demand for affordable workforce housing in Astoria is extremely high and is increasing as commercial growth remains strong in Astoria/Warrenton. Pursuant to our market study submitted in the Spring 2009 CFC application the Astoria-Gateway II project will fill the biggest need in the community. It was found there are many income, age and tenure qualified renters in the market area. Also, the other tax credit properties

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had very low vacancy rates and had strong waiting lists. The City of Astoria has been a strong supporter of the project so that local citizens can find affordable housing with easy access to jobs in the area.

The demand for workforce housing units supplemented with services has been clearly validated by our market research and has been strongly supported by the City of Astoria. The specific demand for affordable housing, i.e., housing that meets the needs of households with incomes between 30% and 60% of area median income, is also well documented and has been confirmed by community leaders. City Planner Brett Estes and City Manager Paul Benoit spent considerable time and effort prior to the fall 2008 CFC round to insure that OHCS reviewers issued a #1 rating for the workforce housing need in the Astoria-Warrenton rental market. The new jobs created by the sizable retail expansion in the Astoria/Warrenton area will create a very strong spike in the need for quality units for service workers.

Services: A Memorandum of Understanding has been signed with Clatsop Community Action to provide resident services.

Requirements: Meet all OHCS requirements as identified in OHCS' ARRA LIHTC TCAP & Section 1602 Gap Financing Application. Meet all Section 42 requirements, ARRA Tax Credit Assistance requirements as implemented by HUD, including but not limited to compliance and reporting requirements, OHCS agreements, timelines and performance requirements as outlined or stipulated by the Sponsor in the Gap Financing Application and any past, present or future requirements as have been published or to be published by HUD and the IRS. Reservation is subject to negotiation and execution of legal documents satisfactory to OHCS and the State of Oregon's Department of Justice.

Recommended Motion Housing Council approves up to \$1,170,000 reservation of tax credit assistance program funds for Astoria Gateway II Apartments. Reservation is contingent upon successful OHCS completion of NEPA review and any other HUD TCAP requirements and is subject to the requirements stipulated above.

TCAP Project Submittal Form

Project Information

| | | | |
|----------------------------|---|------------------------------------|--|
| 3 Project Name: | Bridge Meadows FKA Portland Hope Bridges | No. of Units: | 27 affordable & 9 market rate units |
| 4 Project Address: | 4221 N. Willis Blvd. Portland, OR 97203 | Population Served: | Independent Elderly, Adoptive Foster Kids |
| County: | Multnomah | Construction Type: | Type V |
| 5 Sponsor/Developer Name: | | Years Affordable: | 60 |
| Sponsor/Developer Contact: | Ross Cornelius | Architect: | Carleton Hart Architects |
| 6 Project Number: | 2915 | Contractor: | Walsh Construction |
| | | Property Manager: | Guardian Management, LLC |
| 7 Total Project Costs: | \$8,855,664 (affordable units) | Total Cost per Unit: | \$197,823 |
| Residential Costs: | \$5,341,208 | Construction Cost per Square Foot: | \$303 |

Tax Credit Assistance Program Gap Request \$2,033,210

Rent Information

| Unit Size (s) | # of Units | % Area Medium Income | Project Rent (Net) | Market Rent from Application (Net) | Fair Market Rent (Less Utility Allowance) |
|---------------|------------|----------------------|--------------------|------------------------------------|---|
| 1 bedroom | 23 | 30%-44% | \$303-\$496 | \$671 | \$621 |
| 2 bedroom | 4 | 41% | \$546 | \$751 | \$710 |

Source of Funds

| OHCS Funds | | | Other Sources | | |
|------------------------|--------------------|------------|-------------------------------|--------------------|-----------|
| Source | Amount | Committed | Source | Amount | Committed |
| Tax Credit Equity Sale | \$5,238,437 | Est. 11/09 | PDC Loan | \$507,608 | 6/09 |
| Housing Trust Fund | \$100,000 | 5/09 | City PDX Land Lease | \$ 525,000 | 5/08 |
| LIWx | \$63,646 | 5/09 | City PDC Fee Waiver | \$ 196,932 | 5/08 |
| TCAP | \$2,033,210 | Pending | BETC Credit | \$ 45,831 | 12/10 |
| Total OHCS Sources | \$7,435,293 | | Deferred Dev Fee | \$ 145,000 | 12/10 |
| Total Sources | \$8,885,664 | | Total non-OHCS Sources | \$1,420,371 | |

Uses of Funds

| | |
|--------------------|--------------------|
| Acquisition | \$525,000 |
| Construction/Rehab | \$5,697,668 |
| Development Costs | \$2,632,976 |
| Total Uses | \$8,855,664 |

Project Description:

Bridge Meadows (BrM) is an innovative multigenerational community that serves to provide housing for seniors, adoptive families and hardest to place foster children who are in need of adoptive homes. These three generations come together with a combination of housing, community involvement and social services that strengthens the permanency of the adoptions. This unique constellation of services addresses the foster care crisis in our state while creating stable, safe, affordable housing for seniors in a community where they are valued and involved. Bridge Meadows creates 9 family, four bedroom houses and 27 independent senior one and two bedroom units. The intergenerational center (IGC) is the hub of the community, providing space for homework, group activities, celebrations, counseling, treatment services, and meals.

Need:

A significant need for the foster care system is permanent housing for the children. In 2008 the Oregon Foster Care system failed 14 out of 16 federal review standards with one of those being the

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need for more permanent housing for foster children (i.e., the need for more adoptive homes). As a hallmark study by Casey Family Foundation reported, those youth who are not adopted or placed in permanent homes from foster care are at extraordinarily elevated risk for academic failure, long term poverty, mental health problems, unemployment and homelessness.

Foster children with the least prospects of finding a permanent home are the target for adoption by families living in the BrM community. These children are often siblings over 8 years old who have likely been scattered and separated throughout the system, or children who have had particular difficulty adjusting to foster care. These are also the children that require the most intensive services and counseling. The children who are screened for Bridge Meadows will be identified by the DHS as "special needs" based on their age, family circumstance, mental health presentation and physical needs. These children have been the victims of child abuse, neglect or parental substance abuse. Often a combination of these factors leads to foster care. Bridge Meadows will be a resource to DHS for sibling groups and older children who need permanent, adoptive homes. DHS and the Commission on Children, Families and Communities have set a goal for reducing the number of foster youth by 20% by the year 2011. One of the ways to do so is to provide more permanent housing and support for foster youth. Bridge Meadows is a tool to meet this goal. The BrM model is designed to be a highly replicable solution to the foster care crisis to innovatively create social change.

Services: Bridge Meadows Corporation, in conjunction with Morrison Children and Family Services (an Oregon 501c3 non-profit corporation) will provide case management, basic life skills training, assistance with Oregon Health Plan access, family counseling, and youth services to community residents. Bridge Meadows will fund the services through on-going fund raising board activities.

Requirements: Meet all OHCS requirements as identified in OHCS' ARRA LIHTC TCAP & Section 1602 Gap Financing Application. Meet all Section 42 requirements, ARRA requirements, including compliance and reporting requirements, OHCS agreements, timelines and performance requirements as outlined or stipulated by the Sponsor in the Gap Financing Application and any past, present or future requirements as have been published or to be published by the US Treasury and the IRS.

Reservation is subject to negotiation and execution of legal documents satisfactory to OHCS and the State of Oregon's Department of Justice.

Recommended Motion: Housing Council approves up to \$2,033,210 reservation of tax credit assistance program funds for Bridge Meadows Apartments. Reservation is contingent upon successful OHCS completion of NEPA review and any other HUD TCAP requirements and is subject to the requirements stipulated above.

TCAP Project Submittal Form

Project Information

| | | | |
|----------------------------|---------------------------------|------------------------------------|------------------------|
| Project Name: | Hood River Crossing | No. of Units: | 40 |
| Project Address: | Cascade Avenue, Hood River, OR | Population Served: | Families & Farmworkers |
| County: | Hood River | Construction Type: | New |
| Sponsor/Developer Name: | Luckenbill-Drayton & Associates | Years Affordable: | 40 |
| Sponsor/Developer Contact: | Dee Luckenbill | Architect: | Carleton Hart |
| Project Number: | 2870 | Contractor: | TBD |
| | | Property Manager: | TBD |
| Total Project Costs: | \$8,637,084 | Total Cost per Unit: | \$215,927 |
| Residential Costs: | \$8,637,084 | Construction Cost per Square Foot: | \$157.98 |

Tax Credit Assistance Program Gap Request \$1,885,502

Rent Information

| Unit Size (s) | # of Units | % Area Medium Income | Project Rent (Net) | Market Rent from Application (Net) | Fair Market Rent (Less Utility Allowance) |
|---------------|------------|----------------------|--------------------|------------------------------------|---|
| 1 | 5 | 60% | \$308-\$449 | NA | \$506 |
| 1 | 4 | 60% | \$449 | NA | \$506 |
| 2 | 28 | 60% | \$397-\$546 | NA | \$629 |
| 3 | 6 | 60% | \$444-\$627 | NA | \$910 |
| 2 | 1 | NA (Mgrs Unit) | -0- | NA | Not Applicable |

Source of Funds

| OHCS Funds | | | Other Sources | | |
|---------------------------|-------------|--------------------|---|-------------|--------------------|
| Source | Amount | Committed | Source | Amount | Committed |
| Trust Fund | \$ 187,792 | \$187,792 | Tax Credit Proceeds | \$4,256,705 | \$4,256,705 |
| HOME | \$ 660,000 | \$660,000 | OAHTC Loan | \$1,200,000 | \$1,200,000 |
| ARRA Gap | \$1,885,502 | Pending | Mid-Columbia CAP-DOE Grant and BETC Credit Proceeds | \$ 110,000 | \$ 100,000 |
| | | | Hood River County Below Market Price Contribution | \$ 164,000 | \$ 164,000 |
| | | | Developer DDF/Equity | \$ 173,085 | \$ 173,085 |
| Total OHCS Sources | | \$2,733,294 | Total non-OHCS Sources | | \$5,903,790 |
| Total Sources | | 8,637,084 | | | |

Uses of Funds

| | |
|--------------------|--------------------|
| Acquisition | \$749,000 |
| Construction/Rehab | \$5,523,625 |
| Development Costs | \$2,364,459 |
| Total Uses | \$8,637,084 |

Project Description:

Hood River Crossing Apartments (HRC) is a development of 40 affordable rental homes on 1.73 acres in Hood River, Oregon. HRC addresses a critical need for workforce housing for families earning from 30% to 60% of AMI. It includes five 1-bedroom units, twenty-eight 2-bedroom units, six 3-bedroom units and an on-site manager's unit plus a 1,200 square foot community room/office/laundry. Because farm-workers are a vital component of the Hood River workforce, 25 units will be targeted to year-round or seasonal farm-worker families. The project is being developed by Luckenbill-Drayton & Associates, LLC and Columbia Cascade Housing

1 Corporation, a nonprofit affiliate of Mid-Columbia Housing Authority.

2 The site is well located with the City of Hood River, in an area of mixed, low-density residential
3 and commercial uses. The location provides easy access to the rest of the community, as well
4 as to public transportation, churches, schools, shopping and other local amenities. The Design
5 Team and Developers are committed to creating a sustainable project that uses approved
6 green products, construction materials and methods.

4 **Need:**

5 Need for this project, in a resort destination less than one hour from Portland is urgent and well
6 documented. The January 2009 study completed by Prior & Associates indicates "Hood River
7 has been experiencing a tightening rental housing market since 2000. No new rental units have
8 been built in the county, while more than 100 existing rental units have been converted to for-
9 sale condominiums. An increase in the number of vacation homes has further decreased the
10 county's inventory of rental units. The decrease in rental units and the over-demand placed on
11 rentals from the influx of higher income households has resulted in higher rents. Hood River
12 County rents increased 22.7% compared to an increase of 17.6 in neighboring Wasco County
during the same period of time. The rate of rent overburden in Hood River County has
increased at a much higher rate compared to the State of Oregon."

Increased housing costs and lack of affordable rental housing have caused many low wage
workers to move to areas outside the county and commute to their jobs within Hood River
County. Mid-Columbia Housing Authority reports that 30% of low income voucher holders who
are employed in Hood River live outside the city in nearby towns. The waiting lists for rental
assistance through the Section 8 voucher program has doubled since January 2007. The
vacancy rate for all rental units in Hood River is below 3%, which is a threshold indicator of large
pent-up demand. The vacancy rate in subsidized units is lower still and virtually all public or
publicly-subsidized properties are fully occupied, with years' long waiting lists. OHCS assigned
both Workforce housing and Farm-worker housing as a Number One priority ranking in the
State of Oregon.

12 **Services:**

13 Based on CCHC's experience operating projects and serving the target populations in the
14 Columbia River Gorge since 1988, Hood River Crossing's Resident Services Plan includes the
15 following services: Access to Child Care, Youth Development and Early Childhood Service,
16 Access to Health Care, including Mental Health, Substance Abuse Counseling, Domestic
Violence Counseling, Crisis Management, and Nutritional Counseling, Access to Transportation,
Access to Work Force Development Programs, Access to Housing Services. Many of these
services will be provided through the auspices of the Mid-Columbia Area Interagency
Cooperation Agreement, which was attached to the CFC application. The agreement provides
for coordination of services provided by several regional, county, area-wide and state agencies,
thus ensuring increased effectiveness in the delivery of necessary services.

17 **Requirements:**

18 Meet all OHCS requirements as identified in OHCS' ARRA LIHTC TCAP & Section 1602 Gap
19 Financing Application. Meet all Section 42 requirements, ARRA Tax Credit Assistance
20 requirements as implemented by HUD, including but not limited to compliance and reporting
21 requirements, OHCS agreements, timelines and performance requirements as outlined or
22 stipulated by the Sponsor in the Gap Financing Application and any past, present or future
23 requirements as have been published or to be published by HUD and the IRS.

**Reservation is subject to negotiation and execution of legal documents satisfactory to
OHCS and the State of Oregon's Department of Justice.**

Recommended Motion:

Housing Council approves up to \$1,885,502 reservation of tax credit
assistance program funds for Hood River Crossing Apartments.
Reservation is contingent upon successful OHCS completion of NEPA
review and any other HUD TCAP requirements and is subject to the
requirements stipulated above.

TCAP Project Submittal Form

Project Information

| | | | |
|----------------------------|---|------------------------------------|----------------------------|
| Project Name: | The Knoll @ Tigard | No. of Units: | 48 |
| Project Address: | 8485 SW Hunziker Street Tigard, OR | Population Served: | Elderly/Disabled |
| County: | Washington | Construction Type: | New |
| Sponsor/Developer Name: | Community Partners for Affordable Housing (CPAH) | Years Affordable: | 60 |
| Sponsor/Developer Contact: | Sheila Greenlaw-Fink | Architect: | Carleton Hart Architecture |
| Project Number: | 2908 | Contractor: | LMC Construction |
| | | Property Manager: | IPM |
| Total Project Costs: | \$10,435,115 | Total Cost per Unit: | \$217,398 |
| Residential Costs: | \$10,435,115 | Construction Cost per Square Foot: | \$141.00 |

Tax Credit Assistance Program Gap Request \$824,917

Rent Information

| Unit Size (s) | # of Units | % Area Medium Income | Project Rent (Net) | Market Rent from Application (Net) | Fair Market Rent (Less Utility Allowance) |
|------------------|------------|----------------------|--------------------|------------------------------------|---|
| 1-bedroom | 37 | 50% | 587 | 675 | 677 |
| 1-bedroom (PBS8) | 8 | 30% | 677 | 675 | 677 |
| 2-bedroom | 3 | 50% | 697 | 800 | 781 |

Source of Funds

| OHCS Funds | | | Other Sources | | |
|---------------------------|-----------|---------------------|-------------------------------|--------------------|---|
| Source | Amount | Committed | Source | Amount | Committed |
| LIHTC Equity | 5,361,964 | Committed | WA County HOME | 1,500,000 | Committed |
| Trust Fund | 100,000 | Committed | BETC | 29,865 | Conditional |
| LI Whx | 100,000 | Committed | Tigard Fee Assist. Grants | 40,000 | \$30,00 Committed, \$10,000 pending City approval |
| OAHTC Loan | 1,858,078 | Committed | CDBG City of Tigard | 150,000 | Pending Application |
| TCAP Gap | 824,917 | | Metro TOD | 80,000 | Tentative Commitment |
| | | | Metro Green Fund | 10,000 | Pending Application |
| | | | SDC Credit | 125,211 | Conditional |
| | | | Enterprise GC | 5,000 | Committed |
| | | | Enterprise COF | 10,000 | Tentative |
| | | | Project Cash Flow | 35,530 | Conditional |
| | | | Deferred Developer Fee | 204,550 | Conditional |
| Total OHCS Sources | | \$8,244,959 | Total non OHCS Sources | \$2,190,156 | |
| Total Sources | | \$10,435,115 | | | |

Uses of Funds

| | |
|--------------------|---------------------|
| Acquisition | \$919,579 |
| Construction/Rehab | \$6,435,355 |
| Development Costs | \$3,080,181 |
| Total Uses | \$10,435,115 |

Project Description:

The Knoll @ Tigard is a new construction project that will consist of 48 units of senior housing in one building. The project is located in the newly created Tigard Urban Renewal Area and will serve seniors earning less than 50% AMI. The Knoll will offer the only units in the market area with an elevator in the building, and rents are expected to be at least 15% below market. The

1
2 area has many aging apartments constructed in the 70s and 80s which are mostly walk-up multifamily buildings, highly unsuitable for seniors in the area. The project is located near the Tigard Senior Center, Library, City Hall, Police Department and Downtown Tigard.

3 **Need:**

3 Washington County is currently completing its 2010-2015 Consolidated Plan. The Draft Housing Market Analysis and Assessment of Needs, estimates that there are 14,000 low-income seniors in the County, and only about 600 publicly assisted units designated to serve them. Rents at the Knoll @ Tigard will be affordable to those at 30% (two units) and 50% (46 units including manager's exempt unit) of area median income. HUD's 2000 Comprehensive Housing Affordability Strategy (CHAS) stated that nearly 6,000 very-low and low-income seniors in the Tigard area had housing problems at the time of that study, and this number has presumably increased. However, there is only one tax credit project in Tigard targeted to seniors (built in the 1980s), and there are no deeply subsidized units for seniors. Tigard provides few options for those of modest means who want to age-in-place in their own community. This project will have a tremendous impact in meeting this need by providing 48, high quality units affordable to seniors earning 50% or less of area median income.

8 **Services:**

8 The residents served at the Knoll will need opportunities to build social connections, maintain their mental and physical stamina, and meet their basic needs so they can continue to live independently. CPAH will work with service partners to determine appropriate services and will base those services on previous experience with CPAH's Watershed @ Hillsdale project. CPAH currently has Memorandums of Understanding with NW Pilot Project, the Veterans' Administration, and Community Action at other housing projects. As this project moves forward CPAH will expand those agreements to include relationships at The Knoll and will establish Memorandums of Understanding with the Tigard Senior Center and Washington County's Disability, Aging and Veterans Services (DAVS).

12 **Requirements:**

12 Meet all OHCS requirements as identified in OHCS' ARRA LIHTC TCAP & Section 1602 Gap Financing Application. Meet all Section 42 requirements, ARRA Tax Credit Assistance requirements as implemented by HUD, including but not limited to compliance and reporting requirements, OHCS agreements, timelines and performance requirements as outlined or stipulated by the Sponsor in the Gap Financing Application and any past, present or future requirements as have been published or to be published by HUD and the IRS.

13
14 **Reservation is subject to negotiation and execution of legal documents satisfactory to OHCS and the State of Oregon's Department of Justice.**

15
16 **Recommended Motion:**

16 Housing Council approves up to \$824,917 reservation of tax credit assistance program funds for the Knoll at Tigard. Reservation is contingent upon successful OHCS completion of NEPA review and any other HUD TCAP requirements and is subject to the requirements stipulated above.

TCAP Project Submittal Form

Project Information

| | | | |
|----------------------------|--|------------------------------------|--------------------------------------|
| Project Name: | Miracles Club Mixed Use | No. of Units: | 40 |
| Project Address: | 4206 NE MLK Portland, OR 97211 | Population Served: | ADF/Recovery |
| County: | Multnomah | Construction Type: | 1 Floor Type Ia; 2-5 Floor Type V |
| Sponsor/Developer Name: | Guardian Affordable Housing Development | Years Affordable: | 60 |
| Sponsor/Developer Contact: | Ross Cornelius | Architect: | Carlton Hart |
| Project Number: | 2864 | Contractor: | Walsh Construction |
| | | Property Manager: | Guardian Management |
| Total Project Costs: | \$12,391,241 | Total Cost per Unit: | \$309,780 |
| Residential Costs: | \$9,949,505 | Construction Cost per Square Foot: | \$253.00 |

Tax Credit Assistance Program Gap Request \$882,656

Rent Information

| Unit Size (s) | # of Units | % Area Medium Income | Project Rent (Net) | Market Rent from Application (Net) | Fair Market Rent (Less Utility Allowance) |
|---------------|------------|----------------------|--------------------|------------------------------------|---|
| Studio | 6 | 30 | 326 | 599 | |
| Studio | 6 | 41 | 423 | 599 | |
| 1 Bed | 20 | 50 | 605 | 699 | |
| 2 Bed | 8 | 50 | 730 | 899 | |

Source of Funds

| OHCS Funds | | | Other Sources | | |
|---------------------------|---------------------|-----------|-------------------------------|--------------------|-----------|
| Source | Amount | Committed | Source | Amount | Committed |
| Tax Credit Equity | \$4,955,504 | 8/10/09 | BETC | \$117,440 | 9/10 |
| LIWx | \$133,727 | 10/08 | DHS ADF Grant | \$200,000 | 6/08 |
| TCAP | \$882,656 | Pending | US Bank Loan | \$1,611,015 | 9/09 |
| | | | PDC Loan | \$3,500,000 | 6/08 |
| | | | City of Portland | \$500,000 | 3/08 |
| | | | Deferred Dev Fee | \$246,000 | 9/10 |
| | | | City PDX Fee Waiver | \$244,899 | 9/09 |
| Total OHCS Sources | \$5,971,887 | | Total non OHCS Sources | \$6,419,354 | |
| Total Sources | \$12,391,241 | | | | |

Uses of Funds

| | |
|--------------------|---------------------|
| Acquisition | \$850,063 |
| Construction/Rehab | \$7,577,641 |
| Development Costs | \$3,963,537 |
| Total Uses | \$12,391,241 |

Project Description:

Miracles Club Mixed Use creates 40 units of alcohol and drug free affordable housing units coupled with an extensive recovery service program conducted by the Miracles Club, a non-profit organization based in Northeast Portland. The project is planned to be constructed to LEED Gold standards and comprises 4 stories of housing over a first floor post tension slab office space which will be used by Miracles Club to provide services and programs to its clients. The project is located in the Oregon Convention Center Urban Renewal Area, and has the robust support from both the City and County.

1 1 **Need:** The project meets the large need for housing among those who have graduated from a drug and
2 2 alcohol free treatment program and have re-joined the workforce but continue their work in an
3 3 ongoing recovery program. We have documented a prospective tenant demand of over 400
4 4 individuals in the area.

5 5 **Services:** The Miracles Club will provide extensive Peer-to-Peer mentoring for individuals in recovery, and
6 6 host over 25 weekly, 12 step program meetings on the first floor activity rooms and offices. The
7 7 Club also sponsors monthly speakers, special recovery advocacy programs, and alcohol/drug
8 8 free social alternatives and support. The Club has been active in NE Portland for over 14 years,
9 9 and has reached over 6,000 people that have undergone treatment and are in recovery. The
10 10 club's current membership stands at 400 active members.

11 11 **Requirements:** Meet all OHCS requirements as identified in OHCS' ARRA LIHTC TCAP & Section 1602 Gap
12 12 Financing Application. Meet all Section 42 requirements, ARRA Tax Credit Assistance
13 13 requirements as implemented by HUD, including but not limited to compliance and reporting
14 14 requirements, OHCS agreements, timelines and performance requirements as outlined or
15 15 stipulated by the Sponsor in the Gap Financing Application and any past, present or future
16 16 requirements as have been published or to be published by HUD and the IRS.
17 17 **Reservation is subject to negotiation and execution of legal documents satisfactory to
18 18 OHCS and the State of Oregon's Department of Justice.**

19 19 **Recommended Motion:** **Housing Council approves up to \$882,656 reservation of tax credit
20 20 assistance program funds for Miracles Club Mixed Use Building.
21 21 Reservation is contingent upon successful OHCS completion of NEPA
22 22 review and any other HUD TCAP requirements and is subject to the
23 23 requirements stipulated above.**

TCAP Project Submittal Form

Project Information

| | | | |
|----------------------------|-----------------------------------|------------------------------------|------------------------|
| Project Name: | Rockwood Building | No. of Units: | 46 + 1 mgr's unit |
| Project Address: | NE 181 st and NE Couch | Population Served: | Families/ homeless hsg |
| County: | Multnomah | Construction Type: | Wood frame |
| Sponsor/Developer Name: | Human Solutions, Inc | Years Affordable: | 60 |
| Sponsor/Developer Contact: | Sarah Zahn | Architect: | Myhre Group |
| Project Number: | 2873 | Contractor: | Howard S. Wright |
| Total Project Costs: | \$11,770,672 | Property Manager: | Cascade PM |
| Residential Costs: | \$11,770,672 | Total Cost per Unit: | \$250,440 |
| | | Construction Cost per Square Foot: | \$141.00 |

Tax Credit Assistance Program Gap Request \$1,985,439

Rent Information

| Unit Size (s) | # of Units | % Area Medium Income | Project Rent (Net) | Market Rent from Application (Net) | Fair Market Rent (Less Utility Allowance) |
|---------------|------------|----------------------|--------------------|------------------------------------|---|
| Studio | 4 | 60% | \$475-534 | \$585 | \$604 |
| 1 Bdrm | 19 | 60% | \$497-624 | \$685 | \$700 |
| 2 Bdrm | 20 | 60% | \$596-749 | \$775 | \$809 |
| 3 Bdrm | 4 | 60% | \$772-860 | \$935 | \$1,178 |

Source of Funds

| OHCS Funds | | | Other Sources | | |
|---------------------------|---------------------|-----------|-------------------------------|--------------------|-------------|
| Source | Amount | Committed | Source | Amount | Committed |
| LIHTC Trust | \$5,138,906 | Cmted | Gresham HOME | \$1,060,000 | Cmted |
| Housing Plus | \$186,000 | Cmted | Gresham CDBG Int. | \$11,476 | Cmted |
| Weatherization | \$72,343 | Cmted | Portland HOME | \$1,111,333 | Cmted |
| TCAP | \$1,985,439 | | BETC | \$22,067 | Conditional |
| | | | Perm Loan | \$1,675,000 | Conditional |
| | | | Deferred Fee | \$375,012 | Cmted |
| | | | Cash during lease-up | \$33,096 | Cmted |
| Total OHCS Sources | \$7,482,688 | | Total Non OHCS Sources | \$4,287,984 | |
| Total Sources | \$11,770,672 | | | | |

Uses of Funds

| | |
|--------------------|---------------------|
| Acquisition | \$601,039 |
| Construction/Rehab | \$7,548,443 |
| Development Costs | \$3,621,190 |
| Total Uses | \$11,770,672 |

Project Description:

The Rockwood Building is a mixed-use project that will bring quality, affordable housing for homeless and low-income families and individuals together with a Multi Service Center that will allow the co-location of eight nonprofit service providers to the Rockwood area of Gresham and East Multnomah County. At the intersection of NE 181st and Couch, the site is less than a block from the 181st MAX Light- rail stop, on the main north/south bus route for the area.

The proposed building includes a mix of four studios, 19 one-bedroom units, 20 two-bedroom units and 4 three-bedroom units, and provides residential amenities that include a secured entrance, green building construction, and individual decks (with storage) for each unit. A large outdoor play area and patio are located on the second floor that will provide play and leisure space for residents. Another outdoor play area on the ground floor will be set aside for Headstart, and be available to the tenants during non-Headstart operating hours.

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Need:

The Rockwood Building will be a catalyst for much needed economic development in the Rockwood neighborhood. Rockwood is a forgotten area within both Portland and Gresham, with high rates of poverty and crime, and low levels of education. Data from the 2004 American Community survey showed that 25.5% of the people in Rockwood live in poverty. Later studies show that up to 41% of the children in Rockwood live in poverty. More than 30% of the households in the Rockwood area do not speak English as a first language. Rockwood has experienced rapid population growth in the last ten years for two primary reasons: (1) immigrants re-located to this area to be near family and friends, and (2) gentrification in North and Northeast Portland has shifted poverty eastward in the County, where the rental rates (and housing quality) are still depressed. This is a crucial opportunity to provide affordable housing and needed services in an area that truly needs it and to encourage other redevelopment and services in the Rockwood area.

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Services:

Residential services offered onsite will include information and referral assistance to help families and individuals address self-identified needs or provide the supports necessary to remain stabilized in their housing and work toward long range goals. HSI will offer our highly successful Family Financial Literacy program, helping low-income households learn how to better manage the income they have, identify money pitfalls and learn to set long term goals. Afterschool programs will be coordinated with El Programa Hispano, the school district, and other community partners; additionally, summertime kids' activities will be provided in conjunction with other HSI properties in the immediate neighborhood. HSI will conduct a series of "good food on a budget" classes in cooperation with the Oregon Food Bank, providing resources and ideas for families who may regularly experience food insecurity. Our existing partnership with Mt. Hood Community College will be expanded with the completion of the Rockwood Building, which will have a Headstart on the ground floor. Resident families can enroll their young children in Headstart and participate in parenting support and education. All 47 households in the Rockwood Building will be able to receive services for any need or concern they identify. In addition to the services specifically for the residential tenants, the ground floor Multi-Service Center will provide: job skills training and job placement services, rental and utility assistance, health care, Headstart, youth programs, and senior meal programs, accessible meeting spaces, and a computer lab. These enriched services make this project unique. Tenants will be able to access all services within the building.

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Requirements:

Meet all OHCS requirements as identified in OHCS' ARRA LIHTC TCAP & Section 1602 Gap Financing Application. Meet all Section 42 requirements, ARRA Tax Credit Assistance requirements as implemented by HUD, including but not limited to compliance and reporting requirements, OHCS agreements, timelines and performance requirements as outlined or stipulated by the Sponsor in the Gap Financing Application and any past, present or future requirements as have been published or to be published by HUD and the IRS. Reservation is subject to negotiation and execution of legal documents satisfactory to OHCS and the State of Oregon's Department of Justice.

Recommended Motion:

Housing Council approves up to \$1,985,439 reservation of tax credit assistance program funds for the Rockwood Building. Reservation is contingent upon successful OHCS completion of NEPA review and any other HUD TCAP requirements and is subject to the requirements stipulated above.

TCAP Project Submittal Form

Project Information

| | | | |
|----------------------------|-------------------------------------|------------------------------------|-------------------------------------|
| Project Name: | Roosevelt Crossing | No. of Units: | 45 |
| Project Address: | 338 Highway 99N Eugene, OR 97402 | Population Served: | Homeless ex-offenders |
| County: | Lane County | Construction Type: | New construction |
| Sponsor/Developer Name: | HACSA | Years Affordable: | 40 |
| Sponsor/Developer Contact: | James R. McCoy | Architect: | Bergsund & Delaney |
| Project Number: | 2734 | Contractor: | Essex General Construction, Inc. |
| | | Property Manager: | Sponsors, Inc. |
| Total Project Costs: | \$5,896,810 | Total Cost per Unit: | \$131,040 |
| Residential Costs: | \$5,896,810 | Construction Cost per Square Foot: | \$238 |

Tax Credit Assistance Program Gap Request \$2,587,976

Rent Information

| Unit Size (s) | # of Units | % Area Medium Income | Project Rent (Net) | Market Rent from Application (Net) | Fair Market Rent (Less Utility Allowance) |
|-----------------|------------|----------------------|--------------------|------------------------------------|---|
| Studio | 44 | 8% - 36% | \$200 Average | | |
| Studio (R. Man. | 1 | | | | |

Source of Funds

| OHCS Funds | | | Other Sources | | |
|---------------------------|------------------|-----------|-------------------------------|----------------|-----------|
| Source | Amount | Committed | Source | Amount | Committed |
| Trust Fund | 150,000 | Yes | City of Eugene | 550,000 | Yes |
| LI - Weatheriz. | 23,819 | Yes | City of Eugene | 180,000 | Yes |
| LIHTC | 2,530,015 | Yes | Fannie Mae | 25,000 | Yes |
| TCAP | 2,587,976 | | | | |
| Total OHCS Sources | 5,141,810 | | Total Non OHCS Sources | 755,000 | |
| Total Sources | 5,896,810 | | | | |

Uses of Funds

| | |
|--------------------|---------------------|
| Acquisition | \$ 599,667 |
| Construction/Rehab | \$ 3,498,980 |
| Development Costs | \$ 1,798,163 |
| Total Uses | \$ 5,896,810 |

Project Description:

The Housing Authority and Community Services Agency of Lane County (HACSA) proposes to develop "Roosevelt Crossing," 45 units (approximately 62 beds) of transitional housing to serve individuals released from state prisons and other correctional facilities.

Consisting of two three-story residential buildings, Roosevelt Crossing offers studio apartments that are clustered around kitchen/common areas; these structures include recreation and study areas, laundry facilities, and bicycle storage. Units contain a private bathroom, built-in desk, a television, closets with dressers, a sink, and mini-refrigerator and microwave. An adjoining single-story wing contains multi-purpose rooms and offices for Sponsors' staff and administration.

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Need:

The target population is individuals released from Oregon correctional facilities to Lane County who are homeless upon release. HACSA is partnering with Sponsors, Inc., a Eugene non-profit, to provide transitional housing and services for this population. Sponsors, Inc. has a twenty-year track record of serving this population. *Almost 70% of program participants leave the Sponsors program employed, in full compliance with release requirements, and with affordable and sustainable housing.*

Successful reintegration of individuals exiting from state prisons into the community is a critical public policy issue in Oregon and throughout the United States. Generally, individuals released from the corrections system arrive in the community with no resources, no income, and limited prospects. Those released directly to the street are much more likely to re-offend, resulting in more victims, a higher crime rate, increased public costs in responding to increased crime, and a less safe community. Roosevelt Crossing directly addresses this important state and community issue.

Services:

The service program offered by Sponsors, Inc. is funded through an annual contract with Lane County Community Corrections. This contract will fund the transitional services provided at Roosevelt Crossing and will subsidize the cost of housing and many property management functions. The program is designed to ensure that, at the end of his or her stay, the resident ex-offender will have accomplished four essential goals:

- Met all release conditions established by the Oregon Department of Corrections.
- Remained clean and sober during their stay at the program.
- Found employment or enrolled in school.
- Secured an affordable, permanent place to stay.

Building on these basics, Sponsors staff provides other services to assist ex-prisoners to make the transition back to the community. All services are provided by Sponsors' staff and begin the day a resident arrives at the project. They include: food, clothing, transportation, securing personal identification, health and dental care, employment, in-house counseling and educational opportunities.

Requirements:

Meet all OHCS requirements as identified in OHCS' ARRA LIHTC TCAP & Section 1602 Gap Financing Application. Meet all Section 42 requirements, ARRA Tax Credit Assistance requirements as implemented by HUD, including but not limited to compliance and reporting requirements, OHCS agreements, timelines and performance requirements as outlined or stipulated by the Sponsor in the Gap Financing Application and any past, present or future requirements as have been published or to be published by HUD and the IRS. **Reservation is subject to negotiation and execution of legal documents satisfactory to OHCS and the State of Oregon's Department of Justice.**

Recommended Motion:

Housing Council approve up to \$2,587,976 reservation of tax credit assistance program funds. Reservation is contingent upon successful OHCS completion of NEPA review and any other HUD TCAP requirements prior to award of funds.

TCAP Project Submittal Form

Project Information

| | | | |
|----------------------------|-----------------------------------|------------------------------------|------------------------|
| Project Name: | Upshur House | No. of Units: | 30 |
| Project Address: | 2650 NW Upshur | Population Served: | Multi-Family |
| County: | Multnomah | Construction Type: | Rehabilitation |
| Sponsor/Developer Name: | Northwest Housing Alternatives | Years Affordable: | 30 |
| Sponsor/Developer Contact: | Stephen McMurtrey | Architect: | Andrews Architects |
| Project Number: | 1760 | Contractor: | Undetermined |
| | | Property Manager: | Cascade- Management |
| Total Project Costs: | \$6,855,740 | Total Cost per Unit: | \$228,524 |
| Residential Costs: | \$53,079 (rehab cost per unit) | Construction Cost per Square Foot: | \$60.23 |

Tax Credit Assistance Program Gap Request \$2,044,204

Rent Information

| Unit Size (s) | # of Units | % Area Medium Income | Project Rent (Net) | Market Rent from Application (Net) | Fair Market Rent (Less Utility Allowance) |
|---------------|------------|-------------------------|-----------------------|---------------------------------------|--|
| 535 sq. ft | 8 | 48 | 563 | 875 | 700 |
| 725 sq. ft | 12 | 53 | 747 | 1095 | 809 |
| 1,035 sq. ft | 10 | 53 | 865 | 1300 | 1178 |
| | | | | | |

Source of Funds

| OHCS Funds | | | Other Sources | | |
|----------------------|------------------|-----------|---------------------------|------------------|-----------|
| Source | Amount | Committed | Source | Amount | Committed |
| LIHTC Equity | 3,022,152 | yes | 1 st mortgage | 1,184,380 | yes |
| TCAP | 2,044,204 | no | Deferred fee | 155,000 | yes |
| | | | 108 Loan from PDC | 430,000 | yes |
| Total OHCS Sources | 5,066,356 | | Cash during rehab | 20,004 | yes |
| Total Sources | 6,855,740 | | Total Non OHCS Sources | 1,789,384 | |

Uses of Funds

| | |
|--------------------|--------------------|
| Acquisition | \$3,168,000 |
| Construction/Rehab | \$1,592,384 |
| Development Costs | \$2,095,356 |
| Total Uses | \$6,855,740 |

Project Description:

The Upshur House Apartments are located in NW Portland providing excellent access to schools, parks and recreational opportunities, the arts, and local community centers. This location also provides residents at Upshur immediate access to industrial, retail and professional employment opportunities.

The project contains five two-story buildings with a mix of one, two, and three-bedroom units. The exterior façade has a mixture of 6" wood and composition siding, aluminum clad single-pane windows and decks. The common areas amenities include laundry facilities, a small courtyard, playground, and leasing office.

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Need:

There are 68 residents at the Upshur Street Apartments in households that range from single individuals to six-person families. Two households include persons with disabilities. All households earn low incomes with the average household earning less than \$8,000 per year. Eight households have zero income. Twelve units are occupied by families of three or more. The high demand for affordable housing in this area, the limited number of units available, and the lack of turnover forces the property to turn people away. The current waiting list for one-bedroom units is 2-3 years, while the waiting list for two and three bedroom units is currently 8 months or more.

Portland is experiencing a tremendous gap in housing affordability in comparison to wages; housing prices have risen at an annual rate of 9.39% while income gains for residents have lagged behind at an annual rate of 4.21% per year until late 2008 and since then have lagged even further. Over the next four years the need for housing for the population in the income bracket of under 50% MFI is expected to increase by nearly 2,000 households. Our goal is to have Upshur House continue to serve the needs of families in that income bracket.

Services:

After the renovation, five of the apartments at Upshur House will be reserved to provide Permanent Supportive Housing (PSH) for formerly homeless families. These families will have seamless access to a wide array of social services through Memoranda of Understanding with Friendly House and Neighborhood House, two Multnomah County homeless family service providers. Resident Services activities for these households will compliment the other services they already receive.

One of NHA's Resident Services Coordinators will be designed to take the lead at the Upshur House upon completion of the project rehab. The Resident Services Coordinator will be the primary information and referral resource for most residents at Upshur House, linking people with the programs they need to maximize their opportunities for stability and success. Families participating in the PSH program will receive the bulk of their services connections through the PSH program.

Requirements:

Meet all OHCS requirements as identified in OHCS' ARRA LIHTC TCAP & Section 1602 Gap Financing Application. Meet all Section 42 requirements, ARRA Tax Credit Assistance requirements as implemented by HUD, including but not limited to compliance and reporting requirements, OHCS agreements, timelines and performance requirements as outlined or stipulated by the Sponsor in the Gap Financing Application and any past, present or future requirements as have been published or to be published by HUD and the IRS. Reservation is subject to negotiation and execution of legal documents satisfactory to OHCS and the State of Oregon's Department of Justice.

Recommended Motion

Housing Council approve up to \$2,044,204 reservation of tax credit assistance program funds. Reservation is contingent upon successful OHCS completion of NEPA review and any other HUD TCAP requirements prior to award of funds.

TCAP Project Submittal Form

Project Information

| | | | |
|----------------------------|----------------------------------|------------------------------------|------------------|
| Project Name: | Walnut Park Apartments | No. of Units: | 38 |
| Project Address: | 5272 NE 6 th Portland | Population Served: | Elderly/Disabled |
| County: | Multnomah | Construction Type: | Rehab |
| Sponsor/Developer Name: | REACH Community | Years Affordable: | 60 |
| Sponsor/Developer Contact: | Development, Inc | Architect: | Carleton Hart |
| Project Number: | Michelle Haynes | Contractor: | Architecture |
| Total Project Costs: | 2912 | Property Manager: | LMC Construction |
| Residential Costs: | \$7,144,268 | Total Cost per Unit: | REACH |
| | \$7,144,268 | Construction Cost per Square Foot: | \$188,007 |
| | | | \$84.89 |

Tax Credit Assistance Program Gap Request \$798,236

Rent Information

| Unit Size (s) | # of Units | % Area Medium Income | Project Rent (Net) | Market Rent from Application (Net) | Fair Market Rent (Less Utility Allowance) |
|---------------|------------|----------------------|--------------------|------------------------------------|---|
| 1 Bdrm | 38 | 50% | 630 | 630 | 630 |

Source of Funds

| OHCS Funds | | | Other Sources | | |
|---------------------------|--------------------|-----------|-------------------------------|--------------------|-------------|
| Source | Amount | Committed | Source | Amount | Committed |
| LIHTC Equity | \$3,643,564 | Yes | City of Portland loan | \$1,616,000 | Yes |
| Housing Trust Fund | \$ 100,000 | Yes | Permanent Loan | \$ 957,084 | Yes |
| Weatherization | \$ 96,384 | Yes | BETC | \$ 18,000 | Conditional |
| TCAP | \$ 798,236 | | OHAP Green Grant | \$ 15,000 | Yes |
| Total OHCS Sources | \$4,538,184 | | Total non OHCS Sources | \$2,606,084 | |
| Total Sources | \$7,144,268 | | | | |

Uses of Funds

| | |
|--------------------|--------------------|
| Acquisition | \$2,490,169 |
| Construction/Rehab | \$2,508,155 |
| Development Costs | \$2,145,944 |
| Total Uses | \$7,144,268 |

Project Description:

Walnut Park is an Expiring Section 8 Preservation project. Most tenants have incomes under 30% MFI. It is a three story, wood-frame apartment building in the King Neighborhood, one block east of Martin Luther King Blvd in NE Portland. It has 38 one-bedroom rent-subsidized apartments designed for seniors and disabled tenants. Developed in 1981 under OHCS' Elderly and Disabled Bond Program, Walnut Park has a 30-year project-based Section 8 HAP contract that will expire in December 2010, at which REACH will renew it for an additional 20 years. REACH acquired the building using NOAH's acquisition bridge loan program. REACH plans to close equity and construction financing with Bank of America on November 2, 2009. The rehab will begin immediately after closing and will include temporary relocation of the tenants.

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Need:

Walnut Park is fully occupied; most of its very low-income, senior and disabled residents have lived there many years. These residents are extremely vulnerable; their average annual income is about \$10,000, and almost a third of them are over 80 years of age. Further, most are minorities who have lived in the neighborhood for decades. Of the total tenants, 62% are African-American, 33% are White and 5% are Other.

Because it is in a close-in, gentrifying neighborhood, Walnut Park has considerable value as a market-rate rental property. It was nearly lost as affordable housing last year. Upon hearing about the pending sale of Walnut Park to a for-profit developer, Portland's Bureau of Housing and Community Development (BHCD) intervened. It brokered an agreement whereby the buyer assigned site control to REACH in July 2008.

We must have additional OHCS funds from this TCAP application to ensure we can continue on our tight timeline to renew the Section 8 contract and complete the renovation the tenants desperately need. REACH continued with the design process, and our architect, Carleton Hart Architecture (CHA), has determined we will be permit-ready in October 2009. With a reservation of funds from OHCS's TCAP, REACH would be able to close on the construction loan and equity agreement in November 2009 and complete construction in June 2010.

Services:

REACH is an experienced property manager and provider of resident services, with a portfolio that includes family, senior and special needs housing. Because we manage our own buildings and we assign a resident services staffer to each project, our property managers and resident services staffers work together very closely, checking in regularly and discussing issues with residents.

The central goals of REACH's Resident Services Program are to support our residents' success in REACH housing and improve their economic stability. We offer a basic package of services to all our residents, including eviction prevention services, information and referral, access to our food and household goods closets to provide basic necessities in emergency situations, and financial literacy training. In addition to our basic service package, our staff provide services tailored to the Walnut Park residents

Requirements:

Meet all OHCS requirements as identified in OHCS' ARRA LIHTC TCAP & Section 1602 Gap Financing Application. Meet all Section 42 requirements, ARRA Tax Credit Assistance requirements as implemented by HUD, including but not limited to compliance and reporting requirements, OHCS agreements, timelines and performance requirements as outlined or stipulated by the Sponsor in the Gap Financing Application and any past, present or future requirements as have been published or to be published by HUD and the IRS.

Reservation is subject to negotiation and execution of legal documents satisfactory to OHCS and the State of Oregon's Department of Justice.

Recommended Motion

Housing Council approve up to \$798,236 reservation of tax credit assistance program funds. Reservation is contingent upon successful OHCS completion of NEPA review and any other HUD TCAP requirements.